

**DECLARATION OF CONDOMINIUM
FOR
577 COUNTY ROAD 422 CONDOMINIUMS**

This Declaration of Condominium (this “**DECLARATION**”) is made and executed this _____ day of October, 2024 by Aide B. Lara and Jose Raul Gonzalez Quiroz (together “**Declarant**”), pursuant to and in accordance with the provisions of the Texas Uniform Condominium Act, as now existing or hereafter amended, the same being Chapter 82 of the Texas Property Code, (the “**Act**”), for the purpose of submitting the hereinafter described real property and the improvements located or to be located thereon to a condominium regime.

WITNESSETH

WHEREAS, Declarant is the owner of certain real property (the “**Land**”) and the improvements constructed thereon (collectively, “**577 County Road 422 Condominiums**” or the “**Condominium**”), situated in the County of Wilson, State of Texas, consisting of or to consist of four (4) detached, individual units each containing a single residential unit therein, and certain other improvements located thereon more particularly described in the Condominium Plan (hereinafter defined); and

WHEREAS, Declarant desires by recording this Declaration to establish a condominium under the provisions of the Act with respect to the Condominium, and will incorporate the 577 County Road 422 Condominiums Owners’ Association, Inc., as a Texas non-profit corporation;

NOW, THEREFORE, Declarant does upon the recording hereof establish 577 County Road 422 Condominiums as a condominium and does declare that the residential units within 577 County Road 422 Condominiums shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manners utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations, uses, limitations and affirmative obligations set forth in this Declaration, all of which shall be deemed to run perpetually with all or any portion of 577 County Road 422 Condominiums, unless terminated as provided herein and shall be a burden and a benefit to, and binding on, Declarant and any persons or entities acquiring or owning any interest in any of the residential units of 577 County Road 422 Condominiums, and their respective heirs, devisees, legal and personal representatives, successors and assigns. In furtherance of the establishment of the Condominium, it is provided as follows:

ARTICLE 1: DEFINITIONS

Unless the context otherwise specifies or requires, terms defined in Section 82.003 of the Act have the same meaning when used in this Declaration. If not defined herein or by the act, terms and phrases shall be attributed their common meaning. The following words and phrases, whether or not capitalized, have the following specific meanings when used herein:

- 1.1. “**Act**” shall have the meaning set forth in the introductory paragraph of this Declaration.

1.2. “Architectural Reviewer” means the Declarant during the Development Period. After expiration of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Architectural Control Committee appointed by the Board, if any.

1.3. “Articles” mean the Articles of Incorporation of the Association, and all amendments thereto.

1.4. “Assessment” A share of the funds required for the payment of Common Expenses which from time to time are assessed against the Owner, including Regular Assessments, Special Assessments, dues, fees, charges, interest, late fees, fines, collection costs, attorneys fees, and any other amounts due to the Association by the Owner or levied against the Unit by the Association.

1.5. “Association” means the 577 County Road 422 Condominiums Owners’ Association, Inc., a Texas non-profit corporation organized pursuant to the Texas Non-Profit Corporation Act, its successors and assigns, of which all Owners shall be members, which corporation shall be the governing and administrative body for all Owners for the protection, preservation, upkeep, maintenance, repair, operation and replacement of the common elements, and the government, operation and administration of the Condominium and the Condominium hereby established. The term “Association” shall have the same meaning as the term “unit owners association” 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, the Articles, the Bylaws, and the Act.

1.6. “Board or Board of Directors” The Board of Directors of the Association, as established in the Articles and the Bylaws.

1.7. “Bylaws” The bylaws of the Association, as they may be amended from time to time.

1.8. “Casualty” A fire, storm, earthquake, flood, natural disaster or other occurrence of any kind or nature which causes damage or destruction to any part of the Condominium.

1.9. “Common Element Costs” Means Common Expenses.

1.10 “Common Elements” All portions of the Property save and except the Units. Without limiting in any way the generality of the foregoing, the Common Elements shall include those items defined as “General Common Elements” and “Limited Common Elements” in the Act.

1.11 “Common Expenses” Expenses incurred after the date the first Deed conveying a Unit is recorded in the Real Property Records of Wilson County, Texas for the improvement, maintenance, repair, operation, management and administration of the Condominium; expenses declared Common Expenses either by the provisions of this Declaration or the Bylaws; and all sums lawfully assessed against the Common Elements by the Board. Common Expenses shall

include sums assessed to maintain a reserve fund for the improvement repair and replacement of the Common Elements.

1.12 “Common Expense Fund” The fund into which Regular Assessments for Common Expenses are collected, and out of which Common Expenses are paid.

1.13 “Condominium Documents” or “Documents” (i) this Declaration; (ii) the Articles; (iii) the Bylaws; (iv) the Rules and Regulations and (v) the Condominium Plan.

The Documents are subject to amendment or modification from time to time. By acquiring a Unit in the 577 County Road 422 Condominiums, you agree to comply with the terms and provisions of the Documents, as amended or modified.

1.14 “Condominium Plan” The plans or plats of the Condominium attached hereto as Exhibit “A”, comprised of the following parts:

- (i) Part I – Legal description of the Land;
- (ii) Part II – Plat of the Condominium showing the location of the Buildings and related improvements;

1.15 “Condominium” 577 County Road 422 Condominiums, as a Condominium established in conformance with the provisions of the Act, including the Land, and improvements, buildings, structures, facilities, fixtures and equipment constructed, placed or erected therein or thereon and to be renovated, and all easements, rights, hereditaments and appurtenances thereto in any wise belonging or appertaining thereto, subject to the reservations herein contained.

1.16 “Condominium Unit” A Building Unit together with the undivided share of or ownership interest in the Common Elements appurtenant thereto which interest in General Common Elements corresponds to its Percentage of Common Interest Ownership more specifically described in “Exhibit B” attached hereto, together with the rights of that Unit in any Limited Common Elements designated for that Unit, whether exclusively or in conjuncture with one or more of the Units.

1.17 “Declarant” Aide B. Lara and Jose Raul Gonzalez Quiroz, individuals creating this condominium regime, their successors and assigns (insofar as any rights or obligations of Declarant are expressly assigned by them in whole, in part or by operation of law), including but not limited to, a person, firm, corporation, limited liability company, partnership, association, trust or other legal entity, or any combination thereof, who or which acquires all or substantially all the Units then owned by the Declarant, together with its rights hereunder, by conveyance or assignment from Declarant, or by judicial or non-judicial foreclosure, for the purpose of selling such Units to the public.

1.18 “Declarant Control Period” That period of time during which Declarant controls operation and management of the Association, pursuant to “Exhibit C” of this Declaration. The duration of the Declarant Control Period is from the date this Declaration is recorded for a

maximum period not to exceed one hundred twenty (120) days after title to seventy-five percent (75%) of the four (4) maximum units have been conveyed to Owners other than Declarant.

1.19 “Declaration” This Declaration of Condominium.

1.20 “Development Period” The ten (10) year period beginning on the date this Declaration is recorded in the Official Public Records of Wilson County, Texas, during which Declarant has certain rights more particularly describe in “Exhibit C” attached hereto, including rights related to development, construction, expansion, and marketing of the property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by recording notice of termination, executed by Declarant, in the Official Public Records of Wilson County, Texas.

During the Development Period, in the event of any conflict between the terms and Provisions of this Declaration and the terms and the provisions of Exhibit C, the terms and provisions of “Exhibit C” shall control.

1.21 “General Common Elements” Common Elements which are not Limited Common Elements, including without limitation, the Recreational Facilities, if any, and the area designated as “Common Area” on the Plat and Plans. General Common Elements refers to those portions of the Property so designated on “Exhibit A”, if any, attached hereto.

1.22 “Improvement” Every structure and all appurtenances of every type and kind, whether temporary or permanent.

1.23 “Limited Common Elements” Those Common Elements which are either limited to and reserved for the exclusive use of one Owner, or limited to and reserved for the common use of more than one, but fewer than all of the Owners. Limited Common Elements, other than those described Section 82.052(2) and 82.052(4) of the Act, if any, are designated as such in “Exhibit A” attached hereto.

1.24 “Majority” More than half.

1.25 “Member” Any person(s), entity, or entities holding membership rights in the Association.

1.26 “Mortgagee” A bank, savings and loan association, insurance company, mortgage company, real estate investment trust, recognized institutional-type lender or its loan correspondent, agency of the United States government, person, corporation, limited liability company, partnership, association, trust corporation or other legal entity (including, without limitation, Declarant) which owns, holds, is the beneficiary of or collateral assignee of the beneficiary of a mortgage, deed of trust or security interest encumbering a Condominium Unit.

1.27 “Owner” A person or persons (or their estate(s), firm, corporation, limited liability company, partnership, association, trust or other legal entity, or any combination thereof) and Declarant, who or which jointly or collectively own aggregate fee simple record title to one (1)

or more Units including, without limitation, Declarant, but does not include a person or entity having an interest in a Unit solely as mortgagee, as security for an obligation, or a person or entity having an equitable interest in a Unit by virtue of, without limitation, an installment land contract, a contract for deed, a lease with an option to purchase, or purchase option.

1.28 “Person” A natural individual, corporation, limited liability company, partnership, trustee, association, personal representative or other legal entity capable of holding title to real estate.

1.29 “Plat and Plans” The plat and plans more particularly described in “Exhibit A, Part II.”

1.30 “Property” The real property more particularly described in “Exhibit A, Part I”

1.31 “Recreational Facilities”. Any recreational facilities established for the common use of the membership of the Association.

1.32 “Regime” The condominium regime established under this declaration.

1.33 “Resident” An occupant of a unit regardless of whether the person owns the unit.

1.34 “Rules and Regulations” The Rules and Regulations of the Association, the initial version of which may be adopted by the Declarant for the benefit of the Association.

1.35 “Underwriting Lender” means a national institutional mortgage lender, insurer, underwriter, guarantor, or purchaser on the secondary market, such as Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), or Government National Mortgage Association (GNMA), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner’s financing options or as a representation that the property is approved by any institution

1.36 “Unit” A physical portion of the Property designated by this Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans attached hereto as “Exhibit A, Part II”. When context indicates or requires, “Unit” includes all improvements thereon.

