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ADMIRAL HEIGHTS SUBDIVISION

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GILLESPIE

That Michael C. Dorris and wife, Sandra K. Dorris (the "Declarant"), being the owner of that certain unplatted subdivision known as ADMIRAL HEIGHTS SUBDIVISION (the "Subdivision"), being 245.25 acres of land out of the William H. Anderson Survey No. 197, Abstract No. 2, Gillespie County, Texas and as depicted and described in the plat attached hereto as Exhibit "A" and incorporated herein by reference and, as such, desiring to create and carry out a uniform plan for the improvement, development, and sale of the subdivision lots situated within the Subdivision (the "Lots"), does hereby adopt and establish the following easements, restrictions, covenants and conditions (the "Protective Covenants") to run with the land and to apply in the use, occupancy, and conveyance of the Lots, which Protective Covenants shall be binding on all parties having a right, title or interest in or to the above described Subdivision or any part thereof, and their heirs, successors and assigns, and which Protective Covenants shall inure to the benefit of each owner thereof; and each contract or deed which may be executed with regard to any of such property shall be conclusively held to have been executed, delivered and accepted, subject to the following restrictions and covenants:

ARTICLE 1
DEFINITIONS

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

1.1 Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.

1.2 Property. "Property" shall mean that real property that is subject to the terms and conditions of this Declaration, being 245.25 acres of land out of the William H. Anderson Survey No. 197, Abstract No. 2, Gillespie County, Texas and as depicted and described in the plat attached hereto as Exhibit "A" and incorporated herein by reference, and any additional property which may be hereafter incorporated under the terms of this Declaration.

1.3 Subdivision. "Subdivision" shall have the same meaning as Property.

1.4 City. "City" shall mean the City of Fredericksburg, Gillespie County, Texas, and its applicable agencies, departments and committees.

1.5 County. "County" shall mean Gillespie County, Texas, and its applicable agencies, departments and committees.

1.6 Declarant. "Declarant" shall mean Michael C. Dorris and wife, Sandra K. Dorris and their duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Michael C. Dorris and wife, Sandra K. Dorris, as Declarant must 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.

1.7 Protective Covenants. "Protective Covenants" shall mean the easements, restrictions, covenants and conditions set forth in this Declaration.

1.8 Plat. "Plat" shall mean and refer to a map or plat of the Subdivision which, in Declarant's discretion, may be recorded in the Plat Records of Gillespie County, Texas; as such plat may be modified and amended from time to time.

1.9 Mortgage. "Mortgage" shall mean any mortgage or deed of trust covering all or any portion of the Property given to secure the payment of debt.

1.10 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.11 Owner. "Owner" or "Owners" shall mean and refer to a person or persons, entity or entities, including Declarant, holding fee simple interest in all or any portion of the Property, but shall not include a Mortgagee.

1.12 Property Owners Association (POA). "Property Owners Association", or "POA", shall mean and refer to Admiral Heights Subdivision Property Owners Association, Inc., a Texas non-profit corporation, its successors and assigns.

1.13 Board of Directors. "Board of Directors" shall mean the board of directors of the POA.

1.14 Architectural Review Committee (ARC). "Architectural Review Committee", or "ARC", shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property (as defined in Article 9).

1.15 Wildlife Management Plan. "Wildlife Management Plan" shall mean the plan developed by Plateau Land and Wildlife on behalf of the Declarant, and registered with the Gillespie Central Appraisal District, and any amendments or modifications thereof.

1.16 Tract. "Tract" shall mean and refer to any plot of land subdivided out of the Property, with the exception of any plot designated as a Common Area or Roadway (Public or Private).

1.17 Lot. "Lot" shall have the same meaning as Tract.

1.18 Improvements. "Improvements" shall mean every structure and all appurtenances thereto of every type and kind located on the Property, whether above or below grade, including but not limited to buildings, outbuildings, patios, tennis courts, basketball goals, swimming pools, garages, driveways, storage buildings, fences, trash enclosures, animal enclosures, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, exterior lighting, water softener fixtures, flag poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, satellite or cable television, internet, or other utilities. The term "Improvements" shall also mean all exterior sculptures and other artwork to the extent that the ARC determines, in its sole discretion that such items are visible and notable features of a Tract.

1.19 Single Family Dwelling. "Single Family Dwelling" shall mean and refer to any Improvement on a Tract which is designed and intended for use and occupancy as a residence by one individual, by a single family, or by individuals related by blood, marriage or adoption, who are maintaining a common household.

1.20 Developed Lot. "Developed Lot" shall mean any Tract which has a Single Family Dwelling constructed thereon.

1.21 Common Area. "Common Area" shall mean all property, including the Improvements thereto, leased, owned or maintained by the POA for the common use and enjoyment of the Owners including, but not limited to all street medians, entryway Improvements, landscaping, lighting, entrance signs, walls, bridges, and other similar or appurtenant Improvements. The term "Common Area" shall also include all Roadways (as defined in Article 3) until such time as such Roadways are accepted and included in the City or County's road system.

1.22 Building Envelope. "Building Envelope" shall mean that portion of each Tract used primarily for residential use. Each Tract shall have one Building Envelope which shall be polygonal in its configuration. The size of the Building Envelope for each Tract shall comply with the ratio of wildlife management use set for Gillespie County wildlife property associations in accordance with Texas Administrative Code Title 34, Part 1, Chapter 9, Subchapter I, Rule 9.4003.

ARTICLE 2
ADDITION OR WITHDRAWAL OF LAND

2.1 Addition of Land. Declarant, its successors and assigns, shall, without the consent or approval of any of the other Owners, have the right at any time to impose this Declaration upon additional property adjacent, contiguous or nearby to the Property. Declarant may, at any time and from time to time, add any other lands to the Property, and upon such addition, this Declaration and its Protective Covenants shall apply to the added land, and the rights, privileges, duties and liabilities of the persons subject to this Declaration shall be the same with respect to the added land unless a supplemental declaration shall provide for changes to this Declaration to address the unique character of Declarant's overall development plans for the added property. In order to add lands to the Property, Declarant shall be required only to record in the Official Public Records of Gillespie County, Texas, a notice of addition of land in the form of a Supplemental Declaration containing the following provisions:

(a) A reference to this Declaration, which reference shall state the book and page numbers of the Official Public Records wherein this Declaration is recorded;

(b) A statement that the provisions of this Declaration shall apply to the added land;

(c) A legal description of the added land, and;

(d) Any easement, restriction, covenant or condition that is different or unique to the added land.

2.2 Withdrawal of Land. Declarant may, at any time and from time to time, withdraw Tract(s) owned by Declarant from the Property not exceeding fifty (50) acres in the aggregate; and upon such withdrawal, this Declaration and its Protective Covenants set forth herein shall no longer apply to those Tract(s) withdrawn. In order to withdraw Tract(s) from the Property, Declarant shall be required only to record in the Official Public Records of Gillespie County, Texas, a notice of withdrawal of Tract(s) containing the following provisions:

(a) A reference to this Declaration, which reference shall state the book and page numbers of the Official Public Records wherein this Declaration is recorded;

(b) A statement that the provisions of this Declaration shall no longer apply to the Tract(s) being withdrawn; and

(c) A legal description of the withdrawn Tract(s).

ARTICLE 3
DEDICATION OF ROADWAY / RESERVATION OF RIGHTS

3.1 Dedication of Roadways. Declarant will construct such roads as Declarant shall determine are required (the "Roadways"). Declarant will dedicate the Roadways for use by the public. Until such time as the Roadways are accepted and included in the City or County's road system, Declarant hereby dedicates the Roadways for the common use of all Owners and does hereby grant to all such invitees and permittees, the free nonexclusive and uninterrupted use, liberty, privilege and easement of passage in and along the Roadways, together with free ingress, egress and regress, over and across the same, at all times and seasons forever, in, along, upon and out of said way (the "Roadway Easement"). The right to use and enjoy the Roadway Easement shall exist in favor of and shall inure to the benefit of the Owners, and each of them, and each of their respective heirs, successors and assigns, and their respective agents, licensees, tenants, guests, invitees and permittees in common with each other, the Declarant, the Declarant's successors and assigns, and their respective agents, licensees, tenants, guests, invitees and permittees. The Roadway Easement shall further be deemed an easement appurtenant to the Property, and each and every portion thereof. The right of ingress and egress provided by the Roadway Easement may be exercised by any reasonable means, whether now in existence or known or whether by means which may come into existence in the future, and regardless of any increased burden which may result from such use.

3.2 Reservation of Right to Construct Improvements. Subject to the rights of the City or County with regard to the Roadways, until Turnover (as hereinafter defined), Declarant and / or the POA shall have the exclusive right to construct Improvements in the Common Areas, including, without limitation, the right to construct roads along the Roadways. Subject to the rights of the City or County with regard to the Roadways, from and after Turnover, the POA, and the POA's successors and assigns, shall have the exclusive right to construct Improvements in the Common Areas.

3.3 Maintenance of Common Areas. The POA shall have the exclusive right to repair, replace and maintain the Common Areas.

ARTICLE 4
EASEMENTS

4.1 Reservation of Utility Easements. Declarant reserves unto Declarant, the City or the County, and any public or private providers of utility services to the Property, and their respective successors and / or assigns, perpetual easements (the "Utility Easements") for the installation and maintenance of utilities to the Tracts within the

Subdivision and all necessary appurtenances thereto, whether installed in the air, upon the surface or underground, along and within:

(1) ten (10) feet of the rear, front and side boundary lines of all Tracts

(2) all Roadways,

(3) twenty (20) feet along the entire perimeter boundary of the Property,

with the authority to place, construct, operate, maintain, relocate and replace utility lines, systems and equipment thereon. The Utility Easements include the right of anchoring any support cables or other devices outside such easement areas where deemed necessary to support equipment. Nothing shall be placed or permitted to remain within the Utility Easement which may damage or interfere with the installation and maintenance of utilities.

