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STATE OF Texas

COUNTY OF Gillespie

DECLARATION OF RESERVATIONS AND PROTECTIVE COVENANTS OF THE OAKWATER SUBDIVISION

This Declaration made this the 18th day of August, 2023, by:

Oakwater, LLC, a North Carolina Limited Liability Company
Hereinafter termed, "Declarant"

W I T N E S S E T H :

WHEREAS, Declarant is the owner of a certain tract or parcel of land being 405.66 acres of land, more or less, situated on HWY 16 South Fredericksburg, Gillespie County, Texas, on shown on that Plat recorded in Volume 7 Page 4, as Document No. 2023010007 in the Records of Gillespie County, Texas (herein the "Property" or "Properties" or the "Subdivision"); and

WHEREAS, it is the desire and intention of Declarant to sell the above described real property and any property annexed hereto by a set of Supplemental Restrictions and to impose upon it mutual

beneficial restrictions, conditions, easements, covenants, agreements, liens, and charges under a general plan or scheme of improvement for the benefit of all the said lands and future owners of said lands;

NOW, THEREFORE, Declarant declares that all of the property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following provisions, restrictions, conditions, easements, covenants, agreements, liens, and charges, all of which are declared and agreed to be in furtherance of a plan for subdivision improvements and sale of said real property and are established and agreed upon for the purpose of enhancing and protecting the value, desirability, and attractiveness of said real property and every part thereof, all of which shall run with the land, be appurtenant thereto and shall be binding on all parties having acquired any part thereof.

ARTICLE I. DEFINITIONS.

The following terms as used in this Declaration and Supplemental Declaration of Restrictions are defined as follows:

(a) "Articles" means the Articles of Incorporation of the Association.

(b) "Association" shall mean or refer to The Oakwater Homeowners Association, Inc.

(c) "Board" means the Board of Directors of the Association.

(d) "Bylaws" means the Bylaws of the Association.

(e) "Committee" shall mean the Architectural Control Committee as referred to in Article VII, Section 2 hereof.

(f) "Declarant" means Oakwater, LLC or its successors and/or assigns, if such successors or assigns should acquire the undeveloped and unsold lots or acreage from the Declarant for the purpose of Development.

(g) "Declaration" means this Declaration of Reservations and Protective Covenants and any amendments thereto.

(h) "Developer" means Oakwater, LLC, or its successors and/or assigns, if such successors or assigns should acquire the undeveloped and unsold lots or acreage from the Declarant for the purpose of Development.

(i) "Development" means all real property situated in Gillespie County, Texas in the aforementioned surveys and a part of the Oakwater Subdivision and all other property which may be annexed thereto as provided herein.

(j) "Owner" means any person, firm, corporation, trust or other legal entity, including Developer, who holds fee simple title to any lot.

(k) "Supplemental Declaration" means any Declaration filed for record in Gillespie County, Texas, subsequent to the filing of record of this document; or in the event of real property being annexed to the Development, the recorded Supplemental Declaration which incorporates the provisions of this Declaration therein by reference. In either event, the Supplemental Declaration shall include a description of the real property in the Development subject to the provisions of this Declaration and shall designate the permitted uses of such property.

(l) "Improvements" means all buildings, out-buildings, streets, roads, driveways, parking areas, fences and retaining walls and other walls, poles, antennae, and other structures of any type or kind.

(m) "Lot" means any numbered or unnumbered lot or parcel of land within the Development.

(n) "Common Area" shall mean all real property (including the improvements thereto) leased, owned or maintained by the Association for the common use and enjoyment of the owners. By way of illustration, Common Area may include, but not necessarily be limited to, the following: private streets, signs, street medians, entry gates, landscaping, lighting, entrance signs, walls, ponds, recreational areas, equipment and other similar or appurtenant improvements.

(o) "Roadway(s)" shall mean the paved and unpaved streets and roads providing ingress, egress and regress to the Lots and are more particularly shown, delineated and described in the Plat of the Subdivision.

ARTICLE II. PRINCIPAL USES

This Declaration shall designate the principal uses of lots, which are made subject to this Declaration. If a use other than that set out herein is designated, the provisions relating to permissible uses may be set forth in a Supplemental Declaration. The provisions for single family residential use of a lot are set forth below:

The following are restrictions affecting the above described real property and will be included in the deed of conveyance and shall be deemed covenants running with the land, to- wit:

1. Lots will be limited to Single Family residential use, there shall be no mobile homes installed on the property. Modular homes shall be allowed with prior Committee Approval. Additional structures are allowed on the property such as cabins, barndominiums, short-term

rentals, guest houses, detached garages, and storage buildings. They must be built and maintained in the same fashion as a single family residence. The total number of single-family residences and additional structures erected on a Lot shall not exceed three (3).

2. Single-family residences shall contain a minimum of 1,400 square feet of living area. All other guest homes, cabins, barndominiums and short-term rentals shall contain a minimum of 600 square feet of living area. For purposes of this restriction the term "living area" shall mean that area of a structure which is heated and cooled, exclusive of porches, breezeways, carports, garages or basements.

