

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
KELLAR FARMS**

After Recording Return To:

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**DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR KELLAR FARMS**

STATE OF TEXAS §
 §
COUNTY OF BASTROP §

This Declaration of Covenants, Conditions, and Restrictions for Kellar Farms is made by D&P Interests, LP, a Texas limited partnership (“*Declarant*”).

RECITALS:

WHEREAS, Declarant is the owner of certain real property situated in Bastrop County, Texas, platted as Kellar Farms, a subdivision of 45.693 acres and also being out of the _____ Survey, Abstract _____, according to the map or plat thereof, filed on the ____ day of _____, 20__, under Clerk’s File No. _____ (the “*Plat*”) in the Plat Records of Bastrop County, Texas (the “*Property*” or “*Kellar Farms*”, which term(s) include additional land as same may be annexed into the Kellar Farms Property and made subject to this Declaration); and

WHEREAS, Declarant desires to develop the Property as a single family, residential use subdivision, and to provide and adopt a general plan of development including assessments, conditions, covenants, easements, reservations, and restrictions designed to govern the Property, as applicable; and

WHEREAS, Declarant has deemed it desirable, for the efficient administration of the amenities in the Property and the enforcement of the Dedicatory Instruments, to create an Association to which has been or will be delegated and assigned the authority to administer and enforce these assessments, conditions, covenants, easements, reservations, and restrictions, including levying, collecting, and disbursing the Assessments; and

WHEREAS, there has been or will be incorporated one or more nonprofit corporations created under the laws of the State of Texas, including the first being the Kellar Farms Property Owners Association, Inc. Declarant is authorized to incorporate one or more entities to provide the functions of the Association. The directors of the Association either have or will establish certain Bylaws by which the Association will be governed through its Board of Directors, for the purpose of exercising the functions of the Association and any other duties as set out in the Bylaws or in other Dedicatory Instruments.

NOW, THEREFORE, Declarant declares that the Property is subject to the jurisdiction of the Association, and will be developed, improved, sold, used, and enjoyed in accordance with, and subject to the following plan of development, including the applicable Assessments, conditions, covenants, easements, reservations, and restrictions set forth in this Declaration, all of which are adopted for, and placed upon the Property and are covenants running with the land and are binding on all parties, now and at any time having or claiming any right, title, or interest in the Property or any part thereof, their heirs, executors, administrators, successors, and assigns,

regardless of the source of, or the manner in which any such right, title, or interest is or may be acquired, and will inure to the benefit of each Owner of any part of the Property.

The Property is subject to this Declaration, which may be amended or supplemented from time to time. Additionally, the Property is subject to the Dedicatory Instruments. If any conflict exists between any portion of the Declaration and any Dedicatory Instrument, the more restrictive provision will control. Notwithstanding the foregoing, in the event of a conflict between a Dedicatory Instrument and any amendment thereto, the amendment will control.

ARTICLE I. DEFINITION OF TERMS

The following words, when used in this Declaration, have the following meanings when capitalized (unless the context requires otherwise and then the term is not capitalized):

- A. “**ARC**” means the Architectural Review Committee established for the Property as set forth in this Declaration.
- B. “**Area of Common Authority**” means all of the properties and facilities for which the Association (i) has enforcement authority, (ii) may have responsibility under the Dedicatory Instruments, or (iii) otherwise agrees to assume responsibility, regardless of who owns them. The Area of Common Authority includes all of the Common Area and may, by way of illustration and not limitation, also include Lots or portions of Lots and property dedicated to the public, such as public rights-of-way.
- C. “**Assessments**” means the assessments levied against all Lots pursuant to this Declaration, a Supplemental Amendment, or another Dedicatory Instrument, for the purposes set out in the applicable Dedicatory Instrument, or any other charge authorized by this Declaration or other Dedicatory Instrument.
- D. “**Association**” means one or more nonprofit corporations, including its successors, assigns, or replacements, created under the laws of the State of Texas, with the first being the Kellar Farms Property Owners Association, Inc. Declarant is authorized to incorporate one or more entities to provide the functions of the Association. No more than one such nonprofit corporation will be in existence at any one time, provided however, the formation of a sub-association is permitted. The Association is a Texas nonprofit corporation that has jurisdiction over all properties located within Kellar Farms, as same may be amended from time to time as additional property is annexed into Kellar Farms as allowed under this Declaration. For purposes of clarity, when “Association” is used in this Declaration, that term includes the authority, rights, remedies, and obligations of the nonprofit corporation, and the authority of the Board, as defined in this Declaration, to carry out the authority, rights, remedies, and obligations of the Association.
- E. “**Board**” means the Board of Directors of the Association as provided within the Bylaws.

