

## Default

If Purchaser fails to comply with the terms of the Contract, Developer may either (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate the Contract and receive the Earnest Deposit as liquidated damages, thereby releasing both parties from the Contract. If Developer is unable, without fault, within the time required to deliver a Deed, or if Developer fails to comply with the terms of the Contract for any other reason, Developer shall be in default and Purchaser may terminate the Contract and receive back its Earnest Money as liquidated damages and as its sole remedy, thereby waiving and releasing any and all claims or causes of action arising out of or from the terms of the Contract.

It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute, controversy, or claim arising out of, relating to, or in connection with the Contract, including any questions regarding its existence, validity, or termination, shall be submitted to a mutually acceptable mediation service or provider. The parties to bear the costs of mediation equally. Mediation does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

All Purchasers should carefully review the Contract as well as all financing documents from any third-party lender, if applicable, to determine the rights the Developer has in the event of your default and any rights that may be available to your lender.

## RESTRICTIONS ON THE USE OF YOUR LOT

### Restrictive Covenants

The Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for The Legacy Hills in Blanco County Subdivision (the "Declaration") has been recorded by the County Clerk of Blanco County in the Official Public Records of Blanco County, Texas. A summary of some of the terms of the Declaration that affect the use of the Lot will be summarized below to the extent that the provisions require a Lot Owner to secure permissions, approvals or take other action prior to using or disposing of their Lot. However, such summary should not be a substitute for a thorough review of the Declaration by prospective Purchasers and their legal or business advisors. The Declaration contains many provisions that impose restrictions and obligations concerning the use and enjoyment of a Lot and we are only providing a summary in this Property Report.

The Declaration imposes general restrictions and easements over the Subdivision, the Lots and Common Areas. All of the capitalized terms not defined in this section shall have the same meaning as in the Declaration. A complete copy of the Declaration is available upon request.

## Creation of Association

The Declaration provides for the creation of the Legacy Hills in Blanco County Property Owners' Association, Inc., a non-profit corporation (the "Association"), it has been organized, and it shall be governed by the Certificate of Formation and Bylaws, and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation. Every person or entity who is a record Owner of any Lot shall be a "Member" of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation or those only having an interest in the mineral estate. Memberships shall be appurtenant to and may not be separated from the Lots. Regardless of the number of persons who may own a Lot, there shall be but one membership for each Lot and one (1) vote for each Lot. Ownership of the Lots shall be the sole qualification for Membership.

The Association shall have two classes of voting memberships. Developer shall be entitled to ten (10) votes for each Lot owned. Each Lot, other than those owned by the Developer, shall have only one vote regardless of the number of Owners of the Lot. In the event that more than one person owns a Lot and the group of Owners does not have a unified vote for purposes hereunder, then the Association shall not recognize the vote for that Lot and such vote shall not be counted when calculating membership votes. Notwithstanding the foregoing, the presence of any Owner of a Lot at a meeting of Members permits the inclusion of the Lot represented when calculating any necessary quorum. Refer to the Section of this Report entitled "*Additional Information*" found at page 41 for the portion describing the Assessment process for the Association.

## Architectural Control Committee

The Declaration provides for the creation of the Architectural Control Committee ("ACC"). The ACC shall be controlled by the Developer until the Control Transfer Date as defined below and thereafter by a committee initially appointed by the Developer to review and approve plans for the construction of Improvements. The "Control Transfer Date" shall mean the earlier date of: 1) Developer no longer owns any part of the entire Subdivision, including but not limited to Common Areas; 2) Fifteen (15) years from date of recordation of this Declaration; or 3) Developer, in its sole discretion, voluntarily relinquishes control of the Association as set forth in the Declaration. Until such time Developer elects to establish the Association and the ACC all authority and powers reserved to the Association, the Board of Directors or the ACC shall be held and exercised by the Developer. The Developer may elect to transfer control of the Association or the ACC at the same time or at different times, in which case the Control Transfer Date may be different for the Association and the ACC. The initial Board of Directors of the Association, made up of Owners, shall be designated by the Developer who is considered an "Owner" in this respect. Notwithstanding this provision, on or before the 120th day after the date seventy-five percent (75%) of the Lots that may be created and made subject to this Declaration are conveyed to owners other than Developer, at least one-third of the board members must be elected by owners other than the Developer.

No improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made to the exterior design or appearance of any improvement, without first obtaining the ACC's or the Developer's (prior to the Control Transfer Date) approval. No demolition or destruction of any improvement by voluntary action shall be made without first obtaining the Developer's (prior to the Control Transfer Date) or the ACC's approval in writing in advance.