3. All perimeter fences erected on any lot shall be of new material and erected in accordance with professional fence building standards regarding quality and appearance.

4. Except for placement of entrance and other gates, fences, roadways, wells, well houses, and septic systems, nothing shall be stored, placed or erected on any lot nearer than 25 feet from any side boundary line of such lot or 60 feet from the centerline of a public roadway or private roadway easement; however, Declarant may, but is not obligated to, on case by case basis grant variances to said

setbacks.

5. Livestock are allowed. There shall be no commercial livestock feeding operation conducted on the property.

6. Abandoned or inoperative equipment, vehicles or junk shall not be permitted on any lot. Owners are to keep their respective Lot clean and neat in appearance and free of litter at all times.

7. Subdivision of a Lot is not permitted unless Developer approves in writing.

8. This is not a campground. Recreational vehicles, travel trailers, buses and/or industrial homes shall not be used as a permanent or temporary dwelling on the Property, provided however RV camping in quality, professionally manufactured, non-permanent housing is permitted for a maximum of seven (7) days twice per year. Tent camping is expressly prohibited.

9. The harvesting and shooting of wildlife by the use of firearms is prohibited; and any type of harvesting of wildlife utilized to maintain an agricultural tax exemption is strictly prohibited without the written approval of the Board of Directors.

10. Shooting ranges or persistent discharge of guns is prohibited.

11. Without express written approval by Declarant, no sign advertising that a lot is for sale shall be erected or displayed on a lot. This prohibition shall be released when Declarant or its successors or assigns, no longer own a lot in the Subdivision.

12. Notwithstanding the prohibition of commercial use in paragraph (1) above, and as exceptions thereto, (i) a Lot may be used for raising livestock, poultry or other animals, except swine, (ii) a Lot may be used for raising agricultural crops, including hayfields, vineyards, fruit trees, pecan groves, permanent grass (hay meadows or grazing pastures), and lavender fields, and (iii) a short term rental may be operated on a Lot. For purpose of these restrictions, the term "short term rental" shall mean a lodging service within rooms of the principal dwelling or in a separate guest house. No industrial pursuit or enterprise shall be permitted to be conducted on any Lot (other than a cottage industry by an artisan, i.e. artist, painter, photographer, wood, metal or glass sculptor or fabricator).

Private Roads Disclosure

Oakwater, LLC is the developers of that tract or parcel of land located in Gillespie County, Texas, and known as Oakwater, a platted subdivision.

Developer or Developer's assign shall dedicate various rights-of-ways and easements, all of which are private roads and are not for the general public's use.

As a private road and not a public road, the responsibility for maintenance of the roads is placed upon the property owners and said maintenance shall be governed by the Association that will be established and named The Oakwater Homeowners Association Inc.

Developer shall have the right to improve said roadways until turned over to the Association.

Gillespie County will **never** accept these roads for maintenance and upkeep.

ARTICLE III.

EASEMENTS

A. UTILITY EASEMENTS

Section 1. Existing Easements. Declarant and Declarant's predecessors in title have heretofore granted, created and dedicated by several recorded instruments, certain easements and related rights affecting the Properties. All dedications, limitations, restrictions, and reservations and all grants and dedications of easements and related rights heretofore made by Declarant and Declarant's predecessors in title affecting the Properties are incorporated herein by reference and made a part of this

Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Properties.

Section 2. Reservation of Utility Easements. Declarant reserves unto Declarant and any public or private providers of utility services to the Subdivision, and their respective successor and/or assigns, perpetual easements (the "Utility Easements") for the installation and maintenance of utilities and all necessary appurtenances thereto, whether installed in the air, upon the surface or underground, along and within, (i) all Roadways, (ii) ten (10) feet along and outside of all boundaries of the Roadways, (iii) ten (10) feet of the rear, front and side boundary lines of all Lots, and (iv) twenty (20) feet along the entire perimeter boundary of the Subdivision; with the authority to place, construct, operate, maintain, relocate and replace utility lines, systems and equipment thereon. Nothing shall be placed or permitted to remain within the easement areas which may damage or interfere with the installation and maintenance of utilities. The easement areas within each Lot and all Improvements within it shall be maintained by the Owner of the Lot, except as otherwise provided in this Declaration and except for those Improvements for which an authority or utility provider is

responsible. 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, easement areas, 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 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.

Section 3. Changes, Additions, and Reservations. Declarant reserves the right to make changes in and additions to the easements described in this Article III for the purpose of more efficiently and economically installing any Improvements. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, (i) to grant, dedicate, reserve or otherwise create easements for utility purposes, (including, without limitation, water, sewer, gas, electricity, telephone, cable television, 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 (ii) 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.

Section 4. Title to Easements and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed, or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, cable television line, telegraph or telephone way, or any pipes, lines, poles, or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Properties, and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant and the Association's Board of Directors.