- F. “**Builder**” means an individual or entity that constructs a Dwelling on a Lot or Homesite within the Property. During the Development Period, all Builders must have the written approval of Declarant prior to making any improvement or modification to a Lot. After the expiration of the Development Period, all Builders must have the written approval of the ARC prior to making any improvement or modification to a Lot.
- G. “**Bylaws**” means the Bylaws of the Association, as they may be amended from time to time.
- H. “**Common Area**” means all real property owned in fee or held in easement, lease, or license by the Association and any improvements thereon, including real property in which it otherwise holds possessory or use rights, for the common use and enjoyment of the Owners and includes areas designated by Declarant to be conveyed by deed or easement to the Association.
- I. “**Community-Wide Standard**” means the standard of conduct, maintenance, or other activity generally prevailing throughout the Property. Such standards may be defined in the Guidelines or rules and regulations. Such standards may be specifically determined and modified by the Board, with the approval of Declarant during the Development Period.
- J. “**Declarant**” means D&P Interests, LP, a Texas limited partnership, its successors, and assigns as same is required to be evidenced by a written instrument recorded in the Official Public Records of Bastrop County, Texas.
- K. “**Declaration**” means this Declaration of Covenants, Conditions, and Restrictions for Kellar Farms, which encumbers the Property, and any other property brought under the control of this Declaration, any Supplemental Amendment, any Annexation Agreement, and any amendments thereto.
- L. “**Dedicator Instruments**” means each governing instrument covering the establishment, maintenance, and operation of the Property. The term includes this Declaration, any Annexation Agreement or Supplemental Amendment to the Declaration, any instrument (including the Guidelines) subjecting the Property to covenants, conditions, restrictions, or assessments, any Certificate of Formation, Bylaws, or other instruments governing the administration or operation of the Association, all properly adopted policies, rules, and regulations of the Association, and any lawful amendments or modifications to the Dedicatory Instruments.
- M. “**Deed Restriction Violation**” means any damage that an Owner or Occupant has caused to the Common Area or a condition on a Lot or an improvement located upon a Lot that does not comply with the terms and conditions of the Dedicatory Instruments covering the appearance, establishment, maintenance, and operation of the Property. Failure to pay all amounts due and owing on a Lot, or failure to comply with any terms and conditions of a Dedicatory Instrument, will also be considered a Deed Restriction Violation.

- N. “**Development Period**” means the period of time that Declarant reserves the right to facilitate the development, construction, and marketing of the Property or the right to direct the size, shape, and composition of the Property, which retained rights are vested in Declarant until Declarant no longer owns any portion of the Property or such time as Declarant assigns or relinquishes all of its retained rights created in this Declaration or in any other Dedicatory Instrument. In the event the Development Period terminates pursuant to the above provisions, and thereafter Declarant becomes record owner of any portion of the Property, the Development Period will be restored until it again terminates as specified above.
- O. “**Dwelling**” means a main residential structure constructed on a Lot or Homesite intended for single family residential use. All Dwellings within the Property must be constructed by a Builder.
- P. “**Guidelines**” means general, architectural, or builder guidelines, and application and review procedures, if any, that may set forth various standards relating to the exterior harmony of any improvements placed upon or constructed on any Lot or construction types and aesthetics. There is no limitation on the scope of amendments to the Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Guidelines less restrictive. Guidelines are enforceable by the Board.
- Q. “**Hardscape**” means and includes items such as rocks, landscape timbers, railroad ties, fountains, statuary, sculptures, terracing materials, lawn swings, and yard art.
- R. “**Homesite**” means one or more Lots upon which a single family Dwelling may be erected subject to this Declaration.
- S. “**Lienholder**” means that certain entity that (i) has executed the Lienholder Consent and Subordination attached to this Declaration, which Lienholder Consent and Subordination is incorporated in this Declaration for all purposes, and (ii) is the sole beneficiary of a purchase money mortgage lien (as set forth in Article XIV, Section F of the Declaration) and other liens, assignments, and security interests encumbering all or a portion of the Property owned by Declarant.
- T. “**Lot**” means a parcel of Property defined as one Lot by the Plat (or applicable plat as future sections may be annexed into the Property) or any replat thereof recorded in the Official Public Records of Bastrop County, Texas, encumbered by this Declaration, and restricted to single family residential use. Homesites may be comprised of more than one Lot; each such Lot will be subject to the rights and duties of membership in the Association. There will be an Assessment due for each Lot owned as defined by the then-plat of record, subject to the limitations in this Declaration. No Lot may be further subdivided and separated into smaller Lots, and no portion less than all of any Lot will be transferred or conveyed. Notwithstanding anything contained in this Declaration to the contrary, this definition does not include any Lot for so long as it is being used by Declarant as a model home Lot or a sales information center.

