

**AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EL DORADO**

Declarant: Bevlaurent LLC, a Texas limited liability company

THIS DOCUMENT AMENDS AND RESTATES IN THE ENTIRETY THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EL DORADO RECORDED AS DOCUMENT NO. 201913974, OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

RECITALS

A. Bevlaurent LLC, a Texas limited liability company (“Declarant”) previously executed and recorded that certain Declaration of Covenants, Conditions and Restrictions for El Dorado as Document No. 201913974 of the Bastrop County Official Public Records (the “Original Declaration”).

B. Pursuant to the Original Declaration, Declarant set forth its intent to create, on its behalf and on behalf of its successors and assigns, a uniform plan for the development, improvement and sale of that certain real property located in Bastrop County, Texas, as more particularly described on **Exhibit “A”** to this Declaration.

C. Section 8.02(A) of the Original Declaration provides that it may be amended by the Declarant acting alone and unilaterally. Pursuant to Section 8.02(A) of the Original Declaration, and through the Recordation of this *Amended and Restated Declaration of Covenants, Conditions and Restrictions for El Dorado* (hereinafter the “Declaration”), Declarants desires to **and does hereby so amend and restate in its entirety the Original Declaration as set forth in this Declaration.**

D. Upon Recordation of this Declaration, the Property SAVE AND EXCEPT the property designated as a “Residential Ranchette” as Phase IV on the Preliminary Plan for El Dorado Subdivision, shall be encumbered by the terms and conditions of this Declaration.

NOW THEREFORE, that it is hereby declared: (i) that all of the Property SAVE AND EXCEPT the property designated as a “Residential Ranchette” as Phase IV on the Preliminary Plan for El Dorado Subdivision, shall be held, sold, conveyed, and occupied subject to this Declaration, which shall run with, the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof; and (ii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions, and restrictions regardless of whether or not the same are set out or referred to in said contract or deed. For purposes of clarity, the property designated as a “Residential Ranchette” as Phase IV on the Preliminary Plan for El Dorado Subdivision is not subject to this Declaration.

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ARTICLE I

DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

1.01. Assessment. “Assessment” or “Assessments” shall mean such sum levied by the Association in the manner and against the Property under the terms and provisions of this Declaration.

1.02. Assessment Unit. “Assessment Unit” shall have the meaning set forth in Article V.

1.03. Association. “Association” shall mean and refer to **El Dorado Owners Association, Inc.**, a Texas nonprofit corporation created or to be created pursuant to the Certificate of Formation, its successors and assigns.

1.04. Association Rules. “Association Rules” shall mean and refer to any rules or regulations or policies adopted by the Board.

1.05. Board. “Board” shall mean the Board of Directors of the Association.

1.06. Builder. “Builder” shall mean any homebuilder who purchases a Lot or Lots from Declarant for purposes of building a Residence on the Lot or Lots for sale to a third party purchaser. Declarant may, from time to time, provide notice of the identity of each of the Builders within the Development.

1.07. Bylaws. “Bylaws” shall mean the Bylaws of the Association to be adopted by the Board, as the same are from time to time amended.

1.08. Certificate of Formation. “Certificate of Formation” shall mean the Certificate of Formation of El Dorado Owners Association, Inc., which shall be filed in the office of the Secretary of State of the State of Texas, as the same are from time to time amended.

1.09. Common Areas. “Common Areas” shall mean those areas of land, including any Improvements located thereon, owned by the Association or for which an easement has been created for the common use and enjoyment of the Members or otherwise held by Declarant for the benefit of the Members, including but not limited to the entry monumentation and landscaping, mail kiosk, sprinkler systems, pavement or streets (to the extent not owned and maintained by appropriate governmental authorities), pipes, wires, conduits and other public utility lines situated thereon (to the extent not owned by appropriate governmental authorities or utility providers). The Common Areas include those areas of land shown on any recorded Plat of the Property or its equivalent or any portion thereof filed or approved by Declarant and identified thereon as “Common Area”, “Drainage

Lot”, “Drainage Easement”, “Water Easement”, “Wastewater Easement”, “Landscape Easement”, “Utility Easement” or similar designation (to the extent such areas are not owned, controlled, or maintained by any applicable government entity or utility provider in a manner that would be inconsistent with use of such areas by the Owners or the Association). Common Areas may be designated by Declarant from time to time and at any time.

1.10. Declarant. “Declarant” shall mean **Bevlaurent LLC**, a Texas limited liability company, its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Bevlaurent LLC, as Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder. The exercise of any rights or privileges of Declarant and the performance of any obligations or duties on the part of the Declarant shall be vested solely in Bevlaurent LLC. All decisions and actions of the Declarant shall be made and taken as set forth herein.

1.11. Declaration. “Declaration” shall mean this instrument as it may be amended from time to time.

1.12. Development. “Development” shall refer to the residential development project to be built on the Property.

1.13 Development Period. Development Period means the period of time beginning on the date when this Declaration has been recorded in the Bastrop County Official Public Records and ending twenty-five (25) years thereafter, unless earlier terminated by a recorded instrument executed by the Declarant. The Development Period is the period of time in which Declarant reserves the right to facilitate the development, construction, and marketing of the Property and the Development, and the right to direct the size, shape and composition of the Property and the Development. The Development Period is for a term of years and does not require that Declarant own any portion of the Property or the Development.

1.14. Governing Documents. “Governing Documents” shall mean the following, as adopted and amended from time to time from time to time, (i) the Declaration, (ii) the Association Rules, (iii) the Certificate of Formation, (iv) Bylaws, and (v) any rules, regulations or policies promulgated by the Declarant or the Association pursuant to this Declaration.

1.15. Improvement. “Improvement” or “Improvements” shall mean every structure and all appurtenances thereto of every type and kind located on the Property, including, but not limited to, buildings, outbuildings, storage sheds, patios, tennis courts, sport courts, swimming pools, basketball goals, playscapes, garages, storage buildings, fences, trash enclosures, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps,

wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, OSSFs, and other facilities used in connection with water, sewer, propane or gas systems and tanks, gas, electric, telephone, regular or cable television, or other utilities.

1.16. Individual Assessment. “Individual Assessment” or “Individual Assessments” shall mean such sum levied by the Association in the manner and against an Owner or the Owner’s Lot.

1.17. Lot. “Lot” or “Lots” shall mean any parcel or parcels of land within the Property shown as a subdivided lot on the Preliminary Plan for El Dorado Subdivision or a Plat of the Property, together with all Improvements located thereon, EXCLUDING however any Common Areas and the property designated as a “Residential Ranchette” as Phase IV on the Preliminary Plan for El Dorado Subdivision.

1.18. Manager. “Manager” shall have the meaning ascribed thereto in Section 4.05.

1.19. “Manufactured Home” means a HUD-code manufactured home or a mobile home.

1.20. Member. “Member” or “Members” shall mean any person(s), entity or entities holding membership rights in the Association.

1.21. Mortgage. “Mortgage” or “Mortgages” shall mean any mortgage(s) or deed(s) of trust covering all or any portion of the Property given to secure the payment of a debt.

1.22. Mortgagee. “Mortgagee” or “Mortgagees” shall mean the holder or holders of any Mortgage or Mortgages.

1.23. Owner. “Owner” or “Owners” shall mean the person(s), entity or entities, including Declarant, holding all or a portion of the fee simple interest in any Lot other than the “Residential Ranchette” shown as Phase IV on the Preliminary Plan for El Dorado Subdivision, but shall not include the Mortgagee under a Mortgage prior to its acquisition of fee simple interest in such Lot pursuant to foreclosure of the lien of its Mortgage.

1.24. Plat. “Plat” shall mean a subdivision plat of any portion of the Development as recorded in the Official Public Records of Bastrop County, Texas, and any amendments thereto.

1.25. Pod. “Pod” shall mean a dwelling that is typically 600 square feet or less, excluding lofts, either on wheels or set on a foundation, and composed of modular building components. The Declarant during the Development Period (and the Board thereafter) shall have the absolute authority to determine whether a proposed structure is considered a Pod for purposes of this Declaration.

1.26. Property. “Property” shall mean that real property which is subject to the terms of this Declaration, less any property that is withdrawn from this Declaration in accordance with the procedures set forth herein. The “Residential Ranchette” shown as Phase IV on the Preliminary Plan is not included in the Property and is not subject to this Declaration in any respect.

1.27. Regular Annual Assessment. “Regular Annual Assessment” or “Regular Annual Assessments” “Regular Assessment” shall mean such sum levied by the Association prior to the beginning of each fiscal year, sufficient to cover estimated expenses to be incurred in performing its functions under the Governing Documents during such year. Regular Annual Assessments are further described in this Declaration.

1.28. Residence. “Residence” shall mean and refer to each single-family residence or duplex style residence built on a Lot. The term “Residence” also includes the terms “Manufactured Home,” “Tiny Home” and “Pod”.

1.29. Lot. “Lot” shall mean and refer to a portion of the Development shown as a subdivided lot on a Plat, other than a Common Area and excluding the property designated as a “Residential Ranchette” as Phase IV of the Preliminary Plan for El Dorado Subdivision.

1.30. Special Assessment. “Special Assessment” or “Special Assessments” shall mean such sum levied by the Association in the manner and whenever, in the Board's opinion, such Special Assessments are necessary to enable the Board to carry out the functions of the Association under this Declaration as further described in this Declaration.

1.31. Supplemental Declaration. “Supplemental Declaration” shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded hereafter in order (i) to subject any area of the Property to further covenants, conditions or restrictions, or (ii) to add or withdraw land from the Property.

1.32. Tiny Home. “Tiny Home” shall mean a dwelling that is typically 600 square feet or less, excluding lofts, either on wheels or set on a foundation. The Declarant during the Development Period (and the Board thereafter) shall have absolute authority to determine whether a proposed structure is considered a Tiny Home for purposes of this Declaration.

1.33. Subdivision. “Subdivision” shall mean the entirety of the land covered by the Plat and all aspects thereof.”

ARTICLE II **DEVELOPMENT , ADDITION AND WITHDRAWAL OF PROPERTY**

2.01. Development by Declarant. It is contemplated that the Development will be developed in phases, which may, from time to time, be amended or modified. Declarant reserves the right, but shall not be obligated, to create and/or designate Lots and Common Areas and to subdivide with respect to any of the Development, subject to any limitations

imposed on portions of the Development by any applicable Plats. These rights may be exercised with respect to any portions of the Property at any time and from time to time.

