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Doc 00023324 Bk OR

Vol 2751

Ps 577

**SECOND AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TRAVIS RANCH**

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TRAVIS RANCH (this "Amendment") is made and entered into this ____ day of _____, 2005, by **TRAVIS RANCH DEVELOPMENT, L.P.**, a Texas limited partnership ("Declarant").

WHEREAS, Declarant is the Declarant under that certain Declaration of Covenants, Conditions and Restrictions for Travis Ranch (as amended, the "Declaration") dated December 17, 2004, recorded in Volume 2562, Page 351, Land Records, Kaufman County, Texas, as amended pursuant to that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for Travis Ranch dated June 8, 2005, recorded in Volume 2663, Page 122, Land Records, Kaufman County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property"). Capitalized terms which are not otherwise defined herein shall have the meanings set forth in the Declaration.

WHEREAS, the Declaration provides that the Declarant shall have the right and privilege to amend the Declaration as set forth therein;

WHEREAS, Declarant desires to amend and clarify the Declaration in certain respects;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby amends the Declaration as follows:

1. The provisions of Section 6.21.9.a. are hereby deleted and the following substituted therefor:

One professionally made sign of not more than 5 square feet advertising the Lot for sale.

2. Nothing contained herein shall in any way modify, limit or otherwise affect the right, power and authority of the Architectural Reviewer to approve plans, drawings or specifications for any improvement or for any other matter requiring the approval of the Architectural Reviewer under the Declaration or to grant variances, waivers, tolerances or modifications of the standards as set forth within the Declaration.

EXECUTED to be effective as of the date first written above.

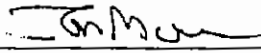
TRAVIS RANCH DEVELOPMENT, L.P.,
a Texas limited partnership


By: 2428 Management L.L.C.,
a Delaware limited liability company,
its general partner

By: IHP Investment Fund III, L.P.,
a California limited partnership,
its sole member

By: Institutional Housing Partners III
L.P.,
a California limited partnership,
its general partner

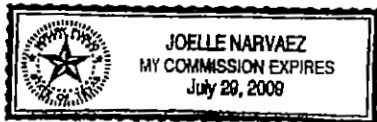
By: IHP Capital Partners,
a California corporation,
its general partner

By: 
Name: J. Tim Moore
Title: Senior Vice President

By: 
Name: KATHERINE R. WALTERS
Title: VICE PRESIDENT

THE STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 20th day of October, 2005 by J. Tim Moore, SRP of IHP Capital Partners, a California corporation, general partner of Institutional Housing Partners III L.P., a California limited partnership, general partner of IHP Investment Fund III, L.P., a California limited partnership, sole member of 2428 Management L.L.C., a Delaware limited liability company, sole general partner of Travis Ranch Development, L.P., a Texas limited partnership, on behalf of the limited partnership.



[Signature]
Notary Public, The State of Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 20th day of October, 2005 by KATHERINE R. WALTERS, VP of IHP Capital Partners, a California corporation, general partner of Institutional Housing Partners III L.P., a California limited partnership, general partner of IHP Investment Fund III, L.P., a California limited partnership, sole member of 2428 Management L.L.C., a Delaware limited liability company, sole general partner of Travis Ranch Development, L.P., a Texas limited partnership, on behalf of the limited partnership.



[Signature]
Notary Public, The State of Texas

Filed for Record in:
Kaufman County

On: Oct 20, 2005 at 02:23P

As a
Business

Document Number: 00023324

Amount 24.00

Receipt Number - 40072

By,
nancy Dickerson

STATE OF TEXAS COUNTY OF KAUFMAN

I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:

Kaufman County

Any provision herein which restricts the sale,
rental, or use of the described Real Property
because of color or race is invalid and
unenforceable under federal law.

Oct 20, 2005

Honorable Laura Hushes, County Clerk
Kaufman County

**FIRST AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TRAVIS RANCH**

Filed for Record in: Kaufman County
On: Jun 21, 2005 at 09:28A

This **FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TRAVIS RANCH** (this "Amendment") is made and entered into this 8th day of JUNE, 2005, by **TRAVIS RANCH DEVELOPMENT, L.P.**, a Texas limited partnership ("Declarant").

WHEREAS, Declarant is the Declarant under that certain Declaration of Covenants, Conditions and Restrictions for Travis Ranch (the "Declaration") dated December 17, 2004, recorded in Volume 2562, Page 351, Land Records, Kaufman County, Texas, regarding certain real property more particularly described in the Declaration, reference to which is hereby made for all purposes (the "Property"). Capitalized terms which are not otherwise defined herein shall have the meanings set forth in the Declaration.

WHEREAS, the Declaration provides that the Declarant shall have the right and privilege to amend the Declaration as set forth therein;

WHEREAS, Declarant desires to amend and clarify the Declaration in certain respects;

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby amends the Declaration as follows:

1. Travis Ranch Boulevard is hereby designated as a Thoroughfare Street.
2. The last sentence of Section 6.20.4 and the next to the last sentence of Paragraph 3 of Appendix D are hereby deleted and the following substituted therefor:

Dwellings adjacent to a Thoroughfare Street or F. M. 740 must be 100 percent masonry or masonry veneer; provided, however, minimal areas of front elevations of dwellings such as under eaves and dormers may be other exterior wall materials as approved by the Architectural Reviewer.

3. Nothing contained herein shall in any way modify, limit or otherwise affect the right, power and authority of the Architectural Reviewer to approve plans, drawings or specifications for any improvement or for any other matter requiring the approval of the Architectural Reviewer under the Declaration or to grant variances, waivers, tolerances or modifications of the standards as set forth within the Declaration.

EXECUTED to be effective as of the date first written above.

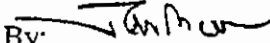
TRAVIS RANCH DEVELOPMENT, L.P.,
a Texas limited partnership

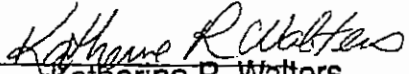
By: 2428 Management L.L.C.,
a Delaware limited liability company,
its general partner

By: IHP Investment Fund III, L.P.,
a California limited partnership,
its sole member

By: Institutional Housing Partners III
L.P.,
a California limited partnership,
its general partner

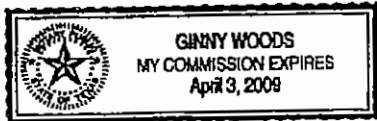
By: IHP Capital Partners,
a California corporation,
its general partner

By: 
Name: J. Tim Moore
Title: Senior Vice President

By: 
Name: Katherine R. Walters
Title: Vice President

THE STATE OF Texas §
COUNTY OF Dallas §

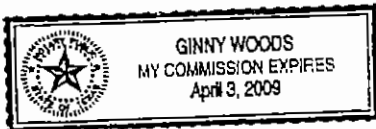
This instrument was acknowledged before me on the 8th day of June, 2005 by J. Tim Moore, Sr. Vice President of IHP Capital Partners, a California corporation, general partner of Institutional Housing Partners III L.P., a California limited partnership, general partner of IHP Investment Fund III, L.P., a California limited partnership, sole member of 2428 Management L.L.C., a Delaware limited liability company, sole general partner of Travis Ranch Development, L.P., a Texas limited partnership, on behalf of the limited partnership.



Ginny Woods
Notary Public, The State of Texas

THE STATE OF Texas §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 8th day of June, 2005 by Kathleen Walters, Vice President of IHP Capital Partners, a California corporation, general partner of Institutional Housing Partners III L.P., a California limited partnership, general partner of IHP Investment Fund III, L.P., a California limited partnership, sole member of 2428 Management L.L.C., a Delaware limited liability company, sole general partner of Travis Ranch Development, L.P., a Texas limited partnership, on behalf of the limited partnership.



Ginny Woods
Notary Public, The State of Texas

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**DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS
FOR
TRAVIS RANCH**

This Declaration of Covenants, Conditions & Restrictions ("**Declaration**") for Travis Ranch is made by Travis Ranch Development, L.P., a Texas limited partnership ("**Declarant**"), on the date signed below. Declarant owns the real property described in **Appendix A** of this Declaration, together with the improvements thereon.

Declarant desires to establish a general plan of development for the planned community to be known as Travis Ranch ("**Travis Ranch**"). Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property, as hereinafter defined.

Declarant further desires to provide for the preservation, administration, and maintenance of portions of Travis Ranch, and to protect the value, desirability, and attractiveness of Travis Ranch. As an integral part of the development plan, Declarant deems it advisable to create a property owners association to perform these functions and activities more fully described in this Declaration and the other Documents described below.

Declarant DECLARES that the real property described in **Appendix A**, and any additional real property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant's representations and reservations in the attached **Appendix B**, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the Property.

**ARTICLE 1
DEFINITIONS**

The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "**Additional Land**" means real property which may be added to the Property and subjected to this Declaration by Declarant and the owner of such property, as described in Section B.3.2 and **Appendix C** of this Declaration.

1.2 "**Approved Builder**" shall mean those contractors and subcontractors who the Declarant or the Architectural Reviewer has designated as "Approved" as contemplated by Section 5.5 of this Declaration, and who shall be permitted to construct, as a contractor or subcontractor, all or any portion of the improvements on any Lot.

1.3 "**Architectural Reviewer**" and/or "**Reviewer**" means the entity having jurisdiction over a particular application for architectural approval. During the Development Period, the Reviewer is Declarant,

Declarant's designee, or Declarant's delegatee. Thereafter, the board-appointed Architectural Control Committee is the Reviewer.

1.4. **"Assessment"** means any charge levied against a Lot or owner by the Association, pursuant to the Documents or State law, including but not limited to Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 8 of this Declaration.

1.5. **"Association"** means the association of owners of all Lots in the Property, initially organized as Travis Ranch Property Owners Association, Inc., a Texas nonprofit corporation, and serving as the "property owners' association" defined in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration and the bylaws.

1.6. **"Board"** means the board of directors of the Association.

1.7. **"Common Area" or "Common Areas"** means portions of the Property and improvements thereon that are owned and/or maintained by the Association, as described in Section 2.5 below.

1.8. **"Declarant"** means Travis Ranch Development, L.P., a Texas limited partnership, which is developing the Property, or the successors and assigns of Travis Ranch Development, L.P., which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by Travis Ranch Development, L.P., or by any such successor and assign, in a recorded document.

1.9. **"Declarant Control Period"** means that period of time during which Declarant controls the operation and management of the Association, pursuant to Appendix B of this Declaration.

1.10. **"Declaration"** means this document, as it may be amended from time to time.

1.11. **"Development Period"** means the 25-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to Appendix B hereto, including rights relating to development, construction, expansion, and marketing of the Property and the Additional Land. The Development Period is for a term of years and does not require that Declarant own land described in Appendix A. Declarant may terminate the Development Period at any time by recording a notice of termination.

1.12. **"Documents"** means, singly or collectively as the case may be, this Declaration, the Plat, the bylaws, the Association's articles of incorporation, and the rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

1.13. **"Lot"** means a portion, tract, parcel, or platted Lot made subject to this Declaration and intended for independent ownership and improvement. In all instances, "Lot" refers to real property that is subject to this Declaration. As a defined term, "Lot" does not refer to Common Areas, even if platted and numbered as a Lot. Where the context indicates or requires, "Lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot.

1.14. **"Majority"** means more than half.

1.15. **"Member"** means a member of the Association, each member being an owner of a Lot, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

1.16. **"Neighborhood"** means a separately designated portion of the Property which is subject to additional restrictions and/or which may share the use and expense of a Neighborhood Common Area or other benefit or service that is not provided to all Lots in the Property, pursuant to Article 17 of this Declaration. A Neighborhood may include noncontiguous parcels of property. Nothing in this Declaration requires the creation of a Neighborhood.

1.17. **"Owner"** means a holder of recorded fee simple title to a Lot. Declarant is the initial owner of all Lots. Contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association.

1.18. **"Plat"** means all plats, singly and collectively, pertaining to land that is subject to this Declaration or pertaining to Travis Ranch, and recorded in the Real Property Records of every county in which any of the land is located, including all dedications, limitations, restrictions, easements, notes, and reservations shown on the Plat, as it may be amended from time to time..

1.19. **"Property"** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is Travis Ranch. The Property is located on land described in Appendix A to this Declaration, and includes every Lot and any Common Area thereon. The Property is in Kaufman County, Texas.

1.20. **"Resident"** means an occupant of a dwelling, regardless of whether the person owns the Lot.

1.21. **"Rules"** means rules and regulations of the Association adopted in accordance with the Documents. The initial Rules may be adopted by Declarant for the benefit of the Association.

1.22. **"Single Family Lot"** means a Lot on which there is or will be constructed a detached single family dwelling.

1.23. **"Underwriting Lender"** means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or U. S. Department of Veterans Affairs (VA), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an owner's financing options nor as a representation that the Property is approved by any institution.

ARTICLE 2 PROPERTY SUBJECT TO DOCUMENTS

2.1. **PROPERTY.** The real property described in Appendix A is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix B, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each owner of the Property.

2.2. ADDITIONAL PROPERTY. Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of owners representing at least two-thirds of the total allocated votes, or, during the Development Period, by Declarant as permitted in Appendix B. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Appendix A, in the public records of every county in which any part of the Property is located.

2.3. PLAT DEDICATIONS, EASEMENTS & RESTRICTIONS. In addition to the easements and restrictions contained in this Declaration, the Property is subject to the dedications, limitations, notes, easements, restrictions, and reservations shown or cited on the Plat, which is incorporated herein by reference. Each owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the Plat, and further agrees to maintain the surface area of any easement that crosses his Lot and for which the Association does not have express responsibility.

2.4. NEIGHBORHOOD RESTRICTIONS. In addition to this Declaration, any portion of the Property may become subject to Neighborhood Restrictions and/or the jurisdiction of a Neighborhood Association.

2.5. COMMON AREA. The Common Area of the Property consists of the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way:

- a. Any area shown on the Plat as Common Area or an area to be maintained by the Association.
- b. The private streets, being all streets, alleys, and cul-de-sacs within the Property that are not publicly dedicated.
- c. Fixtures and improvements on or appurtenant to the private streets and which are intended for the use, operation, or maintenance of the private streets, including but not limited to curbs, street lamps, street name signs, and traffic signs.
- d. The formal entrances to the Property, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing.
- e. Landscaping or grounds maintenance on public rights-of-way on or adjoining the Property, only to the extent the Association has a right or duty to maintain or regulate that portion of a right-of-way, or if a public entity fails to maintain an area to a standard desired by the Association.
- f. Any continuous screening wall installed by Declarant along major thoroughfares along or through the Property in connection with the original development, and replacements thereof, which may not be construed to apply to individual side or back yard fences on house Lots that abut major thoroughfares.
- g. Any modification, replacement, or addition to any of the above-described areas and improvements.