- U. “**Member**” means an Owner, as defined in this Article, subject to the provisions set forth in this Declaration.
- V. “**Member in Good Standing**” means Declarant, as well as a Member (a) who is not delinquent in the payment of any Assessment against the Member’s Lot or any interest, late charges, costs, or reasonable attorney’s fees added to such Assessment under the provisions of the Dedicatory Instruments or as provided by law, (b) who is not delinquent in payments made pursuant to a payment plan for Assessments, (c) who has not caused damage to the Common Area, (d) who does not have any condition on his Lot which violates any Dedicatory Instrument which has progressed to the stage of a written notice to the Owner of the Owner’s right to request a hearing to be held by the Association, or beyond, and which remains unresolved as of the date of determination of the Member’s standing, (e) who has not failed to pay any fine levied against the Member or the Member’s Lot pursuant to the Dedicatory Instruments, and (f) who has not failed to comply with all terms of a judgment obtained against the Member by the Association, including the payment of all sums due the Association by virtue of such judgment. If one Occupant of a particular Dwelling does not qualify as a Member in Good Standing, then no Occupant of such Dwelling will be considered a Member in Good Standing. Additionally, if an Owner of multiple Lots does not qualify as a Member in Good Standing as to one Lot, then such Owner will not qualify as a Member in Good Standing as to any Lot owned by the Owner.
- W. “**Occupant**” means an Owner, resident, tenant, lessee, guest, or invitee of any Lot or Dwelling within the Property for any period of time.
- X. “**Outbuilding**” means a structure such as (by way of example and not limitation) a storage building, shed, greenhouse, gazebo, or shade trellis.
- Y. “**Owner**” means the owner of record of any portion of the Property. Special purpose districts (by way of example and not limitation, special purpose districts owning one or more reserves within the Property) and persons or entities holding title only as a lienholder are not considered an Owner for purposes of this Declaration.
- Z. “**Property**” or “**Kellar Farms**” means the Kellar Farms subdivision located in Bastrop County, Texas. As of the date of this Declaration, the Property is more particularly described on the Plat. The Property may be supplemented as additional land is annexed into the Property by the recording of an Annexation Agreement or Supplemental Amendment.
- AA. “**Public View**” means a condition, structure, item, or improvement located on a Lot that is openly visible from or by an individual standing at ground level of (i) at least one neighboring Lot (such neighboring Lot does not have to be adjoining the Lot with any such condition, structure, item, or improvement), (ii) a Common Area, or (iii) a street.

- BB. **“Supplemental Amendment”** or **“Annexation Agreement”** means an amendment or supplement to this Declaration that subjects additional property to this Declaration or imposes, expressly or by reference, additional or different restrictions, assessments, or obligations on the land described therein. The term also refers to the instrument recorded by Declarant or the Association pursuant to the provisions of this Declaration to subject additional property to this Declaration.

ARTICLE II. PURPOSE AND INTENT

The Property, as initially planned, is intended to be a single family, residential development that is planned to feature residential uses. This Declaration serves as the means by which design, maintenance, and use of the Property, and additional property made a part of the Property, will be established. Declarant reserves the right to change the initial development plan for residential uses to include a mix of both residential and commercial uses within the Kellar Farms development.

ARTICLE III. PROPERTY SUBJECT TO RESTRICTIONS

A. Property Initially Encumbered

The Property that is initially encumbered by this Declaration and is therefore a part of Kellar Farms is more particularly described on the Plat. Owners of the Property are Members of the Association and have executed this Declaration.

B. Annexation of Additional Property

Without the joinder of any other Owners or Members, Declarant reserves the exclusive right for 25 years following the recording of this Declaration to annex any additional property into the Property. Such annexation will be accomplished by the execution and filing for record of a Supplemental Amendment or Annexation Agreement setting forth the land being annexed or the specific restrictions relating to such property, if different. Any Supplemental Amendment or Annexation Agreement may contain Assessments, covenants, conditions, restrictions, and easements which apply only to the real property annexed or may create exceptions to, or otherwise modify, the terms of this Declaration as they may apply to the real property being annexed in order to reflect the different or unique character or intended use of such real property.

The right of Declarant to annex land under this Section will automatically pass to the Association upon the expiration of the 25-year term granted above.

C. Deannexation of Property

During the Development Period, Declarant, without the joinder of any other Owners or Members, may deannex from Kellar Farms any property owned by Declarant. During the Development Period, property not owned by Declarant may be deannexed with the prior written consent of Declarant and the Owner thereof.

ARTICLE IV. ASSOCIATION MEMBERSHIP, VOTING RIGHTS, AND BOARD OF DIRECTORS

A. Eligibility

Eligibility to vote or serve as a director or officer of the Board after the expiration of the term(s) of the Declarant-appointed directors is predicated upon a person being a Member of the Association. Nothing contained in this Declaration creates a fiduciary duty owed by the Board to the Members of the Association.

B. Membership

Declarant and every record Owner will be a Member of the Association, excluding therefrom special purpose districts (by way of example and not limitation, special purpose districts owning one or more reserves within the Property) and persons or entities holding an interest in the land merely as security for the performance of an obligation (such as a mortgagee, or holder of any other lien against property), unless that holder of the security interest foreclosed and thereby became the Owner of the Lot(s).

Membership is appurtenant to and runs with the land. Membership is not severable as an individual right and cannot be separately conveyed to any party or entity. Each Owner has only 1 Membership in the Association. All duties and obligations set forth in this Declaration are the responsibility of each Member. No waiver of use of rights of enjoyment created by this Declaration relieves Members or their successors or assigns of such duties or obligations. Mandatory membership begins with the execution of this Declaration and passes with title to the land (regardless of any method of conveyance) to any subsequent grantee, successor, or assignee of a Member. Members in Good Standing have the right to the use and enjoyment of the Common Area in the Property. Owners who are not Members in Good Standing may be prohibited from utilizing Common Areas in the Property.

C. Voting Rights

The Association will initially have 2 classes of members, being Class A Members and Class B Members, as follows:

1. Class A Membership

Class A Members will be all Members with the exception of Class B Members, if any. Each Class A Member's voting rights are based on the number of Lots owned and are determined as follows:

One vote is granted to Class A Members for each Lot owned.