ARTICLE 2: PROPERTY SUBJECT TO DOCUMENTS

2.1 Property Subject to Documents. The property 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 as set forth on “Exhibit C”, attached hereto, which run with the Property, 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 ownership interests in the Property or, during the

Development Period, by Declarant as permitted in "Exhibit C". Annexation of additional property is accomplished by recording of a declaration of annexation, which will include a description of the additional real property, in the Official Public Records of Wilson County, Texas. The declaration of annexation will also include a description, which complies with the Act, of the Units and Common Elements added to the Regime.

2.3 Recorded Easements and Licenses. In addition to the easements and restrictions contained in this Declaration, the Property is subject to all easements, licenses, leases, and encumbrances of record, and any shown or referenced on a recorded plat, each of which is incorporated herein by reference. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by prior-recorded easements, licenses, leases, and encumbrances. Each Owner further agrees to maintain any easement that crosses his Unit and for which the Association does not have express responsibility.

ARTICLE 3: PROPERTY EASEMENT AND RIGHTS

3.1. Owner's Easement of Enjoyment. Each Owner is hereby granted a right and easement of enjoyment over and across the General Common Elements and any improvement located thereon, subject to other rights and easements set forth in the Documents.

3.2. Owner's Maintenance Easement. Each Owner is hereby granted a non-exclusive easement over and across any General Common Elements and the Owner's adjoining Limited Common Elements to the extent reasonably necessary to maintain or reconstruct such Owner's Unit, subject to the consent of the Association, and provided that the Owner's use of the easement granted hereunder does not damage or materially interfere with the use of the General Common Elements. Requests for access to the General Common Elements for the purpose of maintaining or reconstructing any Unit shall be made in advance to the Board. The consent of the Board will not be unreasonably withheld; however, the Board may require that access to the General Common Elements be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. In addition, the Board may require that the Owner abide by additional reasonable rules with respect to use and protection of the General Common Elements during any such maintenance or reconstruction. If an Owner damages an adjoining Unit or Common Element in exercising the easement granted hereunder, the Owner will be required to restore the Unit or Common Element to the condition which existed prior to any such damage, at such Owner's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Owner is notified in writing of the damage by the Association or the Owner of the damaged Unit.

3.3. Owner's Encroachment Easement. Each Owner is hereby granted an easement for the existence and continuance of any encroachment, including but not limited to overhangs, of an Improvement located on such Owner's Unit on any Common Element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of an Improvement, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the Improvement remains.

3.4. Association's Access Easement. The Association is hereby granted an easement of access and entry into each Unit and the Common Elements to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents. Unless in the event of an emergency, the Association's exercise of the easement granted hereunder may not unreasonably interfere with the use of any Unit for residential purposes and the Association will provide reasonable advance notice to the Unit Owner prior to exercising such easement rights.

3.5. Utility Easement. The Association and Declarant (during the Development Period) may grant permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes necessary for the proper operation of the Regime. The Declarant (during the Development Period) and the Association may grant easements over and across the Units and Common Elements to the extent necessary or required to provide utilities to Units; provided, however, that such easements will not unreasonably interfere with the use of any Unit for residential purposes. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish 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, and security.

NOTICE: Please read carefully the following provisions entitled "SECURITY" and "INJURY TO PERSON OR PROPERTY." The provisions limit the responsibility of the Declarant and the Association for conditions and activities."

3.7. 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 MEMBERS, MANAGERS, PARTNERS, 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 MANAGERS, MEMBERS, PARTNERS, 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, BURGLARY, AN/OR INTURSIONSYSTEMS 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 MEMBERS, MANAGERS, PARTNERS, 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.

3.8. Injury to Person or Property. NEITHER THE ASSOCIATION NOR DECLARANT, OR THEIR RESPECTIVE PARTNERS, DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES HAVE A DUTY OR OBLIGATION TO ANY OWNER, RESIDENT OR THEIR GUESTS: (A) TO SUPERVISE MINOR CHILDREN OR ANY OTHER PERSON, . INCLUDING ANY MINOR CHILD OR PERSON USING ANY RECREATIONAL FACILITIES; (B) TO FENCE OR OTHERWISE ENCLOSE ANY LIMITED COMMON ELEMENT, GENERAL COMMON ELEMENT, OR OTHER IMPROVEMENT, EXCEPT TO THE EXTENT REQUIRED BY APPLICABLE LAW; OR (C) TO PROVIDE SECURITY OR PROTECTION TO ANY OWNER, RESIDENT, OR THEIR GUESTS, EMPLOYEES, CONTRACTORS, AND INVITEES FROM HARM OR LOSS. BY ACCEPTING TITLE TO A UNIT, EACH OWNER AGREES THAT THE LIMITATIONS SET FORTH IN THIS SECTION ARE REASONABLE AND CONSTITUTE THE EXERCISE OF ORDINARY CARE BY THE ASSOCIATION AND DECLARANT. EACH OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND DECLARANT, AND DECLARANT'S PARTNERS, EMPLOYEES AND AGENTS FROM ANY CLAIM OF DAMAGES, TO PERSON OR PROPERTY ARISING OUT OF AN ACCIDENT OR INJURY IN OR ABOUT THE REGIME TO THE EXTENT AND ONLY TO THE EXTENT CAUSED BY THE ACTS OR OMISSIONS OF SUCH OWNER, HIS TENANT, HIS GUESTS, EMPLOYEES, CONTRACTORS, OR INVITEES TO THE EXTENT SUCH CLAIM IS NOT COVERED BY INSURANCE OBTAINED BY THE ASSOCIATION AT THE TIME OF SUCH ACCIDENT OR INJURY.

3.9. Easement to Inspect and Right To Correct. For a period of ten (10) years from the date of recording this Declaration, Declarant reserves for itself and for Declarant's architect, engineer, other design professionals, builder, and general contractor 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, including the Units, and a perpetual, nonexclusive easement of access is hereby granted throughout the Property to the extent reasonably necessary to exercise this right. Declarant or any party, who exercises the rights granted hereunder, will promptly repair, at its sole expense, any damage resulting from the exercise of the rights reserved hereunder. By way of illustration but not limitation, relocation of a screening wall 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 amended without Declarant's written and acknowledged consent.

3.10. Parking. Declarant has designated and assigned portions of the Common Elements as Limited Common Elements as parking for the exclusive use of Unit Owners and their guests.

ARTICLE 4: UNITS. LIMITED COMMON ELEMENTS & ALLOCATIONS

4.1. Maximum Number of Units. The Regime consists of, or will consist of, four (4) Units. Declarant is not reserving the right to create any additional Units (i.e., the maximum number of Units is and shall remain four (4)).

4.2 Units

4.2.1 Unit Boundaries. The boundaries and identifying number of each unit are shown on the Plat and Plans attached hereto as Exhibit "A". The boundaries of each Unit are further described as follows:

- i. Lower Boundary of the Unit: The horizontal plane represented by the finished grade of the Unit after construction of the Unit; subject to the detail in Section 4.2.2, below.
- ii. Upper Boundary of the Unit: The horizontal plane parallel to and thirty-five (45) feet above the lower boundary of the Unit, including all exterior surfaces such as roofs and roofing materials.
- iii. Vertical Boundaries of the Unit: The exterior surface of the walls, windows, doors, or any other material attached to the unit exposed to the elements.
- iv. Other Boundary of the Unit: Any boundary established by the unanimous consent of the unit owners.

4.2.2 What the unit includes. Each Unit includes the spaces and Improvements within the lower, upper, and vertical boundaries defined in Section 4.2.1. above. Unit includes the roof, foundation, windows, doors, exterior walls, and the entirety of each improvement associated with a given Unit. In addition to the Improvements which constitute the Unit, each Unit also includes improvements, fixtures, and equipment serving the Unit exclusively, whether located within, outside, or below the Unit, whether or not attached to or contiguous with the building, including but not limited to paving; any below-grade foundation, piers, retaining walls, fence, or other structural supports; plumbing, sewerage, utility lines, pipes, drains, and conduits; landscape irrigation and subterranean components of plant material, including roots of trees on the Unit; and any other below grade item that serves or supports the Building and the Unit exclusively. A Unit does not include the land on which the Unit is located, the conveyance of a Unit is not a metes and bounds conveyance of land and the creation of a Unit does not constitute a subdivision of land.

4.2.3 Unit Utilities.

All utilities shall be separately metered and each owner shall be individually responsible for procuring and paying for such utilities unless otherwise determined between the owners.

4.3. Designation of Limited Common Elements. Portions of the Common Elements may be allocated as Limited Common Elements on the Plats and Plans, attached hereto as Exhibit "A (ii)". A Common Element not allocated by this Declaration as a Limited Common Element may be allocated only pursuant to the provisions of this Article. Declarant has reserved the right, as set forth on Exhibit "C", attached hereto, to create and assign Limited Common Elements within the Property.

4.4. Reallocation of Limited Common Elements. Limited Common Elements may not be reallocated, except by an amendment to this Declaration. Unless prosecuted by Declarant pursuant to any rights reserved to Declarant as set forth on Exhibit "C", an amendment reallocating Limited Common Elements must be executed by the Unit Owners between or among whose Units the reallocation is made and their Mortgagees. An amendment executed by the Unit Owners will be delivered to the Association which shall record it at the expense of the reallocating Unit Owners. The Unit Owners executing the amendment will prepare the amendment at their sole cost and expense and will reimburse the Association for its reasonable attorneys' fees in connection with review and recording of the amendment. Declarant has reserved the right, as set forth on Exhibit "C", attached hereto, to unilaterally amend this Declaration and to reallocate Limited Common Elements.

4.5. Common Interest Allocation. The percentage of interests in the Common Elements (the "Common Interest Allocation") allocated to each Unit is set forth on Exhibit "B" and is assigned to each Unit in accordance with a ratio of 1 to the maximum number of Units (i.e., 1/4). The same formula is to be used in the event the Common Interest Allocation is reallocated as a result of any increase or decrease in the number of Units subject to this Declaration. In the event an amendment to this Declaration is filed which reallocates the Common Interest Allocation as a result of any increase or decrease in the number of Units the reallocation will be effective on the date such amendment is recorded in the Official Public Records of Wilson County, Texas.

4.6. Common Expense Liabilities. The percentage of liability for common expenses allocated to each Unit and levied pursuant to this Article V is equivalent to the Common Interest Allocation assigned to the Unit.

4.7. Votes. One (1) vote is allocated to each Unit and such vote is weighted equally for all Units, regardless of any other allocation appurtenant to the Unit.