- h. Personal property owned by the Association, such as books and records, office equipment, and pool supplies and furniture.

2.6. STREETS WITHIN PROPERTY. Because streets, alleys, and cul de sacs within the Property (hereafter "streets") are capable of being converted from publicly dedicated to privately owned, and vice versa, this Section addresses both conditions. Private streets are part of the Common Area, which is governed by the Association. Public streets are part of the Common Area only to the extent they are not maintained or regulated by a governmental body. To the extent not prohibited by public law, the Association, acting through the Board, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for use of the streets - whether public or private - including but not limited to:

- a. Identification of vehicles used by Owners and Residents and their and guests.
- b. Designation of speed limits and parking or no-parking areas.
- c. Removal or prohibition of vehicles that violate applicable rules and regulations.
- d. Fines for violations of applicable rules and regulations.

ARTICLE 3 PROPERTY EASEMENTS AND RIGHTS

3.1. GENERAL. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article.

3.2. EASEMENT FOR ENTRY FEATURE & SCREENING WALL. The Association is hereby granted a perpetual easement (the "Maintenance Easement") over each Lot that abuts or contains a portion of the Property's formal entrances or the Property's screening wall, fence, or berm for the purposes stated in this Section, regardless of whether or how the Plat shows the easement, entry features, or screening wall, fence, or berm. The purpose of the Maintenance Easement is to provide for the existence, repair, improvement, and replacement of the Property's formal entrances, and screening wall, fence, or berm, to be maintained by the Association as a Common Area. In exercising this Maintenance Easement, the Association may construct, maintain, improve, and replace improvements reasonably related to the screening or entrance of a residential subdivision, including: screening walls, fences and/or berms; planter beds, landscaping, and plant material; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to the Property. The Owners of the Lots burdened with the Maintenance Easement will have the continual use and enjoyment of their Lots for any purpose that does not interfere with and prevent the Association's exercise of the Maintenance Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much as the surface of a burdened Lot as may be reasonably necessary for the Association to perform its contemplated work on the Maintenance Easement. This easement is perpetual. The Maintenance Easement will terminate when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to perform. The Association may assign this easement, or any portion thereof, to a governmental body that accepts the assignment. This Maintenance Easement applies only to the original screening walls installed by Declarant and replacements thereof, and does not apply or pertain to fences installed on individual Lots, even though the Lot abuts a major thoroughfare.

3.3. MONUMENT EASEMENT. The Association is granted a perpetual easement (the "Monument Easement") over each Lot that contains a standard street name monument ("Monument Lot") for the purpose of repairing, removing, and replacing the monument, as deemed necessary by the Association. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much of the surface of the Monument Lot as may be reasonably necessary for the Association to perform its contemplated

work on the Monument Easement. The owner of a Monument Lot may not remove, deface, cover, or screen the monument, or otherwise interfere with the intended use and purpose of the monument. This Section contemplates that street name monuments (1) may be located on Lot corners at street intersections, street ends, or street beginnings, (2) may not exceed 6 square feet of Lot area, and (3) may not exceed 8 feet in height. This Section applies to the extent street name monuments are not maintained by a governmental entity.

**NOTICE
CERTAIN LOTS IN TRAVIS RANCH
ARE SUBJECT TO EASEMENTS FOR SCREENING
WALLS, FORMAL ENTRANCES, STREET SIGNS
AND YARD MAINTENANCE.**

3.4. OWNER'S EASEMENT OF ENJOYMENT. Every Owner is granted a right and easement of enjoyment over the Common Areas and to use of improvements therein, subject to other rights and easements contained in the Documents. An Owner who does not occupy a Lot delegates this right of enjoyment to the Residents of his Lot. Notwithstanding the foregoing, if a portion of the Common Areas, such as a recreational area, is designed for private use, the Association may temporarily reserve the use of such area for certain persons and purposes.

3.5. OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted a perpetual easement over the Property's streets, as may be reasonably required, for vehicular ingress to and egress from his Lot.

3.6. ASSOCIATION'S ACCESS EASEMENT. The Association is granted an easement of access and entry to every Lot and Common Area to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duty required by the Documents.

3.7. ADJACENT LAND USES. A number of privately owned facilities may be created within, adjacent to, or in the vicinity of Travis Ranch, such as a lake marina, retail businesses, a multifamily community, and a golf course. Access to those facilities is strictly subject to the requirements, rules, and charges established by the owner of each such facility. Ownership or occupancy of house Lots in Travis Ranch does not convey a right to use such privately owned facilities, which are not Common Areas of Travis Ranch. The owners of such facilities are not members of the Association or subject to assessment under this Declaration. However, they may be obligated to contribute to certain costs associated with the administration, insurance, maintenance, repair, and replacement of some or all Common Areas pursuant to a separate agreement with Declarant, if any such instrument is executed.

3.8. UTILITY EASEMENT. The Association may grant permits, licenses, and easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property. A company or entity, public or private, including without limitation a municipal utility district, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, internet service, and security.

3.9. NOTICE OF MUD. On the date of this Declaration, Declarant anticipates that every portion of the Property will be in one of 2 planned municipal utility districts (individually a "MUD") and collectively, the "MUDs"). The purpose of a MUD is to provide water, sewer, drainage, or flood control facilities and services within the MUD through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of a Lot, and these utility facilities are owned or to be owned by the applicable MUD. A MUD has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. A MUD has authority to adopt and impose a standby fee on property in the district that has water, sanitary sewer, or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The MUD may exercise the authority without holding an election on the matter. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. The MUD is located in whole or in part in the extraterritorial jurisdiction of a city which, by law, may annex the MUD without the consent of the MUD or the MUD voters. When a MUD is annexed, the MUD is dissolved.

3.10. NOTICE OF ETJ. On the date of this Declaration, all of the Property is located outside the limits of a municipality, but within the extraterritorial jurisdiction (the "ETJ") of one or more cities, which means the Property may be subject to annexation by a city.

3.11. MINERAL RIGHTS. Some or all of the Property is or may be subject to one or more reservations of oil, gas, or mineral rights in favor of one or more previous owners of the Property, pursuant to one or more deeds recorded in the county's public records, including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. Declarant hereby reserves unto itself, its successors and assigns, all water rights and all outstanding oil, gas and other minerals in and under and that may be produced from the Property, waiving however, the right of ingress and egress for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals and removing same therefrom. An instrument conveying or reserving a mineral interest recorded prior to this Declaration is a superior interest in the Property and is not affected by any provision to the contrary in this Declaration. By accepting title to or interest in a Lot, every Owner acknowledges the existence of the mineral rights or reservations that are publicly recorded and the attendant rights in favor of the owner of the mineral interest. However, to the extent any Owner becomes an owner of a mineral interest, such Owner hereby irrevocably waives in perpetuity on behalf of itself and its successors and assigns, any right such mineral interest owner or its successor and assigns has to use the surface of the Property for the exploration of oil, gas or other minerals, together with the right to use any portion of the surface of the Property for ingress or egress for such purposes.

3.12. NOTICE OF LIMITATION ON LIABILITY. The development of the Property occurs during a period when many local governments are trying to be absolved of liability for flood damage to private property. As a condition of plat approval, a governmental entity may require a plat note that not only disavows the entity's liability for flood damage, but affirmatively assigns the liability to the Association. Declarant does not intend or desire to impose such absolute liability on the nonprofit association of Lot Owners. Notwithstanding plat notes or public codes or ordinances now in existence or hereafter created, the Association cannot and should not be liable for acts of God or for property damage that is not the result of the Association's negligence or wilful misconduct. On behalf of the Association, Declarant hereby gives notice that the Association does not accept liabilities imposed by any governmental entity for which the Association cannot obtain insurance at a reasonable cost, or for which its members refuse to fund reserve accounts at levels sufficiently high to pay the damages for which the governmental entity may seek to make the Association liable. This notice is not

intended to create a liability for any governmental entity. Further, this notice may not be construed to create a duty for the Association to obtain insurance or to fund reserve accounts for damage from rising waters.

3.13. SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

3.14. RISK. Each Resident uses all Common Areas at his own risk. All Common Areas are unattended and unsupervised. Each Resident is solely responsible for his own safety and that of his guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas.

3.15 OBLIGATION OF DECLARANT. Declarant has installed and constructed, or caused to be installed and constructed, or will install and construct, various improvements and infrastructure as determined by Declarant in such condition as required in order to obtain approval of the Plat. DECLARANT SHALL HAVE NO FURTHER OBLIGATION WHATSOEVER TO CONSTRUCT ANY IMPROVEMENTS ON THE PROPERTY OR MAINTAIN ANY OF SAME, OR OTHERWISE FUND OR BE LIABLE FOR ANY MATTERS CONCERNING SUCH IMPROVEMENTS OR OTHERWISE RELATED TO THE PROPERTY. DECLARANT SHALL HAVE NO LIABILITY FOR AND IS HEREBY RELEASED FROM ALL CLAIMS, CAUSES OF ACTION, COSTS AND EXPENSES ARISING IN CONNECTION WITH SUCH IMPROVEMENTS AND INFRASTRUCTURE OR ANY DEFECTS THEREIN, EVEN IF DUE IN WHOLE OR IN PART TO THE NEGLIGENCE OF DECLARANT, expressly including any liability with respect to soil conditions and any remediation effort conducted by or on behalf of Declarant made to mitigate soil conditions.

ARTICLE 4

ALLOCATION OF VOTES AND ASSESSMENT OBLIGATIONS

4.1. ALLOCATION OF INTERESTS. The vote and Assessment obligation of each Lot is allocated in accordance with the formulas set out in this Article. The same formulas are to be used in allocating votes and Assessment obligations if Lots are added to the Property. The date on which the annexation amendment or supplemental declaration by which additional Lots become subject to this Declaration is recorded in the applicable county's Real Property Records is the effective date for assigning votes and Assessment obligations to those Lots.

4.2. VOTES. Every Lot has at least one vote, as described below. If additional property is made subject to this Declaration, the total number of votes will be increased automatically by the number of additional Single Family Lots or quarter-acre tracts. All references to acreage in this Section refer to the gross area. The vote of each Single Family Lot and quarter acre is uniform and equal to the vote appurtenant to

every other Lot, regardless of the value, size, or location of the Lot or the improvements thereon, except during the Declarant Control Period as permitted in Appendix B:

- a. Each Single Family Lot has one vote only.
- b. If a Lot other than a Single Family Lot has a gross area less than a quarter acre in size, the Lot has one vote only.
- c. If a Lot other than a Single Family Lot has a gross area greater than a quarter acre, the Lot has one vote for the first quarter acre of gross area and an additional vote for each additional full quarter acre of gross area (the equivalent of 4 votes per acre of gross area), which must be cast as a block and may not be divided for purposes of voting.
- d. Notwithstanding the foregoing, if part of the Property is developed with condominium units or attached Single Family housing, Declarant may amend this Declaration to provide for not more than one vote per individually owned and individually taxed condominium unit or townhome. A per-dwelling vote does not apply to a multi-family rental development on a Lot, for which votes are based on acreage.

4.3. ASSESSMENTS. The basis of liability for common expenses allocated to each Lot is based on the same formula for votes.

ARTICLE 5 ARCHITECTURAL COVENANTS AND CONTROL

5.1. PURPOSE: Because the Lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a Lot, including but not limited to buildings, fences, landscaping, retaining walls, yard art, sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

5.2. ARCHITECTURAL CONTROL DURING THE DEVELOPMENT PERIOD. During the Development Period, neither the Association, the board of directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new homes on vacant Lots.

5.2.1. Declarant's Rights Reserved. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market its property or the ability of Builders to sell homes in the Property. Accordingly, each Owner agrees that, during the Development Period, no improvements will be started or progressed on an Owner's Lot without the prior written approval of Declarant, which approval may be granted or withheld at

Declarant's sole discretion. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications.

5.2.2. Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to (1) an architectural control committee appointed by the Board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

5.3. ARCHITECTURAL CONTROL BY ASSOCIATION. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Architectural Control Committee (the "ACC"), or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant, the Association, acting through the ACC will assume jurisdiction over architectural control.

5.3.1. ACC. The ACC will consist of at least 3 but not more than 7 persons appointed by the Board, pursuant to the bylaws of the Association. Members of the ACC serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. At the Board's option, the Board may act as the ACC, in which case all references in the Documents to the ACC are construed to mean the Board. Members of the ACC need not be Owners or Residents, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the Board.

5.3.2. Limits on Liability. The ACC has sole discretion with respect to taste, design, and all standards specified by this Article. The members of the ACC have no liability for the ACC's decisions made in good faith, and which are not arbitrary or capricious. The ACC is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the ACC, (2) supervising construction for the Owner's compliance with approved plans and specifications, or (3) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws.

**BEFORE MAKING ANY IMPROVEMENT OR ALTERATION
TO A LOT OR BUILDING, A BUILDER OR OWNER
MUST APPLY FOR WRITTEN APPROVAL.**

5.4. PROHIBITION OF CONSTRUCTION, ALTERATION & IMPROVEMENT. Without the Reviewer's prior written approval, a person may not construct a building or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another Lot, or the Common Area. The Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property. Notwithstanding the foregoing, after the plans and specifications for a single-family residential dwelling to be constructed on a Lot have been submitted by an Approved Builder and approved by the Reviewer pursuant to Section 5.6, such Approved Builder shall not be required to obtain an

additional approval of any additional or subsequent single-family residential dwelling to be constructed by such Approved Builder using the same plans and specifications; however, any such additional or subsequent single-family residential dwelling must otherwise comply with the terms of this Declaration and in no event may (1) the same exterior elevation and floor plan be used more often than every third (3rd) house along the same street, (2) the same floor plan with different exterior elevation be used more often than every second (2nd) house, and (3) the same exterior elevation and floor plan be used for houses across the street from each other.

5.5 APPROVED BUILDER LIST. The Declarant, during the Development Period, and thereafter, the Architectural Control Committee may, from time to time, publish and promulgate an Approved Builder List which shall set forth the names, addresses and other pertinent information relating to the Approved Builders. The names of and the numbers of Approved Builders may change from time to time at the direction of the Declarant, during the Development Period, and thereafter, the Architectural Control Committee. In no event shall any Owner of a Lot engage any contractor or subcontractor, other than an Approved Builder, for the purposes of constructing an improvement on a Lot, other than minor repairs or replacements, without the prior written approval of the Declarant, during the Development Period, and thereafter, the Architectural Control Committee.