2.02. Special Declarant Rights. Notwithstanding any provision of this Declaration to the contrary, at all times and from time to time, during the time that Declarant owns any portion of the Property, Declarant shall 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 in the Development, (ii) to maintain Improvements upon Lots as sales, model, management, business and construction offices, and (iii) to maintain and locate construction trailers and construction tools and equipment within the Development. The construction placement or maintenance of Improvements by Declarant shall not be considered a nuisance, and Declarant hereby reserves the right and privilege for itself and its successors and assigns to conduct the activities enumerated in this Section until Declarant no longer owns any portion of the Property.

2.03 Addition of Land. Declarant may, at any time and from time to time, add additional land to the Property and, upon the filing of a notice of addition of land as hereinafter described which shall not require the joinder of any Owners of any Lot(s), such land shall be considered part of the Property for purposes of this Declaration, and shall be considered part of the Development subject to this Declaration and the terms, covenants, conditions, restrictions and obligations set forth in this Declaration, and the rights, privileges, duties and liabilities of the persons subject to this Declaration shall be the same with respect to such added land as with respect to the lands originally covered by this Declaration. To add lands to the Property hereunder, Declarant shall be required only to record in the Official Public Records of Bastrop County, Texas, a notice of addition of land containing the following provisions:

- A) A reference to this Declaration, which reference shall state the document number or volume and initial page number of the Bastrop County Official Public Records wherein this Declaration is recorded,
- B) A statement that such land shall be considered Property for purposes of this Declaration, and that all of the terms, covenants, conditions, restrictions and obligations of this Declaration shall apply to the added land, and
- C) A legal description of the added land.

2.04. Withdrawal of Land. Declarant may at any time and from time to time, reduce or withdraw from the Property and remove and exclude from the burden of this Declaration and the jurisdiction of the Association any portions of the Property owned by Declarant without the joinder of any Owners of any Lot(s). Upon any such withdrawal this Declaration and the covenants conditions, restrictions, easements and obligations set forth herein shall no longer apply to the portion of the Property withdrawn. To withdraw lands from the Property hereunder, Declarant shall be required only to record in the Official Public Records of Bastrop County, Texas, a notice of withdrawal of land containing the following

provisions:

- A) A reference to this Declaration, which reference shall state the volume and initial page number of the Bastrop County Official Public Records wherein this Declaration is recorded,
- B) A statement that the provisions of this Declaration shall no longer apply to the withdrawn land; and
- C) A legal description of the withdrawn land.

Declarant's rights of withdrawal under this Section shall apply to all portions of the Property, including any portions of the Property which have been previously designated as being included in the Development.

ARTICLE III

USE RESTRICTIONS AND ARCHITECTURAL STANDARDS

All of the Property, SAVE AND EXCEPT the property designated as a "Residential Ranchette" as Phase IV of the Preliminary Plan for El Dorado Subdivision, shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions. For purposes of clarity, the property designated as a "Residential Ranchette" as Phase IV of the Preliminary Plan for El Dorado Subdivision is not subject to any provision of this Declaration. Any reference in this Declaration to a "Lot" shall exclude the "Residential Ranchette".

3.01. Use. All Lots, except those lots shown on the Plat as Common Area, shall be used for residential purposes only. Each Lot may have a main Residence, in addition to a Tiny Home or Pods, as long as the structures comply with applicable Bastrop County regulations for single family homesites. No condominium regime may be recorded against any Lot.

3.02. Building/Construction Restrictions.

- (a) Each Residence and all Improvements shall adhere to the setbacks shown on the Plat. Any fencing located on a Lot shall be constructed out of new material.
- (b) Before any Residence or Improvement is erected on a Lot, a building permit must be obtained from the County of Bastrop for the construction of said improvement if required by applicable authorities.
- (c) Any used Manufactured Home installed on a Lot must have a manufacture's certificate of origin first issued no earlier than January 1, 2010.

- (d) Any residential building (other than a Tiny Home or Pod) constructed on a Lot shall be of masonry or frame construction and have a minimum of 1,000 square feet of living area. All Manufactured Homes must have a minimum of 1,000 square feet of living area. No new Manufactured Home for which a manufacture's certificate of origin was first issued before January 1, 2010, may be installed on any Lot.
- (e) Any Manufactured Home must be skirted within thirty (30) days of installation.
- (f) All driveways, parking areas, and sidewalks must be constructed out of new material. The use of debris or salvaged construction material for driveways, parking areas, and sidewalks is expressly prohibited. Driveways must be constructed to facilitate drainage along any right-of-way. Each Owner shall be responsible for the installation and maintenance of driveways in accordance with Bastrop County specifications, which may include culvert pipe installation. A permit must be obtained from Bastrop County prior to the creation of a driveway per the Plat. All concrete driveways installed on a Lot must be set back five feet (5') from the edge of the public right-of-way.
- (g) FLOOD WARNING: A PORTION OF THE DEVELOPMENT IS LOCATED WITHIN FLOOD HAZARD AREA ZONE "A" BASED ON THE FEDERAL FLOOD INSURANCE RATE MAP NUMBER: 48021C0325E DATED 1-19-2006 COMMUNITY NUMBER 481193. EACH OWNER OF A LOT IS ADVISED TO INVESTIGATE THE FLOOD WARNINGS AND NOTES INDICATED ON THE PLAT TO DETERMINE THE SUITABILITY OF THE LOT FOR THE OWNER'S INTENDED USE AS A RESIDENCE. SPECIFICALLY, SEE PLAT NOTES 4, 5, 8 AND 12 FOR FURTHER DETAILS.

3.03. Noxious or Offensive Activities Prohibited. No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done upon any Lot which may be or become an annoyance or nuisance to the Development. No Lot shall be used or maintained as a dumping ground for rubbish or trash. No garbage or other waste material shall be kept on any Lot except in sanitary containers. All incinerators or other equipment for the storage or disposal of such waste materials shall be kept in a clean and sanitary condition. Lots shall be maintained in a neat and orderly condition. Weeds and grass on each Lot shall be mowed at regular intervals and each Lot shall be maintained in a neat and orderly manner. No junk cars shall be kept on any Lot.

3.04. Animals. Other than as provided below, no farm animals or livestock of any kind shall be raised, bred, or kept on any Lot. A reasonable number of dogs, cats, or other household pets may be kept, provided they are not kept, bred, or maintained for any commercial purposes. Up to four (4) chickens or hens may be kept in a secure chicken coop

or other similar structure on a Lot. Coops must be (i) located in rear yards only; (ii) be at least twenty (20) feet from the Lot's boundary line and at a location which is not visible from any public street; and (iii) shall be at least 10 feet from any Residence on a Lot. No roosters are allowed on any Lot. The coop or other similar structure in which the chickens are kept must be: (i) constructed in a workmanship like manner of naturally decay resistant wood, or wood that has been pressure treated to resist decay, or galvanized steel or aluminum; (ii) constructed in such a manner as to be readily movable; (iii) be stained, sealed or painted on the exterior to provide additional weather protection to the materials of the coop or structure; and (iv) maintained at all times in a good, sound and clean condition as determined by the Declarant's sole discretion during the Development Period and by the Board thereafter.

3.05. Compliance with the Restrictions. Each Owner shall comply strictly with the provisions of this Declaration as the same may be amended from time to time. Failure to comply with this Declaration shall constitute a violation of this Declaration, and shall give rise to fines being assessed for non-compliance with this Declaration and a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Association or by an aggrieved Owner.

3.06. Subdividing. Any re-subdivision of a Lot must comply with applicable Bastrop County Subdivision Regulations. Further, no Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Declarant or Board; provided, however, that when Declarant is the Owner of a Lot, Declarant may further divide and subdivide such Lot and convey any easements on the Lot all without the approval of the Declarant or Board.

3.07. Hazardous Activities. No activities shall be conducted on the Property and no Improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property.

3.08. Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of casualty or liability insurance or cause the cancellation of any such insurance on any Lot or any of the Improvements located thereon.

3.09. Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth.

3.10. Private Water Wells. No private water wells may be installed on a Lot by an Owner.

3.11. Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property, and no odors shall be permitted to arise

therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other property or to its occupants. Refuse, recycling containers, garbage, and trash shall be kept at all times in covered containers. Each Owner will contract with an independent disposal service to collect all garbage or other wastes, if such service is not provided by a governmental entity or the Association.

3.12. Maintenance. Each Owner shall have the duty and responsibility, at their sole cost and expense, to keep their entire Lot and all Improvements thereon in good condition and repair and in a well-maintained, safe, clean and attractive condition at all times. Declarant and/or the Association, in its sole discretion, shall determine whether or not a violation of the maintenance obligations set forth in this Section has occurred. Declarant and/or the Association shall have the right at any reasonable time to enter upon any Lot to replace, maintain, and cultivate shrubs, trees, grass, or other plantings as deemed necessary; to paint, repair, or otherwise maintain any Improvements in need thereof; and to charge the cost thereof to the Owner of the Lot.

3.13. Liability of Owners for Damage to Common Area. Owners and their guests, invitees, residents and family shall, at all times, exhibit good behavior while present in the Commons Areas. The Board may adopt additional rules governing the use of the Common Areas. No Owner shall in any way alter, modify, add to or otherwise perform any work upon the Common Areas without the prior written approval of the Board. Each Owner shall be liable to the Association for (i) any and all damages to the Common Areas and any Improvements constructed thereon; or (ii) any Improvements constructed on any Lot the maintenance of which has been assumed by the Association, which damages were caused by the neglect, misuse or negligence of such Owner or Owner's family, or by any tenant or other occupant of such Owner's Lot, or any guest or invitee of such Owner. The full cost of all repairs of such damage shall be an Assessment against such Owner's Lot secured by a lien against such Owner's Lot and collectable in the same manner as provided in Article VI.

3.14. No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this article or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms, or provisions. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms, or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

3.15. Residential Use. The Lots shall be used for residential purposes only.

3.16. Plat Provisions. Each Owner covenants to comply with all provisions on the any final Plat applicable to the Property, including without limitation, no build zones, setbacks, impervious cover limits, and access restrictions.

3.17. Septic Systems. Each Owner, by taking title to its Lot, agrees and acknowledges that the Subdivision is not served by a centralized sewer system and that individual on-site sewer facilities (ie: septic systems), referred to herein as “OSSF” shall be installed by the Owner for use of the Residence(s) on each Lot. OSSF systems shall be required to comply with all applicable laws and regulations, including without limitation, the applicable rules and regulations of Bastrop County and the Texas Commission on Environmental Quality, including but not limited to rules limiting the number of connections to Residences(s) on a Lot and maximum gallon usage per day of an OSSF on a Lot. Each Owner has the sole responsibility for compliance with TCEQ rules regarding use, installation, repair, maintenance and service of an OSSF on the Owner’s Lot.