4.2 Maintenance of Utility Easements. The Utility Easements within each Tract and all Improvements thereon shall be maintained by the Owner of the Tract, except as otherwise provided in this Declaration and except for those Improvements for which an authority or utility provider is responsible.

4.3 Access to Utility Easements. Utility providers shall have all of the rights and benefits necessary and convenient for the full enjoyment of the rights herein granted, including, but not limited to the free right to ingress to, and egress from, Utility Easements, and the right from time to time to cut and trim all trees, undergrowth and other obstructions that may injure, endanger or interfere with the installation, operation or maintenance of utilities. Declarant shall have the right, without the necessity of joinder by the POA or any Owner, to execute and deliver any and all instruments that may be required by any provider of such utilities in order to grant or assign such provider the right to utilize the easement reserved hereby to provide such utilities.

4.4 Easements Shown on Plat. All dedications, limitations, restrictions and reservations shown on a future Plat of the Property, 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 Property.

4.5 Access Easements. Declarant hereby reserves for itself and its successors and assigns, and the POA is hereby granted, a non-exclusive right of access to and easement across all Tracts for the purposes of exercising their respective rights or performing their respective duties under these Declarations including, without limitation, any rights or duties of maintenance or repair.

4.6 No Liability for Damage to Improvements. Neither Declarant nor any provider of utility services shall be liable to any Owner for any damage to any vegetation including, without limitation, shrubbery, trees, lawns and flowers, or other Improvements situated within such easement area, as a result of any activity relating

to the construction, maintenance, operation, or repair of any utility lines or facilities in any Utility Easement, except to the extent liability or obligation to repair any such damage arises out of this Declaration, or any State, County, or Municipal statutes, ordinances, rules or regulations, or the custom and practice of such utility provider. Prior to the construction of any utilities on a Developed Lot, Declarant and the POA reserve the right to require that the utility provider pay the cost of restoring the Utility Easement to the same condition as it was prior to construction.

4.7 Changes, Additions, and Reservations. Declarant reserves the right to make changes in and additions to the easements described in Article 4 for the purpose of more efficiently and economically installing any Improvements. Further, Declarant reserves the right, without necessity of the joinder of the POA or any Owner or other person or entity:

(1) to grant, dedicate, reserve or otherwise create easements for utility purposes, including, without limitation, water, sewer, gas, electricity, telephone, cable television, internet, and drainage, in favor of any person or entity furnishing or to furnish utility services to the Property, but only to the extent reasonably necessary and appropriate, and

(2) to execute and deliver any and all instruments and documents in connection therewith, including, without limitation, any and all instruments and documents that may be required by any provider of such utilities.

ARTICLE 5
COMMON AREAS

Other than the Roadways, until such Roadways are accepted and included in the City or County's road system, the medians, and the entryway to the Subdivision, any and all Improvements in connection therewith, there are no Common Areas planned to be developed within the Subdivision.

ARTICLE 6
PROPERTY RIGHTS

6.1 Owner's Easements of Enjoyment. Every Owner shall have the right and easement of enjoyment in and of the Common Areas, which shall be appurtenant to and shall pass with the title to every Tract, subject to the following provisions.

(1) The right of the POA to charge fees for the repair and maintenance of the Common Areas, collect all dues, fines, assessments, reimbursements, and / or other fees or charges of any sort provided for in this Declaration, and enforce collection of any such dues, fines, assessments, reimbursements, and / or other fees or charges in accordance with any and all terms, conditions or rights set forth in this Declaration.

(2) The right of the POA to suspend the voting rights of an Owner for any period of time during which any assessment against his Tract remains unpaid, or for any period of time during which such Owner is delinquent in the payment of any dues, fines, assessments, reimbursements, and / or other fees or charges due the POA hereunder.

(3) The right of the POA to suspend the voting rights of any Owner during any period of time in which an infraction of any of the rules and regulations set forth in this Declaration, or adopted by the POA, has taken place, and uphold such suspension for up to 60 days after said Owner's cure.

(4) The right of the POA to enforce any and all rules and regulations which are a part of this Declaration or which are adopted by the POA or the ARC pursuant to the authority granted to the POA or the ARC by these Declarations.

(5) The right of the POA to make and adopt rules and regulations regarding participation in POA activities or the use of the Common Areas, or otherwise related to its purpose.

(6) The right of the ARC to make and adopt rules and regulations related to its purpose.

ARTICLE 7
PROPERTY OWNER'S ASSOCIATION AND COVENANTS FOR MAINTENANCE ASSESSMENTS

7.1 Membership and Voting. Declarant shall take all steps necessary to create the POA, to which POA the Declarant may assign or delegate on a permanent or temporary basis one or more of the rights, powers, obligations and duties of the Declarant under this Declaration. Every Owner of a Tract within the Property shall be a member of the POA.

The POA shall have two classes of voting membership.

Class A: Class A Members shall be all Owners of Tracts, with the exception of Declarant, and shall be entitled to one (1) vote for each Tract owned. When more

than one person owns an interest in any Tract, all such persons shall be members. The vote for such Tract shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any one Tract hereunder.

Class B: Class B Members shall be the Declarant. Declarant shall be entitled to three (3) votes for each Tract owned. Once a Tract is sold to a person or persons who would be classified as Class A Members, the three (3) votes attached to that Tract shall be extinguished.

When more than one person owns an interest in any Tract, in order for the vote attributable to such Tract to be valid, the Owners of such Tract, or their representatives, shall deliver to the Board of Directors such instruments and documents, including, without limitation, resolutions, authorizations, approvals, and certifications, as the Board of Directors may reasonably request to confirm that such vote was authorized; such instruments and documents to be delivered prior to the taking of the vote of the members. If such instruments and documents are not delivered, or if the Board of Directors determines, in its sole discretion, that such vote was not properly authorized, the vote submitted for such Tract shall be deemed to be an abstention.

7.2 Turnover.

7.2.1 At any time after commencement of operations of the POA, at Declarant's sole discretion, the Owners may be required to take over the management of the POA and relieve Declarant of all duties associated therewith (the "Turnover"). Upon such Turnover by Declarant, the Owners will be required to choose their own Board of Directors to represent them and to manage the POA in accordance with the terms and conditions of this Declaration and to establish any and all bylaws, procedures and other management devices by which the POA shall operate. Prior to the date such Turnover occurs, a Director need not be a member of the POA. From and after the date such Turnover occurs, a Director shall be a member of the POA.

7.2.2 Notwithstanding anything to the contrary, until such Turnover has taken place, the management of the POA shall be the Declarant and its staff, and any expenses incurred in such management shall be reimbursed to Declarant by the POA. Said reimbursable expenses shall include the cost of Declarant's staff for the time spent in the management of the POA.

7.2.3 Declarant shall give the Owners written notice of the Turnover (the "Turnover Notice") at least thirty (30) days prior to the effective date of such Turnover. The Turnover Notice shall state the effective date of the Turnover (the "Turnover Date"). In addition, the Turnover Notice shall state the place, date, and hour of a special meeting of the Owners called for the purpose of the election of a new Board of Directors as of the Turnover Date, and shall constitute a call and notice of such special meeting. In the event the Owners fail to elect a new Board of

Directors by the Turnover date, Declarant may, but shall not be obliged to, appoint three (3) or more Owners to serve as an interim Board of Directors until such time as the Owners elect a new Board of Directors. Turnover of the POA shall occur on the Turnover Date specified in the Turnover Notice, whether or not a new Board of Directors is elected by the Owners by the Turnover date, and whether or not an interim Board of Directors is appointed by Declarant.

7.2.4 The POA shall at all times from and after Turnover indemnify and hold Declarant, its officers and partners, harmless from and against any and all liability, claims or damages of every kind, arising out of the operation of the POA, whether before or after such Turnover, including, without limitation, the Common Areas. Additionally, Declarant, its officers and partners, shall not be held liable in any way in its role in enforcing or failing to enforce any of the Protective Covenants, in protecting its rights or in carrying out any of its duties or obligations. This indemnification by the POA of Declarant shall include the POA's payment of any and all expenses incurred by Declarant, its officers and partners, including the payment of any and all legal expenses, court costs, and all other costs associated with the protection and / or defense of Declarant, its officers and partners, in any legal actions or proceedings or any other action of any kind.

7.2.5 Upon written request made by Declarant to the POA, which request may be made at any time after the date hereof, the POA shall obtain and maintain in effect at all times, at the POA's expense, Commercial General Liability Insurance with limits of liability, reasonably acceptable to Declarant, but not less than $1,000,000.00 per occurrence and $2,000,000.00 aggregate single limit. Such insurance:

(1) to include coverage insuring against liability arising out of or related to the operation of the POA, and the development, operation and maintenance of the Subdivision, including, without limitation, the Common Areas,

(2) to name Declarant as an additional insured, and

(3) to be issued by an insurance company reasonably acceptable to Declarant

The POA shall, not later than ten (10) days after the date of Declarant's request for such liability coverage, provide Declarant with a certificate of insurance providing for the insurance coverage required hereby. The POA shall not cancel any insurance policy obtained in accordance herewith without giving Declarant at least thirty (30) days prior written notice. The POA shall maintain such liability insurance until the later of (a) the date all of the Common Areas are turned over to the POA, (b) the date management of the POA has been turned over to the Owners, or (c) the date Declarant no longer owns any interest in any part of the Subdivision.

7.3 Personal Obligation and Lien Rights Associated with Collection of Dues and Assessments.

7.3.1 Each Owner, by acceptance of deed, whether or not it shall be so expressed in such deed, is deemed to agree to pay the POA regular annual assessments and all

other POA dues, fees, fines, assessments or charges of any kind, including special assessments which may be established and collected as hereinafter provided.

7.3.2 The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment fell due. The personal obligation for delinquent assessments shall pass to any successors or assigns in title.