5.6. ARCHITECTURAL APPROVAL. To request architectural approval, an Owner must make written application and submit 2 identical sets of plans and specifications (3 identical sets of plans and specifications in total shall be required for the submissions pursuant to this Section 5.6 and Section 6.2.1) showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Reviewer will return one set of plans and specifications to the applicant marked with the Reviewer's response, such as "Approved," "Denied," or "More Information Required." The Reviewer will retain the other set of plans and specifications, together with the application, for the Reviewer's files. Verbal approval by a Reviewer, the Declarant, an Association director or officer, a member of the ACC, or the Association's manager does not constitute architectural approval by the appropriate Reviewer, which must be in writing.

5.6.1. Deemed Disapproval. If an Owner has not received the Reviewer's written approval or denial within 15 business days after delivering his complete application to the Reviewer, the request shall be deemed to have been disapproved by the Reviewer.

5.6.2. No Approval Required. No approval is required to repaint exteriors in accordance with an ACC-approved color scheme, or to rebuild a building in accordance with originally approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a building.

5.6.3. Building Permit. The Reviewer's approval is conditioned on the issuance of a Building Permit by the Reviewer pursuant to the provisions of Section 6.2. The Reviewer's approval of plans and specifications pursuant to this Article 5 does not mean that they comply with the requirements of the Reviewer set forth in Section 6.2.1 for the issuance of a Building Permit. Alternatively, issuance of a Building Permit does not ensure Reviewer approval pursuant to this Article 5. Notice is hereby given to all interested parties that the Owner will be required to pay a fee for issuance of a Building Permit and for the inspections required by the Reviewer pursuant to Section 6.2.1 and Section 6.2.2

5.6.4. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved by Declarant during the Development Period is deemed to have been approved by the ACC.

5.6.5 Approved Material Matrix. At such time as the ACC has approved a construction material or color, such approved material or color shall be noted on an "Approved Material Matrix" to be maintained by the ACC and made available to Approved Builders and Owners.

5.7. ARCHITECTURAL GUIDELINES. Declarant during the Development Period, and the Association thereafter, may publish architectural restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

ARTICLE 6

CONSTRUCTION AND USE RESTRICTIONS

6.1. VARIANCE. The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The Board or the Architectural Reviewer, as the case may be, may grant a variance or waiver of a restriction or rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances.

6.2. CONSTRUCTION. All improvements on a Lot must (1) have the Architectural Reviewer's prior written approval pursuant to Article 5, (2) comply with any applicable ordinances and codes of governmental entities and the 2003 International Residential Code, or such other similar standard as shall be designated from time to time by the Board (the "Minimum Standards"), (3) have a Building Permit issued by the Reviewer pursuant to the procedures set forth in Section 6.2.1, (4) have intermediary and final completion inspection reports issued by a construction consultant designated from time to time by the Reviewer pursuant to the procedures set forth in Section 6.2.2 indicating that the improvements have been constructed in accordance with the plans and specifications approved by the Architectural Reviewer pursuant to Article 5 and Section 6.2.1 and the Minimum Standards. These 4 requirements are independent - one does not ensure or eliminate the need for another. The Lot Owner and/or Owner's contractor must comply with all 4 requirements.

6.2.1 Building Permit. Because the jurisdiction that the Property is located in does not require that a building permit be issued prior to the commencement of construction, an Owner, prior to commencement of construction of any improvement on a Lot and contemporaneously with submission of the Owner's application to the Reviewer for architectural approval pursuant to Section 5.6, must make written application to the Reviewer for issuance of and obtain from the Reviewer an approval to commence construction (a "Building Permit"). An Owner shall submit an additional set of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed (3 identical sets of plans and specifications in total shall be required for the submissions pursuant to Section 5.6 and this Section 6.2.1). The Reviewer shall designate a construction consultant to review the plans and specifications on behalf of the Reviewer to help ensure that the improvements comply with the Minimum Standards. A reasonable charge may be made for such review and issuance of a Building Permit and shall be paid to the Reviewer by the Owner of the Lot upon submission of the application for issuance of a Building Permit. The Reviewer will notify an Owner if the submission is approved to commence construction pursuant to this Section 6.2.1 or if such approval is denied. Verbal approval by the Reviewer, a consultant, an Association director or officer, or the Association's manager does not constitute issuance of the Building Permit, which must be in writing. If an Owner has not received the Reviewer's written approval or denial of a Building Permit within 15 business days after delivering his complete application to the Reviewer, the request shall be deemed to have been disapproved by the Reviewer. The Reviewer will retain the additional set of plans and specifications for

use by the construction consultant in connection with the inspections to be performed pursuant to Section 6.2.2.

6.2.2 Completion of Construction. Because the jurisdiction that the Property is located in does not require and/or provide for regular inspections during the construction process acceptable to Declarant, an Owner must obtain and submit to the Reviewer the following: (a) prior to pouring of the foundation, a form survey and an inspection report issued by a construction consultant designated from time to time by the Reviewer indicating that the improvements have been constructed in accordance with the plans and specifications approved by the Architectural Reviewer pursuant to Article 5 and Section 6.2.1 and the Minimum Standards, (b) upon completion of framing and prior to installation of drywall, an inspection report issued by a construction consultant designated from time to time by the Reviewer indicating that the improvements have been constructed in accordance with the plans and specifications approved by the Architectural Reviewer pursuant to Article 5 and Section 6.2.1 and the Minimum Standards, and (c) upon completion of construction (including completion of all fencing and landscaping) and prior to the occupancy of any improvement, a final inspection report (the "Final Inspection Report") issued by a construction consultant designated from time to time by the Reviewer, indicating that the improvements (including all fencing and landscaping) have been completed and constructed in accordance with the plans and specifications approved by the Architectural Reviewer pursuant to Article 5 and Section 6.2.1 and the Minimum Standards. A reasonable charge may be made for such inspections and shall be paid to the designated construction consultant by the Owner of the Lot.

6.2.3 Release of Liability. Neither the Declarant nor the Association shall have any liability relating to or resulting from such review and/or inspections, as such review and/or inspections are not a warranty, guaranty or representation as to the condition or integrity of the plans and specifications and construction or their compliance with any rules, regulations, laws, codes, ordinances or standards. The Lot Owner and/or builder is responsible for the integrity of the plans and specifications and construction on its Lot or Lots and their compliance with all applicable rules, regulations, laws, codes, and standards. Notwithstanding that the Declarant, Association or its designated consultant has approved plans and specifications and/or inspected the improvements, neither the Declarant nor the Association will be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the improvements. Each Owner should obtain whatever soil reports, foundation studies and/or engineering studies the Owner deems necessary to determine the condition or integrity of the plans and specifications and construction or their compliance with any rules, regulations, laws, codes, ordinances or standards. NONE OF THE DECLARANT, ANY GENERAL PARTNER OF THE DECLARANT, THE ASSOCIATION, THE BOARD, THE ARCHITECTURAL REVIEWER, OR THE OFFICERS, DIRECTORS, MANAGERS, PARTNERS, MEMBERS, EMPLOYEES OR AGENTS OF ANY OF THEM WILL BE RESPONSIBLE IN ANY WAY FOR ANY DEFECTS IN ANY PLANS OR SPECIFICATIONS SUBMITTED, REVISED OR APPROVED IN ACCORDANCE WITH THE PROVISIONS OF THIS DECLARATION, NOR FOR ANY STRUCTURAL OR OTHER DEFECTS IN ANY WORK DONE ACCORDING TO SUCH PLANS AND SPECIFICATIONS OR INSPECTED PURSUANT TO THE PROVISIONS OF THIS DECLARATION.

6.3. RULE-MAKING. The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, as limited by the terms of this Declaration and applicable law, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

- a. Use of Common Areas.
- b. Hazardous, illegal, or annoying materials or activities on the Property.
- c. The use of Property-wide services provided through the Association.
- d. The consumption of utilities billed to the Association.
- e. The use, maintenance, and appearance of exteriors of buildings and Lots.
- f. Landscaping and maintenance of yards and grounds.
- g. The occupancy and leasing of buildings, including dwellings.
- h. Animals:
- i. Vehicles.
- j. Disposition of trash and control of vermin, termites, and pests.
- k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Residents.

6.4. ANIMAL RESTRICTIONS. No animal, bird, fish, reptile, or insect of any kind may be kept, maintained, raised, or bred anywhere on the Property for any commercial purpose or for food. Customary domesticated household pets may be kept for personal companionship subject to rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, locations, and behavior of animals at the Property. If the rules fail to establish animal occupancy quotas, no more than 4 dogs and/or cats may be maintained on each Lot. If the rules fail to establish prohibitions on certain animal types, vicious dog breeds such as pit bulls rottweilers are prohibited. Pets must be kept in a manner that does not disturb the peaceful enjoyment of Residents of other Lots. Pets must be maintained inside the building, and may be kept in a fenced yard only if they do not disturb Residents of other Lots or persons using other Lots or the Common Areas.

6.5. ANNOYANCE. No Lot or Common Area may be used in any way that: (1) may reasonably be considered annoying to neighbors; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of Residents of other Lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Board has the sole authority to determine what constitutes an annoyance.

6.6. APPEARANCE. Both the Lot and the improvements thereon must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring Lots. The Architectural Reviewer is the arbitrator of acceptable appearance standards.

6.7. CONTROVERSY. To encourage a harmonious community environment, no person may engage in picketing, public protests, or gang activity on any Lot, in Common Areas, or in public areas in or adjacent to the Property. Signs, photographs, pictures, slogans, symbols, words, graffiti, or decorations intended to create controversy, invite ridicule or hostility, or interfere with the exercise of lawful and permitted property uses are expressly prohibited anywhere on the Property, including but not limited to yard signs and vehicle displays.

6.8. DEBRIS. No Lot or other part of the Property may be used as a dumping ground. Waste materials incident to construction or repair of improvements on a Lot may be stored in a waste container situated temporarily on the Lot during construction while work progresses and which container and all waste materials must be removed when construction or repair is complete.

6.9. DECLARANT PRIVILEGES. In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not

available to other Owners and Residents, as provided in Appendix B of this Declaration. Declarant's exercise of a Development Period right that appears to violate a rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

6.10. DRAINAGE. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Board.

6.11. FIRES. Except for barbecue grills, no exterior fires on the Property are permitted.

6.12. GUNS. Hunting and shooting are not permitted anywhere on or from the Property.

6.13. LANDSCAPING. No person may perform landscaping, planting, or gardening on the Common Area without the Board's prior written authorization.

6.14. MINING. The following are not permitted anywhere in, on, or under the Property: (1) oil, mineral or gas drilling, (2) oil, mineral or gas development operations, (3) oil or gas refining, quarrying or mining operation, (4) leases for oil, gas, or mineral exploration, (5) oil wells, tanks, tunnels, mineral excavations, shafts, derricks or other structure designed for boring or storage of oil, gas or minerals.

6.15. NOISE & ODOR. A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Lots. The Rules may prohibit the use of noise-producing security devices and windchimes.

6.16. SIGNS. Except for the signs permitted below for Single Family Lots, no other sign or unsightly object may be erected, placed, or permitted to remain on the Property or to be visible from windows in a building without the Board's prior written approval. The Board's approval may specify the location, nature, appearance, dimensions, number, and time period of a sign or object. The Association may effect the removal of any sign or object that violates this Section or which the Board deems inconsistent with the Property's standards without liability for trespass or any other liability connected with the removal.

6.17. TELEVISION. Each Owner and Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, cable, or satellite reception on the Property. Antennas, satellite or microwave dishes, and receiving or transmitting towers that are visible from a street or from another Lot are prohibited within the Property, except (1) reception-only antennas or satellite dishes designed to receive television broadcast signals, (2) antennas or satellite dishes that are one meter or less in diameter and designed to receive direct broadcast satellite service (DBS), or (3) antennas or satellite dishes that are one meter or less in diameter or diagonal measurement and designed to receive video programming services via multipoint distribution services (MDS) (collectively, the "Antenna") are permitted if located (a) inside the structure (such as in an attic or garage) so as not to be visible from outside the structure, (b) in a fenced yard, or (c) attached to or mounted on the rear wall of a structure below the eaves, and provided there are no more than 2 Antennas per Lot. If an Owner determines that an Antenna cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, the Owner may install the Antenna in the least conspicuous location on the Lot where an acceptable quality signal can be obtained. The Association may adopt reasonable rules for the location, appearance, camouflaging, installation, maintenance, and use of the Antennas to the extent permitted by public law.

6.18. TEMPORARY STRUCTURES. Except for "accessory sheds" as described above, improvements or structures of a temporary or mobile nature, such as tents, portable sheds, and mobile homes,

may not be placed on a Lot if visible from a street or another Lot. However, an Owner or Owner's contractor may maintain a temporary structure (such as a portable toilet or construction trailer) on the Lot during construction of the building.

6.19. VEHICLES. All vehicles on the Property, whether owned or operated by the Owners, lessees, Residents, or their respective invitees, families, and guests, are subject to this Section and Rules adopted by the Board. The Board may adopt, amend, and repeal rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property, and may adopt different rules for parts of the Property. Without prior written Board approval, the following types of vehicles and vehicular equipment - mobile or otherwise - may not be kept, parked, or stored anywhere on the Property if the vehicle is visible from a street or from another Lot: mobile homes, motor homes, buses, trailers, boats, aircraft, inoperable vehicles, commercial truck cabs, trucks with tonnage over one ton, vehicles which are not customary personal passenger vehicles, and any vehicle which the Board deems to be a nuisance, unsightly, or inappropriate. This restriction includes overnight parking on streets, driveways, and alleys. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. The Association may effect the removal of any vehicle in violation of this Section or the Rules without liability to the Owner or operator of the vehicle.

6.20. SINGLE FAMILY LOT CONSTRUCTION RESTRICTIONS. Without the prior written approval of a variance by the Architectural Reviewer, improvements constructed on every Single Family Lot must have the minimum characteristics described below, which may be treated as the minimum requirements for improving and using a Single Family Lot. Subject to the limitation set forth in the foregoing sentence: (a) Declarant may impose additional or different construction restrictions on certain parts of the Property by recordation of an amendment or supplement of this Declaration and (b) the Architectural Reviewer may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An Owner should review the Property's architectural restrictions, if any, before planning improvements, repairs, or replacements to his Single Family Lot and dwelling.