Section 5. Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Common Areas for ingress and egress in connection with installing, replacing, repairing, and maintaining all

utilities, including, but not limited to, water, sewer, telephones, electricity, gas, cable television and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, on, above, across and under the Common Area within the utility easements from time to time existing and from service lines within such easements to the point of service on or in any structure situated upon the Properties. Notwithstanding anything contained in this paragraph, no sewer, electrical lines, water lines, or other utilities or appurtenances thereto may be installed or relocated on the Common Areas until approved by Declarant or the Association's Board of Directors.

Section 6. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles, and other service vehicles to enter upon the Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees and management personnel to enter the Properties to render any service.

Section 7. No Liability for Damage to Improvements.

Declarant shall not be liable to any Owner for any damage to any vegetation (including, without limitation, shrubbery, trees, lawns or 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 such easement area. A provider of utility services shall not be liable to any Owner for any damage to any vegetation (including, without limitation, shrubbery, trees, lawns or 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 such easement area, 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 ("developed lot" shall mean any Lot which has a Single Family Dwelling constructed thereon), Declarant and the Association reserves the right to require that the utility provider pay the cost of repairing and restoring the easement area to the same condition as it was prior to construction.

Section 8. Access Easements. Declarant hereby reserves

for itself and its successors and assigns, and the Association is hereby granted, a non-exclusive right of access to and easement across all lots for 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).

ARTICLE IV.

DEDICATION OF ROADWAY/RESERVATION OF RIGHTS

Section 1. Dedication of Roadways. Declarant will construct the streets and roads over the roadways which provide ingress, egress and regress to the Properties (the "Roadway or Roadways"). Declarant hereby dedicates the Roadways for the common use of all Owners, and does hereby grant to all such Owners, their heirs, successors and assigns, and their agents, licensees, guests, tenants, 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 a means which may come into existence in the future, and regardless of any increased burden which may result from such use.

Section 2. Reservation of Right to Create and Dedicate Additional Roadways. Declarant reserves the right, without the necessity of the joinder of the Association or any Owner or other person or entity, (i) to grant, dedicate, reserve or otherwise create additional roadway easements within the portions of the Property then owned by Declarant, (ii) to construct additional roads along any such additional roadway easements, and (iii) to execute and deliver any and all instruments and documents in connection therewith, including, without limitation, any amendment(s) to this Declaration. All such additional roadways shall be included within the term "Roadways" for purposes of this Declaration, shall be considered part of the Common Areas, and shall be maintained

by the Association as provided for herein.

Section 3. Reservation of Right to Construct Improvements. Until Turnover, Declarant and/or the Association shall have the exclusive right to construct Improvements in the Common Areas. From and after Turnover, the Association, and the Association's successors and assigns, shall have the exclusive right to construct Improvements in the Common Areas and to adopt and enforce rules and regulations controlling the rights of Owners to the use and enjoyment of the Common Areas.

Section 4. Maintenance of Common Areas. The Association shall have the exclusive right to repair, replace and maintain the Common Areas, including, without limitation, the Roadways.

Section 5. Maintenance of Perimeter Fences. The Association shall have the right, but not the obligation, to maintain and repair all fences along the perimeter boundaries of the Subdivision (the "Perimeter Fences").

ARTICLE V.

WILDLIFE AND LIVESTOCK RESERVATION

The Association and/or assignee or tenants shall have the right to graze cattle or other livestock and maintain feeding and watering areas for wildlife on any owner's lot until such time as owner has enclosed the owner's lot by

fence; and each owner and their respective heirs, successors and assigns by acceptance of title to an interest in a lot, hereby agree to indemnify and hold harmless Developer (and their respective tenants or assignees), from and against, and hereby waive and release any claims or causes of action such owner may have with respect to any injuries to any persons or any damages to any properties that may be caused by livestock on an owner's lot. The rights of the Association and/or assignees or tenants shall be subordinate to a purchase money, construction, mechanics and/or home equity lien upon any lot.

ARTICLE VI. PROPERTY OWNERS ASSOCIATION

Membership Covenant

All owners of lots in this subdivision shall become members of the Association upon the execution, delivery, and recordation of a deed of conveyance of title to any lot or lots at the office of the Clerk of Gillespie County, Texas.

Each owner of a lot subject to these covenants and restrictions shall maintain one (1) membership per lot with the exception of lot owners that own multiple lots will only receive a membership for each lot they are paying assessments. (See Assessments Section Two). All lot owners shall abide by the Bylaws of the Association as may be amended from time to time and further agree to pay to the Association an annual maintenance charge as hereinafter set forth.

Assessments

SECTION ONE

Purpose for Assessments.

The Developer and its successors in interest, including the Association as herein provided shall, pursuant to these Declarations, have the power to levy assessments as herein provided for the purpose of financing the operations of the Association, acquiring general liability insurance for the Association and its members, errors and omissions insurance for the Board of Directors of the Association and maintaining roads, common areas and other improvements for services within or for the benefit of subdivision lots, including recreational areas, paved and unpaved roadways and/or utility easements of the subdivision in accordance with the formula herein set forth.