Multiple Owners of any single Lot must vote in agreement (under any method they devise among themselves), but in no case will such multiple Owners cast portions of votes. The vote attributable to any single Lot must be voted in the same manner (i.e., all Owners of the Lot for, or all Owners of the Lot against a

particular issue), but in no event may there be more than 1 Class A vote cast per Lot.

2. Class B Membership

Class B Members are Declarant and any entity upon which Declarant, in its sole discretion, may confer Class B status in the Association. Declarant is entitled to 3 times the total number of votes allocated to Class A Members. Declarant's Class B Membership will terminate upon the earliest to occur of the following:

- a. When Declarant no longer owns any real property within the Kellar Farms development; or
- b. Such time as Declarant, in its sole discretion, so determines; provided, however, that Declarant may assign its rights, in whole or in part, permanent or temporary, at any time.

Declarant has the continuing right, at any time prior to the termination of Declarant's Class B Membership, without the joinder or consent of any other Owner, entity, lender, or other person, to confer Class B status in the Association on any Owner (with such Owner's consent), solely with respect to voting rights or Assessments (the "*Conferral*"). Provided, however, any such Conferral of Class B status does not have to be uniform as to all Class B Members. Declarant will evidence such Conferral of Class B status by filing in the Official Public Records of Bastrop County, Texas, an instrument specifying the name and address of the party upon which Class B status has been conferred, setting forth a legal description for all of the real property to which such Class B Conferral applies, and setting forth the terms of such Conferral. The Class B status so conferred by Declarant will terminate and such Owner will become a Class A Member of the Association upon the earliest to occur of the following:

- a. Termination of Declarant's Class B status in the Association, as provided in this Declaration;
- b. A material violation by such Class B Member of any terms and conditions of the Conferral, which violation has not been cured after the Class B Member has received notice of such violation and has failed to cure such violation; or
- c. Expiration of the term of the Conferral, if any, provided in the Conferral.

D. Voting Procedures

Class A Members and Class B Members will exercise their votes as set out in the Dedicatory Instruments.

E. Right to Appoint and Elect Board of Directors

Declarant retains the authority to appoint all members of the Board until not later than the 10th anniversary of the date this Declaration was recorded in the Official Public Records of Bastrop County, Texas, at which time 1/3 of the Board members (who must be Members of the Association) must be elected by Owners other than Declarant, as set forth in the Bylaws. After such anniversary, Declarant will retain the authority to appoint the remaining 2/3 of the members of the Board until (1) the termination of the Development Period, or (2) Declarant releases its status as a Class B Member and its authority to appoint members of the Board as evidenced by an instrument recorded in the Official Public Records of Bastrop County, Texas, whichever occurs first. Declarant may assign to the Association its authority to appoint some or all (as applicable) members of the Board, with such assignment evidenced by an instrument recorded in the Official Public Records of Bastrop County, Texas.

Upon termination of Declarant's authority to appoint 2/3 of the members of the Board, any remaining Class B Members will be converted to Class A Members and elections will be held to elect the members of the Board (who must be Members of the Association) pursuant to the provisions of the Certificate of Formation and the Bylaws of the Association. In the event Class B Membership terminates pursuant to the above provisions, and thereafter additional property is annexed into the jurisdiction of the Association, which results in Declarant owning property in Kellar Farms, only Declarant's Class B Membership will be restored (no other previously designated Class B Membership will be restored), until it again terminates as specified above. Notwithstanding anything contained in this Declaration to the contrary, Declarant may assign, temporarily or permanently, all or a portion of its rights as Declarant to any person(s).

ARTICLE V. EFFECTIVE DATE OF DECLARATION

This Declaration will be effective as of the date it is recorded in the Official Public Records of Bastrop County, Texas.

ARTICLE VI. USE RESTRICTIONS

Notwithstanding anything contained in this Declaration to the contrary, the provisions of this Article apply only to Lots unless other portions of the Property are specifically included in these provisions.

A. Single Family Residential Use Permitted; Leasing

Homesites within the Property may only be used for single family residential use. The term "single family residential use", as used in this Declaration, refers not only to the architectural design of the Dwelling but also to the permitted number of inhabitants, which is limited to a single family, as defined below. Furthermore, "single family residential use" means the use of and improvement to a Lot with no more than one building designed and used for living, sleeping, cooking, and eating therein. As used in this Declaration, the term "single family residential use" specifically prohibits, without limitation, the use of a Lot for a duplex, apartment, multi-family dwelling, accessory dwelling unit, garage apartment or any other

apartment or for any multi-family use, vacation rental by Owner, boarding house, “Airbnb” or similar short term rental use, bed and breakfast, any business or activity requiring a Federal Firearms License, or for any business, professional or other commercial activity. In no case may a Lot contain more than one Dwelling. No building, improvement, Outbuilding, or portion thereof may be constructed for income property or such that Occupants would occupy less than the entire Lot or Homesite.

No Dwelling may be occupied by more than one single family. By way of illustration, the following is an example of an approved single family:

RESIDENT 1 AND RESIDENT 2 RESIDE IN DWELLING.

Additional approved residents are:

- a) children of either or both residents;
- b) no more than a total of 2 parents of the residents;
- c) 1 unrelated person; and
- d) 1 household employee.