ARTICLE 5: COVENANT FOR ASSESSMENTS

5.1. Purpose of Assessments. The Association will use Assessments for the general purposes of preserving and enhancing the Regime, and for the benefit of Owners and Residents, including but not limited to maintenance of real and personal property, operation and maintenance of any Recreational Facilities, 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.

5.2. **Personal Obligation.** An Owner is obligated to pay Assessments levied by the Board against the Owner or the Owner's Unit. Payments are made 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 Elements or by abandonment of his Unit. 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 Unit.

5.3. **Control for Assessment Increases.** This Section of the Declaration may not be amended without the approval of Owners representing at least seventy-five percent (75%) of the votes in the Association. In addition to other rights granted to Owners by this Declaration, Owners have the following powers and controls over the Association's budget. At least thirty (30) days prior to the effective date of a Special Assessment levied pursuant to Section 5.6 or increase in Regular Assessments levied pursuant to Section 5.5, the Board will notify the Owner of each Unit to which the Assessment will be levied of the amount of, the budgetary basis for, and the effective date of the Special Assessment or increase in regular assessments. The Special Assessment or increase in Regular Assessments will automatically become effective unless at least sixty-seven percent (67%) of the votes in the Association held by the Owners against which the Assessment will be levied disapprove the Special Assessment or increase in the Regular Assessments by petition or at a meeting of the Association. In such event, the last budget approved by the Association will continue in effect until a revised budget is approved by the Board. Notwithstanding the foregoing provision, in the event a prior year's budget is to be applied to the next fiscal year as a result of Owner disapproval as provided in this Section, the prior year's budget will be increased by the Board as necessary to discharge any actual expenses properly incurred by the Association and required to be paid by the Association in accordance with the Act.

5.4 **Types of Assessments.** There are four (4) types of Assessments: Regular, Special, Individual, and Deficiency Assessments.

5.5 **Regular Assessments.**

5.5.1 **Purpose of Regular Assessments.** Regular assessments are used for common expenses related to the recurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- i. Maintenance, repair, and replacement, as necessary, of the General Common Elements, including without limitation any Recreational Facilities, and improvements, equipment, signage, and property owned by the Association.

- ii. Utilities billed to the Association.
- iii. Services billed to the Association and serving all Units.
- iv. Taxes on property owned by the Association and the Association's income taxes (if any).
- v. Management, legal, accounting, auditing, and professional fees for services to the Association.
- vi. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- vii. Insurance premiums and deductibles, if any.
- viii. Contributions to the reserve funds.
- ix. 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 Regime or for enforcement of the Documents.

5.5.2. Annual Budget-Regular. The Board will prepare and approve an estimated annual budget for the estimated expenses to be incurred by the Association pursuant to Section 5.5.1 above, for each fiscal year; The budget will take into account the estimated income and common expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to the Owner of each Unit, although failure to receive a budget or budget summary will not affect an Owner's liability for assessments; The Board will provide copies of the budget to Owners who make written request and pay a reasonable copy charge.

5.5.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget prepared in accordance with Section 5.5.2, minus estimated income from sources other than Regular Assessments. Each Unit will be liable for its allocated 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.

5.5.4. Supplemental Increases. 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.

If you own a Unit you are REQUIRED TO PAY assessments to the Association.

5.6. Special Assessments. In addition to Regular Assessments, and subject to Section 5.3 above, the Board may levy one or more Special Assessments against all Units 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 by at least a majority of the votes in the Association: (i) acquisition of real property; and (ii) construction of additional improvements within the Regime (excluding the repair or replacement of existing improvements).

5.7. Individual Assessments. In addition to Regular and Special assessments, the Board may levy an individual Assessment against an Owner and the Owner's Unit. 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 the Owner's Unit into compliance with the Documents; fines for violations of the Documents; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; insurance deductibles; sub-metered utilities serving the Unit; reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees or Residents of the Owner's Unit; common expenses that benefit fewer than all of the Units, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Unit basis; and "pass through" expenses for services to Units provided through the Association and which are equitably paid by each Unit according to benefit received.

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

5.9. Due Date. Regular Assessments are due on the first calendar day of each month or on such date as the Board may designate in its sole and absolute discretion and are delinquent if not received by the Association on or before the required due date. Special, individual, and deficiency Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within twenty (20) days after notice of the special, individual, or deficiency Assessment is given.

5.10. Reserve Funds. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and may fund reserves out of Regular Assessments.

5.10.1. Operations Reserves. The Association may 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 deductibles on insurance policies maintained by the Association.

5.10.2. Replacement and Repair Reserves-General Common Elements. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the General Common Elements.

5.11. Association's Right To Borrow Money. The Association is granted the right to borrow money, subject to the consent of Owners representing at least seventy-five percent (75%) of the votes in the 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, or pledge 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.

5.12. Transfer Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Unit, including but not limited to fees for resale certificates, estoppel certificates, copies of the 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: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (ii) transfer to, from, or by the Association; (iii) 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 managing agent to levy transfer related fees.

5.13. 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 6: ASSESSMENT LIEN

6.1. Assessment Lien. Each Owner, by accepting an interest in or title to a Unit, 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 Unit and is secured by a continuing lien on the Unit. Each Owner and each prospective Owner is put 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 Unit. An express lien on each Unit is hereby granted and conveyed by Declarant to the Association to secure the payment of assessments.

6.2. Superiority of Assessment Lien. The Assessment Lien is superior to all other liens and encumbrances on a Unit, except only for: (i) real property taxes and assessments levied by governmental and taxing authorities; and (ii) a first or senior purchase money vendor's lien or deed of trust lien securing the purchase price or cost of construction of a Unit recorded before the date on which the delinquent assessment became due. The Assessment lien is superior to any recorded assignment of the right to insurance proceeds on the Unit, unless the assignment is part of a superior deed of trust lien.

6.3. Effect of Mortgagee's Foreclosure. Foreclosure of a superior lien extinguishes the Association's claim against the Unit 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 a common expense.

6.4. 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 Official Public Records of Wilson County, Texas. 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. The Association may require reimbursement of its costs of preparing and recording the notice before granting the release.

If you fail to pay Assessments to the Association, you may lose title to your Unit if the Association forecloses its assessment lien against the Unit.

6.5. Power of Sale. By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of non-judicial 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.

6.6 Foreclosure of Lien. The Assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial 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 will be required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Unit at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 7: 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. From time to time, the Association may delegate some or all of the collection procedure 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 may have pursuant to the Documents or applicable law.

7.1. 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 eighteen percent (18%) per annum or the maximum permitted by law. If the Board fails to establish a rate, the rate is ten percent (10%) per annum.

7.2. Late Fees. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

7.3. Collection Expenses. The Owner of a Unit 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.

7.4. Suspension of Use. If an Owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right of the Owner and the Residents of the Owner's Unit to use Common Elements, including without limitation any Recreational Facilities and common services during the period of delinquency. Common Services include master-metered or sub-metered utilities serving the Unit. The Association may not suspend an Owner or Resident's right of access to the Unit. The Association may also suspend the right to vote on certain matters not otherwise prohibited by state statute when such vote is appurtenant to the Unit during the period of delinquency. Suspension of rights under this Section 7.4 does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.

7.5. Collection of Rent. If a Unit for which Assessments are delinquent is occupied by a tenant who is obligated to pay rent to the Owner, the Association may require that Unit rents be used to pay the Unit's delinquent Assessments and may demand that the Unit tenant deliver Unit rent to the Association until the Unit's Assessment delinquency is cured.

7.6. 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 lien for assessments.

7.7. Notice to Mortgagee. The Association may notify and communicate with any holder of a lien against a Unit regarding the Owner's default in payment of Assessments.

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

Deficiency Assessments, Special Assessments and (lastly) Regular Assessments. 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 Association's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Unit Owner's account.

ARTICLE 8: MAINTENANCE AND REPAIR OBLIGATIONS

8.1. Overview. Generally the Association maintains the General Common Elements and the Owner maintains his Unit and his Limited Common Elements. If an Owner fails to maintain his Unit and/or Limited Common Elements, the Association may perform the work at the Owner's expense. This Declaration permits Owners of Units to delegate some of their responsibilities to the Association. For example, during one ten (10) year period, the Owners of a Unit may want the Association to provide housekeeping services to Units, which otherwise is the responsibility of each Unit Owner. During the following ten (10) years, the Owners may prefer to perform house-keeping services on an individual basis. The Owners have the option to delegate maintenance responsibility to the Association under the concept of "areas of common responsibility," as described below.

8.2. Association Maintenance. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association performs the services or maintains, repairs, and replaces, as a common expense, (i) the General Common Elements; (ii) any real and personal property owned by the Association but which is not a Common Element, such as a Unit owned by the Association; and (iii) any area, item, easement, or service, the maintenance of which is assigned to the Association by this Declaration or by the Plat and Plans or (with respect to the Limited Common Element yard areas) by resolution adopted by the Board. Before acquiring an ownership interest in a Unit, each prospective purchaser is strongly encouraged to contact the Association to obtain and review the most recent designation of Areas of Common Responsibility, which is subject to change from time to time.

8.3. Area of Common Responsibility for Units. The Association, acting through its Members only, has the right but not the duty to designate, from time-to time, portions of Units as Areas of Common Responsibility to thereafter be maintained, repaired, and/or replaced by the Association as a common expense. If a feature is designated as an Area of Common Responsibility, the designation will apply to each Unit which has the designated feature. The cost of maintaining components of Units which have been designated as Areas of Common Responsibility will be added to the annual budget and assessed uniformly against each Unit as a Regular Assessment, unless Owners of at least a majority of the Units decide to assess the costs as Individual Assessments. The Association may, from time to time, change or eliminate the designation of components of Units as Areas of Common Responsibility. Because the designation is subject to change, the Association will maintain at all times a dated list of the components of Units which are maintained as Areas of Common Responsibility for distribution to Owners and prospective purchasers. Additions, deletions, or changes in designation must be: (i) approved by Owners of

at least seventy-five percent (75%) of the Units; (ii) published and distributed to an Owner of each Unit; and (iii) reflected in the Association's annual budget and reserve funds.

8.4 Owner Responsibility. Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of his Unit:

8.4.1 Units Generally

(i) Unit Maintenance. Each Owner, at the Owner's expense, must maintain all interior and exterior improvements assigned exclusively to such Owner's Unit, including items such as a Unit's swimming pool, if any, and excepting only those areas designated as an Area of Common Responsibility. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain his Unit at a level, to a standard, and with an appearance that is commensurate with the neighborhood. However, no Owner may make any change to the overall architectural design, the exterior color or exterior materials of his Unit without the written approval of the Architectural Reviewer.