Each application made to the ACC or Developer (prior to the Control Transfer Date) for approval shall contain an application in the form specified by the ACC or Developer (prior to the Control Transfer Date), two sets of professionally drawn Plans and Specifications for all proposed Improvements, showing the location of all Improvements in the Lot, and any applicable fees or deposits together with such other reasonable necessary information as the ACC or Developer (prior to the Control Transfer Date) shall request. These plans must be submitted in PDF format to the Developer, or after the Control Transfer Date, to the ACC. A non-refundable fee of \$250.00 is required at time of plan submittal to cover administrative costs involving the home plan approval process. Such fees are subject to change. The Declaration also contains additional provisions regarding the make-up of a three (3) member committee constituting the ACC and the means by which their terms will exist.

All approvals or disapprovals issued by the ACC shall be in writing. In the event the ACC fails to approve or disapprove any request received by it in compliance with the Article IV within thirty (30) days following the submission of a completed application and full compliance with the declarations set out herein, such request shall be deemed approved, and the construction of any Improvements may commence in accordance with the Plans and Specifications submitted for approval. Any ACC approval obtained as a result of inaction by the ACC shall not authorize the construction of any Improvement in violation of the Declaration or any design guidelines. The granting of an ACC approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the ACC that the proposed Improvement to be erected complies with the Declaration and any published guidelines of the ACC (collectively, "Restrictions"); and such approval shall not prevent the Association from requiring removal of any Improvement which fails to comply with the Restrictions. Further, no ACC member shall incur any liability by reason of the good faith exercise of the authority granted hereunder.

The ACC or the Developer, may on a case-by-case basis, authorize variances from the requirements of the Restrictions if, in the reasonable opinion of the ACC or the Developer, the Restrictions unreasonably restrain the development of a Lot in accordance with the general scheme of the Subdivision. The developer will retain the right to grant variances after the Control Transfer Date so long as the Developer continues to own Lots in the Subdivision. All variances shall be in writing and signed by the Developer or if granted by the ACC then it must be signed by at least two (2) members of the ACC. No violation of these Restrictions shall be deemed to have occurred with respect to any matter for which a variance is granted. The granting of such a variance shall not operate to waive any of the terms and provisions of these Restrictions for any purpose except as to the particular Lot and improvements and the particular provision covered by the

variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the use of the Owner's Lot.

### **Restrictive Covenants**

The Declaration contains general standards for building improvements and use restrictions on all property within the Subdivision, including but not limited to:

House Size. Except as specifically set forth in the Declaration, all Lots shall be used for single family residential purposes only. Except as expressly permitted herein, only one single family residence for each Lot is permitted. Every single-family dwelling shall contain at least two thousand (2,000) square feet of living area, excluding porches, garages and storage areas.

No improvement may be erected, altered or placed on any Lot which exceeds the lesser of thirty-five feet (35') in height (measured from the natural ground to the topmost part of the roof) or two and one half (2.5) stories in height. All single family dwelling units, except approved guest quarters, must have at least a two (2) car attached or detached garage. All garages must be constructed out of the same materials as used for the main dwelling. All garages shall be located on the Lot as indicated by the ACC approved site plan. For a driveway leading to the main residence, the entire driveway shall be constructed of concrete, asphalt, or brick paving. If a barn is constructed prior to the main residence, then only the first fifty linear feet (50') of any driveway which is connected to any road shall be constructed of concrete, asphalt, or brick paving. All driveways shall begin where the paved portion of the road ends. All driveways must be shown on the plans submitted to the ACC or Developer (prior to the Control Transfer Date), completed no later than thirty (30) days after the completion of the main residence or any allowed structure and approved by the ACC or Developer (prior to the Control Transfer Date) prior to construction.

Guest Quarters. One guest quarter may be built upon each Lot provided the guest quarter contains no less than five hundred (500) square feet, is no more than half the size of the main residence and is located to the rear of the main residence. A guest quarter must be built along with or after the construction of the main residence and may not be built or occupied prior to the main residence unit being occupied. Guest or servant quarters must be constructed with material harmonious with the main residence. Guest quarters shall not be individually rented. Any rentals of Guest Quarters must also include the rental of the main residence as provided in the Declaration.

Storage Buildings. For each Lot one permanent metal, rock, and/or hardiplank barn, workshop or storage building shall be allowed so long as such building has rock wainscot on all sides and also has approved landscaping on all sides that face any road in the Subdivision. The wainscot shall begin at the bottom of the building and extending three feet (3') upward. The square footage of any such building shall not exceed twenty-four hundred (2,400) square feet of enclosed space on the first floor. Colors of all buildings are to be harmonious with the main residence. Detailed Plans and Specifications for

barns, workshops and storage buildings must be submitted to the ACC or Developer for approval prior to construction. Any barn, workshop or storage building must be constructed so that its location is farther away from the front entrance of a Lot than the location of the main residence. Only a barn may be constructed on the Lot prior to the main residence being constructed or occupied. No portable storage buildings shall be allowed. Guest quarters located inside of a barn which is constructed on the Property shall be allowed so long as the guest quarters are not used as a permanent residence and such may not be rented without the simultaneous rental of the main residence subject to such further restrictions on rental contained in the Declaration.