It is permitted for Owners to lease a Dwelling in the Property, so long as Occupants are leasing the entire land and improvements comprising the Homesite. No fraction or portion of any Dwelling may be leased or rented or offered for lease or rent. “Leasing”, for purposes of this Declaration, is defined as occupancy of a Dwelling for single family residential use by any person other than the Owner, for which the Owner receives any consideration or benefit, including a fee, service, gratuity, or emolument. Provided, however, “leasing”, for purposes of this Declaration, does not include leases such as, by way of illustration and not limitation, “VRBO”, boarding house rentals, backyard rentals, swimming pool rentals, “Swimply”, “Airbnb”, “Vacasa”, party venue rentals, bed and breakfasts, or other short-term rental uses, and such uses are strictly prohibited and are considered to be a prohibited business use. Leasing a Dwelling for single family residential use will not be considered a “business” (as set forth in detail below), provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than 1 Dwelling at any time. This provision does not preclude the Association or an institutional lender from leasing a Dwelling upon taking title following foreclosure of its security interest in the Dwelling or upon acceptance of a deed in lieu of foreclosure.

All leases must be in writing and will contain such terms as the Board may prescribe from time to time. All leases will provide that they may be terminated in the event of a violation of the Declaration or the Dedicatory Instruments by an Occupant or Occupant’s family, and the Board, in its sole discretion, may require termination by the Owner and eviction of the Occupant in such event. Rental or lease of the Lot and Dwelling will not relieve the Owner from compliance with this Declaration or the Dedicatory Instruments. No Lot may be leased for a term of less than 6 full consecutive calendar months to the same lessee, nor may any lease be for less than the entire Lot; provided, however, the Board may adopt rules that require a longer minimum lease term than that set forth in this Declaration, and any such term will control over the minimum term set forth in this Declaration and will not be considered a conflict with this Declaration. Single family residential use does not include a lease to tenants temporarily (less than 6 months) or a lease in which the tenants do not intend to make the Lot and Dwelling their

primary residence. An Owner who leases his or her Lot assigns to the lessee for the period of the lease all of the Owner's rights to use the Common Areas and amenities located thereon.

It is not the intent of this provision to exclude from a Lot any individual who is authorized to so remain by any state or federal law. If it is found that this provision is in violation of any law, then this provision must be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

B. Non-Permitted Uses

1. No trade or business may be conducted in or from any Dwelling, Lot, or Homesite, except such use within a Dwelling where (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling; (b) the business activity conforms to all governmental requirements and other Dedicatory Instruments applicable to the Property; (c) the business activity does not involve visitation to the Dwelling or Homesite by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Occupants of the Property; and (d) the business activity is consistent with the residential character and use of the Property, does not constitute a nuisance or a hazardous or offensive use, and does not threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The uses set out in this Section 1 (a) through (d) are referred to singularly or collectively as an “*Incidental Business Use*”. At no time may an Incidental Business Use cause increased parking or traffic within the Property. Any increased parking or traffic within the Property as a result of an Incidental Business Use will be deemed to be a Deed Restriction Violation. By way of illustration and not limitation, a day-care facility, home day-care facility, any business or activity requiring a Federal Firearms License, church, nursery, pre-school, beauty parlor, barber shop, spa service, “VRBO”, boarding house, “Airbnb”, “Vacasa”, backyard rental, swimming pool rental, “Swimply”, party venue rental, pet boarding service, or bed and breakfast are expressly prohibited and are not considered to be an Incidental Business Use.

The terms “business” and “trade”, as used in this provision, are construed to have their ordinary, generally accepted meanings and include any occupation, work, or activity undertaken on an ongoing basis that involves the manufacture or provision of goods or services for or to persons other than the Occupant's family, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does not generate a profit; or (iii) a license is required therefor. This Section does not apply to any activity conducted by Declarant, or by a Builder with the approval of Declarant, with respect to its development or sale of the Property. Garage sales, attic sales, moving sales, or yard sales (or any similar vending of merchandise) conducted on any Homesite separate from an Association-directed community-wide garage sale will be considered business activity and are therefore prohibited. Owners are advised that gated entries, if any, may be set to their open positions during any such community-wide garage sale at the discretion of the Board. The Association may, but is not required to, adopt rules and regulations regarding such community-wide garage sales. Notwithstanding anything contained in this Declaration to the contrary, estate sales are expressly prohibited.

2. No livestock, domestic or wild animals, or plants or crops may be raised on any Homesite, Lot, or any portion of the Property for the purpose of breeding or selling same, whether for profit or not. Exchange of such animals, plants, or produce for anything of value to the seller will constitute a sale of merchandise and is therefore prohibited under this provision.

C. Animals and Pets

No animals (including swine), poultry, or livestock may be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other common household pets, not to exceed a total of 3 pets, may be permitted in or on a Homesite or in a Dwelling. The foregoing limitation on number of pets does not apply to constantly caged small pets such as hamsters, small birds, fish, or other similar common household pets kept inside the Dwelling, nor does it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are 3 months old. No animals or pets may be kept, bred, or maintained for any commercial purpose. No pets are permitted to roam freely outside the fenced portion of a Lot. Whenever they are outside the fenced portion of a Lot, dogs and cats must at all times be confined on a leash which must be held by a responsible person. Provided, however, in the event an enclosed dog park is developed within the Property, dogs are permitted to roam freely within the confines of the dog park.