6.20.1. Houses. The principal improvement on a Single Family Lot must be one detached Single Family dwelling with a minimum floor area for interior air-conditioned space of 1,200 square feet. The dwelling size, setbacks, and exterior materials must comply with the minimum requirements set forth in this Declaration, with applicable ordinances and with any higher standards established by the Architectural Reviewer.

6.20.2. Setbacks. No improvement may be erected, altered, placed or permitted to remain on any Lot nearer to the front, side and rear lot lines of any than the minimum distance of setback set forth below with respect to such applicable lot line for such Lot:

20' setback on rear property line

20' setback on front property line

5' setback on side property lines (except corner Lots with respect to which a 15' setback on the side property line adjoining a street shall be required)

6.20.3. New Construction. The dwelling must be constructed on the Lot. A dwelling or addition constructed elsewhere may not be moved onto a Lot. At the start of construction - but not before - building material to be used in the construction may be stored on the Lot. Once started, the dwelling and all improvements on the Lot must be completed with due diligence.

6.20.4. Exterior Wall Materials. Exterior wall materials must be approved by the Architectural Reviewer. Generally, at least 75 percent of the dwelling's total exterior area, minus windows and doors, must be masonry or masonry veneer, such as brick, stone, stucco, concrete or other cementuous product; provided, however, concrete bricks are permitted only if approved by the Architectural Reviewer as to color and manufacturer. Fireplaces situated on exterior walls must be encased in brick. All siding must be HardiPlank. HardiPlank shall not be considered masonry or masonry veneer for purposes of calculating the 75 percent exterior coverage requirement. Dwellings adjacent to a Thoroughfare Street and more than one story must be 100 percent masonry or masonry veneer.

6.20.5. Roofs. Roofs must be covered with material having a manufacturer's warranty of at least 20 years. The use of fiberglass shingles is permitted. The color of roofing material must be weathered wood or an equivalent earth tone color. The minimum roof pitch required is 6:12 (that is, 6 inches of rise for every 12 inches of run). The Architectural Reviewer may permit or require other weights, materials, and colors.

6.20.6. Garage & Driveway. Each dwelling must have an attached garage for at least two standard-size cars with garage doors installed. If the Lot has alley access, the garage must be a rear or side entry using the alley for access. The driveway must be surfaced with concrete.

6.20.7. Landscaping. Landscaping must be installed on the front and side yards of the Lot and must be completed prior to issuance of a Final Inspection Report. Each Owner shall plant and maintain within their front and side yard area the following plant materials:

Trees - one 2 inch caliper or greater as measured 6 inches from the ground.

Shrubs - one 5-7 gallon accent shrub and eighteen 3 gallon shrubs.

Lawn Grass - sod, any variety.

6.20.8. Accessories. Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, landscape and security lighting, attic ventilators, awnings and screens, flagpoles and flags, fountains, gutters and downspouts, shutters, skylights, storm screens, trellises, arbors, and exterior paint and stain, is subject to the Architectural Reviewer's prior approval, including approval of design, color, materials, and location.

6.20.9. Mailboxes. One 4x4 cedar mailbox pedestal shall be shared by 2 Lots, with 2 mailboxes affixed to 1 pedestal. The Architectural Reviewer may require a uniform size and style of mailbox.

6.20.10. Fences & Walls. This Section is subject to the Architectural Reviewer's right to adopt additional or different specifications for construction or reconstruction of fences. The height of all fences must be 6 feet from the finished grade of the Lot. All fences must be constructed of spruce or better quality flat top pickets and must have a rail no less than 6 inches from the top of the finished fence. Fences that face F.M. 720, Travis Ranch Boulevard and streets intersecting Travis Ranch Boulevard (to the next intersecting street) must be constructed of cedar with steel posts, and stained with a light neutral stain consistently applied in a color selected by the Architectural Reviewer. Retaining walls must be constructed entirely with Architectural Reviewer-approved materials, however railroad ties may not be used for a retaining wall visible from a street. Fences may not be constructed between a dwelling's front building line and the street. The use of chain link fencing is prohibited. Construction of all fences must be completed prior to issuance of a Final Inspection Report.

6.20.11. Fences along Streets and Common Lot Lines. Any fence or portion thereof that faces a public street shall be constructed so that all structural members and posts will be on the side of the fence away from the street so that they are not visible from any public right-of-way. With respect to fencing constructed along any common Lot line, unless otherwise approved in writing by the Architectural Reviewer: (1) only one fence shall be constructed along a common Lot line; and (2) after a fence has been constructed along a common Lot line, the Owner of the adjacent Lot shall be entitled to attach fencing materials which otherwise comply with the provisions of this Section to the structure of the existing fence constructed along such common Lot line provided that additional poles or posts at four feet (4') on center are installed to support the additional weight on the fence. The Owners of Lots adjacent to Travis Ranch Boulevard shall be entitled to attach fencing materials which otherwise comply with the provisions of this Section to the structure of the existing fence constructed by the Declarant along Travis Ranch Boulevard.

6.20.12. Fence Stain. Wood fences must be stained with an Architectural Reviewer-approved color. The Architectural Reviewer may require a uniform color of stain. Wood fences may not be painted.

6.20.13. Utilities. All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or the city; (2) elevated or surface lines or equipment installed by Declarant as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. Each Lot will use water and sewage systems provided by a utility district or a city. Individual water supply and sewage disposal systems are not permitted.

6.20.14. Air Conditioners. Air conditioning equipment may not be installed in the front yard of a dwelling. Window units are prohibited. The Architectural Reviewer may require that air-conditioning equipment and apparatus be visually screened from the street and neighboring Lots.

6.20.15. No Subdivision. No Single Family Lot may be subdivided. One or more Lots may be replatted with the approval of all Owners of the Lots directly affected by the replatting, and subject to the approval of the city. The parties executing the replat will provide a copy of the recorded replat to the Association. Replatting of Single Family Lots may not alter the number of votes and Assessments allocated to the Single Family Lots as originally platted. If replatting reduces the number of Single Family Lots by combining Lots, the joined Lot will have the votes and Assessments allocated to the Lots as originally platted.

6.21. SINGLE FAMILY LOT USE RESTRICTIONS.

6.21.1. Accessory Structures. Without the prior written approval of the Architectural Reviewer, accessory structures - such as dog houses, dog runs, decks, patios, gazebos, storage sheds, playhouses, play equipment, pools, spas, tubs, basketball backboards and other sports apparatus and greenhouses -are prohibited (not allowed). To be approved by the Architectural Reviewer, an accessory storage shed must have the following features:

**GET ARCHITECTURAL APPROVAL BEFORE YOU SHOP FOR OR
BEGIN CONSTRUCTION OF A STORAGE SHED.**

- a. Only one per Lot.
- b. Designed for outdoor use.
- c. Less than 6 feet in height at the ridge line of the roof.
- d. Less than 100 square feet of floor space (e.g. 10' x 10').
- e. Visually harmonious with the house or fence to which it is most visually related or physically attached, including matching major materials such as siding and roofing, dominant colors, construction details, and pitch of roof.
- f. Screened by a fence or acceptable landscape material so it is not visible to a person standing on the surface of an adjoining Lot or street.
- g. Not located in front yards or in unfenced portions of side yards facing streets.

If an accessory structure is installed in violation of this Section, the Architectural Reviewer reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the Owner to screen it or to remove it.

6.21.2. Clotheslines. A Resident may not hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, or other similar items in a yard, on a fence, or from windows and doors. Outside clotheslines and drying racks are prohibited.

6.21.3. Driveways. The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the Board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers, motor homes, and inoperable vehicles; or (2) for repair or restoration of vehicles.

6.21.4. Garages. Without the Board's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.

6.21.5. Leasing of Homes. An Owner may lease the dwelling on his Lot. Whether or not it is so stated in a lease, every lease is subject to the Documents. An Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto. Failure by the tenant or his invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the applicable lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant. The Owner of a leased Lot is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

6.21.6. Occupancy. Other than the completed principal dwelling, no thing or structure on a Lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, campers, and storage sheds.

6.21.7. Residential Use. The use of a house Lot is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a

Resident from using a dwelling for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring Lots. A house Lot may not be used as a cemetery or burial ground.

6.21.8. Screening. The Architectural Reviewer may require that the following items must be screened from the view of the public and neighboring Lots and dwellings, if any of these items exists on the Lot: (1) air conditioning equipment; (2) satellite reception equipment; (3) yard maintenance equipment; (4) wood piles and compost piles; (5) accessory structures that do not have prior approval of the Architectural Reviewer; (6) garbage cans and refuse containers; (7) anything determined by the Board to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street or alley, or the view of a person of average height standing in the middle of a yard of an adjoining Lot.

6.21.9. Signs. Subject to the sign restrictions in a preceding section, the following signs are permitted per Single Family Lot:

- a. One professionally made sign of not more than 5 square feet advertising the Lot for sale or for rent.
- b. Signs for political candidates or the sponsorship of a political party or issue, provided (1) the sign is not more than 4 square feet, (2) there is not more than 1 sign per candidate, party, or issue, and (3) the sign is not erected more than 90 days before the election to which it pertains and is removed within 5 days after the election.
- c. A sign pertaining to the school achievement or activity of a resident student, if such signs are customary to the school and neighborhood.
- d. One professionally made sign of not more than 1 square foot advertising that the dwelling is monitored by a security service, but only during the active term of a monitoring contract.

6.21.10. Window Treatments. All window treatments within the dwelling that are visible from the street or another dwelling must be maintained in good condition and must not detract from the appearance of the Property. Aluminum foil, newsprint, and bedsheets are not suitable window treatments. The Architectural Reviewer may require an Owner to change or remove a window treatment that the Architectural Reviewer determines to be inappropriate or unattractive. The Architectural Reviewer may prohibit the use of certain colors or materials for window treatments.

6.21.11 Swimming Pools. No above-ground level swimming pools shall be erected, constructed or installed on any Lot.

ARTICLE 7 ASSOCIATION AND MEMBERSHIP RIGHTS

7.1. BOARD. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through its Board of Directors."

7.2. THE ASSOCIATION. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on the earlier of (1) issuance of its corporate charter or (2) the initial levy of Assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

**EVERY OWNER OF A TRAVIS RANCH LOT AUTOMATICALLY
JOINS A MANDATORY MEMBERSHIP ASSOCIATION.**

7.3. GOVERNANCE. The Association will be governed by a board of directors elected by the Members. Unless the Association's bylaws or articles of incorporation provide otherwise, the Board will consist of at least 3 persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the bylaws of the Association. Unless the Documents provide otherwise, any action requiring approval of the members may be approved in writing by Owners representing at least a Majority of the total allocated votes, or at a meeting of Owners by Owners representing at least a Majority of the votes that are represented at the meeting.

7.4. MEMBERSHIP. Each Owner is a member of the Association, ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Lot. The Board may require satisfactory evidence of transfer of ownership of a Lot before a purported Owner is entitled to vote at meetings of the Association. If a Lot is owned by more than one person or entity, each co-Owner is a member of the Association and may exercise the membership rights appurtenant to the Lot. A Member who sells his Lot under a contract for deed may delegate his membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all Assessments attributable to his Lot until fee title to the Lot is transferred.

7.5. VOTING. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's bylaws. The vote or votes appurtenant to a Lot are not divisible. If only one of the multiple co-Owners of a Lot is present at a meeting of the Association, that person may cast the vote allocated to the Lot. If more than one of the co-Owners is present, the Lot's vote or votes may be cast with the co-Owners' unanimous agreement. Co-Owners are in unanimous agreement if one of the co-Owners casts the vote and no other co-Owner makes prompt protest to the person presiding over the meeting. Any co-Owner of a Lot may vote by ballot or proxy, and may register protest to the casting of a vote by ballot or proxy by the other co-Owners. If the person presiding over the meeting or balloting receives evidence that the co-Owners disagree on how the appurtenant vote will be cast, the vote will not be counted.

7.6. BOOKS & RECORDS. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to Article 1396-2.23.B. of the Texas Nonprofit Corporation Act.

7.7. INDEMNIFICATION. The Association indemnifies every officer, director, and committee Member of the Association (for purposes of this Section, individually referred to as a "Leader" and collectively referred to as the "Leaders") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with an action, suit, or proceeding, threatened or initiated (or settlement of same if approved by the Board), to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. A Leader has no personal liability on any contract or other commitment made in good faith on behalf of the Association (except to the extent the Leader is a member of the Association and has the member's pro rata obligation). The Association indemnifies and forever holds harmless each Leader against any and all liability to others on account of any such contract or commitment. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. The Association will maintain adequate general liability and directors and officers liability insurance to fund this obligation, to the extent such insurance is reasonably available.

7.8. OBLIGATIONS OF OWNERS. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

7.8.1. Information. Within 30 days after acquiring an interest in a Lot, within 30 days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (1) a copy of the recorded deed by which Owner has title to the Lot; (2) the Owner's address, phone number, and driver's license number, if any; (3) any mortgagee's name, address, and loan number; (4) the name and phone number of any Resident other than the Owner; (5) the name, address, and phone number of Owner's managing agent, if any.

7.8.2. Pay Assessments. Each Owner will pay Assessments properly levied by the Association against the Owner or his Lot, and will pay regular Assessments without demand by the Association.

7.8.3. Comply. Each Owner will comply with the Documents as amended from time to time.

7.8.4. Reimburse. Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.

7.8.5. Liability. Each Owner is liable to the Association for violations of the Documents by the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

7.9. TRANSFER-RELATED FEES. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special Assessments.

Transfer-related fees do not apply to the following transfers unless a party to the transfer requests the corresponding documentation: (1) foreclosure of a deed of trust lien, tax lien, or the Association's Assessment lien; (2) transfer to, from, or by the Association; (3) voluntary transfer by an Owner to one or more co-Owners, or to the Owner's spouse, child, or parent. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's Assessment lien, and are not payable by the Association. This Section does not obligate the Board or the manager to levy transfer-related fees.

7.10 OBLIGATION OF BUILDERS. Without limiting the obligations of Builder under this Document, each Builder agrees to comply with the obligations of the builders of single family dwellings on Lots within the Property regarding the marketing of telecommunication services by Southwestern Bell Telephone, L.P. pursuant to that certain Contract for Marketing Services For Single Family Units in SWBT entered into by Declarant.

ARTICLE 8

COVENANT FOR ASSESSMENTS

8.1. PURPOSE OF ASSESSMENTS. The Association will use Assessments for the general purposes of preserving and enhancing the Property, and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.