No prefabricated structures or mobile homes are permitted to be located on any Lot except as described below. No structure of a temporary character, whether trailer, motor home, recreational vehicle, tent, basement, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, either temporarily or permanently, except as provided below. No Lot shall be used as a camping ground.

Recreation Vehicles. Prior to the construction of a residence on a Lot an Owner may use a recreational vehicle camper or motor home (Recreation Vehicle or "RV") for camping purposes no more than seven (7) days out of any thirty (30) day period and no more than twenty-five (25) days per year. **TEMPORARY CAMPING OR USING ANY TYPE OF RECREATIONAL VEHICLE WILL NO LONGER BE PERMITTED, ONCE FIFTY (50) OR MORE RESIDENCES HAVE BEEN BUILT ON THE LOTS IN THE SUBDIVISION.** With written approval from the ACC, an RV may be used as a temporary residence during construction, not to exceed twelve (12) months, provided an approved septic system has been installed for the RV and the RV is placed at the rear of the construction site.

Temporary Structures. Temporary structures, including a business office, portable restroom facilities, or construction storage facilities may be located on a Lot while the main residence for a Lot is actively under construction, provided that such are removed upon substantial completion of construction and are not located on a Lot for longer than the time allowed for the construction of a main residence.

The Developer reserves the exclusive right to install and make use of a temporary office or temporary storage facilities within Subdivision while the developer is selling Lots or building homes in the subdivision.

Trailers, etc. All trailers, RVs, trucks (other than pickups with a rated capacity of one (1) ton or less), boats, personal watercraft, tractors, wagons, buses, motorcycles, motor scooters, all-terrain vehicles, golf carts and other recreational vehicles, lawn or garden equipment, farm or ranch equipment, construction equipment and other similar items shall be stored in enclosed structures. There will be no storage of any of these or similar items until the main residence or a barn has been constructed on the property.

Restrooms. All construction sites shall have sufficient portable restroom facilities or other adequate restroom facilities as determined by the ACC or Developer (prior to

Control Transfer Date). Construction Sites shall be kept neat and clean at all times and comply with such construction site guidelines as may be established by the ACC from time to time. Any construction of any Improvement shall be completed, as to the exterior, within twelve (12) months from the construction commencement date. All Improvements must be built with new construction materials and must be built in place on the Lot. All construction materials used shall be of materials such as wood, rock, brick, hardiplank or stucco, and are subject to the masonry restrictions set forth in the Declaration. The use of aluminum siding or vinyl siding is prohibited. The ACC or the Developer (prior to Control Transfer Date) may authorize the use of other materials on a case-by-case basis. Barns and other out-buildings may be constructed of metal or materials as described in the Declaration.

Roofing. Only the following roofing materials may be used for the main residence, guest quarters and garages: slate, stone, concrete tile, clay tile, or other tile of ceramic nature, metal or composition shingles with a thirty (30) year or more warranty. Colors of roofing material are subject to the approval of the ACC or the Developer (prior to the Control Transfer Date) approval. The ACC or the Developer (prior to the Control Transfer Date) shall have the authority and sole discretion to approve other roof treatments and materials which are harmonious with the surrounding homes and the Subdivision as a whole. The materials and colors of roofs on all other structures must be approved by the ACC or Developer (prior to the Control Transfer Date). Owners may install roof shingles that are wind and hail resistant, energy-efficient or solar generating if the quality and appearance are comparable to the subdivision standard. All such materials will need approval from the ACC or Developer (prior to the Control Transfer Date).

Color Schemes. All exterior color schemes for Improvements are subject to the prior written approval of the ACC or Developer (prior to the Control Transfer Date).

Masonry. Any residence or guest quarter shall be constructed from at least seventy-five percent (75%) masonry materials. Masonry materials include masonry veneer, stucco, brick, rock and all other materials commonly referred to in the Blanco County, Texas area as masonry, and specifically excludes hardiboard or any synthetic material. Lot Owners are encouraged to use hardiboard materials where non-masonry materials are permitted.

Liability for Damage. Lot Owners shall be responsible for any damage caused to the roads by construction equipment or trucks making deliveries to their Lots.

Propane Tanks. Propane fuel storage for residential use may be located on the Lots and may be placed above ground or below ground. The exact location and quantity of said fuel storage tanks are subject to written approval of the ACC or Developer (prior to the Control Transfer Date). All above-ground tanks, pumps, vent pipes and other equipment must be concealed or attractively screened.