(ii) Yard Maintenance. Except to the extent such maintenance is undertaken by the Association after resolution adopted by the Board, each Owner, at the Owner's expense, must maintain the yard area designated as a Limited Common Element to his Unit at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, each Owner must:

- 1) Maintain an attractive ground cover of gravel, decomposed granite or lawn on all such yard area.
- 2) Mow the lawns and grounds at regular intervals.
- 3) Prevent lawn-weeds or grass from exceeding six (6) inches in height.
- 4) Maintain an attractive appearance for shrubs and trees visible from a street.

THE ASSOCIATION SHALL BE OBLIGATED TO MAINTAIN ALL GENERAL COMMON AREAS.

(iii) Owner's Right to Alter Interior of Unit. Each Owner will have the right to modify, alter, repair, decorate, redecorate, or improve the interior of his Unit, provided that such action does not affect any other Unit or Common Element. However, window treatments and other improvements that are visible from the exterior of any Unit are subject to the approval of the Architectural Reviewer, if any.

8.4.2 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, increase insurance premiums to the Property, reduce the value of the Property, adversely affect the appearance of the Property, or impair any easement relating to the Property.

8.4.3 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 Elements, the Area of Common Responsibility, or the property of another Owner.

8.5. 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 the 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 the Owner's expense, which is an individual assessment against the Owner and the Owner's Unit. 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 at the Owner's expense.

8.6. Warranty Claims. If the Owner is the beneficiary of a warranty against major structural defects of the Common Elements, the Owner irrevocably appoints the Association, acting through the Board, as his attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty that pertains to Common Elements.

ARTICLE 9: ARCHITECTURAL COVENANTS AND CONTROL

9.1. Purpose. Because the Units are part of a single unified community, this Declaration creates rights and powers to regulate the design, use, and appearance of the Units and Common Elements 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 the then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing Improvements, including but not limited to dwellings, 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.

9.2. Architectural Control During the Development Period. During the Development Period, neither the Association, the Board, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of any Improvements. During the Development Period, the Architectural Reviewer for Improvements is the Declarant or its designee.

9.2.1. Declarant's Rights Reserved. Each Owner, by accepting an interest in or title to a Unit, 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 the developer and do not impair Declarant's ability to market its property. Accordingly, each Owner agrees that during the Development Period no Improvements will be started or progressed 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.

9.2.2. 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: (i) an architectural control committee appointed by the Board; or (ii) 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 the delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant to: (a) revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (b) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

9.3 Architectural Control by Association. Unless and until such time as Declarant delegates all or a portion of its reserved rights to the Board, 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 will assume jurisdiction over architectural control.

9.4. Prohibition of Alteration and Improvement. Unless otherwise permitted by Section 8.3 .1 (i) and 8.3 .1 (iii) (redecorating of the interior of a Unit), no addition, alteration, improvement, modification, redecoration, or reconstruction of any Unit, any other Improvement, or any landscaping may occur unless approved in advance by the Architectural Reviewer. The Architectural 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.

No improvement may be constructed, altered, or modified without the advance written approval of the Architectural Reviewer i.e. Declarant or Board as described herein.

9.5. Architectural Approval. To request architectural approval, an owner must make written application and submit two (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of any work. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Architectural Reviewer will return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied" or "More Information Required." The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Architectural Reviewer's files. Verbal approval by an Architectural

Reviewer, the Declarant, an Association, a director or officer, or the Association's manager does not constitute architectural approval by the appropriate Architectural Reviewer, which must be in writing.

9.5.1. Deemed Approval. If an Owner has not received the Architectural Reviewer's written approval or denial within forty-five (45) days after delivering his complete application to the Architectural Reviewer, the Owner may presume that his request has been approved by the Architectural Reviewer. The Owner may then proceed with the proposed work, provided he adheres to the plans and specifications which accompanied his application, the Improvement or other work is in compliance with any applicable ordinances and codes of governmental entities, and provided he initiates and completes the Improvement or other work in a timely manner.

9.5.2. Building Permit. If the application is for work that requires a building permit from a governmental body, the Architectural Reviewer's approval is conditioned on the issuance of the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with the requirements of the governmental body. Alternatively, governmental approval does not ensure Architectural Reviewer approval.

9.5.3. Declarant Approved. Notwithstanding anything to the contrary in this Declaration, any Improvement constructed or approved by Declarant during the Development Period, including without limitation the initial construction of the Units, is deemed to have been approved by the Architectural Reviewer.

9.6. Architectural and Landscaping Guidelines. Declarant during the Development Period (and the Association thereafter) may publish architectural and/or landscaping restrictions, guidelines, and standards, which may be revised from time to time to reflect changes in technology, style, and taste.

9.7. Control for Variances. If, following the Development Period, an Owner requests a variance or approval of a matter that, in the Architectural Reviewer's opinion, would constitute a variance of the Regime's established standards, the Architectural Reviewer must notify the Owners of each Unit of the nature of the proposed variance at least twenty (20) days prior to approval. The Architectural Reviewer may approve the variance unless Owners representing of at least a majority of the Units disapprove the proposed variance by petition or at a duly called meeting of the Association. During the Development Period, if the Architectural Reviewer is the Declarant or its designee, the Architectural Reviewer may grant variances from architectural guidelines and the provisions of Article 10 without the necessity of notifying the Owners of each Unit if, in its sole and absolute discretion, such variance is justified due to visual or aesthetic considerations or unusual circumstances.

ARTICLE 10: CONSTRUCTION AND USE RESTRICTIONS

10.1. Variance. The use of the Property is subject to the restrictions contained in this Article, and subject to Rules and Regulations adopted pursuant to this Article. The Declarant of Board, as

the case may be, may grant a variance or waiver of a restriction or Rule on a case by case basis, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not create a waiver or estoppel of the Association's right to deny a variance in other circumstances.

10.2. Construction. All Improvements must: (i) comply with any applicable ordinances, other pre-existing restrictions on the property, and codes of governmental entities; (ii) have a building permit issued by the applicable governmental entity, if the Improvement requires a permit and if the Unit is located in a jurisdiction that issues permits; and (iii) have the Architectural Reviewer's prior written approval, if required.

10.3. Rules and Regulations. The Association, acting-through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules and Regulations, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. In addition to the restrictions contained in this Article, each Unit is owned and occupied subject to the right of the Board to establish Rules and Regulations, and penalties for infractions thereof, governing:

- (i) Use of Common Elements, including any Recreational Facilities.
- (ii) Hazardous, illegal, or annoying materials or activities on the Property.
- (iii) The use of Property-wide services provided through the Association.
- (iv) The consumption of utilities billed to the Association.
- (v) The use, maintenance, and appearance of exteriors of any Improvements upon a Unit.
- (vi) Landscaping and maintenance of yards and grounds.
- (vii) The occupancy and leasing of Units.
- (viii) Animals.
- (ix) Vehicles.
- (x) Disposition of trash and control of vermin, termites, and pests.
- (xi) Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Owners and Residents.

10.4. Hazardous Activities. No activities will be conducted on the Regime and no Improvements constructed on the Regime, which are or might be unsafe or hazardous to any person or property.

10.5. Insurance Rates. Nothing may be done or kept on the Regime which would increase the rate of casualty or liability insurance or cause the cancellation of any such insurance on the Common Elements, or the improvements located thereon, without the prior written approval of the Board.

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

10.7. Noise and Odor. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property, and no strong odor shall be permitted to emanate from any Units, or its Limited Common Elements, so as to be offensive or detrimental to any other portion of the Property or any occupants. Without limiting the generality of the foregoing, if any noise, odor or nuisance emanates from any Improvement on any Unit or related Limited Common Element, the Association may (but shall not be obligated to) enter any such Improvement or Limited Common Element and take such reasonable actions necessary to terminate such noise (including silencing any burglar or break-in alarm), odor, or nuisance.

10.8. Animals - Household Pets: No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal may be kept, maintained, or cared for on the Property for commercial purposes. No animal may be stabled, maintained, kept, cared for, or boarded for hire or remuneration on the Property, and no kennels or breeding operation will be allowed. No animal will be allowed to run at large, and all animals must be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. Such enclosed area will be constructed in accordance with plans approved by the Architectural Reviewer, and will be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof.

10.9. Signs. No sign of any kind shall be displayed to the public view on any Unit or Common Element without the prior written approval of the Architectural Reviewer, except for:

- (i) signs which are part of Declarant's overall marketing or construction plans or activities for the Regime;
- (ii) one (1) temporary "For Sale" or "For Rent" sign placed on the Unit being advertised "For Sale" or "For Rent". The sign will be limited to a maximum face area of five (5) square feet on each visible side and, if free standing, is mounted on a single or double frame post. The overall height of the sign from the finished grade from the spot where the sign is located may not exceed four (4) feet. The sign must be removed within two (2) business days following the sale or rental of the Unit;
- (iii) one (1) small security service sign per Unit, provided that the sign has a maximum face area of two (2) square feet and is located no more than five (5) feet from the front elevation of the Unit;

- (iv) permits as may be required by legal proceedings;
- (v) permits as may be required by any governmental entity;
- (vi) one (1) management sign placed from the inside of a window per unit not to exceed 18" x 24", or as may be required by ordinance.

An Owner will be permitted to post a "no soliciting" sign near or on the front door to his Unit, provided, that the sign not exceed twenty-five (25) square inches.

10.11. Unsightly Articles; Vehicles. No article deemed to be unsightly by the Board shall be permitted to remain on the Property. The Board, subject to approval by a majority of the owners, shall have the authority to promulgate rules regarding the parking of vehicles, including restrictions on types of vehicles.

10.12. Single-Family Residential Use. The Units must be used solely for private single family residential purposes. No professional, business, or commercial activity to which the general public is invited shall be conducted on any Unit, except an Owner or occupant of a Unit may conduct business activities within a Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve door-to-door solicitation of Residents within the Property; (iv) the business does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Property which is noticeably greater than that which is typical of residences in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents of the Property as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required. Leasing of a Unit will not be considered a business or trade within the meaning of this Section. This Section will not apply to any activity conducted by the Declarant or its designee for the purpose of the marketing or sale of Units.

10.13. Rentals. Nothing in this Declaration will prevent the rental of any Unit thereon by the Owner thereof for residential purposes for any period of time. In no event shall any unit be occupied (by lease or otherwise) by more than the number of people allowed to so rent pursuant to the then applicable ordinances of Wilson County, Texas. This provision may be regulated as needed by rules and regulations promulgated by the Board to ensure the aesthetics and tranquility of the community.