8.2. PERSONAL OBLIGATION. An Owner is obligated to pay Assessments levied by the Board against the Owner or his Lot. An Owner makes payment to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Area or by abandonment of his Lot. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

IF YOU OWN A TRAVIS RANCH LOT, YOU MUST PAY ASSESSMENTS TO THE ASSOCIATION.
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8.3. CONTROL FOR ASSESSMENT INCREASES. This Section of the Declaration may not be amended without the approval of Owners representing at least two-thirds of the total allocated votes. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget:

8.3.1. Veto Increased Dues. At least 30 days prior to the effective date of an increase in Regular Assessments, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless Owners representing at least a majority of the total allocated votes disapprove the increase by petition

or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

8.3.2. Veto Special Assessment. At least 30 days prior to the effective date of a Special Assessment, the Board will notify an Owner of each Lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. The Special Assessment will automatically become effective unless Owners representing at least a majority of the total allocated votes disapprove the Special Assessment by petition or at a meeting of the Association.

8.4. TYPES OF ASSESSMENTS. There are 4 types of Assessments: Regular, Special, Individual, and Deficiency.

8.4.1. Regular Assessments. Regular Assessments are based on the annual budget. Each Lot is liable for its share of the annual budget. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated common expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Regular Assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- a. Maintenance, repair, and replacement, as necessary, of the Common Area.
- b. Utilities billed to the Association.
- c. Services billed to the Association and serving all Lots.
- d. Taxes on property owned by the Association and the Association's income taxes.
- e. Management, legal, accounting, auditing, and professional fees for services to the Association.
- f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- g. Premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officers liability insurance.
- h. Contributions to the reserve funds.
- i. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

The initial Regular Assessment per Lot shall be \$300 annually (\$25 per month).

8.4.2. Special Assessments. In addition to Regular Assessments, and subject to the Owners' control for Assessment increases, the Board may levy one or more Special Assessments against all Lots for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved (1) if at a meeting of the Association, by Owners representing at least a majority of the votes present at the meeting, or (2) if by petition or in writing, by Owners representing at least a majority of the total allocated votes:

- a. Acquisition of real property, other than the purchase of a Lot at the sale foreclosing the Association's lien against the Lot.
- b. Construction of additional improvements within the Property, but not replacement of original improvements.
- c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

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

8.4.4. Deficiency Assessments. The Board may levy a Deficiency Assessment against all Lots for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

8.5. BASIS & RATE OF ASSESSMENTS. The basis for calculating each Lot's liability for common expenses is provided in Article 4 of this Declaration. Notwithstanding anything that may be contained in this Declaration to the contrary, a Lot that is owned by Declarant during the Development Period is eligible for the Assessment exemption in Appendix B. Also, as provided in Section B.2.5. of Appendix B, during the Declarant Control Period only, Declarant has the right but not the duty to reduce or waive the Assessment obligation of a Builder, provided the agreement is in writing.

8.6. ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or its summary available to an Owner of each Lot, although failure to receive a budget or summary does not affect an Owner's liability for Assessments. The Board will provide copies of the detailed budget to Owners who make written request and pay a reasonable copy charge.

8.7. DUE DATE. The Board may levy Regular Assessments on any periodic basis - annually, semi-annually, quarterly, or monthly. Regular Assessments are due on the first day of the period for which

levied. Special and Individual Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within 10 days after notice of the Assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

8.8. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association must budget for reserves and may fund reserves out of Regular Assessments.

8.8.1. Operations Reserves. The Association will endeavor to maintain operations reserves at a level determined by the Board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, including the full amount of deductibles on insurance policies maintained by the Association.

8.8.2. Replacement & Repair Reserves. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Area.

8.9. ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of Owners representing at least a majority of the votes present at a meeting of Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

8.10. LIMITATIONS OF INTEREST. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Special and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

ARTICLE 9 ASSESSMENT LIEN

9.1. ASSESSMENT LIEN. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he purchased his Lot.

9.2. SUPERIORITY OF ASSESSMENT LIEN. The Assessment lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities; (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original dwelling, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due.

The Assessment lien is subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.

9.3. EFFECT OF MORTGAGEE'S FORECLOSURE. Foreclosure of a superior lien extinguishes the Association's claim against the Lot for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale of a superior lien is liable for Assessments coming due from and after the date of the sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as an Association expense.

9.4. NOTICE AND RELEASE OF NOTICE. The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Real Property Records of the county in which the Lot is located. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner.

9.5. POWER OF SALE. By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of nonjudicial sale in connection with the Association's Assessment lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

Yes, the HOA *can* foreclose!

If you fail to pay Assessments to the Association, you may lose title to your home
if the Association forecloses its Assessment lien against your Lot.

9.6. FORECLOSURE OF LIEN. The Assessment lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of Chapter 209 of the Texas Property Code. A nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the bylaws and the requirements of Chapter 209 of the Texas Property Code. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the Assessment lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

ARTICLE 10
EFFECT OF NONPAYMENT OF ASSESSMENTS

An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the Board, is responsible for taking action to collect delinquent Assessments. The Association's exercise of its remedies is subject to applicable laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the bylaws. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.

10.1. INTEREST. Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of 18 percent or the maximum permitted by law. If the Board fails to establish a rate, the rate is 10 percent per annum.

10.2. LATE FEES. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

10.3. COSTS OF COLLECTION. The Owner of a Lot against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys fees and processing fees charged by the manager.

10.4. ACCELERATION. If an Owner defaults in paying an Assessment that is payable in installments, the Association may accelerate the remaining installments on 10 days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

10.5. SUSPENSION OF USE AND VOTE. If an Owner's account has been delinquent for at least 30 days, the Association may suspend the right of Owners and Residents to use Common Areas and common services during the period of delinquency. The Association may also suspend the right to vote appurtenant to the Lot. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.

10.6. MONEY JUDGMENT. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association's lien for Assessments.

10.7. NOTICE TO MORTGAGEE. The Association may notify and communicate with the holder of any lien against a Lot regarding the Owner's default in payment of Assessments.

10.8. FORECLOSURE OF ASSESSMENT LIEN. As provided by this Declaration, the Association may foreclose its lien against the Lot by judicial or nonjudicial means.

10.9. APPLICATION OF PAYMENTS. The Board may adopt and amend policies regarding the application of payments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Lot's account.

ARTICLE 11
ENFORCING THE DOCUMENTS

11.1. NOTICE AND HEARING. Before the Association may exercise many of its remedies for a violation of the Documents or damage to the Property, the Association must give an Owner written notice and an opportunity for a hearing, according to the requirements and procedures in the bylaws and in Chapter 209 of the Texas Property Code. Notices are also required before an Owner is liable to the Association for certain charges, including reimbursement of attorneys fees incurred by the Association.

STATE LAW APPLIES
to many of the Association's enforcement rights and remedies. Please
consult Chapter 209 of the Texas Property Code.

11.2. REMEDIES. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents, subject to applicable notice and hearing requirements:

11.2.1. Nuisance. The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

11.2.2. Fine. The Association may levy reasonable charges, as an Individual Assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents.

11.2.3. Suspension. The Association may suspend the right of Owners and Residents to use Common Areas for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

11.2.4. Self-Help. The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner 15 days' notice of its intent to exercise self-help.

11.2.5. Suit. Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

11.3. BOARD DISCRETION. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

11.4. NO WAIVER. The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any other part of the Documents at any future time. No officer, director, or member of the Association is liable to any Owner for the failure to enforce any of the Documents at any time.

11.5. RECOVERY OF COSTS. The costs of curing or abating a violation are at the expense of the Owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the nonprevailing party all reasonable and necessary costs incurred by it in such action, including without limitation reasonable attorneys' fees, court costs, expert witness fees, consultant fees, and paralegal fees.

ARTICLE 12

MAINTENANCE AND REPAIR OBLIGATIONS

12.1. ASSOCIATION MAINTAINS. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are on Lots or Common Areas.

- a. The Common Areas.
- b. Any real and personal property owned by the Association but which is not a Common Area, such as a house Lot owned by the Association.
- c. Any area, item, easement, or service - the maintenance of which is assigned to the Association by this Declaration or by the Plat.

12.2. OWNER RESPONSIBILITY. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

12.2.1. House Maintenance. Each Owner, at the Owner's expense, must maintain all improvements on the Lot, including but not limited to the dwelling, fences, sidewalks, and driveways. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain his Lot's improvements at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each Owner must repair and replace worn, rotten, deteriorated, and unattractive materials, and must regularly repaint all painted surfaces.

12.2.2. Yard Maintenance. Each Owner, at the Owner's expense, must maintain the yards on his Lot at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each Owner must:

- a. Maintain an attractive ground cover or lawn on all yards visible from a street.
- b. Edge the street curbs at regular intervals.
- c. Mow the lawns and grounds at regular intervals.
- d. Prevent lawn weeds or grass from exceeding 6 inches in height.
- e. Not plant vegetable gardens that are visible from a street.
- f. Maintain an attractive appearance for shrubs and trees visible from a street or alley.

12.2.3. Avoid Damage. An Owner may not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.

12.2.4. Responsible for Damage. An Owner is responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Areas or the property of another Owner.

12.3. OWNER'S DEFAULT IN MAINTENANCE. If the Board determines that an Owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an Individual Assessment against the Owner and his Lot. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner's expense.

ARTICLE 13

INSURANCE

13.1. GENERAL PROVISIONS. All insurance affecting the Property is governed by the provisions of this Article, with which the Board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

13.1.1. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least 10 days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

13.1.2. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or Resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

13.2. PROPERTY. To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable Common Area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any Lot owned by the Association.

The Association does NOT insure the individual houses or their contents.

13.3. GENERAL LIABILITY. The Association will maintain a commercial general liability insurance policy over the Common Areas - expressly excluding the liability of each Owner and Resident within his Lot -for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.

13.4. DIRECTORS & OFFICERS LIABILITY. To the extent it is reasonably available, the Association will maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

13.5. OTHER COVERAGES. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an Owner.

13.6. OWNER'S RESPONSIBILITY FOR INSURANCE. Each Owner will obtain and maintain fire and extended coverage on all the improvements on his Lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each Owner will obtain and maintain general liability insurance on his Lot. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. If an Owner fails to maintain required insurance, or to provide the Association with proof of same, the Board may obtain insurance on behalf of the Owner who will be obligated for the cost as an Individual Assessment. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner and Resident is solely responsible for insuring his personal property in his dwelling and on the Lot, including furnishings, vehicles, and stored items.

ARTICLE 14 MORTGAGEE PROTECTION

14.1. INTRODUCTION. This Article establishes certain standards for the benefit of Mortgagees, as defined below, and is written to comply with Chapter VI of Fannie Mae's Selling Guide in effect at the time of drafting. Also, if the FHA Financing Requirements are attached to this declaration as an appendix, those requirements are incorporated herein by reference. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of Owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. As used in this Article, a "Mortgagee" is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a Lot. Some sections of this Article apply to all known Mortgagees. Other sections apply to "Eligible Mortgagees," as defined below.

14.1.1. Known Mortgagees. An Owner who mortgages his Lot will notify the Association, giving the complete name and address of his mortgagee and the loan number. An Owner will also provide that information on request by the Association from time to time. The Association's obligations to mortgagees under the Documents extend only to those mortgagees known to the Association. All actions and approvals required by mortgagees will be conclusively satisfied by the mortgagees known to the Association, without regard to other holders of liens on Lots. The Association may rely on the information provided by Owners and mortgagees.

14.1.2. Eligible Mortgagees. "Eligible Mortgagee" means a mortgagee that submits to the Association a written notice containing its name and address, the loan number, the identifying number and street address of the mortgaged Lot, and the types of actions for which the Eligible Mortgagee requests timely notice. A single notice per Lot will be valid so long as the Eligible Mortgagee holds a mortgage on the Lot. The Board will maintain this information. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

14.2. MORTGAGEE RIGHTS.

14.2.1. Termination. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least 51 percent of Eligible Mortgagees, in addition to the required consents of Owners. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least two-thirds of Eligible Mortgagees. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within 30 days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

14.2.2. Inspection of Books. Mortgagees may inspect the Association's books and records, including the Documents, by appointment, during normal business hours.

14.2.3. Financial Statements. If a Mortgagee so requests, the Association will give the Mortgagee an audited statement for the preceding fiscal year within 120 days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

14.2.4. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

14.3. INSURANCE POLICIES. If an Underwriting Lender is a Mortgagee or an Owner, at the request of the Underwriting Lender the Association will comply with the Underwriting Lender's insurance

requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of this Declaration.

ARTICLE 15

AMENDMENTS

15.1. CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners of at least a majority of the Lots and by Owners representing at least a majority of the total allocated votes.

15.2. METHOD OF AMENDMENT. For an amendment that requires the approval of Owners, this Declaration may be amended by any method selected by the Board from time to time, pursuant to the bylaws, provided the method gives an Owner of each Lot the substance if not exact wording of the proposed amendment, a description of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment.

15.3. EFFECTIVE. To be effective, an amendment must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; and (3) recorded in the Real Property Records of every county in which the Property is located.

15.4. DECLARANT PROVISIONS. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

15.5. MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners representing at least a majority of the total allocated votes. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

15.6. TERMINATION. Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least two-thirds of the Lots and by Owners representing at least two-thirds of the total allocated votes. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners. In all other circumstances, an amendment to terminate must be approved by Owners of at least 80 percent of the Lots and by Owners representing at least 80 percent of the total allocated votes.

15.7. CONDEMNATION. In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Common Area, the Association will be the exclusive representative of the Owners. The

Association may use condemnation proceeds to repair and replace any damage or destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 16 DISPUTE RESOLUTION

16.1. INTRODUCTION & DEFINITIONS. The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "**Parties**") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

16.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Properties, except Exempt Claims as defined below, and including without limitation:

- a. Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.
- b. Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.
- c. Claims relating to the design, construction, or maintenance of the Property.

16.1.2. "**Claimant**" means any Party having a Claim against any other Party.

16.1.3. "**Exempt Claims**" means the following claims or actions, which are exempt from this Article:

- a. The Association's claim for Assessments, and any action by the Association to collect Assessments.
- b. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.
- c. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.
- d. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

16.1.4. "**Respondent**" means the Party against whom the Claimant has a Claim.

16.2. MANDATORY PROCEDURES. Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.

16.3. NOTICE. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

16.4. NEGOTIATION. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.

16.5. MEDIATION. If the parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have 30 additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least 5 years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

16.6. TERMINATION OF MEDIATION. If the Parties do not settle the Claim within 30 days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

16.7. ALLOCATION OF COSTS. Except as otherwise provided in this Section, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

16.8. ENFORCEMENT OF RESOLUTION. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the Parties. If any Party thereafter fails to abide by the terms of the agreement, then the other Party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the Party taking action to enforce the agreement is entitled to recover from the non-complying Party all costs incurred in enforcing the agreement, including, without limitation, attorneys fees and court costs.