3.18. Continuity of Construction. All Improvements commenced on the Property, other than Improvements constructed by the Declarant, will be prosecuted diligently to completion and will be completed within twenty-four (24) months after commencement. If construction is not completed within the required twenty-four (24) month period, then such delay will constitute a violation of this Declaration and the Owner of such Lot will be subject to fine in accordance with this Declaration. Any fine and/or charge for damage levied in accordance with this Section will be considered an Individual Assessment pursuant to this Declaration.

3.19. Declarant’s Rights. Declarant, its successors or assigns, has a substantial interest in ensuring that Improvements within the Development maintain and enhance Declarant’s reputation as a community developer and do not impair Declarant’s ability to market and sell all or any portion of the Property. Until Declarant has delegated its right to appoint and remove all members of the Board as herein provided, Declarant and/or the Board shall be acting solely in Declarant’s interest and shall owe no duty to any other Owner or the Association.

3.20. Removal of Nonconforming Improvements. The Association, after reasonable notice to the offender and, if different, to the Owner, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation of the Governing Documents. The Owner of the Improvement will immediately reimburse the Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Association within thirty (30) days after the Association gives the Owner notice of the expenses, the sum owed to the Association will bear interest at the maximum lawful rate, or if there is no such maximum lawful rate, than at the rate of one and one half percent (1.5%) per month, from the date the expense was incurred by the Association through the date of reimbursement in full, and all such sums and interest will be an Individual Assessment enforceable as provided in this Declaration.

3.21. Waiver by Declarant. Notwithstanding anything to the contrary in the Governing Documents, Declarant may waive the requirement for architectural approvals, based on Declarant’s sole and absolute discretion. Evidence of such a waiver by Declarant shall be in writing and kept in the records of the Association. By taking title to a Lot, each

Owner acknowledges and agrees that Declarant may act in its own self-interest in granting waivers and that the right of Declarant to issue such waivers is a critical right necessary for Declarant to develop the Development.

ARTICLE IV
EL DORADO OWNER'S ASSOCIATION, INC.

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

4.02. Membership.

- A) Any person or entity, upon becoming an Owner, shall automatically become a Member of the Association. Membership shall be appurtenant to and shall run with the ownership of the Lot that qualifies the Owner thereof for membership, and membership may not be severed from the ownership of the Lot, or in any way transferred, pledged, mortgaged or alienated, except together with the title to said Lot. For purposes of clarity, the owner of the property shown as the "Residential Ranchette" noted as Phase IV on the Preliminary Plan for El Dorado Subdivision is not a member of the Association; has no voting rights in the Association; and is not subject to Assessments from the Association.

- B) Every Member shall have a right and easement of enjoyment in and to all of the Common Area and an access easement by and through any Common Area, which easements shall be appurtenant to and shall pass with the title to such Member's Lot, subject to the following restrictions and reservations:
 - 1) The right of the Association to suspend the Member's right to use the Common Area for any period during which any Assessment against such Member's Lot remains past due for at least thirty (30) days and for any period during which such Member is in violation of any provisions of this Declaration;
 - 2) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purpose and conditions as may be approved by Declarant at its sole discretion;
 - 3) The right of the Association to borrow money for the purpose of improving the Common Area and, in furtherance thereof, mortgage the Common Area;

- 4) The right of the Association to make reasonable rules and regulations regarding the use of the Common Area and any Improvements thereon;
- 5) The right of the Association to contract for services with any third parties on such terms as the Association may determine; and
- 6) The right of any third party owner of property that may contain Common Areas.

4.03. Voting Rights. The right to cast votes and the number of votes which may be cast for election of members to the Board and on all other matters to be voted on by the Members shall be calculated as follows:

- A) The Owner of each Lot shall have one (1) vote for each Lot so owned. In the event of the re-subdivision of any Lot into two or more Lots, the number of votes to which such Lot is entitled shall be increased as necessary to retain the ratio of one (1) vote for each Lot resulting from such re-subdivision. In the event of the consolidation of two (2) or more Lots for purposes of construction of a single Residence thereon, voting rights shall continue to be determined according to the number of original Lots contained in such consolidated Lot. Nothing herein shall be construed as authorization for any re-subdivision or consolidation of Lots.
- B) In addition to the votes to which Declarant is entitled by reason of Section 4.03(A), for every one (1) vote outstanding in favor of any other person or entity, Declarant shall have four (4) additional votes until the first time that Declarant owns no portion of the Property.
- C) When more than one person or entity owns a portion of the fee simple interest in any Lot, all such persons or entities shall be Members. The vote or votes (or fraction thereof) for such Lot shall be exercised by the person so designated in writing by the Owner thereof to the Secretary of the Association, and in no event shall the vote for such Lot exceed the total votes to which such Lot is otherwise entitled under this Section 4.03.

4.04. Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration.

4.05 Manager. The Association may retain and pay for the services of a person or firm (“Manager”) to manage and operate the Association, including its Property, to the extent deemed advisable by the Board.

4.06. Common Area Maintenance. The Association shall maintain all drainage easements, storm water facilities/features, erosion controls, and streets or roadways within the Property which have been completed but not accepted by the appropriate governmental entity for maintenance. The Association shall be authorized, but shall have no obligation, to landscape, maintain, and repair easements, access easements, rights-of-way, median strips, sidewalks, and other areas of the Property, as appropriate. Declarant shall have the authority to elect to do or handle any of the matters set forth in this Section 4.06.

4.07 Declarant's Right to Perform for the Account of the Association. In the event the Association fails to maintain the Common Area in good condition and repair, Declarant will have the right, but not the obligation, to perform such duties on behalf of the Association. In such event, Declarant will be entitled to reimbursement from the Association of all costs incurred by Declarant, such reimbursement being due within thirty (30) days after the receipt by the Association of an invoice from Declarant itemizing the costs incurred. After expiration of the thirty (30) day period allowed for payment, Declarant may collect interest on the amount due at the highest rate allowed by applicable usury law and in effect from the due date thereof (or if there is no such highest rate, then at the rate of one and one half percent (1.5 %) per month).

4.08. Control by Declarant. Notwithstanding anything to the contrary, Declarant, or its successors or assigns, shall have the absolute right to appoint members of the Board and officers of the Association (and their successors) (any appointment of a successor will be deemed a removal of the Board member or officer being replaced by such appointment) until one hundred and twenty (120) days after seventy-five percent (75%) of the Maximum Number of Lots which have been made subject to this Declaration have been conveyed to Owners other than the Declarant or a Builder. Within one hundred and twenty (120) days after seventy-five percent (75%) of the Maximum Number of Lots which have been made subject to this Declaration have been conveyed to Owners other than the Declarant or a Builder, the Board will call a meeting of Members for the purpose of electing one-third (1/3) of the Board (the "Initial Member Election Meeting"), which Board member(s) must be elected by Owners other than the Declarant. The Declarant may appoint and remove two-thirds (2/3) of the Board from and after the Initial Member Election Meeting until expiration or termination of the Development Period. The individuals elected to the Board at the Initial Member Election Meeting shall be elected for a one (1) year term and shall serve until his or her successor is elected or he or she resigns or is replaced in accordance with the Bylaws. Upon expiration or termination of the Development Period, vacancies on the Board and officer appointments shall be filled by election at the annual meeting of the Association, or at a special meeting called for such purpose, as further set forth in the Bylaws. Declarant, at its option, may assign or delegate, in whole or in part, its rights and powers to the Board or any other entity provided such designation is in writing. For purposes of this Declaration, 180 Lots may be created and subjected to this Declaration (the "Maximum Number of Lots").

ARTICLE V
FUNDS AND ASSESSMENTS

5.01. Assessments.

- A) The Association may from time to time levy Assessments against each Lot whether or not improved. The Board shall levy Assessments against each Lot in proportion to the number of “Assessment Units” assigned to such Lot as provided herein. Each Lot shall be assigned one (1) Assessment Unit. Assessments are due and payable when assessed and will be considered delinquent if not timely paid.
- B) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.
- C) Each unpaid Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the Owner of the Lot against which the Assessment fell due, and shall be secured by a lien hereby granted and conveyed by Declarant to the Association against each such Lot and all Improvements thereon. All successors to the fee simple title of a Lot will be subject to the Association’s lien for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys’ and legal assistants’ fees due against such Lot without prejudice to any such successor’s right to recover from any prior Owner any amounts paid by such successor. This liability of a successor will terminate upon termination of such successor’s fee simple interest in the Lot. The Association may enforce payment of such Assessments in accordance with the provisions of this Article V.
- D) If the Association has not received full payment of an Assessment by the due date, the Association may send written notice of nonpayment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association’s delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association’s remedies, at the sole cost and expense of the defaulting Owner. The Association may delegate all its authority with regard to collection of Assessments to the Manager, its attorney or a bill collector. For purposes of this Article V, the Manager shall not be considered a third party bill collector in performing the task of collection.

5.02. Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be

made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

5.03. Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Governing Documents, including, but not limited to, the cost of all maintenance, routine repairs, administrative costs, management fees, landscaping, lighting, irrigation, utilities costs, insurance, legal costs, accounting costs, the cost of all roadway and right-of-way maintenance, the cost of maintaining non-standard street lighting and non-standard street signs, the cost of enforcing the Governing Documents, a reasonable provision for contingencies and appropriate replacement reserves, or any other costs or expenses associated with the Association or its functions, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any Individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such Regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each quarter in equal quarterly installments, or in such other manner as the Board may designate in its sole and absolute discretion.

5.04. Individual Assessments. In addition to any other Assessments, the Board may levy an Individual Assessment against an Owner and the Owner's Lot. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursements for costs incurred in bringing an Owner or the Owner's Lot into compliance with the Governing Documents; fines for violations of the Governing Documents; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; insurance deductibles; reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees or residents of the Owner's Lot; common expenses that benefit fewer than all of the Lots, which may be assessed according to benefits received; fees or charges levied against the Association on a per-Lot basis; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot according to benefit received.

5.05. Special Assessments. In addition to the Regular Annual Assessments and the Individual Assessments provided for above, the Board may levy Special Assessments whenever in the Board's opinion such Special Assessments are necessary to enable the Board to carry out the functions of the Association under this Declaration. The amount and frequency of any Special Assessments shall be at the reasonable discretion of the Board. In addition to the Special Assessments authorized above, the Association may, in any fiscal year, levy a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area. Any Special Assessment

levied by the Association for the purpose of defraying, in whole or in part, costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area shall be levied against all Owners based on Assessment Units.