This provision is not intended to exclude from the Property any animal that is authorized to so remain by any state or federal law. If it is found that this provision is in violation of any law, then this provision must be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

D. Antennas

No exterior antenna, aerial, satellite dish, or other apparatus for the reception of television, radio, satellite, or other signals of any kind may be placed, erected, or maintained on a Lot if visible from Public View, unless it is impossible to receive an acceptable quality signal from any other location. In that event, the receiving device may be placed in the least visible location where reception of an acceptable quality signal may be received. The Board may require painting or screening of the receiving device if painting or screening does not substantially interfere with an acceptable quality signal. In no event are the following devices permitted: (i) satellite dishes which are larger than 1 meter in diameter; (ii) broadcast antenna masts which exceed the height of the center ridge of the roofline; and (iii) MMDS antenna masts which exceed the height of 12 feet above the center ridge of the roofline. No exterior antenna, aerial, satellite dish, or other apparatus which transmits television, radio, satellite, or other signals of any kind is permitted on a Lot. This section is intended to comply with the Telecommunications Act of 1996 (the “*Act*”), as the Act may be amended from time to time, and FCC regulations promulgated under the Act. This section must be interpreted to be as restrictive as possible while not violating the Act or FCC regulations. The Board may promulgate Guidelines which further define, restrict, or address the placement and screening of receiving devices and masts, provided such Guidelines comply with the Act and applicable FCC regulations.

Declarant and the Association have the right, without the obligation, to erect an aerial, satellite dish, or other apparatus (of any size) for a master antenna, cable, or other communication system for the benefit of all or any portion of the Property, should any master system or systems require such exterior apparatus.

E. Basketball Goals and Backboards

No basketball goal, net, or backboard may be kept, placed, or mounted upon any Lot or kept, placed, attached, or mounted to any fence or Dwelling without prior written approval by the ARC. Basketball goals and backboards are subject to the Guidelines as to type, location, and hours of use. Basketball goals and backboards must at all times be maintained and kept in good condition. If any basketball goal, net, or backboard is placed within the Property in violation of this Declaration, the Association (or its agents) is authorized to exercise its Self Help remedy, as set forth in this Declaration, to bring the Owner's Lot into compliance with this provision.

F. Drilling

No drilling or related operations of any kind are permitted upon, under, on, or in any Lot. No wells, tanks, tunnels, mineral excavations, or shafts are permitted upon or in any Lot, including water wells for potable or non-potable uses. Provided, however, Declarant, the Association, or the special purpose district (or other entity owning such land) has the right to drill water wells for non-potable uses upon the Common Area and Area of Common Authority (with any such landowner's approval) for purposes including irrigation of recreational fields, parks, and other open areas.

G. Exterior Seasonal Decorations

The Board may promulgate rules regarding the display of exterior seasonal decorations, including lights, banners, flags, and wreaths. Such rules may address the appearance and length of time of such display. Any display of exterior seasonal decorations must be maintained and kept in good condition at all times. If any exterior seasonal decoration is placed, or remains, within the Property in violation of this Declaration or the Dedicatory Instruments, the Association (or its agents) is authorized to exercise its Self Help remedy, as set forth in this Declaration, to bring the Owner's Lot into compliance with this provision.

H. Flags and Flagpoles

The size, number, and placement of flagpoles, and the display of flags within the Property, are subject to Guidelines, rules, or policies adopted by the Board. It is not intended for this Section to violate any local, state, or federal law. This Section must be interpreted to be as restrictive as possible while not violating any laws of the State of Texas or the United States of America.

I. General Nuisances

No portion of the Property may be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor may any substance, thing, animal, or material be kept upon any

portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, comfort, or serenity of the Owners or Occupants of surrounding Homesites and users of the Common Areas.

No noxious, illegal, or offensive activity may take place or exist upon any portion of the Property, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. No plant, animal, device, or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property may be kept within the Property. Outside burning of wood (except for wood burned in approved outdoor fire pits and fireplaces), leaves, trash, garbage, or household refuse is prohibited within the Property. No speaker, horn, whistle, bell, or other sound device, except alarm devices used exclusively for residential monitoring purposes, may be installed or operated on the Property, unless required by federal, state, or local regulation. The use and discharge of firecrackers and other fireworks is prohibited within the Property.

Each Owner has the obligation to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot or Homesite. The pursuit of hobbies or other visible activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices that might tend to cause disorderly, unsightly, or unkempt conditions, may not be pursued or undertaken on any part of the Property. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work may be permitted provided such activities are not conducted on a regular or frequent basis and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within 12 hours.

Notwithstanding anything contained in this Declaration to the contrary, the Association has the right, but not the obligation, to enter upon any Common Area, Area of Common Authority, or street right-of-way to remove signs not authorized by the Board in advance, and to regulate (including the prohibition of) street vending and similar non-approved activities that are not in compliance with Texas law.

No portion of the Property may be used, in whole or in part, in a way that creates a nuisance within the Property. Activities or conditions constituting a nuisance are incapable of exhaustive definition which will fit all cases, but they may include those activities and conditions that endanger life or health, give unreasonable offense to senses, or obstruct reasonable use of property. Those activities or conditions that cause minor or infrequent disturbances resulting from ordinary life activities within a deed restricted community are not intended to constitute a nuisance. Whether such activity or condition constitutes a nuisance will be determined by the Board. The Board may adopt rules or policies to further define what constitutes a nuisance, as warranted.