7.4 Purpose of Assessments. The assessments levied by the POA shall be used to promote the recreation, health, safety, and welfare of the residents and Owners of the Property, for the improvement and maintenance of the Common Areas, for expenses associated with the maintenance of the Wildlife Management Plan as authorized by the Declarant or by the POA, for the enforcement of the Protective Covenants, and for the general and administrative expenses of the POA. These expenses may include, without limitation, payment of taxes and insurance, construction, repair or replacement of Common Areas and Improvements thereon, cost of maintaining facilities, wildlife censusing and other activities according to the Wildlife Management Plan, cost of trash and debris clean up, street and lot cleaning, cost of professional or other outside services, and labor, equipment, materials, outside management and supervision necessary to carry out its authorized functions. Additionally, any other expenses which, in Declarant's or POA's sole discretion, are deemed necessary to uphold the Subdivision's property values or are for the overall betterment of the Subdivision and its appearance, shall be the responsibility of the POA and shall be paid out of assessments.

7.5 Annual Assessment. Until adjusted in accordance herewith, the maximum annual assessment shall be as follows:

- Class A Members: $100 per individual Tract owned
- Class B Members: $100 per individual Tract owned

7.5.1 From and after January 1 of the calendar year immediately following the first conveyance of a Tract to an Owner, the maximum Class A annual assessment (a) may be increased each year by the Board of Directors by not more than 15% above the previous year's maximum assessment without a vote of membership, and (b) may be increased each year by more than 15% above the previous year's maximum assessment if such increase is approved by the Board of Directors and by a vote of more than two thirds (2/3) of the votes that may be cast by the POA members represented in person or by proxy at a meeting duly called for such purpose.

7.5.2 The Board of Directors may fix the Class A annual assessment at an amount less than the maximum Class A annual assessment, but not in excess of the maximum Class A annual assessment, as such maximum Class A annual assessment may be increased from time to time as provided for above.

7.5.3 The Board of Directors shall fix the amount of Class A annual assessment against each Tract at least ten (10) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto.

7.5.4 In no event will the maximum Class B annual assessments stated above be altered or adjusted.

7.6 Special Assessments. In addition to the annual assessments authorized above, the Board of Directors may levy special assessments from time to time for the purpose of defraying the cost of any construction, reconstruction, repair or replacement of any Improvements upon or which are part of the Common Areas, the cost of maintaining the Wildlife Management Plan, the cost of acquisition, repair or replacement of any fixtures and personal property used by or benefiting the POA or the Subdivision, and for carrying out any other purposes of the POA as stated herein or in the POA's organizational documents, as they may be amended from time to time. In order for the Board of Directors to levy a special assessment in accordance herewith, such special assessment must be approved by a vote of more than two thirds (2/3) of the votes that may be cast by the POA members represented in person or by proxy at a meeting duly called for such purpose.

7.7 Notice and Quorum for any Action Authorized Under Sections 7.5 and 7.6. Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.5 and 7.6 above shall be sent to all POA members not less than twenty (20) days and not more than ninety (90) days in advance of such a meeting. At the first such meeting called, the presence of POA members or proxies entitled to cast sixty percent (60%) of all votes of the POA membership shall constitute a quorum. If the required quorum is not present, another meeting may be called by the same notice requirement, and the required quorum at the subsequent meeting shall be thirty percent (30%) of all votes of the POA membership. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

7.8 Uniform Rate of Assessment. Any and all dues of the POA or special assessments must be fixed at a uniform rate for all Tracts owned by Class A Members, and a uniform rate for all Tracts owned by Class B Members, and may be collected on a monthly or quarterly basis in lieu of annually. This decision may be made by Declarant until Turnover occurs, and thereafter may be made by the Board of Directors.

7.9 Date of Commencement of Annual Assessments. The annual assessment period shall be a calendar year. Annual assessments shall not commence until January 1, 2010, the "Assessment Commencement Date". With respect to the initial sale of a Tract occurring after the Assessment Commencement Date, the buyer may be assessed at the closing of such sale for a prorated amount of the annual assessment attributable to such Tract as if such Tract had been assessed at the Class A annual assessment rate at all times during such annual assessment period, such prorated

amount to be determined based upon the number of days remaining in such annual assessment period after such closing.

7.10 Assessment Due Date. All assessments, whether annual or special, shall be due and payable in advance upon receipt of the bill for such assessment sent by the POA.

7.11 Certification Regarding Assessments. The POA shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the POA setting forth whether the assessments on a specified Tract have been paid. A properly executed certificate of the POA as to the status of assessments on a Tract is binding upon the POA as of the date of its issuance.

7.12 Effect of Nonpayment of Assessments: Remedies of the POA. The POA may charge a one time late fee of $50.00 if any assessment is not paid within thirty (30) days after the date it is due. In addition, any assessment not paid within thirty (30) days after the date it is due shall bear interest from the due date at a rate equal to the lesser of (a) twelve percent (12%) per annum, or (b) the highest legal rate permitted by law to be charged the non-paying Owner. The POA may bring an action at law against the Owner personally obligated to pay the same, may foreclose the POA's lien against such Owner's Tract, and / or exercise any and all other rights and remedies it may have hereunder, or under Texas law, to enforce an Owner's obligations hereunder. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Tract.

7.13 Subordination of the Lien to Mortgage. The POA's lien to secure payment of the assessments provided for herein shall be subordinate to mortgage, deed of trust, or home equity liens of record. The sale or transfer of any Tract shall not affect the assessment lien. No sale or transfer shall relieve such Tract from liability for any assessments thereafter becoming due or from the lien thereof.

7.14 Exempt Property. All Common Areas and other portions of the Property, if any, which are dedicated to public authorities, shall be exempt from assessments.

7.15 No Assessment for Initial Construction. Assessments shall not be levied for the initial construction of the Roadways, the initial construction and installation of the main electric and telephone lines and facilities serving the Subdivision along the Roadways, the initial construction of the initial entryway Improvements to the Subdivision, or the initial construction of any drainage channels or culverts to be constructed with respect to the initial development of the Subdivision.

ARTICLE 8
RESTRICTIVE COVENANTS

The Declarant hereby declares that the Property shall henceforth be owned, held, transferred, sold and conveyed subject to the following Protective Covenants which are intended for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on Declarant and all Owners and their respective heirs, successors and assigns, and which shall inure to the benefit of Declarant and each Owner of any part of the Property, and their respective heirs, successors and assigns.

THE FOLLOWING RESTRICTIVE COVENANTS SHALL APPLY TO ALL TRACTS UNLESS EXPRESSLY PROVIDED OTHERWISE IN A PARTICULAR RESTRICTIVE COVENANT.

8.1 General Restrictions

8.1.1 **Tract Use.** All Tracts shall be managed and used primarily for the benefit of indigenous wildlife in accordance with Texas Administrative Code Title 34 Part 1 Chapter 9 Subchapter I Rule 9.4003. Each owner agrees to implement qualifying wildlife management practices as specified in the Admiral Heights Wildlife Management Plan on each of their Tracts in accordance with Texas Property Tax Code Section 23.51(7).

8.1.2 **Insurance Rates.** Nothing shall be done or kept on the Property which could increase the rate of insurance or cause the cancellation of insurance on any Tract or any of the Improvements located thereon.

8.1.3 **Signs.** No signs of any kind shall be displayed to the public view on any Tract, or in the right-of-way of any Roadway adjacent to any Tract, except one sign, commercially attractive, of not more than six (6) square feet advertising the Tract for sale. However, during the construction period of a Single Family Dwelling on a Tract, a builder may have one sign of up to six (6) square feet advertising their particular homes and / or services and may identify the architect who designed the Single Family Dwelling and may include a lender's name providing construction financing. Declarant, or its agent, or the POA shall have the right to remove any sign not complying with the provisions of this paragraph, and in so doing shall not be liable for any tort arising from such removal. Declarant may erect signs of any size in order to advertise the Subdivision and the availability of Tracts for sale in the Subdivision, as long as Declarant owns any Tracts.

8.1.4 **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 there from so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property or its occupants. Refuse,

garbage, and trash shall be kept at all times in covered containers to the rear of the Single Family Dwelling and such containers shall be kept within enclosed structures or appropriately screened from public view, and their contents disposed of regularly.

8.1.5 **Noise.** No exterior speakers, horns, whistles, bells or other sound devices other than speakers for porches or patios and alarm devices used exclusively for security purposes shall be located, used or placed on any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or its occupants. All provisions of the City's Noise Ordinance will be adhered to.

8.1.6 **Construction of Improvements and Design Restrictions.** No building, structure, or other Improvement shall be constructed, erected, or placed upon any Tract unless it is in accordance with a development and design plan approved by the ARC pursuant to Article 9 hereof, nor shall any external lighting be installed on any Tract unless it is in accordance with an external lighting plan approved by the ARC pursuant to Article 9 hereof. No building, structure or other Improvement, and no external lighting, shall be remodeled, renovated, relocated, or otherwise modified unless such remodeling, renovation, relocation, or modification is made in accordance with a development and design plan approved by the ARC. In order to protect the overall integrity of the Subdivision as well as the quality and appearance of Improvements within the Subdivision, the ARC established in Article 9 hereof, shall have full authority to control all construction, development and improvement activities of any kind within the Subdivision, and to insure that all such activities are properly conducted in accordance with and in good workman-like manner, and in accordance with standard industry trade practices. "Old world" style architectural designs are encouraged. No geodesic domes, A-Frames, log homes, or free-style architectural designs shall be permitted.

8.1.7 **Sidewall Design.** The sidewall of each Single Family Dwelling on a corner Tract that faces a side street will be designed and completed to create an attractive appearance that is comparable to its front elevation in terms of building materials, use of architectural trim or décor, windows, doors and other relief areas.