Consolidation of Adjoining Lots. Any Owner of one or more adjoining Lots may, with the prior written approval of the Board of Directors and with the approval of the Blanco

County Commissioners Court, if required, consolidate two or more Lots into one Lot or building site, in which case the common boundary line between any combined Lot shall be eliminated and the setback lines shall be measured from the remaining exterior boundary lines. Any portion of any utility easement located within the common boundary lines of any combined Lot shall be eliminated if such utility easements are not being used at the time any Lots are combined. No Lot shall be deemed to be combined with another Lot until such time as an appropriate re-plot of the combined Lots is filed with the Blanco County Plat Records and all necessary approvals have been obtained. Any Lots which are combined as provided above shall be assessed as one Lot for Assessment purposes. Developer shall not be liable for any fees associated with Lot consolidation.

Setbacks. For all Lots in the Subdivision, except for fencing, light posts, driveways, walkways and landscaping, no improvements shall be located nearer than: a) seventy-five feet (75') from the front property line; b) seventy-five feet (75') from the rear property line and c) twenty-five feet (25') from the side property lines of the Lot unless otherwise noted on the recorded plat. Any exterior lighting, including but not limited to light post, must be approved by the ACC or Developer (prior to the Control Transfer Date). If Owner fences more than one acre surrounding its main residence site, then in order to maintain a uniform appearance of fences along the roads, all fencing must be located at the property lines. The ACC or Developer (prior to the Control Transfer Date) may waive or alter any setback line, if in the ACC's or Developer's (prior to the Control Transfer Date) opinion such waiver or alteration is necessary to permit effective utilization of a Lot due solely to drainage or land contour related concerns, which said variance would not be unreasonably withheld.

Lot Maintenance and Repair. The Owner shall keep its Improvements in good condition and repair at all times and ensure that all Improvements are adequately painted and otherwise maintained by the Owner. No exterior Improvements shall be altered, modified or removed without the prior written approval of the ACC or Developer (prior to the Control Transfer Date). Improvements may be repainted the same color without approval of the ACC or Developer (prior to the Control Transfer Date).

Walls and Fences. Walls, fences and light posts, if any, must be approved prior to Construction by the ACC or Developer (prior to the Control Transfer Date) and must be constructed of new material, and unless otherwise permitted by the ACC or Developer (prior to the Control Transfer Date), constructed of masonry, wrought iron or pipe. Fence heights shall not exceed five feet (5'). Chain link and wood fencing is prohibited, except if used as a dog run and only if such fencing is not visible from any road. If pipe fencing is used, such fences must have a minimum of three (3) horizontal pipes and otherwise conform with the ACC's or Developer's (prior to the Control Transfer Date) specifications. The Subdivision's perimeter fencing is not to be altered or removed on any Lot. If a Lot Owner decides to fence their property, they could be in jeopardy of losing their Agricultural exemption.

Mailboxes. All mailboxes will be erected at the Subdivision entrance. The construction of mailboxes will be coordinated with the United States Postal Service. The

Association or the Developer (prior to the Control Transfer Date) shall have the right to make such other rules and regulations regarding the location and construction of mailboxes as may be reasonable and necessary.

Antenna and Satellite Dishes. Antennas, towers, satellite dishes or other sound or data receivers or transmitters of any kind shall not exceed ten feet (10') above the roof of the residence or accessory building upon which they are attached. Should a Lot Owner encounter a situation that a ten-foot (10') tower will not allow connection to an internet service provider, then the Lot Owner may apply to the ACC or Developer for a variance of this restriction, which said variance would not be unreasonably withheld. Any antenna, tower or satellite dishes, or other sound or data receivers or transmitters must be located to the side or the rear of the residence or accessory building and not within twenty-five feet (25') of any property line. The ACC or Developer (prior to the Control Transfer Date) must approve all exterior antennas, towers, satellite dishes, or other sound or data receivers or transmitters.

No Offensive Activities. No activity (including the operation of a bed and breakfast or similar activity), whether for profit or not, shall be conducted on any Lot which is not related to the occupation of a Lot for single family residential purposes unless said activity meets the following criteria: (a) no exterior sign of the activity is present, (b) no additional traffic is created as a result of the activity, and (c) no toxic substances (as determined at the sole discretion of the Association) are stored on the Lot. Nothing herein shall prohibit the use of home offices in compliance with the preceding subsections (a), (b) and (c). This restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision. No activity which constitutes a nuisance or annoyance shall occur on any Lot. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance. All exterior lighting must be approved by the Developer or, after the Control Transfer Date, the ACC. The Developer or the ACC has the sole discretion to reject any exterior lighting, as it is the intent of these restrictions that exterior lighting be installed so that there is down lighting.