J. Generators

The size, number, placement, and other characteristics of standby electric generators within the Property are subject to any applicable Guidelines, rules, or policies adopted by the Board.

K. Monuments and Fences

Declarant and the Association, including their respective designees, are granted an easement to place, maintain, and repair a monument or marker within the Property.

Fencing requirements for Lots within the Property are set forth in the Guidelines or other Dedicatory Instrument and fencing is subject to prior written approval by the ARC. Unless otherwise set forth in this Declaration or in another Dedicatory Instrument, Owners are responsible for the ongoing maintenance, repair, and replacement of all fences in existence at the time of their purchase of the Lot. Replacement fences must be of a similar material and design as originally constructed. The maintenance of any portion of a fence which lies between Lots (“**Shared Fencing**”) is the joint responsibility of the Lot Owners on whose property the fence lies between. Owners are advised that, while Shared Fencing is typically installed directly on the shared Lot line, there may be minimal deviations in the location of the Shared Fencing that cause some or all of the Shared Fencing to be located within the platted boundaries of only one Lot. Regardless of these possible deviations, the Shared Fencing will remain the joint responsibility of the Lot Owners on whose Lots the Shared Fencing lies between. In the event an Owner fails to repair, replace, or maintain any fence in a manner consistent with the Community-Wide Standard in the sole discretion of the Board, the Board may exercise its Self Help remedy pursuant to the terms set forth in this Declaration, and has the right, but not the obligation, through its agents, contractors, or employees to enter such Lot for the repair or replacement of such fence after notice to the Owner. Any expense incurred by the Association in effectuating such repair or replacement is the responsibility of the Owner(s) having such obligation to maintain or will be split evenly between adjoining Lot Owners if Shared Fencing is involved, and such expense is secured by the continuing lien on the Lot.

Owners are advised that there may be “**Community Fences**” located upon land adjacent to Lots, including within various reserve areas (all such land is referred to as the “**Reserve**” or “**Reserves**”) throughout the Property. In some instances, a Community Fence may be located within the platted boundary of a particular Lot. The Community Fences may be designated by Declarant in this Declaration, a Supplemental Amendment, or another Dedicatory Instrument. The Community Fences may serve as side or rear fencing to various Lots that are adjacent to such Community Fences (“**Adjacent Lots**”). The Community Fences will not be owned by Adjacent Lot Owners and may be owned by the Association or another entity. In instances where a Reserve containing a Community Fence is owned by an entity other than the Association, the Community Fence located therein may be maintained by such entity or the Association. In instances where a Reserve containing a Community Fence is owned by the Association, the Community Fence located therein will be owned and maintained by the Association, with such maintenance to be at the Board’s sole discretion. There is no requirement that a Community Fence be replaced with the materials as originally constructed, and the replacement Community Fence materials will be determined at the discretion of the ARC.

Where applicable, Adjacent Lot Owners may abut (but not mechanically attach) their fencing to the adjacent Community Fence. Portions of the Reserves located within the fenced area of an Adjacent Lot (the “**Community Fence Reserve Area**”), if any, are made available by the Association or an entity owning such Reserve for the benefit and use of the Adjacent Lot Owners, but such Adjacent Lot Owners are not vested with title to the Community Fence

Reserve Area. Adjacent Lot Owners are not permitted to place or construct, either temporarily or permanently, any structures or improvements within the Community Fence Reserve Area unless the Adjacent Lot Owners have first obtained approval in writing from the ARC. Adjacent Lot Owners have the right to use their respective Community Fence Reserve Area subject to the following:

- Adjacent Lot Owners may not attach anything, temporarily or permanently, to the Community Fence, including any fencing abutting the Community Fence.
- Adjacent Lot Owners must maintain any landscaping located in the Community Fence Reserve Area, including trimming and spraying for insects.
- Adjacent Lot Owners may not alter the drainage pattern that has been established for the Community Fence or Community Fence Reserve Area.
- Adjacent Lot Owners may not place or construct, either temporarily or permanently, any structures or improvements within the Community Fence Reserve Area unless the Adjacent Lot Owners have first obtained approval in writing from the Association.
- Adjacent Lot Owners must maintain the Community Fence Reserve Area in a clean and neat condition and in compliance with the Dedicatory Instruments of the Property at all times.

The Adjacent Lot Owners and Declarant grant an easement to the Association and to the Community Fence owner, as applicable, over and across each Adjacent Lot to the extent necessary for the construction, maintenance, reconstruction, and inspection of the Community Fence and inspection of the Community Fence Reserve Area. Declarant reserves unto itself an easement over and across each Adjacent Lot to the extent necessary for the construction, maintenance, reconstruction, and inspection of the Community Fence and inspection of the Community Fence Reserve Area. Declarant, the Association, or the Community Fence owner, as applicable, must give the Adjacent Lot Owners at least 24 hours written notice prior to exercising its right of entry as set out in this Declaration. Notwithstanding anything contained in this Declaration to the contrary, written notice of Declarant's, the Association's, or the Community Fence owner's (as applicable) intent to enter upon the Adjacent Lot is not required in the event of an emergency. Adjacent Lot Owners agree to hold harmless Declarant and the Association, including their respective directors and officers, and release them from any liability for the placement, construction, design, repair, maintenance, and replacement of Community Fences and Community Fence Reserve Areas, and agree to indemnify the parties released from any damages they may sustain. Owners further grant an easement to Declarant and the Association for any incidental noise, lighting, odors, parking, and traffic which may occur due to the existence, installation, maintenance, repair, or replacement of Community Fences and Community Fence Reserve Areas.