SECTION TWO

Creation of Lien and Personal Obligation for Assessments. Each lot is and shall be subject to a lien and permanent charge in favor of the Developer or the Association in the event of transfer by the Developer to the Association of any and all rights and responsibilities it has under and pursuant to the terms of this indenture for the annual and special assessments set forth in Section Two and Three of this Article VI. Each assessment, together with interest thereon and cost of collection thereof as hereinafter provided, shall be a permanent charge and continuing lien upon the lot or lots against which it relates and shall also be the joint and several personal obligation of each lot owner at the time the assessment becomes due and payable and upon such owner's successor in title if unpaid on the date of the conveyance of the lot. Each and every owner covenants to pay such amounts to the

Association when the same shall become due and payable. The purchaser of a lot at a judicial or foreclosure sale shall be liable only for the assessments due and payable after the date of such sale. Purchasers of multiple lots within the subdivision shall pay only one (1) annual assessment unless their lot ownership is greater than three (3) lots. For each lot the purchaser owns over three (3), each additional lot shall be due an additional assessment. Lots do not have to be contiguous.

SECTION THREE

Annual Assessments. No later than September 1 of each calendar year the Developer or the Association, as assignee of any and all rights and responsibilities of Developer, shall establish the annual assessments based upon the following considerations: (1) the cash reserve, if any, on account with a lending institution as created for the benefit of the lots of the subdivision; (2) the expenditures devoted to the benefit of the subdivision lots during the immediately preceding twelve (12) month period; and (3) the projected annual rate of inflation for the forthcoming year foreseeable for the county in which the land subject hereto is situate as determined by review of information available to any person, firm, or corporation by any governmental agency, lending institution or private enterprise which provides such statistical data upon request; provided that in any event the minimum annual assessment for 2023 on each lot shall be $1,000.00 Dollars. In the event a lot owner desires to construct a residence on his or her lot there will be a $500.00 deposit due to the association and will be designated to the road fund. If road damage due to construction occurs

the lot owner will be responsible for restoring the road to its original condition. Once a lot owner has constructed a residence on the property, the Road Maintenance Assessment for such improved lot shall be $100.00 per year.

Notwithstanding anything to the contrary contained in the foregoing or elsewhere in this Declaration, Declarant/Developer and Declarant affiliates shall be exempt from all assessments relating to any lot or tract owned by Declarant/Developer or successors and assigns or their affiliates. The Declarant/Developer reserves the right to convey remaining un-conveyed property on one occasion to a bundled lot purchaser and these lots will be exempt from all but an assessment for one lot until such time a lot is subsequently conveyed by the bundled lot purchaser. All remaining lots in the bundle will still be exempt from assessments over one lot. Assessments will apply to a lot once it is conveyed by the bundled lot purchaser.

Developer, or the Association as assignee of the Developer as herein provided, shall give written notice to each owner of each lot the annual assessment fixed against each respective lot for such immediately succeeding calendar year.

The annual assessments levied by the Developer or the Association as herein provided shall be collected by Developer or the Treasurer of the Association as provided in Section Five of this Article VI.

The annual assessments shall not be used to pay for the following expenses.

(a) Casualty insurance of individual owners for their lots and improvements thereon or for their possessions within any improvement thereon, any liability insurance of such owner insuring themselves and their families individually, which

insurance coverage shall be the sole responsibility of the owner(s);

(b) Telephone, gas, sewer, cable television, or electrical utility charges for each lot which expense shall be the sole responsibility of each respective lot owner; and

(c) Ad valorem taxes for any lot, improvement thereon, or personal property owned by owner of any lot.

SECTION FOUR

Special Assessments. In addition to annual assessments, the Developer, or the Association as assignee of the Developer as herein provided, may levy in any calendar year, special assessments for the purpose of supplementing the annual assessments if the same are inadequate to pay expenses and for the purpose of defraying in whole or in part the cost of any construction or reconstruction, repair or replacement of improvements on any lot or appurtenances thereto; provided, however, that any such special assessment by the Association shall have the assent of two thirds(2/3rds) of the votes represented, in person or proxy, at a meeting at which a quorum is present, duly called for the express purpose of approving such expenditure(s), written notice of which shall be sent to all lot owners not less than ten (10) days nor more than sixty (60) days in advance of such meeting, which notice shall set forth the purpose of the meeting. Any special assessments shall be fixed against the specific lot or lots for which expenditure is appropriated. The period of the assessment and manner of payment shall be determined by the Board of Directors of the Association.

Damage Assessment. An Owner shall be liable for all damages to Common Area Improvements, including Roadways, arising out of or incident

to negligent acts of Owner, Owner's contractors, agents, tenants and invitees. The Association shall levy a damage assessment in the amount of the cost to repair the damaged Common Area Improvement which shall be paid within thirty (30) days of delivery of the assessment demand to Owner. The damage assessment shall be secured by the lien securing annual and special assessments.