Down Lighting. Any exterior illumination must be fully shielded, pointed downward, and placed in a manner so as to not be directly visible from or to create a direct glare into any adjoining properties or public roadways. In order to limit glare and light trespass into neighboring lands and to limit negative impacts to wildlife, exterior illumination shall be restricted to bulbs with a Correlated Color Temperature of 2,700K or less. As used herein, "fully shielded" means no direct uplight (i.e., no light emitted above the horizontal plane of the lighting fixture). All exterior lighting must have prior approval of the ACC or Developer (prior to the Control Transfer Date) prior to installation. The ACC or Developer (prior to the Control Transfer Date) has the sole discretion to reject any exterior lighting, as it is the intent of these restrictions that exterior lighting be installed so that there is down lighting.

Garbage and Trash Disposal. No Lot shall be used to maintain as a dumping ground for rubbish, landscape trimmings, or other debris. All Lots shall be kept in a neat and orderly condition. No refrigerators, freezers, washing machines, dryers, furniture, tools,



equipment, toys, or other such items shall be stored outside of a building on any Lot. No junk of any kind or character shall be kept on any Lot. Trash, garbage, landscape trimmings, or other debris shall not be allowed to accumulate on any Lot. Any such items shall be kept in sanitary containers and shall be disposed of regularly in accordance with all applicable laws, rules and regulations. All equipment for the storage or disposal of trash and other debris shall be kept in a clean and sanitary condition. Except on established garbage collection days and in connection solely with that collection process, all trash containers shall be stored in enclosed structures or screened from view from any road in the Subdivision. Controlled burn piles which are concealed from public view are permitted in accordance with applicable laws, rules, and regulations.

Unregistered or Junked Motor Vehicles Prohibited. No Lot shall be used as a depository for abandoned, junked or unregistered motor vehicles, boats, airplanes, trailers or other similar items.

Signs. No signs, advertising, billboards, or advertising structure of any kind may be erected or maintained on any Lot without the consent in writing of the ACC or Developer (prior to the transfer control date). Political signs for a political candidate or ballot item for election, as set forth in the Texas Election Code §259.002, may be displayed on a Lot but can only be displayed on or after the 90th day before the date of the election to which the sign relates and must be removed 11 days after the election. The sign must be ground-mounted, 2'x 3' in size and a Lot Owner may only display one sign for each candidate or ballot item. In addition to other signs which may be allowed by the ACC or Developer (prior to the transfer control date), the ACC or Developer (prior to the transfer control date) shall allow one (1) professionally made sign not more than twenty-four inches (24") by thirty inches (30") advertising Owner's Lot for sale or rent and one (1) professionally made sign, not more than twelve inches (12") by twenty-four inches (24") identifying the name of the Lot Owner. The term "professionally made sign" does not include plastic or metal pre-made "for sale" signs. No signs shall be nailed to a tree. Signs erected on any Lot advertising Lots for sale shall not be permitted during the Developer's control of the Subdivision. However, a Builder can place one professional sign on a Lot advertising his services or residence for sale.

Animal Husbandry. Domestic livestock and exotic animals shall be allowed only on Lots 10 acres or larger, so long as such animals do not exceed one (1) animal for every five (5) fenced acres and do not become a nuisance or threat to other Owners. The Association shall have the sole discretion in determining if any animal is a nuisance and make regulations on banning such animal. Pigs, hogs and peacocks are not allowed on any Lot. If a domestic livestock animal is part of a 4H or FFA project, then a Lot Owner may get a variance to this Section 3.32 from the ACC or Developer (prior to the Control Transfer Date), which said variance would not be unreasonably withheld.

Chickens shall only be allowed so long as such birds are kept in a coup and do not exceed twenty (20) birds per Lot. Regardless of lot size, coups must be preapproved by the ACC in writing to ensure they are screened from view from any road in the Subdivision and from any other Lot in Subdivision.

Dogs, cats or other common household pets may be kept on a Lot. Dogs will not be permitted to run loose in the Subdivision. Dogs and cats must be vaccinated for rabies and other diseases required by applicable laws, rules and regulations and shall be licensed or registered as may be required by applicable laws, rules and regulations.

All animals being raised by the individual Lot Owners must be kept in a fenced area on the Owner's Lot. No overgrazing is permitted on any portion of the Lot as determined by the sole discretion of the Association. No feedlots for any type of animal shall be permitted.

Mineral Development. No Owner shall be allowed to permit on their own behalf commercial drilling, mineral development operations, mineral refining, quarrying, mining or water operation of any kind in, on or under any Lot owned by such Lot Owner.

Drainage. Natural established drainage patterns for drainage will not be impaired by any Lot Owner. Driveway culverts must be installed and shall be of sufficient size to afford proper drainage of ditches without allowing water to pool, back up or be diverted from its natural course. Drainage culvert installation is subject to the inspection and approval of the ACC or Developer (prior to the Control Transfer Date) and shall comply with any applicable governmental rules and regulations. Legacy Hills in Blanco County Subdivision will use sheet flow and/or bar ditches for drainage. Lot Owner is responsible for building its residence at the proper elevation and is responsible for proper drainage on the Property. Lot Owner is required to build on the Property in such a manner that water flows away from any improvements. All water retainage structures (ponds, dams and other facilities) not already existing within the Subdivision must be reviewed and approved by the ACC or Developer (prior to the Control Transfer Date) prior to construction and must comply with all governmental rules and regulations.