5.06. Amount of Assessments.

- A) The Board shall levy Assessments against each “Assessment Unit” (as defined below), unless otherwise provided in Section 5.06(D). Unless otherwise provided in this Declaration, Assessments shall be levied uniformly against each Assessment Unit.
- B) Each Lot shall constitute one “Assessment Unit”.
- C) Notwithstanding anything in Declaration to the contrary, no Assessments shall be levied upon Lots owned by Declarant without the consent of Declarant.
- D) Declarant may, in its sole discretion, elect to: (i) exempt any un-platted or unimproved portion of the Development or Lot from any Assessments levied or charged pursuant to this Article; or (ii) delay the levy of Assessments against any un-platted, unimproved or improved portion of the Development or Lot. Declarant or the Board may also exempt any portion of the Development which is dedicated and accepted by public authority from Assessments.

5.07. Late Charges. If any Assessment, whether Regular or Special, is not paid by 5:00 p.m. by the due date applicable thereto, the Owner responsible for the payment thereof may be required by the Board, at the Board's election at any time and from time to time, to pay a late charge of \$25.00 per month and/or interest at the highest rate allowed by applicable usury laws then in effect , and the late charge (and any reasonable handling costs therefor) will be levied as an Individual Assessment against the Lot(s) owned by such Owner, collectible in the manner as herein provided for collection of Assessments, including foreclosure of the lien against such Lot(s) hereinabove granted, provided, however, such charge shall never exceed the maximum charge permitted under applicable law.

5.08. Declarant's Obligations Concerning Assessments. Any portion of the Property or Development owned by Declarant shall be exempt from the levy of Assessments in accordance with this Article V. Notwithstanding the foregoing, until such time as Declarant no longer owns any portion of the Property, Declarant may, at its sole election, either (i) pay any and all Assessments which would have been levied against the Lots owned by Declarant in the same manner as any other Owner or (ii) pay the difference between the amount of Assessments (exclusive of reserve contributions) levied on all other Lots subject to Assessment and the amount of actual expenditures (exclusive of reserve contributions) incurred by the Association during the fiscal year (the “budget deficit”). Unless Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each

fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

5.09. Owner's Personal Obligation for Payment of Assessments. The Regular, Special and Individual Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof (or if there is no such highest rate, then at the rate of two percent (2%) per month), together with all costs and expenses of collection, including reasonable attorney's fees and other reasonable and necessary costs such as title reports, credit reports, certified mail, long distance calls, court costs, and filing fees. Such amounts will be levied as an Individual Assessment against the Lot owned by such Owner. Failure to pay any such Assessments does not constitute a default under an insured Mortgage.

5.10. Exemptions. Notwithstanding any provision herein to the contrary, all: (i) Common Areas and Association Property; (ii) areas dedicated and accepted by public authority, by the recordation of an appropriate document in the Official Public Records of Bastrop County, Texas; and (iii) any portion of the Property owned by Declarant (except as otherwise provided) shall be exempt from the payment of any Assessments, whether Regular, Special or Individual.

5.11. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid shall, together with late charges and interest and the cost of collection, including attorney's fees, thereupon become a continuing Assessment lien granted to the Association, and shall bind such Lot in the hands of the Owner thereof, such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for:

- A) All liens for taxes;
- B) All liens secured by amounts due or to become due under any first Mortgage lien or first deed of trust lien filed for record securing, in either instance, sums borrowed for acquisition or Improvements of the Lot in question, provided such Mortgage was recorded in the Official Public Records of Bastrop County, Texas before the delinquent Assessment was due.

The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. To evidence the aforesaid Assessment lien, the Association may, at its option and without prejudice to the priority or enforceability of the Assessment lien granted hereunder, prepare a written notice of Assessment lien setting

forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be prepared by an attorney, signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Bastrop County, Texas. In that event, a copy of the notice will be sent to the defaulting Owner, and may also be sent to the Owner's mortgagee. Each Owner, by accepting a deed or ownership interest to a Lot subject to this Declaration shall be deemed conclusively to have granted a power of sale to the Association to secure and enforce the Assessment lien granted hereunder. Such lien for payment of Assessments shall attach with the priority set forth above from the date that such payment becomes delinquent. The Assessment liens and rights to foreclosure thereof shall be in addition to and not in substitution of any other rights and remedies the Association may have by law and under this Declaration. In any foreclosure proceeding, the Owner shall be required to pay the costs, expenses and reasonable attorney's fees incurred by the Association. The Association shall have the power to bid (in cash or by credit against the amount secured by the lien) on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may obtain a title report to determine the name of the Owner and the identity of other lienholders, including the mortgage company. The Association must provide written notice of the amount of any delinquency to any Mortgagee on the Lot whose lien is recorded in the Official Public Records of Bastrop County, Texas and provide such Mortgagee a period of sixty (60) days to cure the delinquency prior to commencing foreclosure of a lien as set forth in this Section. The lien hereunder shall not be affected by the sale or transfer of any Lot; except, however, that in the event of foreclosure of any first-lien Mortgage securing indebtedness incurred to acquire such Lot, the lien for Assessments that were due and payable before the foreclosure sale will be extinguished, provided that past-due Assessments shall be paid out of the proceeds of such foreclosure sale only to the extent that funds are available after the satisfaction of the indebtedness secured by the first lien Mortgagee. The provisions of the preceding sentence will not, however, relieve any subsequent Owner (including any Mortgagee or other purchaser at a foreclosure sale) from paying Assessments becoming due and payable after the foreclosure sale) from paying Assessments becoming due and payable after the foreclosure sale. Upon payment of all sums secured by a lien of the type described in this Section, the Association shall execute a release of lien relating to any lien for which written notice has been filed as provided above, except in circumstances in which the Association has already foreclosed such lien. Such release shall be signed by an officer of the Association. The Association may require the Owner to prepay the cost of preparing and recording the release. If an Owner conveys its Lot and on the date of such conveyance Assessments against the Lot remain unpaid, or said Owner owes other sums or fees under this Declaration to the Association, the Owner will pay such amounts to the Association out of the sales price of the Lot, and such sums will be paid in preference to any other charges against the Lot other than a first lien Mortgagee or Assessment Liens and charges in favor of the State of Texas or a political subdivision thereof for taxes on the Lot which are due and unpaid. The Owner conveying such Lot will remain personally liable for all such sums until the same are fully paid, regardless of whether the transferee of the Lot also assumes the obligation to pay such amounts. The Board may adopt an administrative transfer fee to cover

the administrative expenses associated with updating the Association's records upon the transfer of a Lot to a third party. Mortgagees are not required to collect Assessments.

All foreclosures of Lots as described in this Section must be through expedited, judicial foreclosure. Non-judicial foreclosure shall only be allowed to be used by an Association as a method of foreclosing a lien pursuant to this Section if the non-judicial foreclosure method is agreed to, in writing, by the Owner whose Lot is being foreclosed and in advance of the foreclosure sale.

By a vote of sixty-seven percent (67%) of the votes in the Association, the Association may amend this Declaration to remove the provisions of this Section having to do with foreclosure of a lien by the Association or adopt alternate provisions dealing with foreclosure, provided such provisions comply with the applicable provisions of the Texas Property Code.

5.12. Fines and Damages Assessment. The Board may assess fines against an Owner for violations of any provisions of the Governing Documents, which have been committed by an Owner, an occupant of the Owner's Lot, or the Owner or occupant's family, guests, employees, contractors, agents or invitees. Any fine and/or charge for damage levied in accordance with this Section shall be considered an Individual Assessment pursuant to this Declaration. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner. The Board may assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of Common Area or any facilities located thereon by the Owner or the Owner's family, guests, agents, occupants, or tenants. The Manager shall have authority to send notices to alleged violators, informing them of their violations and asking them to comply with the rules and/or informing them of potential or probable fines or damage Assessments. The Board may from time to time adopt a schedule of fines.

The procedure for Assessment of fines and damage charges shall be as follows:

- A) The Association, acting through an officer, Board member or Manager, must give the Owner a dated and signed notice of the fine or damage charge not later thirty (30) days after the Assessment of the fine or damage charge by the Board;
- B) The notice of the fine or damage charge must describe the violation or damage and including reference to the rule or provision that has been violated;
- C) The notice of the fine or damage charge must state the amount of the fine or damage charge and the date the fine attaches or begins accruing;
- D) The notice of the fine or damage must describe the action required to cure the violation and the required timeframe for doing so;

- E) The notice of a fine or damage charge must state that the Owner may, not later than thirty (30) days after the date of the notice, request a hearing before the Board to contest the fine or damage charge;
- F) The notice of a fine must allow the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months;
- G) The notice must state that any future violation of the same rule may result in the levy of additional fines; and
- H) If the matter will involve the collection of fees for a collection agent, the notice must comply with the provisions below.

Fine and/or damage charges are due immediately after the expiration of the thirty (30) day period for requesting a hearing. If a hearing is requested, such fines or damage charges shall be due immediately after the Board's decision at such hearing, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

If a hearing is requested by an Owner, then within fifteen (15) days after such request, the Association shall give the Owner at least fifteen (15) days advance notice of the hearing date, time and place. The hearing will be scheduled to reasonably accommodate the schedules of the Board and the Owner; however, the Association shall not be required to schedule, cancel, reschedule numerous times or tolerate undue lack of responsiveness or cooperation by an Owner in the process of scheduling the hearing. The hearing shall be a closed session of the Board. Minutes of the hearing shall be prepared by the Secretary of the Board and shall include copies of the notices and statement of the results of the hearing.

The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot is, together with any late charges and interest and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Association. Unless otherwise provided, the fine and/or damage charge shall be considered an Individual Assessment for the purpose of this Article, and shall be enforced in accordance with the terms and provisions governing the enforcement of Assessments pursuant to this Article.

5.13. Application of Payments. The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association may be applied in the following order:

- A) Individual Assessments or delinquent Assessments;
- B) Other Assessments that are currently due;

- C) Attorney's fees or third party collection costs associated solely with the Assessment;
- D) Other attorney's fees;
- E) Fines or damages; and
- F) Other amounts.

The Association may refuse to accept partial payments or payments to which the payer attaches conditions or directions contrary to the Association's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs with the Association posts the payment to the Owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

5.14. Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice will not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

5.15. Third Party Collections. Delinquent Owners shall not be held liable for the fees of a collection agent unless the Association provides notice, thirty (30) days in advance, to the Owner via certified mail, return receipt requested, that notifies the Owner of the delinquency and provides the Owner the option of entering into the payment plan set forth in this Declaration, as it may be modified by the Board. Delinquent Owners shall not be liable for the fees of a collection agent if the obligation for payment by the Association is in any way contingent on the amount recovered or if the agreement fails to require the Association to pay the agent's fee.