8.1.8 **Builder Approval.** Declarant desires to create a uniform plan of construction, development and improvement of the Subdivision. Consequently, Declarant shall have the right to approve the identity of the builders and general contractors who shall be allowed to construct Improvements in the Subdivision, which approval shall not be unreasonably withheld. Should any Owner desire to obtain the Declarant's approval of a certain builder or general contractor prior to purchasing any Tract, Owner shall submit a written request identifying the builder or general contractor, and shall provide such information about the builder or general contractor as may be reasonably be requested by Declarant. Within 30 days of

submitting this request, Declarant shall provide a letter stating whether or not it approves such builder or general contractor. The failure of Declarant to respond to a request for approval shall constitute a denial of the request. Declarant's right to approve any builders or general contractors hereunder shall continue until Declarant releases such right by filing an instrument of release of such right in the Official Public Records of Gillespie County, Texas, at which time authority for Builder Approval is transferred to the Architectural Review Committee.

8.1.9 **Repair of Buildings.** All Improvements upon a Tract shall at all times be kept in good, safe, attractive condition and repair and adequately painted or otherwise maintained by the Owner of such Tract.

8.1.10 **Removal of Improvements.** In the event that a Single Family Dwelling or other Improvement on a Tract shall be damaged or destroyed by casualty, hazard, or other cause, including fire or windstorm, then, within a reasonable period not to exceed three (3) months following the occurrence of the offending incident, the Owner of the affected Improvement shall cause the damaged or destroyed Improvements to be repaired, rebuilt or reconstructed, or to be removed and cleared from such Tract. Any such repair, rebuilding or reconstruction shall be approved and accomplished as otherwise required for new construction pursuant to the provisions of this Declaration.

8.1.11 **Hazardous Activities.** No activities shall be conducted on a Tract and no Improvements shall be constructed on a Tract which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing and except under the provisions of the Wildlife Management Plan, no firearms or fireworks shall be discharged upon the Property, no open fires shall be lighted or permitted, except within interior or exterior fireplaces designed and built according to industry standards and all applicable laws, codes and statutes, or in contained barbeque units for cooking purposes while attended by a responsible adult.

8.1.12 **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. Except under the provisions of section 8.2.21, no tank for the storage of oil, gasoline, or other hazardous products may be maintained on any Tract.

8.1.13 **Unsightly Articles and Vehicles.** No unsightly article shall be permitted to remain on any Tract so as to be visible from adjoining Property or public streets. Without limiting the generality of the foregoing, trailers, trucks other than pickups not to exceed one (1) ton capacity, boats, tractors, vans, recreational vehicles and other vehicles used or designed for use as commercial vehicles, campers, wagons, buses, motorcycles and similar two (2) and four (4) wheel motorized vehicles, motor scooters, golf carts, and garden maintenance equipment, shall be kept at all times, except when in actual use, in enclosed structures or screened from view

and no repair or maintenance work shall be done on any of the foregoing, or on any automobile other than minor emergency repairs, except in fully enclosed garages or other structures, screened from public view. No commercial vehicle owned by an Owner or any resident within the Property shall be parked on the driveway or street within the Subdivision. Each Single Family Dwelling constructed within the Property shall have sufficient garage space or screened area to the rear of such Single Family Dwelling to house all other vehicles to be kept on the Tract.

8.1.14 **Mobile Homes, Travel Trailers, and Recreational Vehicles.** No mobile homes shall be parked or placed on any Tract at any time, and no travel trailers or recreational vehicles owned by anyone other then the Owner or resident of the tract shall be parked on or near any Tract so as to be visible from any adjoining property or public streets for more than forty eight (48) hours.

8.1.15 **Livestock.** Domestic livestock shall be permitted if provided for in the Admiral Heights Wildlife Management Plan, provided that not more than one animal unit, as defined by the rules of the Gillespie Central Appraisal District, shall be permitted for each 10 acres owned by an Owner. Any Owner keeping livestock shall be responsible for restraining their livestock with adequate fencing. Fences designed to restrain livestock shall be constructed of netting material with three strands, barbed or smooth wire, or a minimum of six (6) strand barbed wire with a minimum 2 7/8 inch metal pipe line post every 120 feet, t-posts every 10 feet and minimum 2 7/8 inch corner posts with H brace and diagonal brace.

8.1.16 **Animals and Household Pets.** No domestic household pet shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Tract of its owner unless confined to a leash. The household within each Tract shall keep no more than two (2) dogs and two (2) cats at any one time, or two (2) of any other type of domestic animal of any one (1) kind. No animal may be stabled, maintained, kept, caged or boarded for hire or remuneration on the Property and no kennels or breeding operations of animals will be allowed. No domestic household pet shall be allowed to run at large and pets shall be kept within enclosed areas on a Tract which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed areas shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from the front side of the Tract at street level. Dog runs shall not be visible from any portions of the Property at street level. No vicious or dangerous animals shall be allowed on the Property.

8.1.17 **Temporary Structures.** No structure of a temporary character such as a trailer, mobile home, manufactured home, tent, shack, garage, barn or other outbuilding shall be used on any Tract at any time as a residence, either temporarily or permanently. No Single Family Dwelling previously constructed elsewhere may be moved onto any Tract in the Subdivision. This covenant prohibits the use of a

mobile home or manufactured home as a residence, either temporarily or permanently. A portable building or enclosed trailer may be permitted for use as a builder's storage facility during construction of a Single Family Dwelling on a Tract, subject to the approval of the Declarant. However, any such building or structure shall be removed immediately upon completion of construction.

8.1.18 **Construction Materials and Debris.** No building material of any kind shall be placed or stored upon a Tract until the Owner thereof is ready to commence construction of Improvements and has obtained a building permit from the ARC and from any local governmental authority from which a building permit is required to be obtained. All building materials shall be placed within the property lines of the Tract upon which the Improvements are to be constructed and shall not be placed on the street. During construction of Single Family Dwellings or other Improvements, a Tract must be cleaned of trash and debris and placed in an orderly condition by 6 p.m. on each Friday. At all times during construction, all trash and debris shall be contained in a small defined area which shall be maintained in a sanitary and orderly manner and disposed of as provided above.

8.1.19 **Hours during Which Construction is Permitted.** No construction activity, including the delivery of materials, shall be permitted on any of the Lots in the Subdivision except during the hours from 7 a.m. to 7 p.m., Monday through Saturday, except to the extent otherwise expressly approved by the ARC.

8.1.20 **Nuisances.** No noxious, offensive or dangerous activity shall be carried out upon any Tract, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. This includes builders and construction workers working after daylight hours. Welding is prohibited except in connection with the construction of or repairs to Improvements. No Owner shall do any act or any work that will impair any easement or hereditaments, or do any act or allow any condition to exist that will adversely affect the other Tracts or their occupants.

8.1.21 **Hunting.** Hunting and harvesting of game animals protected by State or Federal statutes or regulations is prohibited unless provided for in accordance with the Admiral Heights Wildlife Management Plan and when conducted by a professional wildlife management service firm.

8.1.22 **Firearms, Projectiles, and Weapons.** The discharge of any firearm, except pursuant to the Admiral Heights Wildlife Management Plan, is prohibited. The discharge of BB guns and pellet guns, and the discharge of any fireworks within the Subdivision is prohibited. The use of any bow and arrow, slingshot, or other launching or catapulting device is prohibited.

8.1.23 **Rentals.** Nothing in this Declaration shall prevent the rental of any Tract and the Improvements thereon by the Owner thereof for single family residential purposes, provided however, all lessees shall be and are hereby bound to comply

fully with the Protective Covenants of this Declaration. During any period when a Tract or Improvements are rented or leased, the Owner of the Tract shall remain liable for complying with all terms of the Declaration. No Single Family Dwelling may be rented or leased for any single period of less than twelve (12) months. No "time-share plan" or any similar plan of fragmented or interval ownership of said Single Family Dwelling shall be permitted on the property. The use of a guest house as a Commercial Bed and Breakfast is expressly permitted.

8.1.24 **Trees.** Preservation and maintenance of the trees within the Subdivision is strongly encouraged. Prudence, care, and discretion should be used in the positioning of all Improvements in order to preserve as many trees as possible within the Subdivision. Replacement of trees that are removed or die is encouraged. All precautions shall be taken in connection with the pruning and trimming of trees in order to prevent the spread of oak wilt and oak decline within the Subdivision. Such precautions shall include, but not be limited to, minimal trimming of oak trees, trimming and pruning during the dormant months of January and February, and painting all fresh cuts with appropriate dressing or paint.

No tree shall be permitted to remain on any corner Lot within the area as designated by the building regulations of the City code unless the foliage is maintained at sufficient height to prevent obstruction of such sight lines.

8.1.25 **Precedence over Less Stringent Governmental Regulations.** In those incidences where the Protective Covenants set forth in this Declaration set or establish minimum standards or limitations or restrictions on use in excess of any governmental regulations, rules or ordinances, the Protective Covenants set forth in this Declaration shall take precedence over any less stringent governmental regulations, rules and ordinances. Similarly, when any governmental regulations, rules or ordinances are more stringent than the Protective Covenants set forth in this Declaration, the more stringent governmental regulations, rules and ordinances shall control.

8.2 Residential Restrictions

8.2.1 **Single Family Dwelling Construction.** All Tracts shall be managed and used primarily for the benefit of indigenous wildlife in accordance with the Admiral Heights Wildlife Management Plan. In addition, the Building Envelope of all Tracts may be improved and used solely for single family residential purposes. Improvements built within the Building Envelope of each Tract shall include not more than one Single Family Dwelling and one Guest House. Except the use of a room within a Single Family Dwelling as an in-home office, which office use is secondary to the residential use of the Tract, no business, commercial, industrial, trade, professional or other nonresidential activity or use of any nature, type, kind or description shall be conducted upon a Tract or from any Single Family

Dwelling or within any Improvement located or constructed on any Tract. No signs of any type advertising or describing in any way the in-home office use or business are permitted to be placed anywhere on a Tract or within or upon the Single Family Dwelling or any other Improvement on a Tract. The activities or business conducted at the in-home office shall not be such as to generate traffic by customers, vendors or the like through the Subdivision or to a Single Family Dwelling or other Improvements on a Tract.