Re-platting and Subdividing. No Lot may be subdivided into smaller tracts.

Leasing/Short Term Rentals. There shall be no leasing or rental of the main residence permitted unless such rental is under a written lease that has a duration of at least six (6) months and covers the rental of the entirety of any Lot be leased.

Water Wells and Irrigation Systems. Water wells and irrigation wells will be allowed; however, no water wells or irrigation wells of any type shall be allowed to draw upon water from creeks, streams, rivers, lakes or ponds. All wells shall be subject to any local or state governmental regulations and approval. Rainwater collection is not required but is encouraged on each Lot. If a rainwater collection system is installed, any tank must be wrapped in wood boards or stone and must be located towards the rear of the main residence, or to the rear or side of any other approved structure. Any rainwater collection system must receive prior written approval from the ACC or the Developer (prior to the Control Transfer Date).

Swimming Pools. All swimming pools must be in-ground and shall be fenced with fencing approved by the ACC or the Developer (prior to the Control Transfer Date). No above ground pools are allowed. Construction of swimming pools is also subject to any local, state or federal requirements as well.

Parking. As required by the Blanco County Commissioners, there shall be no parking for any reason or at any time on the roads of the Subdivision.

There are many additional provisions of the Declaration. Carefully review all such provisions with an appropriate professional to determine if any are of additional interest to you as they may affect your use and enjoyment of the Lot. A complete copy of these restrictions is available upon request. Purchasers should check any and all requirements of Blanco County prior to initiating any construction on a Lot.

#### Easements

The Lots in this Subdivision are subject to various easements that may affect the desired use of the Lots. Developer has reserved easements on all Lots to the extent reasonably necessary to install and provide upkeep for roads, drainage systems, and all utilities, including but not limited to any water infrastructure, meter boxes, telephone and electricity.

#### Easements Reserved in Declaration

Utility Easements. The Subdivision and each Lot shall be subject to the easements reserved in the Declaration and in favor of the Association, the Lot Owners and the utility companies. A utility easement measuring twenty-five feet (25') in width is reserved along the front of each Lot. A utility easement measuring thirty feet (30') in width and centered on the common boundary line that any Lot in the Subdivision shares with another Lot is reserved. A utility easement twenty-five feet (25') in width is reserved along the perimeter boundary lines of the Subdivision. The utility easements shall be used for the construction, maintenance and repair of utilities, including but not limited to, electrical systems, telephone, cable, water, gas and any other utilities which the Developer or utility providers may install for the benefit of the Lot Owners. Notwithstanding the foregoing, the Developer has no obligation to provide utilities and all such utilities shall be provided by the local utility companies in accordance with the policies of such utility companies. All utility easements in the Subdivision may also be used for the construction of drainage facilities in order to provide for improved surface drainage of the Lots. The Developer reserves the right to grant specific utility easements without the joinder of any Lot Owner to public utility providers within the boundaries of any of the easements herein reserved. Any utility company serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installing, repairing, and maintaining their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein reserved shall be liable for any damages

done by them or their assigns, agents or employees to fences, shrubbery, trees and lawns or any other property of the Lot Owners located within the easements.

Underground Utilities Required. All utilities installed by a Lot Owner shall be located underground.

Construction of Improvements on Utility Easements. No buildings or walls shall be located over, under, upon or across any portion of any utility easement. The Owner of each Lot shall have the right to construct, keep and maintain concrete drives, landscaping, fences and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots, provided, however, any concrete drive, landscaping, fencing or similar improvement placed upon any utility easement shall be constructed, maintained and used at the Owner's risk and each Lot Owner shall be responsible for repairing any damage caused by the utility providers to Improvements constructed within the easements located on his Lot.

Road Easement. A road easement as shown on the Plat measuring sixty feet (60') in width is reserved in favor of the Association and the Lot Owners (including their guests, invitees and tenants) for the purpose of granting the Lot Owners ingress and egress to and from their Lots and to the Common Area. No Lot Owner shall be prevented from using the road easement as a result of any failure of a Lot Owner to comply with these Restrictions or pay Assessments. Except as specifically set forth herein, no Improvement shall be constructed on or over the road easement except as authorized by the Association. Lot Owners shall not take any action which would prevent other Lot Owners from using the road easement. The Association reserves the right to make reasonable rules and regulations regarding the use of the road easement. The road easement may also be used for the construction, installation and maintenance of landscaping and utilities provided that such utilities are installed underground.