5.16. Collection by Attorney. If the Owner's account remains delinquent for a period of ninety (90) days, the manager of the Association or the Board of the Association shall refer the delinquent account to the Association's attorney for collection. In the event an account is referred to the Association's attorney, the Owner will be liable to the Association for its legal fees and expenses. Upon referral of a delinquent account to the Association's attorney, the Association's attorney will provide the following notices and take the following actions unless otherwise directed by the Board:

- (a) Initial Notice: Preparation of the Initial Notice of Demand for Payment Letter. If the account is not paid in full within thirty (30) days (unless such notice has previously been provided by the Association), then

- (b) Lien Notice: Preparation of the Lien Notice of Demand for Payment Letter and record a Notice of Unpaid Assessment Lien. If the account is not paid in full within thirty (30) days, then
- (c) Final Notice: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose and Notice of Intent to Foreclose to Lender. If the account is not paid in full within thirty (30) days, then
- (d) Foreclosure of Lien: Only upon specific approval by a majority of the Board.

5.17. Payment Plans. The Association shall offer each delinquent Owner a payment plan for the payment of delinquent Assessments. The minimum term of such plan must be three (3) months and the maximum term must be eighteen (18) months from the date the payment plan is requested by the Owner and instituted. The Board shall determine the exact payment plan on a case-by-case basis and may delegate such authority to the Manager. The Board may refuse to offer the payment plan to any Owner who has previously been delinquent within the two years preceding the payment plan request or who, in the Board's sole discretion, has demonstrated a pattern of delinquencies.

If an Assessment, other than a Regular Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Association may declare the entire Assessment in default and accelerate the due date on all remaining installments of the Assessment. An Assessment, other than a Regular Assessment, payable in installments may be accelerated only after the Association gives the Owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the Owner.

5.18. Form of Payment. The Association may require that payment of delinquent Assessments be made only in the form of cash, cashier's check or certified funds.

5.19. Insufficient Funds. The Association may levy a charge of \$25.00 for any check returned to the Association marked "not sufficient funds" or the equivalent.

5.20. Notification of Credit Bureau. The Association may report the defaulting Owner to one or more credit reporting services. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

5.21. Waiver or Cancellation of Debt. Properly levied collection costs, late fees and interest may only be waived by a majority of the Board. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.

5.22. Notices. Unless the Declaration, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed to be delivered to Owner upon depositing same with the United States Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or on personal delivery to the Owner. If the Association's records show that an Owner's property is owned by two (2) or more persons, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent or attorney.

ARTICLE VI

PROPERTY RIGHTS, EASEMENTS, AND SPECIAL DECLARANT RIGHTS

6.01. Title to Common Areas. Declarant may convey fee simple title to the Common Areas that it owns to the Association. **EACH OWNER ACKNOWLEDGES, BY TAKING TITLE TO ITS LOT, THAT THE DEVELOPMENT HAS LIMITED OR NO AMENITIES, RECREATIONAL FACILITIES OR SIMILAR ITEMS. BY TAKING TITLE TO ITS LOT, EACH OWNER AGREES TO INDEMNIFY AND HOLD DECLARANT HARMLESS FOR ANY CLAIMS RELATED TO A LACK OF AMENITIES WITHIN THE DEVELOPMENT. THE INDEMNITY SET FORTH IN THE PRECEDING SENTENCE SHALL APPLY TO DECLARANT, AND ITS PARTNERS, OFFICERS, DIRECTORS, MANAGERS, OFFICERS, REPRESENTATIVES, ATTORNEYS OR OTHERS ACTING ON DECLARANT'S BEHALF.**

6.02. Right of Ingress and Egress. Declarant, its agents and employees, shall have a right of ingress and egress over and the right of access to the Common Area to the extent necessary to use the Common Area and the right to such other temporary uses of the Common Area as may be required or reasonably desirable (as determined by Declarant in its sole discretion) in connection with the construction and development of the Property.

6.03. Reserved Easements. All dedications, limitations, restrictions, and reservations shown on the Plat or dedicated by separate instrument and all grants and dedications of easements, rights-of-way, restrictions, and related rights, made by Declarant prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other Person, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas,

water, electricity, cable television, telephone and drainage) in favor of any Owner along any front, rear, or side boundary line of any Lot.

6.04. Easements for Utilities, Installation and Maintenance. There is hereby created a perpetual non-exclusive easement upon, across, over, and under all of the easement areas affecting the Property for ingress and egress in connection with installing, replacing, repairing, operating, and maintaining all utilities, including, but not limited to, water, sewer, gas, cable television, telephones, and electricity lines and appurtenances thereto. By virtue of this easement, it shall be expressly permissible utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, tanks, pumps, lift stations or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement and further across any other portion of the Property where easements do not already exist but where such improvements are necessary to provide service to the Improvements or the Development. Notwithstanding any provision contained in this Section, no electrical lines, water lines, or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or Board. The utility companies and other entities furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat or dedicated by separate instrument, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

6.05. Easement for Drainage and Water Quality. Declarant reserves for itself and its successors, assigns, and designees and the Association the non-exclusive right and easement, but not the obligation, to enter upon the drainage areas or easements, if any, located within the Property (a) to construct, maintain and repair any wall, dam, or other structure retaining water therein, and (b) to remove trash and other debris and fulfill their maintenance responsibilities as provided in this Declaration or as may otherwise be required of Declarant or the Association by any governmental entity. Declarant's rights and easements hereunder shall be transferred to the Association at such time as Declarant shall cease to own property subject to this Declaration, or such earlier time as Declarant may decide, in its sole discretion, and transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Lots abutting or containing any portion of any of the ponds, streams, or wetlands, if any, to the extent reasonably necessary to exercise their rights and responsibilities under this Section.

There is further reserved herein for the benefit of Declarant, the Association and their designees, a perpetual, non-exclusive right and easement of access and encroachment over the Common Area and Lots (but not the Residences thereon) adjacent to or within fifty (50) feet of lake beds, ponds and streams within the Property and the Development, in order to (i) temporarily flood and back water upon and maintain water over such portions of the Property, (ii) fill, drain, dredge, deepen, clean, fertilize, dye and generally maintain the lakes, ponds, streams and wetlands within the Common Area, (iii) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams and wetlands and (iv) enter upon

and across such portions of the Property and Development for the purpose of exercising its 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 such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage from flooding due to heavy rainfall or other natural disasters.

Because of fluctuations in water elevations within the immediate area, the water level of lakes, creeks, and streams will rise and fall. Declarant has no control over such elevations. Therefore, each Owner releases Declarant and the Association, and their affiliates, successors and assigns, from and against any and all losses, claims, demands, damages, costs, and expenses of whatever nature or kind, including attorney's fees and costs and appellate fees and costs, related to or arising out of the water elevations, including the absence of any water in the lakes, creeks, streams and ponds. Neither the Association nor any Owner shall alter, modify, expand, or fill any lakes or wetlands located on or in the vicinity of the Property and the Development, without the prior written approval of Declarant, so long as Declarant owns any portion of the Property, and such local, state, and federal authorities as may have jurisdiction over such matters.

6.06. Owner Conveyance of Drainage Easements. Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the Declarant and/or Board require. Each Owner further covenants to comply with applicable rules and regulations with regard to the disturbance or displacement of trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat or separate instrument. There shall be no construction of Improvements, temporary or permanent, in any drainage easement, except as approved in writing by the Declarant and/or Board.

6.07. Surface Areas. Each Owner shall maintain the surface area of all easements located within his Lot and all Improvements located therein, except for such Improvements for which a public authority or utility provider is responsible. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither the Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

6.08. Title to Easements and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways, drainage, water, gas, sewer, storm sewer, electrical light, electrical power, telegraph or telephone way, or any pipes, lines, poles or conduits on or in any utility facility, or appurtenances thereto, constructed by or under Declarant or its agents, through, along, or upon any Lot, or any part thereof, to serve said Lot or any other portion of the Property; and the right to maintain, repair, sell, or lease such

appurtenances to any municipality or other governmental agency, or to any public service corporation or to any other party, is hereby expressly reserved in Declarant.

6.09. Owner's Easements of Enjoyment of Common Areas. Each Owner shall have an easement of use and enjoyment in and to all Common Areas which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

- A) The right of the Association to suspend the Owner's right to use the Common Areas for any period during which any Assessment against such Owner's Lot remains unpaid for at least thirty (30) days, and for any period during which the Owner is in violation of the rules and regulations of the Association. No such suspension shall be effective unless written notice is given to the Owner by certified mail, return receipt requested, describing the violation, in accordance with the Texas Property Code.
- B) The right of Declarant or the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless: (1) an instrument of agreement to such dedication or transfer, signed by at least two-thirds (2/3) of each class of Members entitled to vote, is recorded; and (2) written notice of the proposed action under this provision is sent to every Owner and Mortgagee not less than thirty (30) days and not more than sixty (60) days in advance of such action. If ingress or egress to any Lot is through any part of a Common Area, any conveyance or encumbrance of such Common Area shall be subject to a Lot Owner's ingress and egress easement.
- C) The right of the Association to borrow money for the purpose of improving the Common Areas and, in furtherance thereof, to mortgage the Common Areas, all in accordance with the Certificate of Formation and Bylaws. No such mortgage shall be effective unless: (1) an instrument of agreement to such mortgage, signed by at least two-thirds (2/3) of each class of Members entitled to vote, is recorded; and (2) written notice of the proposed action under this provision is sent to every Owner and Mortgagee not less than thirty (30) days and not more than sixty (60) days in advance of such action.
- D) The right of the Association to make reasonable rules and regulations regarding the use of the Common Areas and any facilities thereon.
- E) The right of the Association to contract for services with third parties on such terms as the Association may determine.

6.10. Drainage Easements. All drainage or water quality easements, except those in roadway right-of-way areas, utility construction, and construction of water quality and detention controls, are to remain undisturbed.

6.11. Roadway and Utility Easements. Declarant reserves the right to locate, relocate, construct, erect, and maintain or cause to be located, relocated, constructed, erected, and maintained in and on any streets maintained by the Association, or areas conveyed to the Association, or areas reserved or held as Common Area, roadways, sewer lines, water lines, electrical lines and conduits, and other pipelines, conduits, wires, and any public utility function beneath or above the surface of the ground with the right of access to the same at any time for the purpose of repair and maintenance.