SECTION FIVE

Date of Commencement of Annual Assessments - Due Dates. Assessments are due in annual installments on or before October 1 of each calendar year, or in such other reasonable manner as the Developer or the Board of Directors of the Association as designee of the Developer by and through its Treasurer shall designate.

The annual assessment(s) provided for in this Article V shall, as to each lot, commence upon either the execution and delivery of or the recordation of a deed of conveyance, whichever in time first occurs ("commencement date".)

The first annual installment for each such lot shall be an amount (rounding the sum to the nearest whole dollar) equal to the annual assessment by the number of days in the current annual payment period divided by the number of days in the current annual payment period and multiplied by the number of days then remaining in such annual payment period.

The Developer, or the Association as assignee of Developer, shall upon demand at any time, furnish any lot owner liable for any such

assessment a certificate in writing setting forth whether the same has been paid. A reasonable charge may be made for the issuance of any certificate. Such certificate shall be conclusive evidence of any payment of any assessment therein stated to have been paid.

SECTION SIX

Effect of Non-payment of Assessments, the Personal Obligation of the Owner; the Lien; Remedies of Developer and/or its Assignees, including the Association. If an assessment is not paid on the date when due as hereinabove provided, then such assessment, together with any interest thereon and any cost of collection, including attorney fees as hereinafter provided, shall be a charge and continuing lien on the respective lot to which it relates and shall bind such property in the hands of the owner, his heirs, legal representatives, successors, and assigns for payment thereof. The personal obligation of the then owner to pay such assessment and related costs shall remain his personal obligation and if his successor in title assumes this personal obligation, such prior owner shall nevertheless remain as fully obligated as before to pay the Developer or its assignee any and all amounts which said lot owner was obligated to pay immediately preceding the transfer of title thereto; and such prior lot owner and his successor in title who may assume such liability shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such lot owner and his successor in title creating the relationship of principal and surety as between themselves other than one by virtue of which such prior lot owner and his successor in title would be jointly and severally liable to make any lot assessment payment.

Any such assessment not paid by the 15th day of March as herein set forth within which such assessment is due, shall bear interest at the rate of eight (8%) percent per annum from such date (delinquency date) and shall be payable in addition to the basic assessment amount then due and payable.

The Developer or its assigns, including the Association, may institute legal action against any owner personally obligated to pay any assessment or foreclose its lien against any lot to which it relates or pursue either such course at the same time or successively. In such event the Developer or its assigns, including the Association, shall be entitled to recover attorney's fees actually incurred but not exceeding fifteen (15%) percent of the amount of the delinquent assessment and any and all other costs of collection, including, but not limited to, court costs.

By the acceptance by owner of a deed or other conveyance for a lot in the subdivision, vests the Developer or its assigns, including the Association as herein provided, the right and power to institute all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in appropriate proceeding at law or in equity.

The Developer and its assigns, including the Association as herein provided, shall have the power to bid on any lot at any foreclosure sale and to require, hold, lease, mortgage, and convey any lot purchased in connection therewith.

No owner shall be relieved from liability from any assessment provided for herein by abandonment of his lot or lots.

SECTION SEVEN

Subordination of the Charges and Liens to Mortgages Secured by Promissory Notes. The lien and permanent charge for the annual and any special assessment together with interest thereon and any costs of collection) authorized herein with respect to any lot is hereby made subordinate to the lien of any mortgage placed on any lot if, but only if, all assessments with respect to any such lot having a due date on or prior to the date of such deed of trust is filed for record have been paid in full. The lien and permanent charge hereby subordinated is only such lien and charge as relates to assessments authorized hereunder having a due date subsequent to the date such lien of mortgage is filed for record prior to the satisfaction, cancellation or foreclosure of such lien of deed of trust or sale or transfer of any mortgaged lot pursuant to any proceeding in lieu of foreclosure or the sale under power contained in any deed of trust.

(a) Such subordination procedure is merely a subordination and not to relieve any lot owner of the mortgaged property of his personal obligation to pay all assessments coming due at a time when he is a lot owner; shall not relieve such property from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished as a result of such subordination or against the beneficiary of the lien of a deed of trust or his assignees or transferee by foreclosure or by sale or transfer in any proceeding in lieu of foreclosure or by power of sale); and no sale or transfer for such property to the beneficiary of the lien of any deed of trust or to any other person pursuant to a foreclosures sale, or pursuant to any other proceeding in lieu of foreclosure, or pursuant to a sale under power, shall relieve any existing or previous owner of such lot of any personal obligation, or relieve any subsequent lot owner from liability for any assessment coming due after such sale or transfer of title to a subdivision lot.

(b) Notwithstanding the foregoing provision, the Developer or its assigns, including the Association as herein provided may, in writing at any time, whether before or after any lien of deed

of trust is placed upon a subdivision lot, waive, relinquish or quitclaim in whole or in part the right of Developer or its assigns, including the Association as herein provided, to any assessment provided for hereunder with respect to such lot coming due during the period while such property is or may be held by any beneficiary of the lien of any deed of trust pursuant to the said sale or transfer.