Notwithstanding anything to the contrary in this Declaration, a builder shall have the right to build and maintain on a Lot owned by the builder and subject to all other requirements of this Declaration one (1) model home to be maintained by said builder. The model home shall be held open to the public on a regular basis and shall be utilized by said builder to sell other homes on Lots owned by said builder in the Subdivision. Once a builder no longer owns more than one (1) Lot in the Subdivision, said builder shall no longer have the privilege of maintaining a model home pursuant to this section 8.2.1.

8.2.2 **Construction in Place.** All Improvements constructed on the Property shall be built in place on the Tract and the use of prefabricated buildings is prohibited.

8.2.3 **Building Materials.** All Single Family Dwellings and other Improvements shall be constructed of recognized standard construction quality materials. New construction materials, except stone, shall be used in constructing any Single Family Dwelling or Improvement situated on a Tract. The exterior walls of all one-story buildings, the entire ground and second story of the front of all two-story buildings, and the ground story of the remaining exterior walls of all two-story buildings, shall be composed of 80% masonry, masonry veneer or fiber cement siding, of which at least 60% shall be masonry or masonry veneer. In addition, the exterior walls of all two-story buildings shall be composed of masonry, masonry veneer or fiber cement siding for 75% or more of the total exterior wall area, of which at least 60% shall be masonry or masonry veneer. The minimum masonry percentage shall apply to the aggregate area of all exterior walls but be exclusive of door, window and similar openings. "Masonry" or "masonry veneer" means stucco and rock.

8.2.4 **Single Family Dwelling Size.** All Single Family Dwellings shall contain not less than 2,000 square feet of enclosed, air conditioned and heated living space, exclusive of open or covered porches, decks and garages. Additionally, all two-story Single Family Dwellings shall contain not less than 2,500 total square feet, of which a minimum of 1,750 square feet shall be ground floor living area.

8.2.5 **Windows.** All windows must be of all wood construction or of wood clad with vinyl, aluminum or other metal. Mill finish aluminum colored window and door frames are hereby expressly prohibited.

8.2.6 **Building Envelope and Setback Lines.** Except for entrance and other gates, wells and related well houses, earthen dams and ponds, septic systems, roadways, driveways, drainage areas and culverts, fences and utility lines, no Improvements shall be constructed, placed or maintained outside the maximum legal Building Envelope, unless that Improvement has the purpose of benefiting wildlife in accordance with the Admiral Heights Wildlife Management Plan or facilitate wildlife viewing. In addition, no Improvements shall be located within one hundred (100) feet of the front boundary of a Tract, one hundred (100) feet of the side boundary of a Tract, or one hundred (100) feet of the rear boundary of a Tract which rear boundary abuts the boundary of another Tract in the Subdivision, provided, an Owner of two or more Tracts which have common and abutting boundaries, shall not be subject to setback restrictions on the common and abutting boundaries.

8.2.7 **Improvements Compatible with Single Family Dwellings.** All Improvements shall be compatible with the Single Family Dwelling to which they are appurtenant in terms of design and material composition. No Improvement on a Tract other than a Single Family Dwelling shall exceed twenty-four (24) feet in height unless the prior written approval of the ARC has been received. All such Improvements must comply with Lot size and other requirements set forth in the City ordinances, and must be approved by the ARC, in writing, prior to the commencement of construction of same.

8.2.8 **Swimming Pools.** Movable, above-ground swimming pools are strictly prohibited. All swimming pools must be of a permanent nature built into the ground, in accordance with any applicable City ordinances, regulations, or statutes. No swimming pools shall be constructed in front or side yards.

8.2.9 **Athletic Facilities.** Tennis courts and sports courts, and related lighting and fencing shall be allowed and may be constructed within the Building Envelope of any Tract. All fencing must be screened by appropriate landscaping. All tennis court or sport court lighting must be turned off by 11:00 p.m. All tennis courts, sport courts, basketball goal backboards and other similar sporting facilities or equipment of either a permanent or temporary nature shall be placed only in the back yard. If any such sporting facilities are to be situated on a Lot contiguous to the Lot upon which the primary Single Family Dwelling is situated, their location must be approved by the ARC. In addition, any basketball goals and backboards shall be of the black and grey color combination or be constructed of a transparent material. Any other color combination is prohibited.

8.2.10 Foundation Exposure.

(A) **All Stucco Finishes.** All foundation sides on any Improvements with a stucco exterior finish shall be covered with stucco which matches the texture and color of the exterior stucco walls of the Improvement and shall be a continuation of such stucco walls so that there is no defined horizontal relief line between the foundation and such walls.

(B) **All Stone and Masonry Finishes.** The foundation of any Improvements with a stone, masonry, masonry veneer other than stucco, exterior finish shall not be exposed more than twenty four (24) inches above final grade. If ground floor level is more than twenty four (24) inches above final grade, the foundation shall be built to accommodate a finished wall matching the exterior wall of the Improvement to within twenty four (24) inches of final grade. The exposed foundation shall be trowel finished. Landscaping to screen any exposed foundation is encouraged.

8.2.11 **Governmental Rules.** All Improvements located, erected, constructed and installed upon any Tract shall conform to and comply with all applicable governmental regulations, rules and ordinances, including, without limitation, all building and zoning requirements. All activities of the Owners and those of their tenants, invitees, agents, employees and contractors on or about the Property shall comply with all applicable governmental regulations, rules and ordinances.

8.2.12 **Garages and Carports.** No carports or porte cochere open to street frontage shall be placed, erected, constructed, installed or maintained on a Tract. All garages shall be designed, erected, constructed, installed or maintained as side entry / load in such a manner that the garage doors thereof shall not face the front of the Single Family Dwelling. Garages may also contain appropriately sized storage rooms, recreational workshops and tool rooms. All garages shall have garage doors that are operated by electric door openers kept in operable condition. All garage doors shall be kept closed when not in use. No garage shall be converted to another use, such as for living or office space.

8.2.13 **Reflective or Mirrored Glass.** No reflective or mirrored glass shall be used on, in or for the windows or doors of any buildings or other Improvements constructed upon a Tract.

8.2.14 **Exterior Air Conditioning Equipment.** All air conditioning compressors and other exterior equipment shall be screened from view of streets in the Subdivision by opaque walls attached to and made a part of the Single Family Dwelling or other Improvement served by such equipment. Window or roof mounted air conditioning units are prohibited.

8.2.15 **Exterior Building Materials, Finishes and Colors.** All exterior building materials, finishes and colors shall be approved in writing by the ARC and shall be of such texture and color to provide a pleasant appearance throughout the Subdivision. Bright colors, such as red, UT orange, Aggie crimson, bright or mustard yellow, aqua, bright pink, purple, fuchsia, lime green and royal blue are prohibited. Uncovered or exposed concrete or concrete block, whether painted or not, shall not be permitted as the exterior finish of any building or other Improvement. The foregoing restriction shall be equally applicable to the initial as well as any subsequent painting or any Improvements located on the Property.

8.2.16 **Exterior Lighting.** Exterior lighting or illumination of buildings, yards, parking areas, sidewalks, driveways or other Improvements on a Tract shall be designed and installed so as to avoid visible glare, direct or reflected, on to streets and road rights-of-way and other portions of the Property. Conventional mercury vapor, halogen, or other similar types of wide-area security lamps are prohibited. Exterior holiday lighting conforming to this subsection shall be permitted during the calendar month of December and shall be removed no later than January 15 of that following year.

8.2.17 **Artificial Vegetation.** No artificial vegetation shall be permitted outside of any Improvement or Tract.

8.2.18 **Antennas.** No radio or television aerial wires, antennae or other special television apparatus or equipment shall be maintained on any portion of any Tract forward of the rear building line of the principal Single Family Dwelling. Furthermore, no radio or television aerial wires or antennae shall be placed or maintained on any Tract which extends higher than the highest part of the roof of the Single Family Dwelling on said Tract and must be attached to the ground. All satellite dishes, discs, and similar apparatus or equipment must be screened from the view of streets.

8.2.19 **Roofs.** The roofs of the main body of all Improvements on the Property shall be pitched. Flat roofs are prohibited. All roofs shall be constructed of clay tile, cement tile, slate, or standing seam metal or copper. All roofing color must be approved by the ARC. No windmills, appliances, rooftop attic ventilators, fans, solar collector panels or other rooftop installations or structure of any type shall be placed, located, erected, constructed, installed or maintained upon the exterior roof of any Improvement unless it is erected, constructed, installed and maintained on the rear yard side of the roof or otherwise in such manner and at such location that the same shall not be visible from any street. Notwithstanding the foregoing, the ARC may waive any part of the requirements herein set forth upon written approval of alternate plans and specifications which will not detract from the general appearance of the Property.

8.2.20 **Mailboxes.** Mailboxes located on individual Tracts are prohibited. Collective "UBS" type mailboxes are installed by the United States Postal Service at various locations throughout the Subdivision.

8.2.21 **Tanks.** Butane, propane, or other type of tanks are allowed if placed inside walls, fences or similar type enclosures or if buried and to the rear of the principal Single Family Dwelling. Swimming pool filter tanks shall be placed inside walls, fences or similar type enclosures or buried in conformity with applicable governmental rules and regulations.

8.2.22 **Underground Utility Lines.** No utility lines, including, without limitation, wires or other devices for the communication or transmission of telephone, electric current or power, cable television, internet, or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property, unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements. Provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements. This restriction shall not apply to any utility lines situated on the Property on the date of this Declaration.

8.2.23 **Drainage.** All storm water from any Lot shall drain into or onto contiguous or adjacent street rights-of-way, drainage easements, or retention areas. Storm water from any Lot shall not be permitted or allowed to drain or flow unnaturally onto, over, under or across any contiguous or adjacent Lot unless a drainage easement shall exist for same and same is done in accordance with any and all applicable governmental permits and approvals. All work done on any Lot affecting or pertaining to the Lot grade, the flow of surface water drainage, the alteration or removal of any drainage or environmental berm or swale or any storm berm or swale, must be in accordance with the site grading and drainage plans prepared by an engineer approved by the ARC to prepare such plan or plans and also in accordance with all applicable laws, codes and regulations.