6.12. Landscape and Entry Feature Easements. Declarant plans to install certain landscaping and entry features, which may, but shall not be required to include associated irrigation, lighting and related improvements at the entry of the Subdivision. Certain of such improvements may be located on portions of Lots. If any such improvements are installed on any Lot by Declarant prior to its sale to a Builder or other person, then the Association shall automatically have an easement for the construction, maintenance, repair, or upgrade of any such improvements, whether or not an easement is actually shown in any Plat or separate document. Declarant shall further have the right to document such easement through separate, recorded document, without the consent of the Owner of such Lot, if the easement has not previously been documented.

6.13. Easements Deemed Created. All conveyances of Lots hereafter made, whether by Declarant or otherwise, will be construed to grant and reserve the easements contained in this Article, even though no specific reference to such easements or to this Article appears in the instrument for such conveyance.

6.14. Declarant as Attorney in Fact. To secure and facilitate Declarant's exercise of rights reserved by Declarant pursuant to the terms and provisions of this Declaration, each Owner, by accepting a deed to a Lot and each Mortgagee, by accepting the benefits of a Mortgage against a Lot, and any other third party by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Lot, shall thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and third party's irrevocable attorney-in-fact, with full power of substitution, to do and perform, each and every act permitted or required to be performed by Declarant pursuant to the terms of this Declaration. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee and/or third party, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency and death of an Owner, Mortgagee and/or third party

and shall be binding upon the legal representatives, administrators, executors, successors, heirs and assigns of each such party.

ARTICLE VII **INSURANCE**

7.01 Authority to Purchase. All insurance policies relating to the Common Area will be purchased by the Association or its duly authorized agent. The Board of Directors, the Manager and Declarant will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if such failure is due to the availability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable costs.

7.02. General Insurance Provisions. All such insurance coverage obtained by the Association will be governed by the following provisions:

- A) As long as Declarant owns any portion of the Property, Declarant will be protected by all such policies in the same manner as any other Owner.
- B) The deductible, if any, on any insurance policy purchased by the Association may be treated as a common expense payable from annual Assessments or Special Assessments (allocable to all of the Lots or to only some of the Lots, if the claims for damages arise from the negligence of particular Owners, or if the repairs benefit only particular Owners), or as an item to be paid from any operating account established by the Association.

7.03. Physical Damage Insurance on Common Area. The Association will obtain insurance for such insurable Improvements and with such coverages, limits, deductibles and other terms and conditions as the Board may determine from time to time.

7.04. Liability Insurance. The Association will obtain a comprehensive policy of public liability insurance and property damages insurance with such coverages and limits as the Board of Directors may from time to time determine, insuring each member of the Board, the Association, the Manager, and the respective employees, agents, and all Persons acting as agents against any liability to the public or the Owners (and their guests, invitees, tenants, agents, and employees) arising in connection with the ownership, operation, maintenance, or use of the Common Area and streets and roads within the Development and any other areas under the control of the Association. Declarant will be included in the coverage as an additional insured in Declarant's capacity as an Owner or Director. The Owners will be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area. The Board will review the coverage limits from time to time, but in no event will such coverage be less than

\$1,000,000.00 for all claims for bodily injury or property damage arising out of one occurrence.

ARTICLE VIII **MISCELLANEOUS**

8.01. Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2047, unless amended as herein provided. After December 31, 2047, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended by a written instrument executed by the Owners of at least sixty-seven (67%) of the Lots within the Property then subject to this Declaration.

8.02. Amendment.

- A) By Declarant. This Declaration may be amended by the Declarant acting alone and unilaterally, until expiration or termination of the Development Period. No amendment by Declarant shall be effective until there has been recorded in the Official Public Records of Bastrop County, Texas an instrument executed and acknowledged by Declarant and setting forth the amendment. Notwithstanding the foregoing, Declarant may amend this Declaration at any time to correct typographical and grammatical errors. Declarant may unilaterally amend this Declaration: (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on Lots; or (d) to comply with any requirements promulgated by a local, state or governmental agency, including, for example, the Department of Housing and Urban Development.
- B) By Owners. After expiration of the Development Period, this Declaration may be amended by the recording in the Official Public Records of Bastrop County of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by a vote of at least sixty seven percent (67%) of the votes entitled to be cast in the Association.

8.03. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for

the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

8.04. Notice to Association. An Owner who mortgages such Owner's Lot shall notify the Board, giving the name and address of such Owner's Mortgagee. The Board shall maintain such information in a book entitled "Mortgages of Owners".

8.05. Protection of Mortgagees. The Association shall permit Mortgagees to examine the books and records of the Association during normal business hours. Additionally, all taxes, assessments and charges that may become liens prior to first lien mortgages under applicable law shall relate only to the individual Lots and not to any other portion of the Property.

8.06. Storm Water Damage. Each Owner is responsible for complying with all governmental and/or regulatory requirements which may apply with respect to the drainage or detention of storm water within such Owner's Lot. Declarant expressly disclaims any responsibility, representations, or warranty with respect to the drainage and/or detention of storm water within any Lot.

8.07. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the fundamental concepts of the Property set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

8.08. Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Declarant and/or Board. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct any and alter drainage patterns and facilities, to construct any and all other types of Improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales, and leasing anywhere within the Property. No Lot owned by Declarant shall be subject to any Assessments.

8.09. Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights, and duties under this Declaration to any other Person and may permit the participation, in whole or in part, by any other Person in any of its privileges, exemptions, rights, and duties hereunder.

8.10. Enforcement and Nonwaiver.

A) Right of Enforcement. The Association and/or the Declarant shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, charges and other terms now or

hereafter imposed by the provisions of this Declaration and/or any of the other Governing Documents. Failure to enforce any right, provision, covenant, or condition granted by this Declaration and/or any of the other Governing Documents shall not constitute a waiver of the right to enforce such right, provision, covenants or condition in the future.

- B) Nonwaiver. The failure to enforce any provision of the Governing Documents at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.
- C) Liens. The Association shall have the right, when appropriate in its judgment, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance with this Declaration.

8.11. Violation of Governing Documents. In the event the Governing Documents are violated by any Owner, its employees, lessees, invitees or licensees, Declarant and/or the Board may seek any one or more of the following remedies, in addition to any other remedy or right provided in the Governing Documents:

- A) The suspension of an Owner's right to use any Common Area;
- B) The right to enforce the Governing Documents (and if necessary in connection therewith, to enter upon the Owner's Lot or any Improvements constructed thereon or therein), and levy an Assessment against the Lot for any expense occasioned by such violation;
- C) The right to levy fines as a result of such violation;
- D) The right to seek injunctive or any other relief provided or allowed by law against such violation and to recover from such Owner all its expenses and costs in connection therewith, including, but not limited to, attorneys' fees and court costs. Each day a violation continues shall be deemed a separate violation; or
- E) The right to exercise any other remedy stated herein or available at law or equity for such violation.

8.12. Conflicts. If there is any conflict between the provisions of this Declaration, the Certificate of Formation, the Bylaws, or any rules and regulations adopted pursuant to the terms of such documents, or any, the provisions of this Declaration shall govern.

8.13. Acceptance by Grantees. Each grantee of Declarant of a Lot or other real property interest in the Development, by the acceptance of a deed of conveyance, or each subsequent purchaser, accepts the same subject to all terms, restrictions, conditions,

covenants, reservations, easements, liens and charges, and the jurisdiction rights and powers created or reserved by this Declaration or to whom this Declaration is subject, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared. Furthermore, each grantee agrees that no assignee or successor to Declarant hereunder will have any liability for any act or omission of Declarant which occurred prior to the effective date of any such succession or assignment. All impositions and obligations hereby imposed shall constitute covenants running with the land within the Development, and shall bind any person having at any time any interest or estate in the Development, and shall inure to the benefit of each Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

8.14. No Partition. Except as may be permitted in this Declaration or amendments thereto, no physical partition of the Common Area or any part thereof shall be permitted, nor shall any person acquiring any interest in the Development or any part thereof seek any such judicial partition unless the Development in question has been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property or from acquiring title to real property that may or may not be subject to this Declaration.

8.15. Construction.

- A) Restrictions Severable. The provisions of the Governing Documents shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.
- B) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.
- C) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, sections or articles hereof.
- D) Gender. Whenever the context shall so require, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

8.16. [Reserved]

8.17. Higher Authority. The terms and provisions of this Declaration are subordinate to federal and state law and local ordinances. Generally, the terms and provisions of this Declaration are enforceable to the extent that they do not violate or conflict with local, state or federal law or ordinances.

ARTICLE IX
DISPUTE RESOLUTION

9.01 Introduction and Definitions. The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article 10 (collectively, the “Parties”) agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article IX applies to all Claims as hereafter defined. This Article IX may only be amended with the prior written approval of the Declarant during the Development Period, the Association (acting through a Majority of the Board) after expiration of the Development Period, and Owners holding one hundred percent (100%) of the votes in the Association. As used in this Article IX only, the following words, when capitalized, have the following specified meanings:

- (a) “Claim” means:
 - (i) Claims relating to the rights and/or duties of Declarant or the Association under the Governing Documents.
 - (ii) Claims relating to the acts or omissions of the Declarant, the Association or a Board member or officer of the Association during Declarant’s control and administration of the Association.
 - (iii) Claims relating to the design or construction of the Common Area or any Improvements located on the Property.
- (b) “Claimant” means any Party having a Claim against any other Party.
- (c) “Respondent” means any Party against which a Claim has been asserted by a Claimant.

9.02 Mandatory Procedures. Claimant may not initiate any proceeding before any administrative tribunal seeking redress of resolution of its Claim until Claimant has complied with the procedures of this Article IX. As provided in Section 9.09 below, a Claim will be resolved by binding arbitration.

9.03 Claim Affecting Common Area. The Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (i) in the name of or on behalf of any Owner (whether one or more); or (ii) pertaining to a Claim, as defined in Section 9.01 above, relating to the design or construction of Improvements on a Lot (whether one or more). In the event the Association or an Owner asserts a Claim related to the Common Area, as a precondition to providing the Notice defined in Section 9.05, initiating the mandatory dispute resolution procedures set forth in this Article IX, or taking any other action to prosecute a Claim related to the Common Area, the Association or an Owner, as applicable, must:

9.03.01 Independent Report on the Condition of the Common Area. Obtain an independent third-party report (the “Common Area Report”) from a licensed professional engineer which: (i) identifies the Common Area subject to the Claim including the present physical condition of the Common Area; (ii) describes any modification, maintenance, or repairs to the Common Area performed by the Owner(s) and/or the Association; and (iii) provides specific and detailed recommendations regarding remediation and/or repair of the Common Area subject to the Claim. For the purposes of this Section 9.03, an independent third-party report is a report obtained directly by the Association or an Owner and paid for by the Association or an Owner, as applicable, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association or an Owner in the Claim. As a precondition to providing the Notice described in Section 9.05, the Association or Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date of receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Common Area Report, the specific Common Area to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Area Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 9.05, the Association or Owner, as applicable, shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Common Area Report.