SECTION EIGHT

Exempt Property. Each lot shall be exempt from the assessments created hereunder until the execution and delivery of a deed from the Developer, its successors and/or assigns in interest to an owner making the lot conveyed subject to these Declarations.

ARTICLE VII.

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Development Objectives. The aesthetic and ecological quality of the Properties requires that all improvements be compatible with other Improvements and be in harmony with the natural surroundings. To this end, an Architectural Control Committee (sometimes hereinafter called "the Committee") has been created as described in Section 2 of this Article. The Architectural Control Committee 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.

Section 2. Architectural Control Committee. The Architectural Control Committee shall be composed of three members selected and appointed by the Board of Directors of the Association and may include members of such Board. The Board of Directors shall have the exclusive right and power at any time, and from time to time, to create and fill vacancies on the Architectural Control Committee. The Committee reserves the right from time to time to file instruments in the Real Property Records of Gillespie Counties, Texas designating its then current composition.

Section 3. Goal of Architectural Control Committee. The goal of the Committee is to encourage the construction of improvements of good architectural design, quality and proper size. Improvements should be planned and designed with

particular attention to the design and aesthetic appearance of the exterior and the use of such materials as will, in the judgment of the Committee, create an attractive and harmonious blend with existing Dwellings and the natural surroundings. The Committee may disapprove the construction or design 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 neighborhood and of other homeowners, or to preserve the serenity and natural beauty of any surroundings. Prior judgments regarding such matters of design or aesthetics shall not be deemed binding upon the Architectural Control Committee if such Committee feels that the repetition of such matters will have an adverse effect on the properties.

Section 4. Function of the Architectural Control Committee. The Committee shall function as the representative of the owners for the purposes herein set forth as well as for all purposes consistent with the creation and preservation of a first class development. No improvement, as that term is defined in Article I of this Declaration, shall be erected, constructed, placed, altered (either by addition or deletion), maintained or permitted to remain on any portion of The Properties until plans and specifications, in such form and detail as the Committee may deem necessary, shall have been submitted to and approved in writing by such Committee. The Architectural Control Committee shall have the power to employ professional consultants and professional home owners management firms to assist it in discharging its duties. The decision of the Architectural Control Committee shall be final, conclusive, and binding upon the applicant.

Section 5. Procedures of the Architectural Control Committee. The Committee may establish and publish from time to time reasonable administrative procedures and separate building guidelines covering residential and non-residential Improvements.

Section 6. Indemnity. The Association shall at all times indemnify and hold the committee and the committee members harmless from any and all liability associated with any and all claims or damages of every kind arising out of the actions, or omissions to act, of the committee and/or its members. The committee and its members shall be shown as an additional insured on the Association's general liability insurance policy.

ARTICLE VIII.

SUBMITTAL AND APPROVAL PROCESS

Section 1. Design Submittal. The Owner must submit a design plan, which must adequately reflect to the Committee the true design quality of the proposed work. Final plans and specifications shall be submitted in complete form in duplicate and shall include a floor plan and all elevations of any proposed structure(s) and improvement(s) (including fences, walls, sign, pools, pool buildings, driveway design, motor courts, etc.), roof height, specification of materials, colors, textures and shapes. All measurements and dimensions, both interior and exterior, must be shown. (1/4"-1' minimum) Description of materials and finishes must be clearly indicated. The design plan shall include a plat of the owner's lot which shall specify the location of the improvements upon the lot.

Section 2. Basis of Approval. Approval of preliminary design plans and final plans and specifications shall be based upon the following:

(a) The architectural and structural integrity of the design.

(b) Harmony and conformity of the design with the surroundings both natural and built.

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

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

(e) Conformity to specific and general intent of the Protective Covenants covering the subdivision of which the Lot in question forms a part.

(f) Relation of improvements to improvements on neighboring sites.

(g) Protecting the view from lots whose location provides distant views.

(h) Central and elevated location of dwellings upon each lot.

(i) Preliminary plans shall be submitted and approved by the Committee prior to proceeding with final plans and specifications. The preliminary plans shall include a section depicting the finished floor elevation relative to existing and finished grades within 10 feet beyond the front, side, and the back of the residence.

Section 3. Variances. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install Improvements which are in variance from the covenants, restrictions, or architectural standards and setbacks which are provided in this Declaration or the applicable Protective Covenants or those which may be promulgated in the future. In any case, however, such variances must, in the Committee's sole discretion, blend effectively with the general architectural style and design of the community and must not detrimentally affect the integrity of The Properties nor harmony with the natural surroundings. No member of the Committee 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 Committee's right to strictly enforce the Covenants, Restrictions and architectural standards provided hereunder, against any other owner.

Section 4. Issuance of a 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 and covered with clear plastic to prevent weathering. The issuance and acceptance of the building permit assures that:

(a) Construction of an approved improvement will be completed within nine months from start of construction.