10.14. Appearance. The exterior and interior of a Unit and all Limited Common Elements exclusively assigned thereto must be maintained in a manner so as not to be unsightly, as determined by the Board, when viewed from the Common Elements or any other Unit.

10.15. Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and such provision is approved by the Board.

10.16. Declarant Privileges. In connection with the development and marketing of the Property, Declarant has reserved certain rights and privileges to use the Property in ways that are not available to other Owners and Residents, which rights and privileges are described on Exhibit "C", attached hereto. 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.

ARTICLE 11: ASSOCIATION OPERATION

11.1. 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."

11.2. 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 condominium 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 and applicable law. The Association comes into existence on issuance of its corporate charter. 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.

11.3. Governance. The Association will be governed by a board of directors elected by the Members. Unless the Bylaws or Articles provide otherwise, the Board will consist of at least three (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. 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 ownership interests, or at a meeting by Owners' representing at least a majority of the ownership interests that are represented at the meeting.

11.4. Membership. Each Owner is a Member of the Association, ownership of a Unit being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Unit. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at meetings of the Association. If a Unit 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 Unit. A Member who sells his Unit 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 Unit until fee title to the Unit is transferred.

11.5. Books and 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 the requirements of the Act and the Texas Nonprofit Corporation Act.

11.6. Indemnification. The Association indemnifies every officer, director, and committee member (for purposes of this Section, "Leaders") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with any threatened or pending action, suit, or proceeding to which the Leader is a party or respondent by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association may maintain general liability and directors' and officers' liability insurance to fund this obligation.

11.7. Obligations of Owners. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

11.7.1. Information. Within thirty (30) days after acquiring an interest in a Unit, within thirty (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: (i) a copy of the recorded deed by which Owner has acquired title to the Unit; (ii) the Owner's address, phone number, and driver's license number, if any; (iii) any Mortgagee's name, address, and loan number; (iv) the name and phone number of any Resident other than the Owner; and (v) the name, address, and phone number of Owner's managing agent, if any.

11.7.2. Pay Assessments. Each Owner will pay Assessments properly levied by the Association against the Owner or such Owner's Unit.

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

11.7.4. 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 Unit, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.

11.7.5. Liability. Each Owner is liable to the Association for violations of the Documents by the Owner, a Resident of the Owner's unit, 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.

ARTICLE 12: ENFORCING THE DOCUMENTS

12.1. 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:

12.1.1. 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.

12.1.2. Fine. The Association may levy reasonable charges, as an individual Assessment, against an Owner and the Owner's Unit 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.

12.1.3. Suspension. The Association may suspend the right of Owners and Residents to use Common Elements (except rights of ingress and egress), including the right to use any Recreational Facilities, 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.

12.1.4 Self-Help. The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, an 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 Unit 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 fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish an item of construction on a Unit without judicial proceedings.

12.2. 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: (i) the Association's position is not sufficiently strong to justify taking any or further action; (ii) the provision being enforced is or may be construed as inconsistent with applicable law; (iii) 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 (iv) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

12.3. 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.

12.4. Recovery of Costs. The costs of curing or abating a violation are 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 non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

12.5. Notice and Hearing. Before levying a fine for violation of the Documents, or before levying an individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard, to the extent required by the Act. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the 30th day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and a stated date by which the Owner may cure the violation to avoid the fine, unless the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months. The Association may also give a copy of the notice to the Resident. The Association must give notice of a levied fine or damage to the Owner not later than the 30th day after the date of the levy. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with the Act's requirements.

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, if any, 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.

13 .1.1. Notice of Cancellation or Modification. Any insurance policy maintained by the Association should contain a provision requiring the insurer to give at least ten (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. The Association may obtain blanket all-risk insurance for insurable Common Element improvements. The Association shall insure any Units owned by the Association. Owners must maintain property insurance on their units insuring the interior, exterior, and structural components of their units. Owners shall provide evidence of such insurance to the Association annually.

13.3. General Liability. The Association may maintain a commercial general liability insurance policy over the Common Elements, expressly excluding the liability of each Owner and Resident within his Unit, for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. If such 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. If available, the Association may obtain liability insurance over the Area of Common Responsibility, if any, for bodily injury and property damage resulting from the maintenance of the Area of Common Responsibility, if any.

13.4. Directors and Officers Liability. The Association, at the discretion of the Board of Directors, may 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. Fidelity Coverage. The Association may maintain blanket fidelity coverage for any person who handles or is responsible for funds held or administered by the Association, whether or not the person is paid for his services. Such policy should be for an amount that exceeds the greater of: (i) the estimated maximum funds, including reserve funds, that will be in the Association's custody at any time the policy is in force; or (ii) an amount equal to three (3) months of Regular Assessments on all Units. A management agent that handles Association funds should be covered by its own fidelity insurance policy with the same coverages.

13.6. Mortgagee Required Policies. Unless coverage is not available or has-been waived in writing, the Association will maintain any reasonable insurance and bond required by an Underwriting Lender for condominium developments as long as an Underwriting Lender is a Mortgagee or an Owner.

13.7. Owner's Responsibility For Insurance. Each Owner is responsible for fire, liability, and if applicable flood, windstorm, and extended coverage of the Owner's Unit, including coverage for personal property, and on Limited Common Elements assigned to a Unit. The Board may establish minimum insurance requirements, including types and minimum amounts of coverage. Each Owner is solely responsible for insuring his Unit, including Limited Common Elements, personal property, including furnishings, vehicles, and stored items.

THE ASSOCIATION DOES NOT INSURE UNITS OR THE LIMITED COMMON ELEMENTS ASSIGNED TO THE UNITS

13.8. Other Policies. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

13.9. Association Does Not Insure Units, Limited Common Elements, or Personal Property. The Association does not insure an Owner's Unit or Limited Common Elements or an Owner or Resident's personal property. Each Owner is solely responsible for insuring his Unit and Limited Common Elements and each Owner and Resident is solely responsible for insuring his personal property in his Unit and on the Property, including furnishings, vehicles, and stored items.

ARTICLE 14: RECONSTRUCTION OR REPAIR AFTER LOSS

14.1. The Association may maintain insurance it deems appropriate to cover loss to General Common Elements.

14.4. Owner's Duty to Repair.

14.4.1. Uninsured Loss. Within sixty (60) days after the date of damage, the Owner will begin repair or reconstruction of any portion of his Unit not covered by his homeowner's insurance policy.

14.4.2. Insured Loss. If the loss to a Unit is covered by a policy of insurance, the Owner will begin repair or restoration of damage on receipt of the insurance proceeds or any portion thereof, subject to the rights of the Association to supervise, approve, or disapprove the repair or restoration during the course thereof.

14.4.3. Failure to Repair. If an Owner fails to repair or restore damage as required by this Section, the Association may undertake the necessary repairs and levy an individual assessment against the Owner and Unit for the cost thereof, after giving an Owner of the Unit reasonable notice of the Association's intent to do so.

ARTICLE 15: TERMINATION AND CONDEMNATION

15.1. Association As Trustee. Each Owner hereby irrevocably appoints the Association, acting through the Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds and awards; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

15.2. Termination. Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act.

15.3. Condemnation. The Association's response to condemnation of any part of the Property will be governed by Section 82.007 of the Act. On behalf of Owners, but without their consent, the Board may execute an amendment of this Declaration to reallocate allocated interests following condemnation and to describe the altered parameters of the Property. If the Association replaces or restores Common Elements taken by condemnation by obtaining other land or constructing additional improvements, the Board may, to the extent permitted by law, execute an amendment without the prior consent of Owners to describe the altered parameters of the Property and any corresponding change of facilities or improvements.

ARTICLE 16: MORTGAGEE PROTECTION

16.1. Introduction. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. Some sections of this Article apply to "Mortgagees," as defined in Article 1. Other sections apply to "Eligible Mortgagees," as defined below.

16.1.1. Known Mortgagees. An Owner who mortgages his Unit will notify the Association, giving the complete name and address of his mortgagee and the loan number. 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 mortgages on Units. The Association may rely on the information provided by Owners and mortgagees.

16.1.2. Eligible Mortgagees. "Eligible Mortgagee" means the holder, insurer, or guarantor of a first lien mortgage secured by a recorded deed of trust lien against a Unit who has submitted to the Association a written notice containing its name and address, the loan number, and the identifying number and street address of the mortgaged Unit. A single notice per Unit will be valid so long as the Eligible Mortgagee holds a mortgage on the Unit. The Board will maintain this information. The Association will treat the notice as the Eligible Mortgagee's request to be notified of any proposed action requiring the consent of Eligible Mortgagees. A provision of the Documents requiring the approval of a specified percentage of Eligible Mortgagees will be based on the number of Units subject to mortgages held by Eligible Mortgagees. For example, "fifty-one percent (51 %) of Eligible Mortgagees" means Eligible Mortgagees of fifty-one percent (51 %) of the Units that are subject to mortgages held by Eligible Mortgagees.

16.2. Amendment. This Article establishes certain standards for the benefit of Underwriting Lenders, and is written to comply with their requirements and guidelines in effect at the time of drafting. If an Underwriting Lender subsequently changes its requirements, 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.

16.3. Termination-Substantial Destruction or Condemnation. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by owners representing at least eighty percent (80%) of the votes in the Association, and by at least seventy-five percent (75%) of Eligible Mortgagees. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by owners representing at least eighty percent (80%) of the votes in the Association, and approved by at least eighty percent (80%) of Eligible Mortgagees.

16.4. Implied Approval. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within sixty (60) 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.

16.5. Other Mortgagee Rights.

16.5.1. Inspection of Books. The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records, by appointment, during normal business hours.

16.5.2. Financial Statements. If a Mortgagee submits a written request, the Association will give the Mortgagee an audited statement for the preceding fiscal year within one hundred and twenty (120) days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

16.5.3. Attendance at Meetings. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

16.5.4. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit 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.

16.6. Insurance Policies. If an Underwriting Lender that holds a mortgage on a Unit or desires to finance a Unit has requirements for insurance of condominiums, the Association must try to obtain and maintain the required coverages, to the extent they are reasonably available and are in reasonable amounts, and must try to comply with any notifications or processes required by the Underwriting Lender. Because underwriting requirements are subject to change, they are not recited here.