9.03.02 Claim by the Association - Owner Meeting and Approval. If the Claim is prosecuted by the Association, the Association must first obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to: (i) provide the Notice described in Section 9.05; (ii) initiate the mandatory dispute resolution procedures set forth in this Article IX; or (iii) take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (a) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (b) a copy of the Common Area Report; (c) a copy of any proposed engagement letter, with the terms of such engagement between the Association and an attorney to be engaged by the Association to assert or provide assistance with the claim (the “Engagement Letter”); (d) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which it may be liable if it is not the prevailing party or that the Association will be required, pursuant to the Engagement Letter or otherwise, to pay if the Association elects to not proceed with the Claim; (e) a summary of the steps previously taken, and proposed to be taken, to resolve the Claim; (f) an estimate of the impact on the value of each Lot if the Claim is prosecuted and an estimate of the impact on the value of each Lot after resolution of the Claim; (g) an estimate of the impact on the marketability of each Lot if the

Claim is prosecuted and during prosecution of the Claim, and an estimate of the impact on the value of each Lot during and after resolution of the Claim; (h) the manner in which the Association proposes to fund the cost of prosecuting the Claim; and (i) the impact on the finances of the Association, including the impact on present and projected reserves, in the event the Association is not the prevailing party. The notice required by this paragraph must be prepared and signed by a person other than, and not employed by or otherwise affiliated with, the attorney or law firm that represents or will represent the Association or Owner, as applicable, in the Claim. In the event Members approve providing the Notice described in Section 9.05, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

9.04 Claim by Lot Owners – Improvements on Lots. Notwithstanding anything contained herein to the contrary, in the event a warranty is provided to an Owner by the Declarant or a Builder relating to the design or construction of any Improvements located on a Lot, then this Article IX will only apply to the extent that this Article IX is more restrictive than such Owner’s warranty, as determined in the Declarant’s sole discretion. If a warranty has not been provided to an Owner relating to the design or construction of any Improvements located on a Lot, then this Article IX will apply. If an Owner brings a Claim, as defined in Section 9.01, relating to the design or construction of any Improvements located on a Lot (whether one or more), as a precondition to providing the Notice defined in Section 9.05, initiating the mandatory dispute resolution procedures set forth in this Article IX, or taking any other action to prosecute a Claim, the Owner must obtain an independent third-party report (the “Owner Improvement Report”) from a licensed professional engineer which: (i) identifies the Improvements subject to the Claim including the present physical condition of the Improvements; (ii) describes any modification, maintenance, or repairs to the Improvements performed by the Owner(s) and/or the Association; and (iii) provides specific and detailed recommendations regarding remediation and/or repair of the Improvements subject to the Claim. For the purposes of this Section 9.04, an independent third-party report is a report obtained directly by the Owner and paid for by the Owner, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Owner in the Claim. As a precondition to providing the Notice described in Section 9.05, the Lot Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date of receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Owner Improvement Report, the specific Improvements to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Owner Improvement Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 9.05, the Lot Owner shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Owner Improvement Report.

9.05 Notice. Claimant must notify Respondent in writing of the Claim (the “Notice”), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons involved, and Respondent’s role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Restrictions or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this Section 9.05. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in Section 9.06 below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with Section 9.06, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. Section 9.06 does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 could affect a Claim if the Claim is subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in Section 9.07 below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to Section 9.07 is required without regard to the monetary amount of the Claim.

If the Claimant is the Association, the Notice will also include: (a) a true and correct copy of the Common Area Report; (b) a copy of the Engagement Letter; (c) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Area which forms the basis of the Claim; (d) a true and correct copy of the special meeting notice provided to Members in accordance with Section 9.03.02 above; and (e) reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and pertains to the Common Area, the Notice will also include a true and correct copy of the Common Area Report. If the Claimant is not the Association and pertains to Improvements on a Lot, the Notice will also include a true and correct copy of the Owner Improvement Report.

9.06 Negotiation. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days after Respondent’s receipt of the Notice, Respondent and Claimant will meet at a mutually acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually-agreeable time, Respondent and Respondent’s representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent’s representatives and agents with full access to the Property to take and complete corrective action.

9.07 Mediation. If the parties negotiate, but do not resolve the Claim through negotiation within one hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a

mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Respondent may submit the Claim to mediation in accordance with this Section 9.07.

9.08 Termination of Mediation. If the Parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this Article IX.

9.09 Binding Arbitration-Claims. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section 9.09.

9.09.01 Governing Rules. If a Claim has not been resolved after mediation as required by Section 9.07, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 9.09 and the rules and procedures of the American Arbitration Association (“AAA”) or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Bastrop County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA’s “Construction Industry Dispute Resolution Procedures” and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section 9.09, this Section 9.09 will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal except as provided in Section 9.09.04, but may be reduced to judgment or enforced in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

- (a) One arbitrator shall be selected by Respondent, in its sole and absolute discretion;
- (b) One arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

- (c) One arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

9.09.02 Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 9.09 will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

9.09.03 Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this Section 9.09.

9.09.04 Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this Section 9.09 and subject to Section 9.10 below (attorney's fees and costs may not be awarded by the arbitrator); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (i) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of federal or state law; or (iv) a cause of action or remedy not expressly provided under existing state or federal law. In no event may an arbitrator award speculative, consequential or punitive damages for any Claim.

9.09.05 Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Bastrop County, Texas. The

arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by Applicable Law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

9.10 Allocation of Costs. Notwithstanding any provision in this Declaration to the contrary, each party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

9.11 General Provisions. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

9.12 Period of Limitation.

9.12.01 For Actions by an Owner. The exclusive period of limitation for any of the Parties to bring any Claim, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design, four (4) years and one (1) day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; or (iii) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 9.12.01 be interpreted to extend any period of limitations under Texas law.

9.12.02 For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Area, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design of the Common Area, four (4) years and one (1) day from the date that the Association discovered or reasonably should have discovered evidence of the Claim; or (iii) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 9.12.02 be interpreted to extend any period of limitations under Texas law.

9.13 Funding Arbitration and Litigation. The Association must levy a Special Assessment to fund the estimated costs of arbitration, including estimated attorney's fees, conducted pursuant to this Article IX or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

IN WITNESS WHEREOF, Declarant has executed this Declaration on ____ day of _____, 2020, to be effective as of September 10, 2019.

DECLARANT:

BEVLAURENT LLC,
a Texas limited liability company

By: _____
William Beveridge, Member

By: _____
Jason Laurent, Member

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2020, by William Beveridge, Member of Bevlaurent LLC, a Texas limited liability company, on behalf of said company.

Notary Public Signature

(seal)

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2020, by Jason Laurent, Member of Bevlaurent LLC, a Texas limited liability company, on behalf of said company.

Notary Public Signature

(seal)

AFTER RECORDING, RETURN TO:

McLean & Howard, LLP

Attn: William P. McLean

Barton Oaks Plaza, Building 2

901 S. Mopac Expressway, Suite 225

Austin, Texas 78746

EXHIBIT “A”

APPROXIMATELY 214.908 ACRES of land described below **SAVE AND EXCEPT** the property designated as a “Residential Ranchette” as Phase IV of the Preliminary Plan for El Dorado Subdivision. The inclusion of these field notes is in no way intended to include the property designated as a “Residential Ranchette” as Phase IV of the Preliminary Plan for El Dorado Subdivision in the definition of the Property.

See following three (3) pages of field notes.



SPOT ON SURVEYING

Land Surveying & Mapping

EXHIBIT "A"

FIELD NOTES-METES AND BOUNDS DESCRIPTION

FIELD NOTES FOR 214.967 ACRES OF LAND, MORE OR LESS, IN THE JAMES STUART (STEWART) SURVEY, ABSTRACT NO. 62, AND THE JAMES DOYLE SURVEY, ABSTRACT NO. 28, BASTROP COUNTY, TEXAS, BEING THE SAME TRACT OF LAND CONVEYED TO STORK RANCH, LLC, A TEXAS LIMITED LIABILITY COMPANY, BY DEED RECORDED IN VOLUME 2196, PAGE 670, OFFICIAL PUBLIC RECORDS, BASTROP COUNTY, TEXAS (O.P.R.B.C.TX.), SAID 214.967 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A FOUND 1/2" IRON ROD, BEING ACCEPTED AS THE MOST NORTHWEST CORNER OF SAID 214.967 ACRES, FROM WHICH A FOUND 5/8" IRON ROD BEING ACCEPTED AS THE SOUTHWEST CORNER OF LOT 1, BLOCK A, MONTERREY HILLS, SUBDIVISION, SECTION 1, PER MAP OR PLAT RECORDED IN CABINET 5, PAGE 8A, PLAT RECORDS, BASTROP COUNTY, TEXAS (P.R.B.C.TX.) BEARS S 46° 58' 56" E, 10.22 FEET, ALSO FROM WHICH A FOUND 3/4" IRON ROD BEARS N 46° 16' 19" W, 49.91 FEET, SAID POINT BEING ACCEPTED AS THE MOST EASTERLY CORNER OF THE RIO VISTA RANCH, SECTION 3, SUBDIVISION, PER MAP OR PLAT RECORDED IN CABINET 5, PAGE 145B, P.R.B.C.TX.;

THENCE S 46° 58' 56" E, 3940.33 FEET ALONG THE COMMON LINES OF SAID MONTERREY HILLS SUBDIVISION, SECTION 1, AND MONTERREY HILLS SUBDIVISION, SECTION 2, PER MAP OR PLAT RECORDED IN CABINET 5, PAGE 36B, P.R.B.C.TX., TO A FOUND IRON ROD WITH CAP, ILLEGIBLE, SAID POINT BEING ACCEPTED AS THE SOUTHEAST CORNER OF SAID MONTERREY HILLS RANCH, SECTION 2, SUBDIVISION, SAID POINT ALSO BEING ACCEPTED AS A POINT IN THE NORTHWESTERLY LINE OF THAT 410.79 ACRE TRACT TO VENTANA HILLS, LTD, PER DEED 201512811, O.P.R.B.C.TX.;