8.2.24 **Fences.** All fences within the Subdivision shall be of the following composition:

- all masonry, or
- concrete tile or block, plastered and painted on both sides, or
- wrought iron, or
- any combination of masonry, concrete tile or block, wrought iron, or
- all cedar or wood, or
- cedar stockade fences with wire wrap posts or staves which must be cut evenly across the top, and for which all metal posts, pipes and/or other support members must be painted on the outside.

Cedar or wood fences shall be constructed of galvanized or painted pipe posts, 9 feet maximum on center, set in concrete. 2x4 wolmanized or metal rails are required at the top, middle, and bottom (three (3) rails in all). The cedar facing must be to the outside of the Lot when adjacent to streets.

No fence, wall, or hedge to the rear of the front wall line of the main structure may be higher than six (6) feet. Hedges may not be installed or maintained forward of the front wall line of the main structure in excess of four (4) feet in height. No fence or wall shall be built forward of the front wall line of the main structure, except for decorative walls or fences which shall not exceed three (3) feet in height. Side fences on corner lots shall not be constructed within the building setback line established from any side street.

Notwithstanding the foregoing, the ARC is empowered to waive the aforesaid composition requirements for fences and the aforesaid height or setback limitation in connection with retaining walls and decorative walls if, in its sole discretion, such waiver is advisable in order to accommodate a unique, attractive or advanced building concept design or material or to accommodate unusual slopes or topography of a particular Lot, and the resulting fence, decorative wall or retaining wall, whichever is applicable, will not detract from the general appearance of the neighborhood.

No chain-link fences may be built or maintained on any Lot, other than to enclose a tennis court which must be screened and landscaped as provided in section 8.2.11, or to enclose a dog or pet enclosure provided that the enclosure is not visible from any street.

No fence, wall, or hedge or shrub planting which obstructs sight lines shall be placed or permitted to remain on any corner lot within the area as designated by the building regulations of the City code.

8.2.25 **Construction Activities.** Construction activities by contractors, subcontractors or other construction personnel shall only be conducted from 7 a.m. to 7 p.m., Monday through Saturday, except to the extent otherwise expressly approved by the ARC. Notwithstanding any provision herein to the contrary, but subject to the preceding sentence, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of the Declaration by reason of noise, dust, presence of vehicles or construction machinery, or similar activities, provided that such construction is pursued to completion with reasonable diligence and as hereinafter provided, and conforms to usual construction practices in the Gillespie County, Texas area.

8.2.26 **Unfinished Structures.** No Single Family Dwelling or other structure shall remain unfinished for more than eighteen (18) months after the issuance of a building permit by the ARC.

8.2.27 **Compliance with Provision of this Declaration.** Each Owner shall comply strictly with the provisions of these restrictions as the same may be amended from time to time. Failure to comply with any provision of this Declaration shall constitute a violation of the Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by an aggrieved Owner or Declarant. Declarant makes no warranty or representation as to the present or future validity or enforceability of this Declaration, its terms or provisions. Each Owner acquiring a Tract in reliance on this Declaration, its terms and provisions, shall assume all risks of the possible amendment, validity and enforceability thereof, as well as the possibility that variances from the restrictions contained in this Declaration may be granted from time to time and,

by acquiring a Tract, each Owner agrees to hold Declarant harmless from any damages resulting from any amendment to, variances from, or invalidity or unenforceability of this Declaration.

8.3 Restrictions Against Subdivision

8.3.1 No re-subdivision of any Tracts into smaller tracts shall be permitted, provided that Declarant shall have the right to re-subdivide any Tracts owned by Declarant without restriction, subject to paragraph 8.3.2 below.

8.3.2 Notwithstanding paragraph 8.3.1 above, Declarant shall not re-subdivide any Tracts for the purpose of extending more than two (2) roads to adjacent property.

8.4 Variances by the ARC. Pursuant to Article 9, Section 8 below, the ARC is granted the power and authority, in its sole discretion, to permit Owners to construct, erect, or install Improvements which are in variance from the Protective Covenants or architectural standards provided for in this Declaration or those which may be promulgated in the future. In any case, such variances must, in the ARC's sole discretion, blend effectively with the general architectural style and design of the Subdivision and must not detrimentally affect the integrity of the Subdivision or the harmony with the Subdivision's natural surroundings. Neither the Declarant nor the POA nor the ARC nor any member of the Board of Directors of the POA or the ARC, shall be liable to any Owner for claims, causes of action or damages arising out of the grant of any variance to an Owner. The grant of a variance to any Owner shall not constitute a waiver of the ARC's right to strictly enforce the Protective Covenants and architectural standards provided hereunder, against any other Owner.

ARTICLE 9
ARCHITECTURAL REVIEW COMMITTEE

9.1 Development Objectives. The aesthetic and ecological quality of the Property requires that all Improvements be compatible with other Improvements, and be in harmony with the natural surroundings including, without limitation, natural vegetation and topography. To these ends, an Architectural Review Committee (the "ARC") has been created as described in this Article 9. The ARC has the responsibility to carry out the goals and functions that have been adopted, and are described below, and which may be amended from time to time.

9.2 Architectural Review Committee. The ARC shall be composed of three (3) persons selected and appointed from time to time by:

(A) the Declarant, as long as the Declarant owns any interest in any of the Tracts, unless Declarant expressly relinquishes such right of appointment sooner, and

(B) after the Declarant no longer owns any interest in any of the Tracts or after the Declarant expressly relinquishes such right of appointment, by the Board of Directors of the POA.

During the time the Declarant has the authority to appoint the members of the ARC, the Declarant shall have the exclusive right and power at any time, and from time to time, to create and fill vacancies on the ARC. During the time the Board of Directors of the POA has the authority to appoint the members of the ARC, the Board of Directors shall have the exclusive right and power at any time, and form time to time, to create and fill vacancies on the ARC. The ARC shall have the right from time to time to file instruments in the Official Public Records of Gillespie County, Texas, designating its current composition.

9.3 Goal of the ARC. The goal of the ARC is to encourage the construction of Improvements of good architectural design, aesthetic quality, location on the site, and proper size compatible and in harmony with Declarant's conceptual plan for the Subdivision, other Improvements and the natural surroundings, including, without limitation, natural vegetation and topography. Improvements should be planned and designed with particular attention to site location, size, scale, building density, design and aesthetic appearance, and the use of such materials as will, in the judgment of the ARC, create an attractive and harmonious blend with existing Improvements and the natural surroundings, including, without limitation, natural vegetation and topography. The ARC may disapprove the construction or design of an Improvement, or the location of an Improvement, on purely aesthetic grounds where, in its judgment, such disapproval is required to protect the continuity of design or values of the Subdivision and of other Owners, or to preserve the serenity and natural beauty of any surroundings. Prior judgments regarding such matters of site location, design or aesthetics shall not be deemed binding upon the ARC if the ARC feels that the repetition of such matters will have an adverse effect on the Subdivision.

9.4 ARC Approval Required. No Improvement shall be erected, constructed, placed, altered either by addition or deletion, maintained or permitted to remain on any Tract until plans and specifications, including a site plan, in such form and detail as the ARC may deem necessary, shall have been submitted to and approved in writing by the ARC. Without limiting the general application of the preceding sentence to all Improvements, including exterior lighting, no external lighting shall be placed, altered either by addition or subtraction, installed, maintained or permitted to remain on a Tract until the type, location and other elements and characteristics of such lighting has been approved in writing by the ARC. The ARC shall have the power to employ professional consultants to assist it in discharging its duties, with the costs and fees of such professional consultants to be paid by the POA. The decision of the ARC shall be final, conclusive, and binding upon the applicant.

9.5 Procedures. The ARC may, but is not obligated to, establish and publish from time to time reasonable administrative procedures and separate building guidelines covering Improvements.

9.6 Design Submittal. The Owner must submit design plans, which must adequately reflect to the ARC the true design quality of the proposed work and the location of the Improvement on such Owner's Tract. Preliminary design plans ("Preliminary Plans") shall be submitted and approved by the ARC prior to submission of final design plans and specifications ("Final Plans"). The Preliminary Plans shall consist of preliminary or conceptual plans and specifications of front elevation, and side elevation on corner lots, materials specifications, and the positioning of the Improvement upon the Tract. The Final Plans shall be submitted in complete form in duplicate and shall include:

(A) A floor plan

(B) All elevations of any proposed structure(s) including walls, pools, pool buildings, barns, guest houses, pens, etc., roof height, exterior lighting plans, specifications of materials, colors, textures and shapes, and

(C) A site plan showing the general location of all proposed and existing Improvements and identifying any trees to be cut in connection with the proposed work.

All exterior measurements and dimensions must be shown, at a scale of ¼ inch = 1 foot minimum. Descriptions of materials and finishes must be clearly indicated.

9.7 Basis of Approval. Approval of preliminary design plans and final plans and specifications shall be based upon the following:

(A) The architectural design.

(B) The location of the Improvement on the site, including, without limitation, the location of the Improvement in relation to the natural surroundings including, without limitation, natural vegetation and topography, other Improvements on the Tract, and other Improvements on adjoining tracts and elsewhere in the Subdivision.

(C) Harmony and conformity of the design with the surroundings both natural and built including, without limitation, natural vegetation and topography.

(D) Adequacy of the design to conditions of the site.

(E) Relation of finished grades and elevations to neighboring sites.

(F) Relation of Improvements to Improvements on neighboring sites.

(G) Conformity to specific and general intent of the Protective Covenants set forth in this Declaration.