16.9. GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A Party having an Exempt Claim may submit it to the procedures of this Article.

16.10. LITIGATION APPROVAL & SETTLEMENT. In addition to and notwithstanding the above alternate dispute resolution procedures, the Association may not initiate any judicial or administrative proceeding without the prior approval of Owners representing at least a majority of the total allocated votes, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of Assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of Owners in order to preserve the status quo. Also, the Association may not initiate any judicial or administrative proceeding against Declarant without the approval of Owners representing at least a majority of the total allocated votes. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section may not be amended without the approval of Owners of at least 75 percent of the Lots.

ARTICLE 17

NEIGHBORHOODS

17.1. PURPOSE. At the time this Declaration is recorded, Declarant does not plan to create sub-associations within the Property. However, Declarant recognizes that the creation of Neighborhoods is sometimes desirable in large planned communities to impose certain restrictions or standards on designated parts of the Property, or when Owners of a portion of the larger development want benefits or services that are not shared by Owners in other parts of the Property. The purpose of this Article is to provide a framework for the future creation and operation of any Neighborhood within the Property.

17.2. DEFINITIONS. As used in this Article and in any Neighborhood Restrictions, the following terms are defined as follows:

17.2.1. **"Neighborhood Assessments"** means assessments levied against Lots in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, pursuant to Neighborhood Restrictions.

17.2.2. **"Neighborhood Association"** means a property owners association, if any, created by the Neighborhood Restrictions, if any, having jurisdiction over the Neighborhood concurrent with (but subject to) the jurisdiction of the Association. Nothing in this Declaration requires the creation of any Neighborhood Association. A Neighborhood may be created without a Neighborhood Association.

17.2.3. **"Neighborhood Common Area"** means a parcel of land and/or an improvement in or adjacent to the Neighborhood, the use of which is reserved exclusively or primarily for Residents of the Neighborhood, such as a gated entrance to Neighborhood streets or a recreational amenity that is developed for Neighborhood use only.

17.2.4. **"Neighborhood Declarant"** means a person or entity that (1) acquires Lots within a Neighborhood for development or sale, (2) is designated as the Neighborhood Declarant in writing by Declarant, and (3) consents in writing to assume the Neighborhood Declarant duties and obligations with respect to the Lots acquired. There may be only one Neighborhood Declarant per Neighborhood, and a Neighborhood may be created without a Neighborhood Declarant.

17.2.5. **"Neighborhood Expenses"** means the actual and estimated expenses which the Association or the Neighborhood Association incurs or expects to incur for the benefit of the Lots within the Neighborhood, which may include a reasonable reserve for repair and replacement of Neighborhood Common Areas, and reasonable administrative charges as may be authorized by this Declaration or the Neighborhood Restrictions.

17.2.6. **"Neighborhood Restrictions"** means covenants, conditions, and restrictions to which only those Lots in the Neighborhood become subject when the Neighborhood Restrictions are recorded in every county in which any portion of the Neighborhood is located. Neighborhood Restrictions may be in the form of an appendix, exhibit, amendment, or supplement of or to this Declaration, or in the form of a declaration of condominium or similar instrument. During the Development Period, Neighborhood Restrictions must have Declarant's prior review and written consent, and any attempted recordation of an instrument without Declarant's written consent is void and of no force and effect unless subsequently approved by recorded consent signed by Declarant.

17.3. **CREATING THE NEIGHBORHOOD.** Any portion of the Property may be designated as a **"Neighborhood"** pursuant to this Article. If a Neighborhood is created, the Owner of every Lot in the Neighborhood is subject to the additional restrictions, any additional assessment obligation, and any additional association membership. A Neighborhood may be created by either of the following 2 methods:

17.3.1. **By Declarant.** During the Development Period, Declarant may unilaterally create one or more Neighborhoods by subjecting a portion of the Property to Neighborhood Restrictions that are recorded with or after the annexation of the subject property, and which are signed by Declarant and the property Owner, if other than Declarant.

17.3.2. **By Association.** After the Development Period, the Association may create one or more Neighborhoods if requested in writing by Owners of at least two-thirds of the Lots in the petitioning Neighborhood. Neighborhood Restrictions that have been approved by Owners of at least two-thirds of the Lots in the Neighborhood may be executed by any 2 officers of the Association, who must certify that the necessary consents were obtained. The Neighborhood Restrictions must be recorded in every county in which any portion of the Neighborhood is located, and become effective 90 days after recording. The Association must deliver a copy of the file-marked or recorded Neighborhood Restrictions to an Owner of every Lot in the Neighborhood within 90 days after the recording date. During the Development Period, the Neighborhood Restrictions must also be approved and executed by Declarant to be effective.

ARTICLE 18

GENERAL PROVISIONS

18.1. **COMPLIANCE.** The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

18.2. **HIGHER AUTHORITY.** The Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance.

18.3. NOTICES. All demands or other notices required to be sent to an Owner or Resident by the terms of this Declaration may be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice whether or not he actually receives it.

18.4. LIBERAL CONSTRUCTION. The terms and provision of each Document are to be liberally construed to give effect to the purposes and intent of the Document. All doubts regarding a provision, including restrictions on the use or lienability of property, will be resolved in favor of the operation of the Association and its enforcement of the Documents, regardless which party seeks enforcement.

18.5. SEVERABILITY. Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.

18.6. CAPTIONS. In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

18.7. APPENDIXES. The following appendixes are attached to this Declaration and incorporated herein by reference:

- A - Description of Subject Land
- B - Declarant's Representations and Reservations
- C - Description of Additional Land Subject to Annexation
- D - Minimum Architectural and Building Standards for All Single-Family Detached Home Properties

18.8. INTERPRETATION. Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.

18.9. DURATION. Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

SIGNED AND ACKNOWLEDGED

SIGNED on this 17 day of December, 2004.

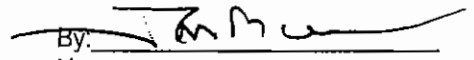
TRAVIS RANCH DEVELOPMENT, L.P.,
a Texas limited partnership

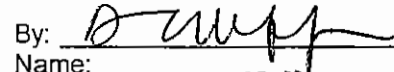
By: 2428 Management L.L.C.,
a Delaware limited liability company,
its general partner

By: IHP Investment Fund III, L.P.,
a California limited partnership,
its sole member

By: Institutional Housing Partners III L.P.,
a California limited partnership,
its general partner

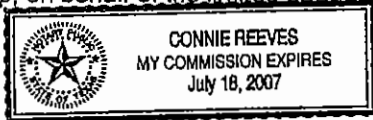
By: IHP Capital Partners,
a California corporation,
its general partner

By: 
Name: J. Tim Moore
Title: Senior Vice President

By: 
Name: Douglas C. Neff
Title: President

THE STATE OF Texas
COUNTY OF Dallas

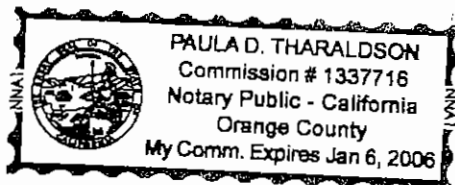
This instrument was acknowledged before me on the 17 day of December, 2004 by Timmons, S. Vice President of IHP Capital Partners, a California corporation, general partner of Institutional Housing Partners III L.P., a California limited partnership, general partner of IHP Investment Fund III, L.P., a California limited partnership, sole member of 2428 Management L.L.C., a Delaware limited liability company, sole general partner of Travis Ranch Development, L.P., a Texas limited partnership, on behalf of the limited partnership.



Connie Reeves
Notary Public, The State of Texas

THE STATE OF California
COUNTY OF Orange

This instrument was acknowledged before me on the 18 day of December, 2004 by Douglas C. Noff, President of IHP Capital Partners, a California corporation, general partner of Institutional Housing Partners III L.P., a California limited partnership, general partner of IHP Investment Fund III, L.P., a California limited partnership, sole member of 2428 Management L.L.C., a Delaware limited liability company, sole general partner of Travis Ranch Development, L.P., a Texas limited partnership, on behalf of the limited partnership.



Paula D Tharaldson
Notary Public, The State of Texas

APPENDIX A
DESCRIPTION OF SUBJECT LAND

PHASE 2A

A TRACT OF LAND SITUATED IN THE WM. CONNER SURVEY, ABSTRACT NO. 92, THE J. R. CONNER SURVEY, ABSTRACT NO. 100, AND THE G. R. PASCHALL SURVEY, ABSTRACT NO. 404, IN KAUFMAN COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 2399 ACRE TRACT OF LAND DESCRIBED IN DEED TO TRAVIS RANCH DEVELOPMENT, L.P., RECORDED IN VOLUME 1991, PAGE 50, DEED RECORDS KAUFMAN COUNTY, TEXAS (D.R.K.C.T.) AND IN VOLUME 2518, PAGE 56 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS (D.R.R.C.T.). SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2" IRON ROD WITH YELLOW CAP STAMPED "HALFF ASSOC. INC." FOUND FOR THE EAST CORNER OF A CALLED 16.228 ACRE TRACT OF LAND DESCRIBED IN DEED TO TRAVIS RANCH DEVELOPMENT, L.P., RECORDED IN VOLUME 2008, PAGE 508 D.R.K.C.T., SAID CORNER ALSO BEING IN THE WEST RIGHT-OF-WAY LINE OF FM 740 (90' WIDE RIGHT-OF-WAY), AND THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1717.97 FEET, A DELTA ANGLE OF 05°01'26", AND A LONG CHORD THAT BEARS S 24°43'47" W, A DISTANCE OF 150.59 FEET;

THENCE, ALONG THE WEST RIGHT-OF-WAY LINE OF SAID FM 740, THE FOLLOWING COURSES:

SOUTHWESTERLY, ALONG SAID CURVE TO THE RIGHT AN ARC LENGTH OF 150.64 FEET TO A POINT FOR CORNER;

S 27°14'30" W, A DISTANCE OF 114.49 FEET TO A BROKEN CONCRETE HIGHWAY MONUMENT FOUND FOR THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 11,414.91 FEET, A DELTA ANGLE OF 01°29'28", AND A LONG CHORD THAT BEARS S 27°59'14" W, A DISTANCE OF 297.07 FEET;

SOUTHWESTERLY, ALONG SAID TANGENT CURVE TO THE RIGHT, PASSING AT AN ARC LENGTH OF 259.37 FEET A 1/2" IRON ROD STAMPED "HALFF ASSOC. INC." FOUND FOR THE SOUTH CORNER OF SAID 16.228 ACRE TRACT, AND CONTINUING IN ALL A TOTAL ARC LENGTH OF 297.07 FEET TO A POINT FOR CORNER;

THENCE, DEPARTING THE SAID WEST RIGHT-OF-WAY LINE OF FM 740, OVER AND ACROSS SAID 2399 ACRE TRACT, THE FOLLOWING COURSES:

N 61°16'02" W, A DISTANCE OF 15.00 FEET TO A POINT FOR CORNER;

N 16°29'59" W, A DISTANCE OF 14.09 FEET TO A POINT FOR CORNER;

N 61°42'25" W, A DISTANCE OF 22.02 FEET TO A POINT FOR THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 930.00 FEET, A DELTA ANGLE OF 16°22'40", AND A LONG CHORD THAT BEARS N 53°31'05" W, A DISTANCE OF 264.93 FEET;

NORTHWESTERLY, ALONG SAID TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 265.84 FEET TO A POINT FOR CORNER;

N 45°19'45" W, A DISTANCE OF 40.30 FEET TO A POINT FOR CORNER;

S 89°40'15" W, A DISTANCE OF 14.14 FEET TO A POINT FOR CORNER;

S 44°40'15" W, A DISTANCE OF 14.50 FEET TO A POINT FOR CORNER;

N 45°19'45" W, A DISTANCE OF 56.00 FEET TO A POINT FOR CORNER;

N 44°40'15" E, A DISTANCE OF 14.50 FEET TO A POINT FOR CORNER;

N 00°19'45" W, A DISTANCE OF 14.14 FEET TO A POINT FOR CORNER;

N 45°19'45" W, A DISTANCE OF 200.00 FEET TO A POINT FOR CORNER;

S 89°40'15" W, A DISTANCE OF 14.14 FEET TO A POINT FOR CORNER;

S 44°40'15" W, A DISTANCE OF 14.50 FEET TO A 5/8" IRON ROD CAPPED WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE **POINT OF BEGINNING**;

S 44°40'15" W, A DISTANCE OF 75.50 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 90.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 69.37 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 38°14'45" W, A DISTANCE OF 196.24 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 30°23'15" W, A DISTANCE OF 207.37 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 53°38'10" W, A DISTANCE OF 178.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 172.04 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 402.41 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 30°23'15" W, A DISTANCE OF 57.11 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 59°36'45" E, A DISTANCE OF 30.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP

STAMPED "CARTER BURGESS" SET FOR CORNER;

S 30°23'15" W, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 59°36'45" W, A DISTANCE OF 131.98 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 73°03'21" W, A DISTANCE OF 13.56 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 572.00 FEET, A DELTA ANGLE OF 01°04'48", AND A LONG CHORD THAT BEARS S 24°40'59" W, A DISTANCE OF 10.78 FEET;

SOUTHWESTERLY, ALONG SAID NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 10.78 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 65°51'25" W, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 628.00 FEET, A DELTA ANGLE OF 01°32'28", AND A LONG CHORD THAT BEARS N 24°54'49" E, A DISTANCE OF 16.89 FEET;

NORTHEASTERLY, ALONG SAID NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 16.89 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 16°44'10" W, A DISTANCE OF 14.66 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 59°36'45" W, A DISTANCE OF 151.62 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 578.00 FEET, A DELTA ANGLE OF 35°40'25", AND A LONG CHORD THAT BEARS N 41°46'33" W, A DISTANCE OF 354.09 FEET;

NORTHWESTERLY, ALONG SAID TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 359.88 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 23°56'20" W, A DISTANCE OF 249.11 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 572.00 FEET, A DELTA ANGLE OF 14°29'43", AND A LONG CHORD THAT BEARS N 31°11'11" W, A DISTANCE OF 144.32 FEET;