THENCE S 42° 48' 54" W, 576.90 FEET ALONG THE COMMON LINE OF SAID 410.79 ACRE TRACT TO A FOUND IRON ROD WITH CAP STAMPED "RPLS 1753", SAID POINT BEING ACCEPTED AS THE WEST CORNER OF SAID 410.79 ACRES ALSO BEING ACCEPTED AS THE MOST NORTHERLY CORNER OF THE LEGEND OAKS, PHASE TWO, SUBDIVISION, PER MAP OR PLAT RECORDED IN CABINET 3, PAGE 161A, P.R.B.C.TX.;

THENCE S 42° 59' 22" W, 1764.20 FEET ALONG THE COMMON LINE OF SAID LEGEND OAKS, PHASE TWO SUBDIVISION TO A FOUND 1/4" IRON ROD, SAID POINT BEING ACCEPTED AS THE MOST WESTERLY CORNER OF SAID LEGEND OAKS, PHASE TWO SUBDIVISION;

THENCE S 47° 00' 24" E, 2257.01 FEET WITH THE COMMON SOUTHWEST LIMITS OF SAID LEGEND OAKS, PHASE 2, AND NORTHEAST LIMITS OF SAID 214.967 ACRES TO A FOUND 1/2" IRON ROD;

THENCE S 47° 10' 37" E, 1806.41 FEET, CONTINUING WITH SAID COMMON LINE, PASSING AT APPROXIMATELY 110.31 FEET THE MOST SOUTHERLY CORNER OF SAID LEGEND OAKS, PHASE 2, SUBDIVISION, ALSO BEING THE MOST WESTERLY CORNER OF BLOCK A, LEGEND OAKS, PHASE ONE SUBDIVISION, PER MAP OR PLAT RECORDED IN CABINET 3, PAGE 112B, (P.R.B.C.TX), TO A FOUND 1/2" IRON ROD, SAID POINT BEING ACCEPTED AS AN ANGLE POINT IN THE SOUTHWESTERLY LIMITS OF SAID LEGEND OAKS, PHASE ONE SUBDIVISION, AND FOR AN ANGLE POINT IN THE NORTHEASTERLY LINE HEREOF;

THENCE S 46° 50' 12" E, 1480.06 FEET CONTINUING WITH THE COMMON LINE OF SAID LEGEND OAKS, PHASE ONE SUBDIVISION, TO A FOUND 1/2" IRON ROD, SAID POINT BEING ACCEPTED AS THE MOST NORTHERLY CORNER OF THAT 4.182 ACRE TRACT OF LAND CONVEYED TO STORK RANCH, LLC BY DEED RECORDED AS DOCUMENT NO. 201803504, (O.P.R.B.C.TX.), ALSO BEING ACCEPTED AS A POINT IN THE SOUTHWESTERLY LIMITS OF SAID LEGEND OAKS, PHASE ONE, SUBDIVISION, AND BEING THE SOUTHEAST CORNER OF SAID 214.967 ACRE TRACT OF LAND DESCRIBED HEREIN;

THENCE S 42° 17' 34" W, 690.17 FEET WITH THE COMMON LINE OF SAID 4.182 ACRE TRACT TO A FOUND 1/2" IRON ROD, SAID POINT BEING ACCEPTED AS THE MOST WESTERLY CORNER OF SAID 4.182 ACRE TRACT, ALSO BEING ACCEPTED AS A POINT IN THE NORTHEAST LINE OF THAT 49.17 ACRE TRACT OF LAND CONVEYED TO TOM ATEES ESTATE BY DEED RECORDED IN VOLUME 39, PAGE 125, OF BASTROP COUNTY DEED RECORDS, (B.C.D.R.), AND FOR THE MOST SOUTHERLY CORNER OF SAID 214.967 ACRE TRACT OF LAND DESCRIBED HEREIN;

THENCE N 47° 11' 57" W, 6277.05 FEET WITH THE COMMON LINE OF SAID TOM ATEES ESTATE, ALSO THE COMMON NORTHEAST LINE OF THAT 19 ACRE TRACT CONVEYED TO V.E. FREEMAN BY DEED RECORDED IN VOLUME 79, PAGE 636 (B.C.D.R.) AND THE COMMON NORTHEAST LINE OF THAT 114.399 ACRE TRACT OF LAND CONVEYED TO TWIN OAKS LAND, INC. BY DEED RECORDED AS DOCUMENT NO. 201604431, (O.P.R.B.C.TX.), TO A FOUND 3/4" IRON PIPE, SAID POINT BEING ACCEPTED AS THE MOST SOUTHERLY CORNER OF THAT 4 ACRE TRACT OF LAND CONVEYED TO METHODIST EPISCOPAL CHURCH BY DEED RECORDED IN VOLUME 18, PAGE 166, (B.C.D.R.) AND AN ANGLE POINT IN THE WESTERLY BOUNDARY LINE OF SAID 214.967 ACRE TRACT OF LAND DESCRIBED HEREIN;

THENCE N 42° 20' 54" E, 472.28 FEET WITH THE COMMON LINE OF SAID 4 ACRE TRACT TO A FOUND 1/2" IRON ROD, SAID POINT BEING ACCEPTED AS THE MOST EASTERLY CORNER OF SAID 4 ACRE TRACT, ALSO BEING ACCEPTED AS THE SOUTH CORNER OF LOT 13, BLOCK B, OF RIO VISTA RANCH, SECTION TWO, SUBDIVISION, PER MAP OR PLAT RECORDED IN CABINET 4, PAGE 192A, (P.R.B.C.TX);

THENCE N 42° 54' 18"E, 208.97 FEET WITH THE COMMON LINES OF LOTS 13 AND 12, BLOCK B, OF SAID RIO VISTA RANCH, SECTION 2, TO A FOUND 1/2" IRON ROD, SAID POINT BEING ACCEPTED AS THE MOST EASTERLY CORNER OF SAID LOT 12, AND FOR AN ANGLE POINT IN THE SOUTHWESTERLY LIMITS OF THE 214.967 ACRE TRACT DESCRIBED HEREIN;

THENCE ALONG THE COMMON NORTHEAST LIMITS OF SAID RIO VISTA RANCH, SECTION 2, SUBDIVISION THE FOLLOWING SIX (6) COURSES:

1. N 46° 42' 20" W, 365.70 FEET TO A FOUND 1/2" IRON ROD;
2. N 47° 20' 06" W, 559.53 FEET TO A FOUND CEDAR FENCE POST;
3. N 46° 51' 13" W, 1024.48 FEET TO A FOUND IRON ROD WITH CAP STAMPED "RPLS 1753";
4. N 46° 51' 13" W, 59.60 FEET TO A FOUND IRON ROD WITH CAP STAMPED "RPLS 1753";
5. N 47° 17' 58" W, 318.48 FEET TO A FOUND CEDAR FENCE POST;
6. N 47° 09' 17" W, 877.71 FEET TO A FOUND 1/2" IRON ROD, SAID POINT BEING ACCEPTED AS A POINT IN THE SOUTHEASTERLY RIGHT OF WAY OF SAID STORK ROAD AND BEING ACCEPTED AS THE MOST WESTERLY CORNER OF SAID 214.908 ACRES AND THE 114.418 ACRE TRACT OF LAND DESCRIBED HEREIN;

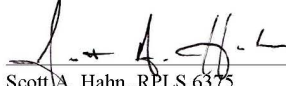
THENCE N 42° 58' 22" E, 98.56 FEET ALONG SAID SOUTHEAST RIGHT OF WAY TO A FOUND 5/8" IRON ROD, SAID POINT BEING ACCEPTED AS THE MOST WESTERLY CORNER OF RIO VISTA RANCH, SECTION 4, SUBDIVISION, PER MAP OR PLAT RECORDED IN CABINET 5, PAGE 168B, P.R.B.C.TX.;

THENCE LEAVING SAID RIGHT OF WAY SOUTHEASTERLY, NORTHEASTERLY, AND NORTHWESTERLY ALONG THE COMMON LIMITS WITH SAID RIO VISTA RANCH, SECTION 4 THE FOLLOWING THREE (3) COURSES;

1. S 46° 54' 11" E, 1962.80 FEET, TO A FOUND IRON ROD WITH CAP ILLEGIBLE;
2. N 42° 56' 32" E, 2218.04 FEET TO A FOUND 5/8" IRON ROD;
3. N 46° 59' 41" W, 1967.07 FEET TO A FOUND 5/8" IRON ROD, SAID POINT BEING ACCEPTED AS THE MOST NORTHERLY CORNER OF SAID RIO VISTA RANCH, SECTION 4 SUBDIVISION, ALSO BEING ACCEPTED AS A POINT ALONG THE SOUTHEASTERLY RIGHT OF WAY OF SAID STORK ROAD;

THENCE N 43° 14' 43" E, 60.60 FEET ALONG SAID SOUTHEAST RIGHT OF WAY TO THE POINT OF BEGINNING
HEREOF, CONTAINING A CALCULATED AREA OF 9,363,977.75 SQ. FT., 214.967 ACRES OF LAND.
SAID FIELD NOTES BEING DESCRIBED IN ACCORDANCE WITH A SURVEY MADE ON THE GROUND BY ME OR
UNDER MY DIRECTION BY SPOT ON SURVEYING ATTACHED HERETO AND MADE A PART HEREOF.

ALL BEARINGS ARE BASED ON NAD 83 TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE. ALL
DISTANCES SHOWN ARE SURFACE OR GROUND DISTANCES.



Scott A. Hahn, RPLS 6375
Spot On Surveying, Inc. – TX Firm No.:10193894
614 Jerrys Ln., Buda TX. 78610
(512)523-8092
SOS J/N: 0020-17-001



April 01, 2020

Date

CONSENT OF MORTGAGEE

The undersigned, being the sole owner and holder of the liens created by a Deed of Trust and Second Lien Deed of Trust recorded as Document Nos. 201908484 and 20190848 in the Official Public Records of Bastrop County, Texas (the "**Liens**"), securing certain notes described therein, executes this Declaration solely for the purposes of (a) evidencing its consent to this Declaration, and (b) subordinating the Liens to this Declaration, both on the condition that the Liens shall remain superior to the Assessment Lien in all events.

Stork Ranch, LLC,
a Texas limited liability company

By: _____

Printed Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2020, by _____, _____ of Stork Ranch, LLC, a Texas limited liability company, on behalf of said company.

Notary Public, State of Texas

(seal)