9.8 Variances. Upon submission of a written request for same, the ARC may, from time to time, in its sole discretion, permit Owners to construct, erect, or install Improvements which are in variance from the Protective Covenants and architectural standards which are provided in this Declaration or those which may be promulgated in the future. In any case, such variances must, in the ARC's sole discretion, blend effectively with the general architectural style and design of the Subdivision and must not detrimentally affect the integrity of the Subdivision or harmony with the natural surroundings. Neither the Declarant nor the POA nor the ARC nor any member of the Board of Directors of the POA or the ARC, shall be liable to any Owner for claims, causes of action or damages arising out of the grant of any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the ARC's right to strictly enforce the Protective Covenants and architectural standards provided hereunder, against any other Owner.

9.9 Issuance of Building Permit. Upon approval of final submittals, a building permit will be issued and construction may begin. All such permits must be prominently displayed at the job site. Construction of an Improvement shall be completed within eighteen (18) months after the issuance of the building permit and must be completed in accordance with the Final Plans as approved by the ARC. Any changes to the Final Plans must be approved in writing by the ARC prior to the implementation of such changes. The ARC or a representative of the ARC may conduct regular inspections of the construction.

9.10 Failure of the ARC to Act. If the ARC fails to approve or to disapprove the Final Plans or to reject them as being inadequate within thirty (30) days after submittal thereof, it shall be conclusively presumed that such ARC has approved such Final Plans. If the Final Plans are not sufficiently complete or are otherwise inadequate, the ARC may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

9.11 Limitation of Liability. Neither the Declarant nor the ARC nor any of the members of the ARC nor the POA, nor the Board of Directors of the POA or the ARC, shall be liable in damages or otherwise to anyone submitting plans and specifications for approval, to any Owner or to any other person or entity, by reason of the exercise of or the failure of the ARC to exercise any of its rights and powers hereunder, including without limitation:

(A) The approval or disapproval of any plans and specifications.

(B) The approval or disapproval of any variances.

(C) The failure to take action with respect to any plans and specifications or the construction of any Improvements on any Tract.

(D) The construction or performance of any work on any Tract, whether or not pursuant to any approved plans or specifications.

Review and approvals by the ARC are for the purposes of the protection and maintenance of the aesthetic and ecological quality of the Property and not for the purposes of determining the adequacy of the engineering, structural integrity, quality of construction, soundness of construction, safety of plans or construction, code compliance, compliance with any other laws, rules and regulations applicable to the Improvements or the construction, or any other matters involving the plans, specifications or construction of the Improvements (the "Construction Matters"). Consequently, and without limiting the generality of the foregoing provisions of this section, neither the Declarant nor the ARC nor any member of the ARC nor the POA nor the Board of Directors of the POA or the ARC, shall be liable in damages or otherwise to anyone for any causes of action, claims, debts, demands, losses, costs, damages, expenses, obligations, or other liabilities arising out of or in any way related to any Construction Matters.

ARTICLE 10
TERM

The Protective Covenants set forth in this Declaration are made and adopted to run with the land and shall be binding upon the undersigned and all parties and persons claiming through and under them until January 1, 2040, at which time said Protective Covenants shall be automatically extended for successive periods of ten (10) years unless and until an instrument executed by Owners of at least two thirds (2/3) of the Lots has been recorded agreeing to terminate said Protective Covenants in whole or in part, provided that, if Declarant owns any interest in the Property at the time, the Protective Covenants may only be terminated if the Declarant joins in executing such instrument.

ARTICLE 11
ENFORCEMENT

11.1 Right of Enforcement. Declarant, its successors or assigns, the POA, its successors or assigns, or any Owner, shall have the right to enforce, by proceedings at law or in equity, the terms, provisions, covenants, conditions, and restrictions of this Declaration. Failure of Declarant or the POA to take any action upon any breach or default shall not be deemed a waiver of their right to take action upon any subsequent

breach or default. Declarant, for itself, its successors or assigns, reserves the right to enforce this Declaration, though it may have previously sold and conveyed all Tracts controlled hereby. The reservation by Declarant or the POA of this right of enforcement shall not create a duty or obligation of any kind to enforce same, and neither Declarant nor the POA shall be subjected to any claim, demand, or cause of action from any Owner by virtue of not enforcing any term, provision, covenant, condition or restriction herein contained.

11.2 Declarant and POA Right to Self Help.

11.2.1 The Declarant and POA shall have the authority to employ self-help to enforce compliance with any provision of this Declaration. Upon the occurrence of a default or other violation of this Declaration, the Declarant or the POA may provide notice to the defaulting Owner of the matter of noncompliance, the action necessary to cure the noncompliance, and the date by which the noncompliance shall be cured. Such notice shall be sent in accordance with paragraph 11.2.2 below. In the event the Owner fails to cure the matter of noncompliance within the required time, the POA may take action to cure the matter of noncompliance.

11.2.2 Notice of default or other violation of this Declaration and of the Declarant's or POA's intent to act pursuant to this provision shall be in the form and in the manner as required by Article 17. In the event of continuing noncompliance, a second notice, at least ten (10) days subsequent to the date of the mailing of the first notice, shall be sent to the non-complying Owner. Not sooner than thirty (30) days after the date of the mailing of the first notice, the Declarant or the POA may send a third notice (the "Notice of Intent to Remedy") to the non-complying Owner of the Declarant's or POA's intent to remedy the non-complying condition. The Notice of Intent to Remedy shall be sent by United States Certified Mail, return receipt requested, and shall otherwise conform to Article 17. In the event the non-complying condition is not cured within ten (10) days after the date of the Notice of Intent to Remedy, the Declarant or the POA may commence actions to remedy the non-complying condition at the sole expense of the non-complying Owner.

11.2.3 In the event that the Declarant or the POA acts to remedy a non-complying condition in accordance herewith, all sums incurred by the Declarant or the POA in connection therewith, including attorneys' fees, shall be charged against the Owner, and shall be payable by the Owner upon demand. If such sums are not paid within ten (10) days after demand for payment is made, such sums shall bear interest at a rate equal to the lesser of:

(A) twelve percent (12%) per annum

(B) the highest legal rate permitted by law

to be charged the Owner and, unless otherwise provided herein, shall be secured by the assessment lien provided for herein against all Tracts owned by such Owner. In addition, the Declarant or the POA may exercise any and all other

rights and remedies that may be available hereunder, or under Texas law, to enforce an Owner's obligations hereunder.

11.3 Penalties. The POA shall have the right to establish penalties, including fines, for violation of the Protective Covenants contained in this Declaration.

ARTICLE 12
ASSESSMENT LIEN/NONJUDICIAL FORECLOSURE

12.1 Special Deed of Trust. To secure the payment of assessments, reimbursements, and other amounts owed to the POA by an Owner hereunder, and to ensure compliance with the applicable Protective Covenants set forth herein, each Owner, upon acceptance of his or her deed to a Tract governed by this Declaration, conveys the Tract to the Trustee hereinafter named, in trust, for so long as these Protective Covenants shall remain in effect, such conveyance operating as a Special Deed of Trust. If an Owner fails to tender payment of any assessments, reimbursements, or other amounts owed to the POA when due, or if an Owner fails to perform any of the obligations under or maintain any condition required by this Declaration, the POA, in accordance with Article 11 above, may perform those obligations, advance whatever funds may be required, and then be reimbursed by the Owner on demand for any sums so advanced, including attorneys' fees, plus interest on those sums from the dates of payment at a rate equal to the lesser of:

(A) twelve percent (12%) per annum

(B) the highest legal rate permitted by law

The sum to be reimbursed shall be secured by this Special Deed of Trust.

12.2 Failure to Pay. If the Owner fails to pay the POA for any assessments, reimbursements or other amounts owed by such Owner to the POA, and such failure continues after the POA shall give the Owner notice of the failure and the time within which it must be cured, as may be required by law, then the POA, as the Beneficiary of this Special Deed of Trust, may:

12.2.1 Request the trustee appointed herein, or such Trustee's successor, to foreclose the liens created herein, in which the POA shall give notice of the foreclosure sale as provided by Section 51.002 et. seq. of the Texas Property Code then in effect or any successor statue thereto, and

12.2.2 Purchase the Tract at any foreclosure sale by offering the highest bid and then have the bid credited to the amounts owed to the POA.

12.3 Foreclosure. If requested by the POA to foreclose this lien, the Trustee shall:

12.3.1 Either personally or by agent give notice of the foreclosure sale as required by Section 51.002 et. seq. of the Texas Property Code then in effect or any successor statute thereto,

12.3.2 Sell and convey the Tract to the highest bidder for cash with a general warranty binding the Owner, subject to prior liens and to other exceptions to conveyance and warranty, and

12.3.3 From the proceeds of the sale, pay, in this order:

1. Expenses of foreclosure, including a commission to Trustee of five percent (5%) of the successful bid.
2. To the POA, the full amount owed, including attorneys' fees, and other charges due and unpaid.
3. Any amounts required by law to be paid before payment to the Owner.
4. To the Owner, any remaining balance.

12.4 Appointment of Trustee. Carroll J. Bryla, Attorney at Law, is appointed Trustee for the purpose of this Article 12. The POA, as beneficiary, may appoint a substitute or successor Trustee, succeeding to all rights and responsibilities of the Trustee appointed herein, by filing an appropriate Designation of Substitute Trustee among the Official Public Records of Gillespie County, Texas.

12.5 Tenancy-At-Sufferance. From and after any foreclosure under this Article 12, the occupants of such Tract shall be required to pay a reasonable rent for the use of such Tract and such occupancy shall constitute a tenancy-at-sufferance. The purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Tract by forcible detainer without further notice.

12.6 Compliance with Property Code. It is intended that the provisions of this Section shall comply with the provisions of the Texas Property Code including, without limitation, Section 51.002, as such provisions may be amended from time to time. Likewise, it is the intent of the Declarant that all collection efforts be in strict compliance with the requirements of Texas Property Code Chapter 209, et seq., as same may be amended hereafter, which such amendments shall be applicable hereto. The President of the POA, acting without joinder of any Owner or mortgagee of any Owner, may, by amendment to this Declaration filed in the office of the County Clerk of Gillespie County, Texas, amend the provisions hereof so as to comply with said amendments to said Section 51.002 and / or Chapter 209.