NORTHWESTERLY, ALONG SAID TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 144.71 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 38°26'03" W, A DISTANCE OF 18.30 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 51°33'57" W, A DISTANCE OF 668.42 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET IN A SOUTH LINE OF SAID 2399 ACRE TRACT AND THE COMMON NORTH LINE OF THE REMAINDER OF THAT TRACT OF LAND DESCRIBED IN DEED TO CLEMGIL REALTY, INC., RECORDED IN VOLUME 543, PAGE 540, D.R.K.C.T.;

THENCE, N 52°55'23" W, ALONG SAID COMMON LINE, A DISTANCE OF 632.87 FEET TO A 5/8" IRON ROD CAPPED "CARTER BURGESS" SET FOR CORNER;

THENCE, DEPARTING SAID COMMON LINE, OVER AND ACROSS SAID 2399 ACRE TRACT, THE FOLLOWING COURSES:

N 37°04'37" E, A DISTANCE OF 115.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 52°55'23" W, A DISTANCE OF 52.84 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 37°04'37" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 52°55'23" E, A DISTANCE OF 35.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 82°04'37" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 37°04'37" E, A DISTANCE OF 210.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 07°55'23" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 52°55'23" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 37°04'37" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 52°55'23" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 82°04'37" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 37°04'37" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 52°55'23" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 37°04'37" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 07°55'23" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 52°55'23" E, A DISTANCE OF 102.02 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP

STAMPED "CARTER BURGESS" SET FOR CORNER;

N 51°33'57" E, A DISTANCE OF 344.09 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 572.00 FEET, A DELTA ANGLE OF 05°38'10", AND A LONG CHORD THAT BEARS N 42°30'40" W, A DISTANCE OF 56.24 FEET;

NORTHWESTERLY, ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 56.27 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 612.61 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 115.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 360.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 115.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 45.41 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°40'15" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 296.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 105.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 115.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 660.01 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP

STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 115.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 9.99 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°41'53" E, A DISTANCE OF 14.15 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 210.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 00°19'45" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 15.12 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 12.61 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A NON-TANGENT CURVE TO
THE RIGHT HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 15°36'48", AND A LONG
CHORD THAT BEARS S 68°12'21" E, A DISTANCE OF 13.58 FEET;

SOUTHEASTERLY, ALONG SAID NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF
13.63 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS"
SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 109.72 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 406.73 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 14.52 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 14.52 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP

STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°40'15" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 1157.44 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 14.50 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 14.50 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°40'15" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 200.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 14.50 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP
STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 56.00 FEET TO THE POINT OF BEGINNING, AND CONTAINING 72.101
ACRES OF LAND, MORE OR LESS.

PHASE 3A

A TRACT OF LAND SITUATED IN THE WM. CONNER SURVEY, ABSTRACT NO. 92, THE J. CANTER SURVEY, ABSTRACT NO. 85, THE G. R. PASCHALL SURVEY, ABSTRACT NO. 404, AND THE W. J. SWIFT SURVEY, ABSTRACT NO. 459, IN KAUFMAN COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 16.228 ACRE TRACT OF LAND DESCRIBED IN DEED TO TRAVIS RANCH DEVELOPMENT, L.P., RECORDED IN VOLUME 2008, PAGE 508 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS (D.R.K.C.T.) AND THE REMAINDER OF A CALLED 2399 ACRE TRACT OF LAND DESCRIBED IN DEED TO TRAVIS RANCH DEVELOPMENT, L.P., RECORDED IN VOLUME 1991, PAGE 50, D.R.K.C.T. AND IN VOLUME 2518, PAGE 56 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS (D.R.R.C.T.). SAID 60.521 ACRE (2,636,303 SQ. FT.) BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2" IRON ROD WITH YELLOW CAP STAMPED "HALFF ASSOC. INC." FOUND FOR A NORTHEAST CORNER OF SAID REMAINDER 2399 ACRE TRACT AND THE COMMON SOUTH CORNER OF A CALLED 13.429 ACRE TRACT OF LAND DESCRIBED IN DEED TO JIMMY DANIEL

GREENHAW AND LYNNEA K. GREENHAW, HUSBAND AND WIFE, RECORDED IN VOLUME 1056, PAGE 803, D.R.K.C.T., SAID CORNER ALSO BEING IN THE WEST RIGHT-OF-WAY LINE OF FM 740 (90' WIDE RIGHT-OF-WAY);

THENCE, ALONG THE WEST RIGHT-OF-WAY LINE OF SAID FM 740 THE FOLLOWING COURSES:

S 23°03'15" W, A DISTANCE OF 102.82 FEET TO A CONCRETE HIGHWAY MONUMENT FOUND FOR THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1953.71 FEET, A DELTA ANGLE OF 04°42'00", AND A LONG CHORD THAT BEARS S 20°42'15" W, A DISTANCE OF 160.22 FEET;

SOUTHWESTERLY, ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 160.26 FEET TO A 1/2" IRON ROD WITH YELLOW CAP STAMPED "HALFF ASSOC. INC." FOUND;

S 18°21'15" W, A DISTANCE OF 388.40 FEET TO A 1/2" IRON ROD WITH YELLOW CAP STAMPED "HALFF ASSOC. INC." FOUND;

S 18°54'15" W, A DISTANCE OF 65.19 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE **POINT OF BEGINNING**;

S 18°54'15" W, A DISTANCE OF 234.72 FEET TO A 1/2" IRON ROD WITH YELLOW CAP STAMPED "HALFF ASSOC. INC." FOUND FOR CORNER;

S 18°34'15" W, A DISTANCE OF 362.93 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HALFF ASSOC. INC." FOUND FOR THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1717.97 FEET, A DELTA ANGLE OF 08°40'15", AND A LONG CHORD THAT BEARS S 22°54'22" W, A DISTANCE OF 259.74 FEET;

SOUTHWESTERLY, ALONG SAID TANGENT CURVE TO THE RIGHT, PASSING AT AN ARC LENGTH OF 109.35 FEET A 1/2" IRON ROD WITH YELLOW CAP STAMPED "HALFF ASSOC. INC." FOUND FOR A SOUTHEAST CORNER OF SAID 2399 ACRE TRACT AND THE COMMON EAST CORNER OF SAID 16.228 ACRE TRACT, AND CONTINUING IN ALL A TOTAL ARC LENGTH OF 259.99 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 27°14'30" W, A DISTANCE OF 114.49 FEET TO A BROKEN CONCRETE HIGHWAY MONUMENT FOUND FOR THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 11414.91 FEET, A DELTA ANGLE OF 00°26'30", AND A LONG CHORD THAT BEARS S 27°27'45" W, A DISTANCE OF 88.00 FEET;

SOUTHWESTERLY, ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 88.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

THENCE, DEPARTING SAID WEST RIGHT-OF-WAY LINE OF FM 740, OVER AND ACROSS SAID 2399 ACRE TRACT AND SAID 16.228 ACRE TRACT THE FOLLOWING COURSES:

N 62°19'00" W, A DISTANCE OF 15.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 11399.91 FEET, A DELTA ANGLE OF 00°10'12", AND A LONG CHORD THAT BEARS S 27°46'06" W, A DISTANCE OF 33.80 FEET;

SOUTHWESTERLY, ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 33.80 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 73°05'13" W, A DISTANCE OF 14.09 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 61°42'25" W, A DISTANCE OF 22.02 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 775.00 FEET, A DELTA ANGLE OF 16°22'40", AND A LONG CHORD THAT BEARS N 53°31'05" W, A DISTANCE OF 220.78 FEET;

NORTHWESTERLY, ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 221.53 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 316.30 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 00°19'45" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 23.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'14" W, A DISTANCE OF 23.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 89°40'15" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 546.63 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 00°19'45" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 33.50 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 33.50 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 89°40'15" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 1028.45 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 00°19'45" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 33.50 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 61.50 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 00°19'45" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°40'15" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 100.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 110.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 581.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 5.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 110.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 15.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 713.61 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°59'04" E, A DISTANCE OF 552.01 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 710.29 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 100.45 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°40'15" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 25.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 25.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 200.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°40'15" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 200.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°40'15" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 44°40'15" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°19'45" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 25.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 56.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 45°19'45" W, A DISTANCE OF 25.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 89°40'15" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°40'15" W, A DISTANCE OF 105.00 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°19'45" E, A DISTANCE OF 308.37 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 62°53'42" E, A DISTANCE OF 182.66 FEET TO A 5/8" IRON ROD WITH YELLOW CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 71°25'45" E, A DISTANCE OF 332.91 FEET TO THE POINT OF BEGINNING AND CONTAINING 60.521 ACRES (2,636,303 SQ. FT.) OF LAND, MORE OR LESS.

APPENDIX B
DECLARANT REPRESENTATIONS & RESERVATIONS

B.1. GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix.

B.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, or any other party or entity prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, including, but not limited to the Declaration, this Appendix controls. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property and to protect the portion of the Property that such Builders acquire.

B.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with 90 days' notice.

B.1.4. Definitions. As used in this Appendix and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

- a. **"Builder"** means a person or entity which purchases, or contracts to purchase, a Lot, or portions of the Property for the future development of Lots, for the purpose of constructing a dwelling for resale or under contract to an Owner other than Declarant.
- b. **"Declarant Control Period"** means that period of time during which Declarant controls the operation of the Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earliest of:
 - (1) 15 years from date this Declaration is recorded.
 - (2) Four months after title to 75 percent of the Lots that may be created in the Property and on the Additional Land has been conveyed to Owners other than Builders.

- (3) When, in Declarant's sole opinion, the Association is viable, self-supporting, and operational, as evidenced by a written statement signed by Declarant and recorded in the Real Property Records of Kaufman County, Texas.

B.1.5. Builders. Declarant may construct dwellings on Lots on portions of the Property to which Declarant retains title. Declarant may also sell portions of the Property for the development of Lots to one or more Builders to improve the Lots with dwellings to be sold and occupied. From time to time, Declarant may invite a Builder to share in the exercise of any, some, or all of its easements and rights, without any formality other than the consent of Declarant and the applicable Builder. Notwithstanding such sharing, a Builder will not become a Successor Declarant, or assume the duties and liabilities of Declarant under this Declaration unless Builder and Declarant join in an instrument that assigns and transfers Declarant rights and duties under this Declaration, signed and acknowledged by both Declarant and Builder, and recorded in the county's Real Property Records.

B.2. DECLARANT CONTROL PERIOD RESERVATIONS. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

B.2.1. Officers & Directors. During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or Owners, and each of whom is indemnified by the Association as a "Leader."

B.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted 5,000 times that of the vote appurtenant to a Lot owned by another Owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of 5,000 votes for each vote appurtenant to each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the weight of the vote appurtenant to Declarant's Lots will be uniform with all other votes.

B.2.3. Budget Funding. During the Declarant Control Period, to the extent that the amount of Regular Assessments required to be paid to the Association are insufficient to cover actual expenses incurred by the Association for the purposes thereof, Declarant may, at its sole discretion, loan to the Association an amount equal to any excess actual expenses, which amount, together with interest at a floating rate per annum equal to the highest prime rate published by *The Wall Street Journal* plus two percent (2%), shall be repaid by the Association to Declarant upon demand.

B.2.4. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant is not subject to assessment by the Association.

B.2.5. Builder Assessments. During the Declarant Control Period only, Declarant has the right but not the duty to reduce or waive the Assessment obligation of a Builder, provided the agreement is in writing.

B.2.6. Builder Transfer Fees. During the Declarant Control Period only, Declarant has the right but not the duty to exempt a Builder from any or all liabilities for transfer-related fees charged by the Association or its manager, provided the agreement is in writing.

B.2.7. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of Regular Assessments until a certain

number of Lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies Regular Assessments against the Lots. Prior to the first levy, Declarant will be responsible for all operating expenses of the Association.

B.2.8. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

B.2.9. Budget Control. During the Declarant Control Period, the right of Owners to veto Assessment increases or Special Assessments is not effective and may not be exercised.

B.2.10. Organizational Meeting. Within 60 days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, directors to the board. Written notice of the organizational meeting must be given to an Owner of each Lot at least 10 days before the meeting. For the organizational meeting, Owners of 5 percent of the Lots constitute a quorum.

B.2.11. Common Areas. At or prior to termination of the Declarant Control Period, Declarant will convey title to the Common Areas to the Association by one or more deeds - with or without warranty. At the time of conveyance, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

B.3. DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

B.3.1. Platting. If the Property includes unplatted parcels, they may be platted in whole or in part, and in phases. The right to plat belongs to the Owner of the unplatted parcel, provided, however, that a plat that creates Common Areas or obligations for the Association must also be approved by Declarant which approval shall not be unreasonably withheld, delayed or conditioned. Declarant's right to have the Property platted, or to approve such plats, is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of platting.

B.3.2. Expansion. The Property is subject to expansion. During the Development Period, Declarant may - but is not required to - annex any or all of the Additional Land described in Appendix C of this Declaration. Declarant annexes real property by subjecting it to the Declaration and the jurisdiction of the Association by recording a supplement or an amendment of this Declaration, executed by Declarant, in the Real Property Records of Kaufman County, Texas. The supplement or amendment of annexation must include a description of the additional real property or a reference to the recorded Plat that describes the additional real property. Declarant's right to annex land is for a term of years and does not require that Declarant own land described in Appendix A at the time or times Declarant exercises its right of annexation.

B.3.3. Withdrawal. During the Development Period, Declarant may withdraw from the Property any portion of the real property still owned by Declarant (1) that is not platted with house Lots, (2) that is platted as a phase of Travis Ranch, provided the Owner of every Lot in the property to be withdrawn consents in writing to the withdrawal, or (3) this is dedicated to the public, pursuant to the next subsection.

B.3.4. Public Services During the Development Period, Declarant may designate and/or dedicate sites within the Property for school, parks, drainage, conservation, fire, police, postal, water, or sewer facilities, (ii) Declarant may make such designation and/or dedication on behalf of the Association, which may not object. Further, Declarant may withdraw such sites from the Property, if it is appropriate to do so. To exercise this right as to land that is not a Common Area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land Owner which consent may be withheld at the sole discretion of the applicable land Owner.

B.3.5. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (i) a governmental entity, if applicable, and (ii) the Owner of the land or Lots to which the change would directly apply (if other than Declarant) which approval may be withheld at the Owner's sole and unfettered discretion, Declarant may (1) change the sizes, dimensions, and configurations of Lots and streets; (2) change the minimum dwelling size; (3) change the building setback requirements; and (4) eliminate or modify any other feature of the Property.