(b) Construction will be in accordance with approved plans.

(c) Any exterior changes after final approval of plans by the Architectural Control Committee must be approved in writing by the Committee prior to Construction of those changes.

(d) Regular inspections may be made by a representative of the Committee.

Section 5. Failure of the Committee to Act. If the Architectural Control Committee fails to approve or to disapprove either the preliminary design plans or the final plans and specifications or to reject them as being inadequate within thirty (30) days after submittal thereof, it shall be conclusively presumed that such Committee has approved such preliminary design plan or such final plans and specifications. If preliminary design plans or final plans and specifications are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

Section 6. Limitation of Liability. Neither the Declarant, the Association, the Architectural Control Committee, nor any of the members of such Committee shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any owner of land affected by this Declaration by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or to disapprove any plans and specifications.

ARTICLE IX.

REMEDIES FOR VIOLATIONS, AMENDMENTS TERMS, AND MISCELLANEOUS PROVISIONS

ENFORCEMENT

These Covenants, Restrictions, Easements, Reservations, Terms, and Conditions shall run with the land and shall be binding on all parties and all persons claiming under them.

Enforcement of these Covenants, Restrictions, Easements, Reservations, Terms, and Conditions may be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. Either the undersigned Developer, or any successor in title to the undersigned Developer, or any owner of any property affected hereby may institute such proceedings.

ARTICLE X.

NONJUDICIAL FORECLOSURE

Section 1. To secure the payment of maintenance assessments and to ensure compliance with the applicable covenants, conditions, restrictions and easements set forth herein, each Owner, upon acceptance of his or her deed to a Lot governed by this Declaration conveys the Lot to the Trustee hereinafter named, in trust, for so long as these covenants, conditions, restrictions and easements shall remain in effect, such conveyance operating as a Special Deed of Trust. If an Owner fails to tender payment of maintenance assessments or reimbursements when due, or if an owner fails to perform any of the Obligations under or maintain any condition required by this Declaration, the Association 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 attorney's fees, plus interest on those sums from the dates of payment at the highest legal rate permitted by law for the Owner. The sum to be reimbursed shall be secured by this

Special Deed of Trust.

Section 2. If the Owner fails on demand to reimburse the Association for the sums advanced or for the assessments owed, and such failure continues after the Association gives the owner notice of the failure and the time within which it must be cured, as may be required by law or by written agreement, then the Association, as the Beneficiary of this Special Deed of Trust, may:

(a) Request the Trustee appointed herein, or his successor, to foreclose the liens created herein, in which case the Association 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 statute thereto; and

(b) Purchase the Lot at any foreclosure sale by offering the highest bid and then have the bid credited to the reimbursement or satisfaction of the outstanding indebtedness owed to the Association.

Section 3. If requested by the Association to foreclose this lien, the Trustee shall:

(a) 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;

(b) Sell and convey the Lot 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

(c) 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 Association, the full amount advanced, attorney's fees, and other charges due and unpaid;

(3) any amounts required by law to be paid before payment to the owner; and

(4) to the Owner, any remaining balance.

Section 4. A Trustee is appointed for the purpose of enforcing the covenants, conditions and restrictions imposed by this Declaration, and also for the collection of maintenance assessments. The Association, as Beneficiary, may appoint a Trustee, and substitute or successor trustee, succeeding to all rights and responsibilities of the Trustee by filing an appropriate designation of trustee among the Official Public Records of Gillespie County, Texas.

Section 5. From and after any such foreclosure, the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot 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 Lot by forcible detainer without further notice.

Section 6. It is the intent of the provisions of this Section to comply with the provisions of Texas Property Code Section 51.002 as may be amended hereafter, and, which amendment is applicable

hereto. The President of the Association, 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 Section 51.002.

ARTICLE XI.

AMENDMENT

a) These Covenants, Restrictions, Easements, Reservations, Terms and Conditions may be altered, amended, or repealed at any time by filing in the office of the Clerk of Gillespie County, Texas, an instrument setting forth such annulment, amendment or modification, executed by either the Developer or its assigns and/or successors in interest any time during which it owns of record lots in the Development subject to this Declaration or Declarant is an owner of adjacent properties which it intends or has intention to subdivide or, in the alternative, by the owner or owners of record as set forth on the records in the office of the Clerk of Gillespie County, Texas at any time of the filing of such instruments by consent in writing of seventy-five (75%) percent of the owners of lots subject to these restrictions.

b) Notwithstanding anything to the contrary, as long as Declarant retains an ownership interest in the property, 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 Declarant in the exercise of

its sole judgment. 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 XII.

INVALIDATION

Invalidation of any one of the provisions of this instrument by a Judgment or Order of a court of competent jurisdiction shall in no way affect the validity of any of the other provisions which shall remain in full force and effect.

ARTICLE XIII.