12.7 Priority of Lien. Any liens created by this Declaration shall be superior to all other liens and charges against any Lot covered hereby, except only for tax liens and all sums secured by a first-priority mortgage, deed of trust, or home equity liens of record.

ARTICLE 13
PARTIAL INVALIDITY

The invalidation of any of the Protective Covenants in this Declaration, by judgment, court order, operation of law or otherwise, shall in no way affect the validity of any of the other terms, provisions, covenants, conditions or restrictions hereof, which shall remain in full force and effect.

ARTICLE 14
AMENDMENT

14.1 Except as otherwise provided herein, as long as the Declarant owns any interest in the Property, the Declarant and the Owners, but expressly excluding their respective mortgagees, if any, of at least two thirds (2/3) of the Tracts may amend this Declaration by executing and filing an instrument containing such amendment, in the office of the County Clerk of Gillespie County, Texas. Except as otherwise provided herein, from and after the date that the Declarant no longer owns any interest in the property, the Owners, but expressly excluding their respective mortgagees, if any, of at least two thirds (2/3) of the Tracts may amend this Declaration, except for the terms and conditions of any loan or assessments due to the Declarant by the POA, by executing and filing an instrument containing such amendment, in the office of the County Clerk of Gillespie County, Texas.

14.2 Notwithstanding anything to the contrary, the Declarant shall have the right at any time, at its sole discretion and without any joinder or consent of any other party, to amend this Declaration for the purposes of correcting any error, ambiguity or inconsistency appearing herein or for any reason whatsoever deemed necessary for the benefit of the overall development as determined by the Declarant, in its sole discretion. Said amendment shall be effective upon filing of the instrument containing such amendment in the office of the County Clerk of Gillespie County, Texas.

ARTICLE 15
WAIVER AND LACHES

The obligation to abide by the provisions contained in this Declaration shall be deemed to be of a continuing and continual basis. Each and every day an Owner allows a condition to exist on such Owner's Tract which is not in compliance with the requirements contained herein shall constitute a separate and individual violation hereof and shall give rise to a new cause of action for such breach. The intended effect and express purpose of this provision shall be that every Owner, by accepting title to a Tract, hereby waives the affirmative defenses of the statute of limitations, waiver and laches with respect to covenant violations. Noncompliant conditions shall be allowed to exist on a Tract only upon the Owner obtaining a written variance in accordance with the applicable provisions herein. Failure of the Declarant, the POA, the ARC, or of any Owner to enforce the terms of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE 16
ASSESSMENTS BY AWARD OR JUDICIAL DECREE

In the event arbitration or litigation is necessary to enforce any provision contained within this Declaration, any and all awards granted by the arbitrator, or damages, penalties, fees, costs, and / or any other charges awarded in the decree shall also constitute an assessment, which shall likewise run with the land, and which shall be secured by the lien created in Article 12 herein.

ARTICLE 17
NOTICE BY POA

Whenever written notice or demand to an Owner is permitted or required hereunder, such notice shall be given by mailing of such notice to such Owner at the address of such Owner appearing on the records of the POA, unless such Owner has given written notice to the POA of a different address, in which event such notice shall be sent to the Owner at the address so designated. Notice shall conclusively be deemed to have been given by the POA on the date such notice is deposited in the United States Mail, properly addressed, whether received by the addressee or not.

ARTICLE 18
ASSIGNMENT BY THE DECLARANT

Notwithstanding any provision in this Declaration to the contrary, the Declarant may in writing filed of record to this Declaration by volume and page number, expressly assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder. Upon assignment by the Declarant of any or all of the Declarant's rights, the Declarant shall no longer be liable for performance of such assigned rights provided that the assignee expressly assumes in the recorded assignment the obligations of the Declarant that are assigned.

ARTICLE 19
HEADINGS

The headings contained herein are for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Declaration.

EXECUTED by said Declarant, this 31st day of December, 2008

MICHAEL C. DORRIS

SANDRA K. DORRIS

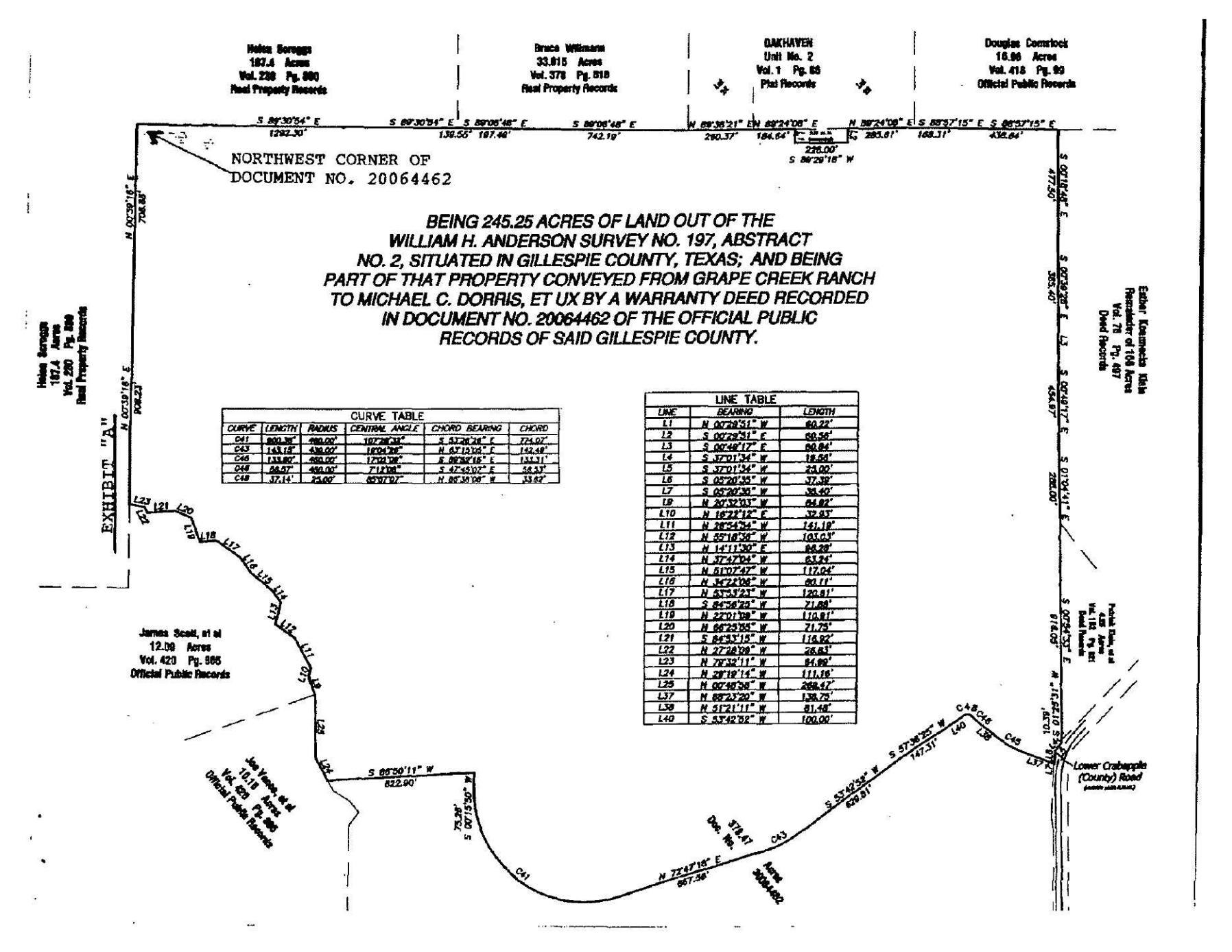
THE STATE OF TEXAS §

COUNTY OF GILLESPIE §

This instrument was acknowledged before me on this the 31st day of December, 2008 by MICHAEL C. DORRIS and wife, SANDRA K. DORRIS.

Notary Public, State of Texas
My Commission Expires
March 12, 2012

Notary Public in and for
The State of Texas



CURVE TABLE					
CURVE	LENGTH	RADIUS	CENTRAL ANGLE	CHORD BEARING	CHORD
C41	800.36'	460.00'	107°38'32"	S 53°26'26" E	724.07'
C43	143.15'	438.00'	18°04'29"	N 63°15'05" E	142.48'
C45	133.80'	460.00'	17°21'08"	E 89°36'18" E	133.31'
C48	58.57'	460.00'	7°17'08"	S 42°45'07" E	58.53'
C49	37.14'	25.00'	85°07'07"	N 86°36'08" W	33.82'

LINE TABLE		
LINE	BEARING	LENGTH
L1	N 00°29'51" W	60.22'
L2	S 00°29'51" E	58.56'
L3	S 00°48'17" E	58.84'
L4	S 37°01'34" W	18.54'
L5	S 37°01'34" W	23.00'
L6	S 05°20'35" W	37.39'
L7	S 05°20'35" W	35.40'
L8	N 20°32'03" W	64.82'
L10	N 16°22'12" E	32.83'
L11	N 26°54'54" W	141.18'
L12	N 55°18'36" W	103.03'
L13	N 14°11'30" E	66.28'
L14	N 37°47'04" W	63.24'
L15	N 51°07'47" W	117.04'
L16	N 34°22'06" W	60.11'
L17	N 57°53'23" W	120.61'
L18	S 84°56'23" W	71.88'
L19	N 22°01'08" W	110.81'
L20	N 66°23'55" W	71.75'
L21	S 84°53'15" W	116.82'
L22	N 27°28'09" W	26.83'
L23	N 79°32'11" W	84.89'
L24	N 28°19'14" W	111.16'
L25	N 00°46'36" W	268.47'
L37	N 88°23'20" W	138.75'
L39	N 51°21'11" W	81.48'
L40	S 53°42'52" W	100.00'

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk

Gillespie County TEXAS

January 06, 2009 03:00:28 PM

FEE: $159.00

20090044