B.3.6. Use of Name "Travis Ranch". During the Development Period, no person may use the name "Travis Ranch" or any derivative thereof in any printed or promotional material without Declarant's prior written consent, except that Owners may use the term solely to specify that particular property is located in Travis Ranch.

B.3.7. Builder Dwelling Plans. Declarant may require its approval (which may not be unreasonably withheld, delayed or conditioned) of all plans and specifications for the construction of dwellings on the Lots. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market houses, Lots, or other products located outside the Property. A Builder may submit proposed plans that the Builder intends to use for more than one house. Provided such plans are approved by Declarant, which approval shall not be unreasonably withheld, delayed or conditions, the Builder shall not be required to resubmit such plans for approval each time it uses such plans to build a home on a Lot, provided the home being built is substantially similar to the plans previously approved by Declarant. Builders are encouraged to submit plans for approval in this manner.

B.3.8. Architectural Control. During the Development Period, Declarant has absolute rights of architectural control, as provided in Article 5 of this Declaration, which may not be amended without the prior written consent of Declarant.

B.3.9. Amendment. Except as may be otherwise limited or restricted including, but not limited to the restrictions set forth in Section B.1.2. of this Appendix, during the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any mortgagee, for the following limited purposes:

- a. To add real property to the Property that is owned by Declarant or other party who consents thereto.
- b. To withdraw real property from the Property that is owned by Declarant.
- c. To create Lots, easements, and Common Areas within the Property on those portions of the Property then owned by Declarant.
- d. To subdivide, combine, or reconfigure Lots which are owned by Declarant.
- e. To convert Lots owned by Declarant into Common Areas.

- f. To create Neighborhoods on portions of the Property owned by Declarant and to amend Article 17 of this Declaration subject to the limitations and restrictions set forth herein.
- g. To merge the Association with another property owners association.
- h. To comply with requirements of an underwriting lender.
- i. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- j. To enable any reputable title insurance company to issue title insurance coverage on the Lots.
- k. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
- l. To change the name or entity of Declarant.
- m. To change the name of the addition in which the Property is located.
- n. To change the name of the Association.
- o. For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

B.3.10. Amendment with FHA/VA Approval. During the Development Period, the following actions require the prior written approval of the U.S. Department of Housing and Urban Development ("HUD/FHA") or the U. S. Department of Veterans Affairs ("VA") so long as HUD/FHA insures or VA guarantees a mortgage on a Lot: (1) annexation of additional property to the Property, except for annexation by Declarant pursuant to a plan of development previously approved by HUD/FHA or VA; (2) merger or consolidation with another property owners association; (3) mortgaging of Common Area; (4) dedication of Common Area to a public entity; (5) amendment of this Declaration; or (6) dissolution or amendment of the articles of incorporation. Also, HUD/FHA or VA may veto amendments of the Bylaws. The approval of HUD/FHA or VA, as the case may be, is implied when it fails to respond within 30 days after receiving written request for approval of a proposed action, provided the request was delivered by certified or registered mail, return receipt requested.

B.3.11. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat provided; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property.

B.3.12. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property owned by Declarant, including the Lots owned by Declarant, for a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

B.3.13. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior

decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's houses, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events - such as open houses, MLS tours, and brokers parties - at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

DIFFERENT RULES

The developer has rights and privileges to use the property in ways that are not available to other owners and residents.

B.3.14. Offices. During the Development Period, Declarant reserves for itself the right to use dwellings owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots and dwellings owned or leased used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

B.3.15. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Additional Land, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property or to the Additional Land in connection with the active marketing of Lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property. Declarant must obtain the prior written consent of the Owners of the Carve Out Property prior to the exercise of any rights under this Section B.3.15. which consent may be withheld at the sole discretion of the Owner or Owners of the Carve Out Property.

B.3.16. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property owned by Declarant for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the Plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Area of the Property or not owned by Declarant, Declarant must have the prior written consent of the land Owner which consent may be withheld at the sole discretion of the applicable land Owner.

B.3.17. Assessments. For the duration of the Development Period after the Declarant Control Period, Lots owned by Declarant are not subject to assessment until the earlier of: (1) 120 days after a

completed dwelling on the Lot is ready for occupancy, as evidenced by a certificate of occupancy issued by a city, or (2) the date title to a Lot transfers to an Owner other than Declarant. After the Development Period, Declarant is liable for Assessments on each Lot owned in the same manner as any Owner.

B.3.18. Transfer Fees. During the Development Period, Declarant may not be required to pay transfer-related and resale certificate fees.

B.3.19. Neighborhood Declarant. From time to time, Declarant may invite a Neighborhood Declarant to share in the exercise of any, some, or all of Declarant's easements and rights, without any formality other than the consent of the Neighborhood Declarant which consent may be withheld at the Neighborhood Declarant's sole discretion. Notwithstanding such sharing, the Neighborhood Declarant will not become a Successor Declarant, or assume the duties and liabilities of Declarant under this Declaration unless the Neighborhood Declarant and Declarant join in an instrument that assigns and transfers Declarant rights and duties under this Declaration, signed and acknowledged by both Declarant and Neighborhood Declarant, and recorded in the county's Real Property Records.

B.4. THOROUGHFARE EASEMENT. Although Declarant is interested in the condition and appearance of all Lots in the Property, the front yards on both sides of the Property's primary thoroughfares are of particular concern because of their heightened visibility to potential purchasers of the Property. Therefore, on recording this Declaration, Declarant creates the Thoroughfare Easement defined below, which will attach to and burden the Thoroughfare Lots when the Thoroughfare Street is named and designated by an amendment or supplement of this Declaration. The purpose of this easement is to permit, but not require, Declarant to control the condition and attractiveness of yards that are visible from a Thoroughfare Street, which is a main roadway into the Property.

B.4.1. Definitions. As used in this Section, the following terms have specified meanings:

- a. **"Thoroughfare Street"** means the street or streets named in and so designated by an amendment or supplement of this Declaration.
- b. **"Thoroughfare Lots"** means all Lots along, abutting, or adjoining the Thoroughfare Street, including Lots that do not front on the Thoroughfare Street.
- c. **"Yard Area"** means the limited portion of each Thoroughfare Lot that is subject to the Thoroughfare Easement, being that portion of the Lot surface that is (1) exterior to the dwelling, (2) not within a fenced yard, and (3) visible from the Thoroughfare Street. In other words, front yards and unfenced side yards along the Thoroughfare Street.
- d. **"Yard Improvements"** means all items, materials, and plants in the Yard Area, including but not limited to fences, retaining walls, planter boxes, plant beds, mailboxes, yard lamps, decorative yard items, trees, shrubs, flowers, ground covers, lawns, other plant material, and yard irrigation systems. All Yard Improvements are owned by the Thoroughfare Lot Owner.
- e. **"Thoroughfare Easement"** means an easement of maintenance, access, and entry over the Yard Areas of the Thoroughfare Lots to ensure the attractiveness of the Yard Areas from the Thoroughfare Street. Declarant hereby reserves a right and

easement of access and entry to the Yard Area of each Thoroughfare Lot to exercise the discretionary rights created by this easement. Nothing in this Section may be construed to obligate Declarant to install any improvement on any Lot in the Property.

B.4.2. Owner's Duties. The Owner of each Thoroughfare Lot, at the Owner's expense, must continually maintain the Yard Area and Yard Improvements in a neat, groomed, healthy, and attractive condition, and to a standard that is commensurate with the neighborhood as determined by the Declarant. The Owner must regularly water lawns and plant material, mow and edge lawns, trim shrubs, and remove litter. As needed, the Owner will treat plant diseases and infestations, and replace dead plant material. Also, the Owner of a Thoroughfare Lot may not install or construct substantial Yard Improvements without the prior written consent of Declarant. Notwithstanding the foregoing, the provisions of this Section B.4.2. are not applicable to the Carve Out Property.

B.4.3. Neighborhood Standards. For purposes of this Section, Declarant is the arbiter of the standards of maintenance and appearance for the Yard Areas. Declarant may have higher standards for the Yard Areas of Thoroughfare Lots than for the yard areas of other Lots in the Property. However, the standard for Thoroughfare Lots will be uniform for all Thoroughfare Lots. Notwithstanding the foregoing, the provisions of this Section B.4.3. are not applicable to the Carve Out Property.

B.4.4. Duration of Easement. This easement terminates automatically at the end of the Development Period. Declarant may terminate this easement earlier by recording a notice of termination in the Real Property Records of Kaufman County, Texas.

B.5. WORKING CAPITAL FUND. Unless otherwise agreed to in writing by Declarant may (but is not required to) establish a working capital fund for the Association by requiring purchasers of Lots to make a one-time contribution to this fund. The amount of the contribution will be not less than one-sixth of the Lot's Regular Assessment nor more than \$150.00, and will be collected on the closing of the sale of the Lot to an Owner other than Declarant, a Successor Declarant, or a Declarant-affiliate. Builders who buy Lots from Declarant are not exempt. Contributions to the fund are not advance payments of Regular Assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser. Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Declarant may not use the fund to defray Declarant's expenses or construction costs.

B.6. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of every county in which any part of the Property is located. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

[End of Appendix B]

APPENDIX C
DESCRIPTION OF ADDITIONAL LAND SUBJECT TO ANNEXATION

TRAVIS RANCH

During the Development Period, Declarant may annex any real property: (1) any portion of which is contiguous with, adjacent to, or within three and one half (3.5) miles of any real property that is subject to this Declaration, (2) in any addition or subdivision platted as a phase or section of Travis Ranch, or (3) located in a planned development district created for the property subject to this Declaration, and may specifically annex any or all of the below-described parcels of land, in whole or in part, and without limitation as to the number of annexations:

APPENDIX D

MINIMUM ARCHITECTURAL AND BUILDING STANDARDS FOR ALL SINGLE-FAMILY DETACHED HOME PROPERTIES

1. Houses. The principal improvement on a Lot must be one detached single-family dwelling with a minimum floor area for all interior air-conditioned space of 1,200 square feet. A dwelling or addition constructed elsewhere may not be moved onto a Lot.

2. Setbacks. No improvement may be erected, altered, placed or permitted to remain on any Lot nearer to the front, side and rear lot lines of any than the minimum distance of setback set forth below with respect to such applicable lot line for such Lot:

20' setback on rear property line

20' setback on front property line

5' setback on side property lines (except corner Lots with respect to which a 15' setback on the side property line adjoining a street shall be required)

The Declarant may exempt garden homes, zero lot line homes and similar type products from the front, side and rear yard requirements.

3. Exterior Wall Materials. Generally, at least 75 percent of the dwelling's total exterior area, minus windows and doors, must be masonry or masonry veneer, such as brick, stone, stucco, concrete or other cementitious product; provided, however, concrete bricks are permitted only if approved by the Architectural Reviewer as to color and manufacturer. Fireplaces situated on exterior walls must be encased in brick. All siding must be HardiPlank. HardiPlank shall not be considered masonry or masonry veneer for purposes of calculating the 75 percent exterior coverage requirement. Dwellings adjacent to a Thoroughfare Street and more than one story must be 100 percent masonry or masonry veneer. No garish or unsightly color schemes will be permitted.

4. Roofs. The minimum roof pitch must be at least a 6:12 roof pitch (i.e., six inches of rise for every twelve inches of run). Roofs must be covered with the material having a manufacturer's warranty of at least 20 years. The color of roofing material must be weathered wood or an equivalent earth tone color.

5. Garage and Driveway. Each dwelling must have an attached garage for at least two standard-size cars with garage doors installed. If the Lot has alley access, the garage must be a rear or side entry for using the alley for access. The driveway must be surfaced with concrete.

6. Landscaping. Landscaping must be installed on the front and side yards of the Lot and must be completed prior to issuance of a Final Inspection Report. Each Owner shall plant and maintain within their front and side yard area the following plant materials:

Trees - one 2 inch caliper or greater as measured 6 inches from the ground.

Shrubs - one 5-7 gallon accent shrub and eighteen 3 gallon shrubs.

Lawn Grass - sod, any variety.

7. Mailboxes. One 4x4 cedar mailbox pedestal shall be shared by 2 Lots, with 2 mailboxes affixed to 1 pedestal. The Architectural Reviewer may require a uniform size and style of mailbox.

8. Fences. The height of all fences must be 6 feet from the finished grade of the Lot. All fences must be constructed of spruce or better quality flat top pickets, and must have a rail no less than 6 inches from the top of the finished fence. Fences that face F.M. 720, Travis Ranch Boulevard and streets intersecting Travis Ranch Boulevard (to the next intersecting street) must be constructed of cedar with steel posts, and stained with a light neutral stain consistently applied in a color selected by the Architectural Reviewer. Retaining walls must be constructed entirely with Architectural Reviewer-approved materials, however railroad ties may not be used for a retaining wall visible from a street. Fences may not be constructed between a dwelling's front building line and the street. The use of chain link fencing is prohibited. Any fence that faces a public street shall be constructed so that all structural members and posts will be on the side of the fence away from the street so that they are not visible from any public right-of-way. With respect to fencing constructed along any common Lot line, unless otherwise approved in writing by the Architectural Reviewer: (1) only one fence shall be constructed along a common Lot line; and (2) after a fence has been constructed along a common Lot line, the Owner of the adjacent Lot shall be entitled to attach fencing materials which otherwise comply with the provisions of this Section to the structure of the existing fence constructed along such common Lot line provided that additional poles or posts at four feet (4') on center are installed to support the additional weight on the fence. The Owners of Lots adjacent to Travis Ranch Boulevard shall be entitled to attach fencing materials which otherwise comply with these provisions to the structure of the existing fence constructed by the Declarant along Travis Ranch Boulevard. Construction of all fences must be completed prior to issuance of a Final Inspection Report.

9. Utilities. All utility lines and equipment must be located underground except for surface equipment necessary to maintain, operate or read underground facilities, such as meters, risers, service pedestals and transformers. Each Owner will use water and sewage systems provided by a utility district or a city. Individual water supply and sewage disposal systems are not permitted.

10. Debris. No Owner or other part of the Property may be used as a dumping ground.

Filed for Record in: Kaufman County
On: Jan 04, 2005 at 02:17P

Filed for Record in:
Kaufman County

On: Jan 04, 2005 at 02:17P

As a
Recordings

Document Number: 00028654

Amount 142.00

Receipt Number - 23916

By,
Vickie Hatcher

STATE OF TEXAS COUNTY OF KAUFMAN
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:

Kaufman County
Any provision herein which restricts the sale,
rental, or use of the described Real Property
because of color or race is invalid and
unenforceable under federal law.

Jan 04, 2005

Honorable Laura Hughes, County Clerk
Kaufman County