16.7 Notice of Actions. The Association will use its best efforts to send timely written notice to Eligible Mortgagees of the following actions:

- (i) Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Unit.
- (ii) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of the mortgaged unit.
- (iii) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.
- (iv) Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.
- (v) Any proposed amendment of a material nature, as provided in this Article.
- (vi) Any proposed termination of the condominium status of the Property.

16.8. Amendments of a Material Nature. A Document amendment of a material nature must be approved by owners representing at least eighty percent (80%) of the votes in the Association, and by at least seventy-five (75%) of Eligible Mortgagees. THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS EFFECTED BY THE EXERCISE OF A DEVELOPMENT RIGHT PROVIDED IN EXHIBIT "C" ATTACHED HERETO. A change to any of the provisions governing the following would be considered material:

- (i) Voting rights
- (ii) Increases in Assessments that raise the assessed amount in effect immediately prior to such increase by more than twenty five percent (25%), Assessment liens, or the priority of Assessment liens.
- (iii) Reductions in reserves for maintenance, repair, and replacement of Common Elements.
- (iv) Responsibility for maintenance and repairs.
- (v) Reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; except that when Limited Common Elements are reallocated by agreement between Owners, only those Owners and only the Eligible Mortgagees holding mortgages against those Units need approve the action.
- (vi) Redefinitions of boundaries of Units.
- (vii) Convertibility of Units into Common Elements or Common Elements into Units.

- (viii) Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.
- (ix) Property or fidelity insurance requirements.
- (x) Imposition of any restrictions on the leasing of Units.
- (xi) Imposition of any restrictions on Owners' right to sell or transfer their Units.
- (xii) A decision by the Association to establish self-management when professional management had been required previously by the Documents or an Eligible Mortgagee.
- (xiii) Restoration or repair of the Property, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.
- (xiv) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

ARTICLE 17: AMENDMENTS

17.1. Consents Required. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant acting alone, or by certain owners acting alone, or by the Board acting alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least sixty-seven percent (67%) of the votes in the Association.

17.2. Method of Amendment. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives the Owner of each Unit the substance if not exact wording of the proposed amendment, a description in layman's terms of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. For amendments requiring the consent of Eligible Mortgagees, the Association will send each Eligible Mortgagee a detailed description, if not the exact wording, of any proposed amendment.

17.3. Effective. To be effective, an amendment must be in the form of a written instrument: (i) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (ii) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; and (iii) recorded in the Official Public Records of Wilson County, Texas.

17.4. Declarant Provisions. No amendment may affect Declarant's rights under this Declaration or the Act without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Because Exhibit "C" of this Declaration is destined to become obsolete, beginning 10 years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Exhibit "C", provided the other exhibits are not re-lettered. The automatic expiration and subsequent deletion of Exhibit "C" does not

constitute an amendment of this Declaration. This Section may not be amended without Declarant's written and acknowledged consent.

ARTICLE 18: GENERAL PROVISIONS

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

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

18.3. Construction. The provisions of this Declaration shall be deemed independent and severable and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections, or articles hereof. Throughout this Declaration there appears text enclosed by a box. This text is used to aid in the reader's comprehension of certain provisions of this Declaration. In the event of a conflict between the text enclosed by a box and any provision of this Declaration, the provision of the Declaration will control.

18.4. Declarant as Attorney in Fact and Proxy. To secure and facilitate Declarant's exercise of the rights reserved by Declarant pursuant to Exhibit "C" and elsewhere in this Declaration, each Owner, by accepting a deed to a Unit and each Mortgagee, by accepting the benefits of a Mortgage against a Unit within the Regime, and any other Person, by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Unit in the Regime, shall thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and Person's irrevocable attorney-in-fact, with full power of substitution, to do and perform, each and every act permitted or required to be performed by Declarant pursuant to Exhibit "C" or elsewhere in this Declaration. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee, and/or Person, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency, and death of an Owner, Mortgagee, and/or Person and shall be binding upon the legal representatives, administrators, executors, successors, heirs, and assigns of each such party. In addition, each Owner, by accepting a deed to a Unit, and each Mortgagee, by accepting the benefits of a Mortgage against a Unit in the Regime, and any Person, by accepting the benefits of a mortgage, deed of trust, mechanic's lien contract,

mechanic's lien claim, vendor's lien, and/or any other security interest against any Unit in the Regime, shall thereby appoint Declarant the proxy of such Owner, Mortgagee, or Person, with full power of substitution in the premises, to do and perform each and every act permitted or required pursuant to Exhibit "C" or elsewhere in this Declaration, and which may otherwise be reasonably necessary in connection therewith, including without limitation, to cast a vote for such Owner, Mortgagee, or Person at any meeting of the Members for the purpose of approving or consenting to any amendment to this Declaration in order to effect and perfect any such act permitted or required pursuant to Exhibit "C" or elsewhere in this Declaration and to execute and record amendments on their behalf to such effect; and the power hereby reposed in the Declarant, as the attorney-in-fact for each such Owner, Mortgagee, or Person includes, without limitation, the authority to execute a proxy as the act and deed of any Owner, Mortgagee, or Person and, upon termination or revocation of any Owner's proxy as permitted by the Texas Non-profit Corporation Act the authority to execute successive proxies as the act and deed of any Owner, Mortgagee, or Person authorizing the Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. Furthermore, each Owner, Mortgagee, and Person upon request by the Declarant, will execute and deliver a written proxy pursuant to Section 82.11 0(b) of the Act, including a successive written proxy upon the termination or revocation as permitted by the Act of any earlier proxy, authorizing the Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. All such appointments and successive proxies shall expire as to power reserved by Declarant pursuant to Exhibit "C" or elsewhere in this Declaration on the date Declarant no longer has the right to exercise such rights. All such proxies shall be non-revocable for the maximum lawful time and upon the expiration of non-revocable period, new proxies shall again be executed for the maximum non-revocable time until Declarant's right to require/such successive proxies expires.

18.5. Injury to Person or Property. Each Owner acknowledges that the Declarant and the Association shall have no duty or obligation to any Owner or their guests: (i) to supervise minor children or any other person; (ii) to fence or otherwise enclose any Limited Common Element, General Common Element, or other Improvement; or (iii) to provide security or protection to any Owner, Resident, or their guests, employees, contractors, and invitees from harm or loss. By accepting title to a Unit, each Owner agrees that the limitations set forth in this Section 18.5 are reasonable and constitute the exercise of ordinary care by the Association and Declarant.

18.6 Exhibits. The following Exhibits are attached to this declaration and incorporated by reference:

- A. Part I – Legal Description of Land
Part II – Plat and Plans of Condominium
- B. Percentage Ownership
- C. Declarant Reservations and Representations

18.7. 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.

ARTICLE 19: DISPUTE RESOLUTION

19.1 Agreement to Encourage Resolution of Disputes Without Litigation. Declarant, Owners, the Association and its officers, directors, and committee members, and all other Persons subject to this Declaration (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Regime without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to any Claim (defined below), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 19.2 in a good faith effort to resolve such Claim. As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to the interpretation, application, or enforcement of the Declaration, any architectural guidelines, the Articles, Bylaws, and Rules and Regulations.

19.2 Notice of Claim and Negotiation. The Bound Parties hereby agree that in the event one or more Parties believes he has a claim (Claimant) against another (Respondent), Claimant shall first present the nature of his claim to Respondent and make a demand therein. Claimant shall provide a copy of said claim and demand to Declarant and/or the Association if not parties thereto. The claim and demand shall be sent certified mail, return receipt requested. Upon receipt of the claim and demand, the Respondent shall acknowledge receipt by way of contacting Claimant. The parties to the claim and demand covenant to negotiate in good faith for a period of 30 days in an effort to resolve the issues between them.

19.3 Mandatory Pre-Litigation Mediation. If the negotiation process is unsuccessful in resolving the dispute upon the expiration of 30 days from the date notice of claim and demand is made upon Respondent, Claimant must request and complete mediation of the dispute with a qualified, third-party neutral prior to filing suit. The costs of mediation shall be borne equally by the parties thereto and each shall be responsible for their own legal fees, if any.

19.4 Failure to Request Mediation. In the event Claimant fails to request mediation as required herein, Claimant shall be responsible for all costs incurred by Respondent in seeking to enforce this Article of the Declaration.

19.5 Failure of Negotiation and Mediation/Venue. Should both negotiation and mediation fail to result in the compromise and settlement of any claim, Claimant may bring its claim(s) exclusively in the District Courts of Wilson County, Texas.

19.6 Execution of Settlement Document. Should either the negotiation or mediation process prove successful, the nature of any settlement shall be reduced to writing and executed by all parties thereto.

19.7 Association's Duty to Enforce Not Affected. The Association's duties to enforce the provisions of this Declaration, the By-Laws, or other governing documents shall not be bound by this Article 19, including but not limited to, collection of assessments, enforcement of covenants (including by way of injunctive relief), or any other.

Executed this _____ day of October, 2024.

Declarant:

Aide B. Lara – Co-Declarant

Jose Raul Gonzalez Quiroz – Co-Declarant

State of Texas
County of Wilson

The foregoing instrument was acknowledged before me by Aide B. Lara as Declarant this _____ day of October, 2024.

Notary Stamp or Seal

Notary Public, State of Texas

State of Texas
County of Wilson

The foregoing instrument was acknowledged before me by Jose Raul Gonzalez as Declarant this _____ day of October, 2024.