Developer has reserved the right, without the consent of any Owner or the Association, to grant or create temporary or permanent easements throughout the Subdivision, for ingress, egress, utilities, cable and satellite television systems, communication and security systems, drainage, water and other purposes incidental to the development, sale, operation and maintenance of the Subdivision. The rights reserved to the Developer under this Section of the Declaration apply to the entire Subdivision, including Lots previously sold by the developer.

#### **Easements on the plats of the Subdivision**

Additionally, the following is a non-exhaustive summary of the easements based on a cursory review of the general plat maps of the Subdivision. The following should not be viewed as a substitute for Purchaser's complete review of the Subdivision plat, survey, and title search with Purchaser's advisor(s) prior to purchasing a Lot in this Subdivision. Developer makes no representation that the disclosures contained herein cover every possible easement on a Lot. The exact location and type of easements can change as

development progresses and Purchaser is advised to carefully review the recorded Declaration, the plat of their Lot, the survey of their Lot, the title commitment and any documents referenced therein. In addition, Purchasers are advised to make a personal on-the-lot inspection of the Lot to determine if other easements, including power line and other infrastructure easements that are not currently shown on an existing plat may exist. Purchaser is responsible for the costs associated with ordering and reviewing a title search, survey or site conditions for their Lot.

The easements listed below affect individual Lots in the Subdivision as shown on the recorded plat of Phase 1. Purchasers are advised that the easements identified below may not include all easements that affect their Lot; therefore, Purchasers are advised to thoroughly review the plat showing their Lot prior to purchase. Purchasers are further advised that they are responsible for the maintenance of drainage easements on their Lot and may not utilize such easements for any purpose detrimental to their intended use (i.e. no solid fences, dense shrubbery, structures, septic tank drain fields, etc.).

25' Public Utility, Drainage and Grading Easement: On all Lots on lot-line(s) abutting right of way

100' Sanitary Control Easement around existing water wells: Lots 13, 14, 15, 26, 33, 34, 51, 52, 87, 88, 104, 105, 107-109

50' Property Boundary Setback around existing water wells: Lots 14, 15, 26, 33, 34, 51, 52, 87, 88, 104, 105, 107-109

20' Emergency Access Easement: Lot 6

20' Public Utility Easement: Lots 1, 6, 7

Temporary Turnaround Easement: Lots 19, 20, 71, 72, 77, 78

Utility Easements. Location of utility easements conveyed by the Phase 1 Plat shall be limited to a strip of land being twenty-five (25') feet in width along all front and rear Lot lines and fifteen (15') feet along all side Lot lines, with additional guying easements as needed, or as indicated on said plat. Together with the right of ingress and egress over grantor's adjacent lands to or from said utility easements for the purpose of constructing, reconstructing, inspecting, patrolling, hanging new wire on, maintaining and removing said lines and appurtenances.

County Services and Emergency Services Easement. A perpetual public safety and public service easement within the private roads for the purpose of providing public safety services, police, fire and medical services, utility meter reading, code enforcement, building inspections, solid waste collection, public school transportation, any other public services and enforcing the county ordinances; and giving the county and its authorized officers and designees uninhibited ingress and egress over, across and through such private drives, streets, roadways, and rights-of-way for the purpose of providing public

safety services, police, fire and medical services, and enforcing the penal code and county ordinances. The Association shall maintain at all times with the County Emergency Management Office the current gate code or key for all gates regulating access to and from the subdivision.

Road Improvement Easement. Right-of-way easements for widening roadways or improving drainage shall be maintained by the Developer until road or drainage improvements are actually constructed on the property. The county has the right at any time to take possession of any road widening easement for construction, improvement, or maintenance of the adjacent road.

Pedernales Easement. Pedernales Electric Cooperative, Inc. (PEC), as part of its electric system, are hereby dedicated the easements and rights-of-way for electric and gas distribution and service facilities in the areas designated on the plat as "electric easement", "gas easement", "anchor easement", "service easement", "overhang easement", "utility easement", and "transformer easement" for the purpose of installing, constructing, reconstructing, maintaining, removing, inspecting, patrolling, and erecting poles, hanging or burying wires, cables, conduits, pipelines or transformers, each with its necessary appurtenances together with the right of ingress and egress over grantor's adjacent land, the right-of-way areas, and the right to remove from said lands all trees or parts thereof, or other obstructions which endanger or may interfere with the efficiency of said lines or appurtenances thereto. It is agreed and understood that no buildings, concrete slabs, or walls will be placed within the said easement.

#### Recorded Easements of Record

Non-Exclusive Road Access and Utility Easement by and between the Developer and Master Flag LP recorded January 27, 2021 as Instrument Number 210538, for purposes of providing access to contiguous property across the roads in Phase 1. The contiguous property that is benefitted by this easement is the property that will comprise the proposed Phase 2 of the Subdivision.

All leases, grants, exceptions or reservation of coal, lignite, oil, gas and other mineral, together with all rights, privileges, and immunities relating thereto appearing in the public records. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.