DEVELOPER'S OBLIGATION(S)

In this instrument, certain easements and reservations of rights have been made in favor of the undersigned Developer. It is not the intention of the undersigned Developer in making these reservations and easements to create any positive obligations on the undersigned Developer insofar as building or maintaining roads, water systems, sewage systems, furnishing garbage disposal, beginning and prosecuting a lawsuit to enforce the provisions of this instrument, or of removing people, animals, plants, or things that become offensive and violate this instrument. Where a positive obligation is not specifically set forth herein, none shall be interpreted as existing as it relates to the Developer.

ARTICLE XIV.

TERM

The provisions of this Declaration shall run with the land and shall be binding on all parties and all persons claiming under them for

a period of thirty (30) years from the date these Covenants are filed for record at the office of the Clerk of Gillespie County, Texas at which time said Covenants shall be automatically extended for successive periods of ten (10) years unless prior to the beginning of such ten (10) year period an instrument signed by the then owner(s) of seventy-five (75%) percent of lots subject to this Declaration agreeing to terminate, amend, or modify these Restrictions shall have been recorded in the office of the Clerk of Gillespie County, Texas.

ARTICLE XV.

GOVERNMENTAL REGULATIONS

The property herein described and lots subdivided therefrom, in addition to being subject to this Declaration, are conveyed subject to all present and future rules, regulations, and resolutions of the County of Gillespie, State of Texas, if any, relative to zoning and the construction and erection of any buildings or other improvements thereon.

ARTICLE XVI.

NOTICES

Any notice required to be sent to any member or owner under the provisions of the Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a member or owner of record(s) of the Association at the time of such mailing.

ARTICLE XVII.

ASSIGNMENT

The Developer may assign any and all rights and responsibilities it has under the terms of this Declaration.

ARTICLE XVIII.

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 his or her Lot 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 Lot, 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 Lot only upon the Owner obtaining a written variance in accordance with the applicable provisions herein. Failure of Declarant, the Association, the Committee, 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 XIX.

ENFORCEMENT

Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner of any lot in the Subdivision, shall have the right to enforce, by proceedings at law or in equity, these restrictive covenants. Failure of Declarant or the Association 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 these restrictive covenants, though it may have previously sold and conveyed all subdivided lots in the Subdivision controlled by these covenants. The reservation by Declarant or the Association of this right of enforcement shall not create a duty or obligation of any kind to enforce same, and neither Declarant nor the Association shall not be subjected to any claim, demand, or cause of action from any lot owner by virtue of not enforcing any restrictions herein contained.

The Association shall have the authority to employ self-help to enforce compliance with any provision of the Declaration. Upon the occurrence of a default or other violation of the Declaration, the Association may provide notice to the defaulting owner of the matter of noncompliance, the action necessary to cure the noncompliance, and a date by which the noncompliance shall be cured. In the event the Owner fails to cure the matter of noncompliance within the required time, the Association may take action to cure the matter of noncompliance.

Notice of default or other violation of the Declaration and of the Association's intent to act pursuant to this provision shall be in the form and in the manner as required by Article XXXII. 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 noncomplying property owner. Not sooner than thirty-five (35) days after date of the mailing of the

original notice, the Association may send notice to the noncomplying property owner of the Association's intent to act to cure the noncomplying condition. Such notice shall be sent by United States Certified Mail, return receipt requested, and shall otherwise conform to Article XXXII of the Declaration. In the event the noncomplying condition continues from and after ten (10) days from the date of the mailing of the Association's intent to act to remedy the noncomplying condition, the Association may commence actions to remedy the noncomplying condition at the sole expense of the noncomplying property owner. The Association may avail itself of all methods for recovery of funds expended as provided under the Declaration including nonjudicial foreclosure as provided in Article XXVIII, of the Covenants.

ARTICLE XX.

SUPPLEMENTAL DECLARATIONS AND ANNEXATION

Developer/Declarant reserves the right to annex additional properties to the terms and conditions of these restrictions by the recordation of a Supplemental Declaration subjecting said properties to these Declarations.

IN WITNESS WHEREOF, the Declarant has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal
To be hereunto affixed by authority of its Managers, the day and year first above written.

Oakwater, LLC, a
North Carolina limited liability company

By: _____
Name: Jim Deal
Title: Member

STATE OF North Carolina

COUNTY OF Mecklenburg

I, Deanna Jorgensen, a Notary Public of the aforesaid state and county, do hereby certify that Jim Deal, Member of Oakwater, LLC, a North Carolina Limited Liability Company, personally appeared before me this day and acknowledged the execution and sealing of the foregoing instrument as Manager on behalf of and as the act of the company referred to in this acknowledgment.

WITNESS my hand and Notarial Seal this 18th day of August 2023.

My Commission expires:
10/31/2027

_____, Notary Public
_____ ___, 2023

DEANNA JORGENSEN
NOTARY PUBLIC
Mecklenburg County
North Carolina
My Commission Expires October 31, 2027

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
Lindsey Brown
Lindsey Brown, County Clerk
Gillespie County Texas
August 22, 2023 10:57:06 AM
FEE: $182.00 CSTAATS **20234981**
DCC