Notary Stamp or Seal

Notary Public, State of Texas

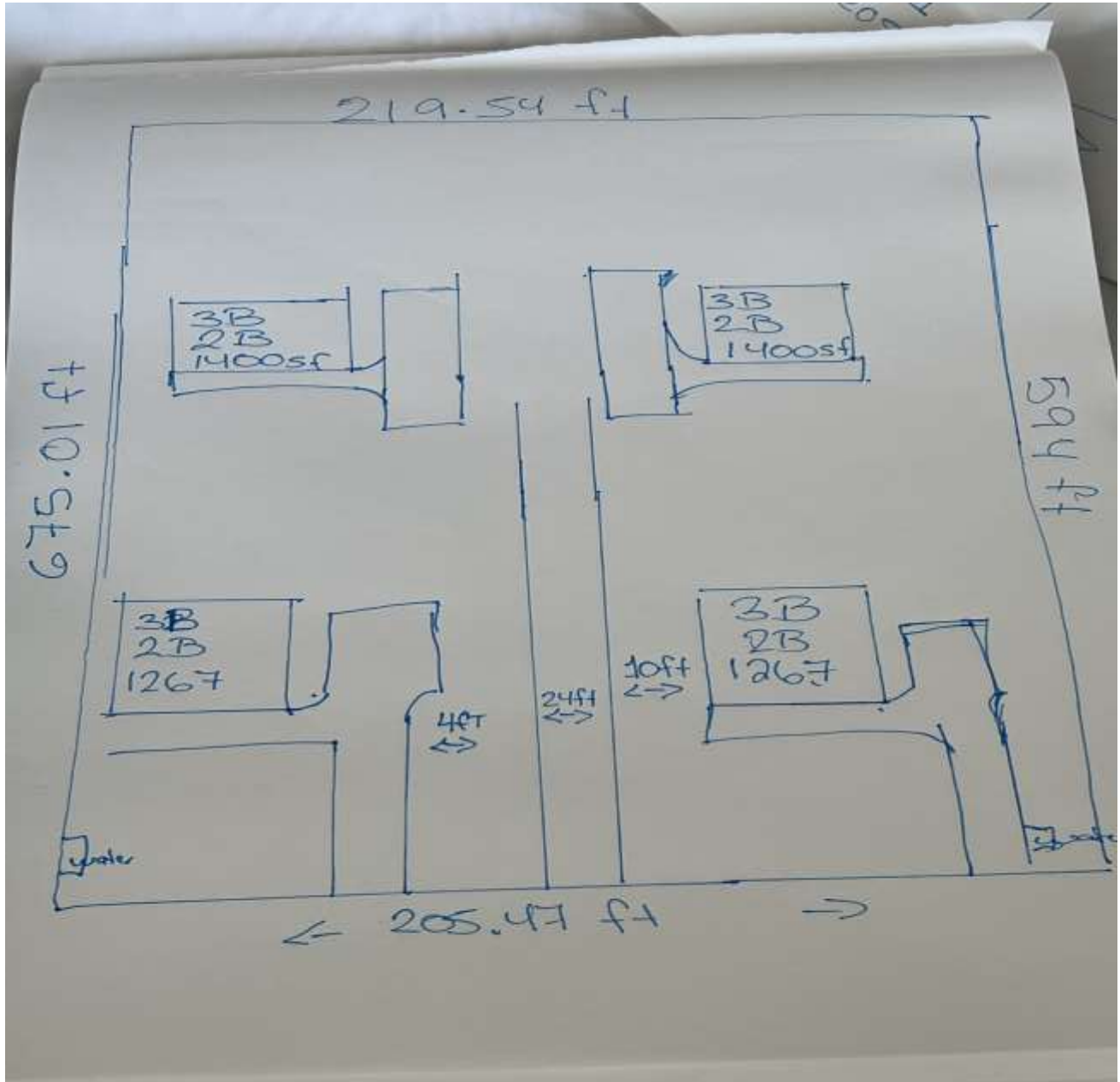
EXHIBIT "A"

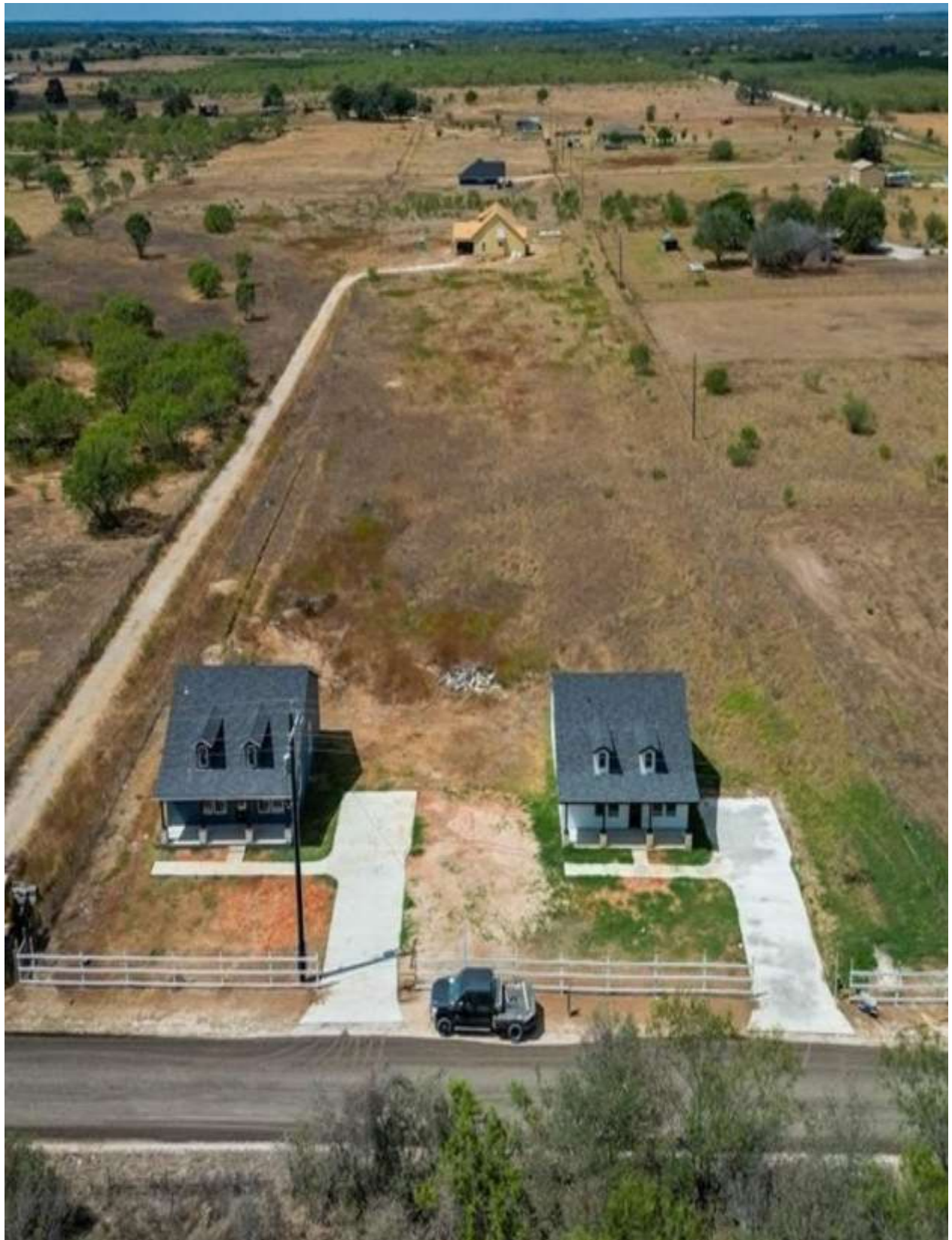
Part I: Legal Description of the Land

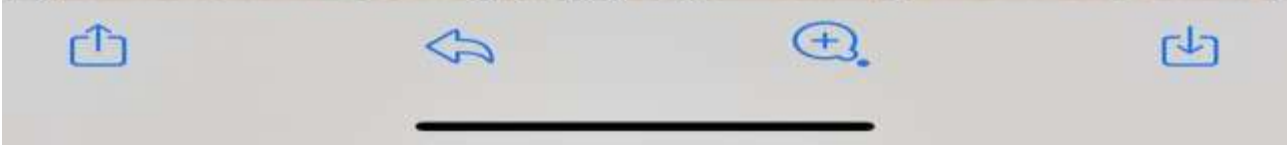
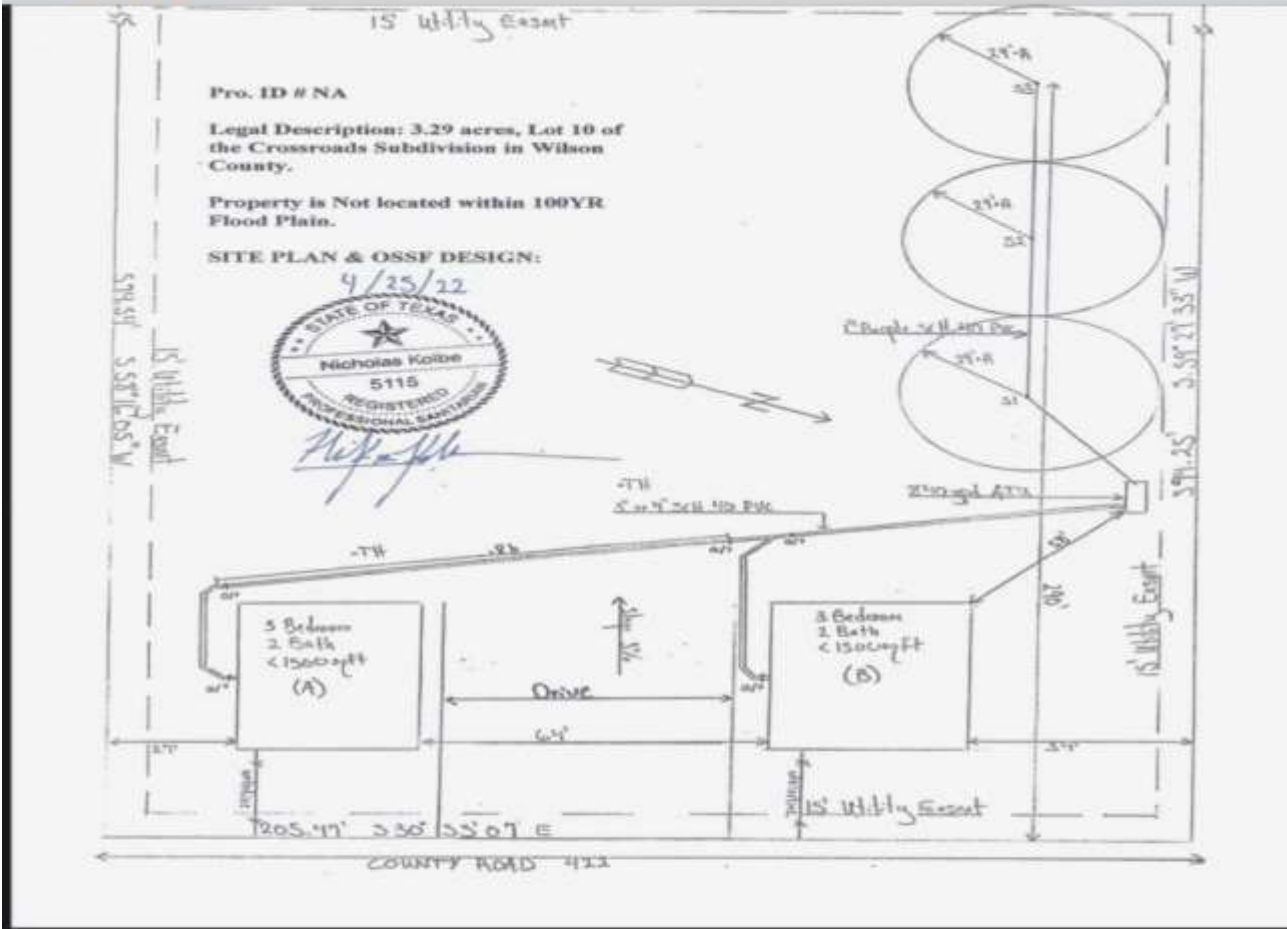
3.29 acres, more or less, and being that same real property described as Lot 10 of THE CROSSROADS SUBDIVISION, in Wilson County, Texas, as shown on the map/plat thereof recorded under Volume 12, Page 113, Plat Records of Wilson County, Texas.