Conveyance dated 9/27/1926, of an undivided 1/64th interest in and to all of the oil, gas and other minerals in and under, and that maybe produced as recorded on 10/6/1926 in Volume 43, page 63, Deed Records, Blanco County, Texas.

Conveyance dated 11/15/1926, of an undivided 1/16 interest in and to all of the oil, gas and other minerals in and under, and that maybe produced as recorded on 11/20/1926 in Volume 43, Page 363, Deed Records, Blanco County, Texas.

Right of tenant, as tenant only, under that certain unrecorded Grazing Lease dated August 15, 2018 by and between Murphy Family, Ltd, as Landlord, and Roy Odell, as Tenant, as amended by Amendment to Grazing Lease dated June 30, 2020.

Easement and Right-of-Way Recorded on 6/18/1984 in Volume 113, page 299, Deed Records, Blanco County, Texas, as noted on survey dated 1/18/2021, prepared by Scott F. Amons, R.P.L.S. No. 6550 to: General Telephone Company of the Southwest for the purpose of communication line variable number of wires and other necessary appurtenances including towers frames, poles of wood metal and other material, props and guys.

Any claim, right, or assertion of title by the adjoining landowner, in and to that strip of land located between the property line and the fence(s) as shown on that survey dated 1/18/2021, prepared by Scott F. Ammons, R.P.L.S. 6550.

Rights or claims by State of Texas in and to that certain 0.038 +/- acre tract that lies within the Deeded Right of Ways of U.S. Highway 290 as shown on survey dated 1/18/2021, prepared by Scott F. Amons, R.P.L.S. No. 6550.

Easement rights, if any, related to the wells, overhead utility lines and power poles traversing the property as shown on survey dated 1/18/2021, prepared by Scott F. Amons, R.P.L.S. No. 6550.

Mineral and/or royalty interest in and to all coal, lignite, oil, gas and other minerals; together with all rights incident thereto: Recorded: Clerk File Number 203152, Official Records, Blanco County, Texas.

Mineral and/or royalty interest in and to all coal, lignite, oil, gas and other minerals; together with all rights incident thereto: Recorded: Clerk File Number 203153, Official Records, Blanco County, Texas.

Your Lot may be affected by other documents and easements which are not listed herein or which may be unrecorded. You are advised to thoroughly review the plat and title of your Lot with a qualified professional or advisor prior to purchasing such Lot.

#### PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

##### Plats

The Plat of the Lots in Phase 1 ("Phase 1 Plat") of the Subdivision has been approved by Blanco County and recorded by the County Clerk of Blanco County in the Official Public Records of Blanco County. \

## Zoning

The land making up the Subdivision is zoned for Agricultural; however, residential use is permitted. Certain activities of Lot Owners could terminate the Agricultural zoning as described in the Declaration and such would impact the real estate taxes on the Lot. Notwithstanding the Zoning, the use of the Lots and common areas of the Subdivision are limited by the Restrictions set forth in the Declaration.

## Surveying

All Lots will be surveyed and marked for identification by the Developer at its expense before closing. Purchaser will not bear any of the cost of the Subdivision survey or staking.

Lenders may require an individual survey prior to making a loan. Individual surveys are made at Purchaser's expense and the estimated expense for a typical Lot ranges from three hundred dollars (\$300.00) to five hundred dollars (\$500.00). These fees are not set by the Developer and are subject to change. It is recommended that Purchaser obtain a survey to ascertain a full understanding of the boundaries of the Lot they purchase.

## Permits

Permitting is controlled by Blanco County and the ACC. Blanco County does not require a building permit in order to build on a Lot in the Subdivision. However, Lot Owners must have their plans and specifications approved by the ACC. A non-refundable fee of \$250.00 is required at time of plan submittal to cover administrative costs involving the home plan approval process. Such fees is subject to change and other fees and deposits may be required by the ACC to ensure that no damage is inflicted upon the Subdivision during construction.

A Purchaser will be required to obtain permits for the installation of a well and septic system on their Lot, which are necessary for the use of the Lot. Further details regarding the permitting process is set forth below in the Section titled Utilities.

Additional permits may be required depending upon where your Lot is located or the type of improvements you want to construct. Additionally, the requirements that may be in place today may not be the same requirements that will be in place if you choose to improve your Lot in the future. Developer cannot make any assurances that the requirements for building a home on your Lot will not change and/or that the costs associated with compliance with any such future requirements may not be significant. Permit fees are not established by Developer and are subject to change without prior notice.



## Environment

A Phase I Environmental Site Assessment ("Phase 1 ESA") of the entire Subdivision has been performed. The purpose of a Phase I ESA is to identify the presence or absence of recognized environmental conditions. The assessment revealed no evidence of Recognized Environmental Conditions in connection with the Subdivision that present a material risk to human health and the environment. Further investigation was not recommended.