EXHIBIT "A"

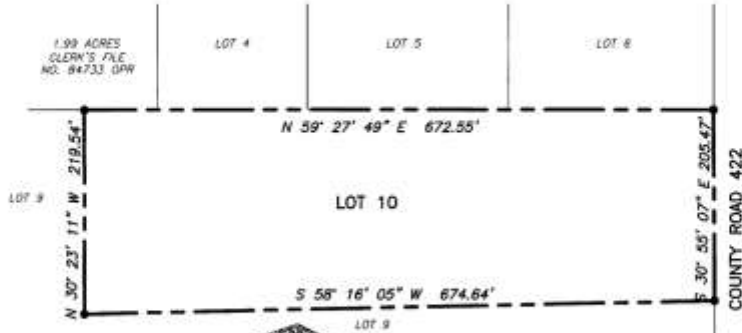
Part II: Plat and Plans of the Condominium







PLAT OF SURVEY
OF
LOT 10, OUT OF THE CROSSROADS SUBDIVISION, WILSON COUNTY, TEXAS



THE BASIS OF BEARING ON THIS PLAT IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83 (2011), SOUTH CENTRAL ZONE

LEGEND

- Found previously set 5/8 inch steel rod monument with cap stamped Rakowitz Engineering & Surveying
- Found 1/2 inch steel rod monument
- Secondary line
- Adjacent
- X Barbed wire fence
- D/E Overhead electric

THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A TITLE COMMITMENT. VISIBLE ENCROACHMENTS ARE SHOWN

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that this plat was prepared from an actual survey done by me or under my direct supervision, and that to the best of my knowledge and belief it is a true and correct representation of said survey.



Prepared for:
Able and Love Road

REFERENCES:
DEED: Volume 12 Page 113, P.R.
Volume C Page 235, P.R.

Rakowitz
ENGINEERING & SURVEYING
TDELS No. F-9155 & No. 101812-00
919 W OAKLAWN, SUITE A, PLEASANTON, TX 76064
936.261.4366 www.rak-eng.com
Date of survey: November 10, 2021
Job No. 21-2532

EXHIBIT “B”

Percentage Ownership

Each unit shall own a $\frac{1}{4}$ (25%) interest in the Common Elements of the development and share $\frac{1}{4}$ (25%) of the Common Expenses. Each unit shall be entitled to one vote.

EXHIBIT "C"

DECLARANT RESERVATIONS AND REPRESENTATIONS

General Provisions.

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 Exhibit.

General Reservation and 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, prevent or interfere with the rights contained in this Exhibit which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of a conflict between this Exhibit and any other Document, this Exhibit controls. This Exhibit may not be amended without the prior written consent of Declarant. The terms and provisions of this Exhibit must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

Purpose of Development and Declarant Control Periods. This Exhibit gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build-out and sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. The "Development Period", as specifically defined in the Declaration, means the ten (10) year period beginning on the date this Declaration is recorded in the Official Public Records of Wilson County, Texas, unless such period is earlier terminated by Declarant's recordation of a notice of termination in the Official Public Records of Wilson County, Texas. The Declarant Control Period is defined below. 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 ninety (90) days' written notice.

Declarant Control Period Reservations and Limitations. For the benefit and protection of Owners and mortgagees, and for the purpose of ensuring a complete and orderly build-out and sellout of the Property, Declarant will retain control of the Association, subject to the following:

Duration. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of: (i) the date one hundred and twenty (120) days after sixty percent (75%) of the four (4) maximum Units that may be created have been conveyed-to Owners other than Declarant; or (ii) the date when, in the sole opinion of Declarant, the Association is viable, self-supporting, and operational.

Officers and Directors. During the Declarant Control Period, the Board shall consist of three (3) persons. 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," subject to the following limitation: within one hundred and twenty (120) days after seventy-five percent (75%) percent of the four (4) maximum Units that may be created have been conveyed to Owners other than Declarant, at least one-third of the Board must be elected by Owners other than Declarant.

Organizational Meeting. Before the end of the Declarant Control Period or within one hundred and twenty (120) days after seventy-five percent (75%) of the four (4) maximum Units that may be created have been conveyed to Owners other than Declarant, the Owners (including Declarant with respect to any Units it then owns) will elect directors to the Board at an organizational meeting of the Members of the Association. Declarant or the Association will give written notice of the organizational meeting to an Owner of each Unit at least ten (10) days before the meeting. For the Organization Meeting, Owners of fifty percent (50%) of the Units will constitute a quorum. The Board elected at the organizational meeting will elect the officers of the Association not later than thirty (30) days after the end of the Declarant Control Period.

Obligation for Assessments. With respect to the payment of Regular Assessments, the Declarant has the following options until the earlier of: (a) the end of the Declarant Control Period; or (b) three (3) years after the date on which Declarant first conveys a Unit:

- (i) For each Unit owned by Declarant, Declarant is liable for assessments in the same manner as any Owner; or
- (ii) Declarant will assume responsibility for the difference (the "red ink") between the Association's operational expenses and the operational expenses portion of the regular assessments received from Owners other than Declarant. On termination of the option period, Declarant must begin paying assessments on each Declarant owned Unit according to the Unit's allocated interest for Assessments. Declarant shall not be responsible under this subsection for reserves or non-operational expenses (e.g., non-budgeted or other extraordinary expenses).

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.

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

Management Contract. If Declarant enters into a professional management contract on behalf of the Association during the Declarant Control Period, the Association has the right to terminate the contract without cause or penalty, but with at least thirty (30) days written notice to the manager; at any time after a Board elected by the Owners other than the Declarant takes office.

Common Elements. At or prior to termination of the Declarant Control Period, if title or ownership to any Common Element is capable of being transferred, Declarant may convey title or ownership to the Association. At the time of conveyance, the Common Element will be free of encumbrance except for the property taxes, if any, accruing for the year of conveyance. Declarant's conveyance of title or ownership is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

Development Period Rights; Representations & Reservations. Declarant makes the following representations and reservations regarding Declarant's development of the Property:

Leasehold. No part of the Property is a leasehold condominium, as defined by the Act.

Conversion. None of the Improvements in the Property is a conversion building as defined by the Act.

Changes in Development Plan. During the Development Period, Declarant may modify the initial development plan and Unit designs to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, changes in the sizes, styles, configurations, materials, number and appearances of Units and Common Elements. This may be done without Amendment to the Declaration or other Documents.

Architectural Control. During the Development Period; Declarant has the absolute right to appoint the Architectural Reviewer, consisting of any number of persons who serve at the pleasure of Declarant, and who may be removed and replaced by Declarant.

Transfer Fees. During the Development Period Declarant will not pay transfer related and/or resale certificate fees.

Statutory Development Rights. As permitted by the Act, Declarant reserves the following Development Rights which may be exercised during the Development Period: to create General Common Elements and Limited Common Elements within the Property. Included within these rights is the right of Declarant to create Limited Common Elements parking spaces and assign such parking spaces to Owners of Units and to reallocate assigned Limited Common Element parking spaces with the approval of the affected Owners thereof.

Development Rights Reserved. Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed; or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

Amendment. 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 meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Units.
- B. To correct any defects in the execution of this Declaration or the other Documents.
- C. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- D. To change the name or entity of Declarant.
- E. For any other purpose, provided the amendment has no material adverse effect on any right of any owner.
- F. To add real property to the Property in the exercise of statutory Development Rights.
- G. To create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights.
- H. To subdivide, combine, or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights.

Special Declarant Rights. As permitted by the Act, Declarant reserves the below described Special Declarant Rights to the maximum extent permitted by law, which may be exercised where applicable, anywhere within the Property during the Development Period. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant so long as Declarant owns a Unit. Earlier termination of certain rights may occur by statute.

- (i) The right to complete or make improvements indicated on the Plat and Plans.
- (ii) The right to exercise any Development Right permitted by the Act and this Declaration.
- (iii) The right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property.
- (iv) For purposes of promoting, identifying, and marketing the Property, Declarant reserves 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. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property.

- (v) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.
- (vi) The right to appoint or remove any Declarant-appointed officer or director of the Association during the Declarant Control Period consistent with the Act.
- (vii) The right to make the Property part of a larger condominium or planned community.

Additional Easements and Rights. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

- (i) An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.
- (ii) The right to sell or lease any Unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained elsewhere in this Declaration or the other Documents.
- (iii) An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at Declarant's sole expense, will restore altered Common Elements and Units to conform to the architectural standards of the Property. The restoration will be done within one hundred and twenty (120) days after termination of the Development Period.
- (iv) The right to provide a reasonable means of access for the home-buying public on or across the Property.

Working Capital Fund. Declarant may establish a working capital fund for the Association. If Declarant establishes this fund, each Unit's contribution will be collected when the sale of the Unit closes to an Owner other than Declarant or an affiliate of Declarant. Contributions to the fund are not advance payments of regular assessments and are not refundable. Not later than termination of the Declarant Control Period, the working capital fund will be transferred to the Association for deposit to a segregated fund. During the Declarant Control Period, the fund may not be used to pay the Association's operational expenses. Declarant may not use the fund to defray Declarant's expenses, reserve contributions, or construction costs, or to cover the Association's budget deficits during the Declarant Control Period. Declarant is not required to make contributions for any Unit owned or retained by Declarant, or for any Unit for which the contribution was not collected at closing.

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 Official Public Records of Wilson County, Texas. 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.