The Association's maintenance obligation of the Community Fences extends only to normal wear and tear of such fencing. Any damage caused to a Community Fence by an Owner or Occupant that is beyond normal wear and tear will be repaired by the Association or the

Community Fence owner, as applicable, at the Lot Owner's expense. The Board has the sole discretion to determine what constitutes normal wear and tear. In exercising its obligations set forth in this Declaration, the Association is not subject to any liability for trespass, other tort, or damages in connection with or arising from such exercise of its obligations set forth in this Declaration, nor in any way is the Association or the ARC, or their agents, liable for any accounting or other claim for such action. Further, in exercising its obligations set forth in this Declaration, the Association is not liable for any loss or damage to landscaping (soft or Hardscape) that encroaches upon a Community Fence or any existing materials that are affixed to the Community Fence in violation of this provision, including any Owner fencing that is connected to a Community Fence and any Owner's decorations or other personal items.

Community Fences have been or will be constructed on or adjacent to portions of certain Lots within Kellar Farms as set forth on Exhibit A, attached to this Declaration and made a part of this Declaration for all purposes. Such Lots are considered Adjacent Lots and are subject to the provisions above pertaining to Community Fences. Declarant, the Association, and the Community Fence owner, as applicable, have an easement on such Adjacent Lots for the installation, maintenance, repair, and replacement of the Community Fences, as more particularly described in this Declaration. Save and except the fencing noted in this subsection, all other fencing located upon the Lots within Kellar Farms must be installed, maintained, repaired, and replaced in accordance with the Dedicatory Instruments.

L. Outbuildings

Outbuildings may not be constructed or placed on a Lot within the Property without the prior written approval of the ARC. Guidelines may be established from time to time addressing factors including the appearance, type, size, quality, and location of Outbuildings on a Lot.

M. Outside Storage and Trash Collection

No equipment, machinery, or materials of any kind or nature may be stored on any Homesite forward of the fence at the front wall of the Dwelling situated thereon, unless the equipment, machinery, or materials are being used temporarily (not more than 1 week) and are incident to repair or construction of the Dwelling or Homesite. Equipment, machinery, and materials must be stored out of sight of every other Homesite immediately after use of such item, and all trash, debris, excess, or unused materials or supplies must be disposed of immediately off of the Homesite or stored out of view until trash collection occurs.

Trash may only be placed outside for collection the evening before collection. Trash must be contained in trashcans to protect from animals or spillage and trashcans must be removed from Public View the same evening of collection. No outdoor incinerators may be kept or maintained on any Lot.

Notwithstanding the foregoing, the outside storage of equipment, machinery, materials, and trash receptacles on a Lot that is associated with the construction of a Dwelling by a Builder is permitted during the time of construction of the Dwelling.

N. Parking

The following provisions apply to all Lots located within the Property:

1. Permitted Vehicles:

“**Permitted Vehicles**” may include passenger automobiles, passenger vans, pick-up trucks (each of the foregoing having no more than 2 axles) and motorcycles that: (i) are in operating condition; (ii) are qualified by current vehicle registration and inspection stickers; and (iii) are in regular use as motor vehicles on the streets and highways of the State of Texas.

The Board has the sole discretion to determine whether a particular vehicle is a Permitted Vehicle.

Permitted Vehicles may be parked on the driveway of a Lot or inside a garage or enclosure approved by the ARC. Any vehicle that does not satisfy the foregoing requirements must be completely concealed from Public View inside a garage or enclosure approved by the ARC, with the exception of temporary parking of Commercial Vehicles and Recreational Vehicles.

2. Commercial Vehicles:

“**Commercial Vehicles**” may include cars, panel vans and pick-up trucks used in a business enterprise, tow trucks, plumbing service vehicles, vehicles displaying commercial signage, as well as associated machinery, trailers, or equipment. The Board has the sole discretion to determine whether a particular vehicle, associated machinery, or any signage related thereto is commercial in nature.

Commercial Vehicles may be temporarily parked on the driveway of a Lot for the purposes of construction, repair, or maintenance related to a Dwelling or Lot, or for delivery services, but only for the time necessary for such purpose, unless a prior written request is received by the Board and a temporary parking permit has been issued by the Board.

The parking of any other Commercial Vehicle on a Lot will be permitted only if such Commercial Vehicle is completely concealed from Public View inside a garage or enclosure approved by the ARC.

3. Recreational Vehicles:

“**Recreational Vehicles**” may include trailers, motor homes, campers, golf carts, four-wheelers, mini-bikes, go-carts, buses, dirt motorcycles, neighborhood electric vehicles, jet skis, and boats. The Board has the sole discretion to determine whether a particular vehicle is a Recreational Vehicle.

One Recreational Vehicle with not more than 2 axles may be temporarily parked on the driveway of a Lot for up to 48 consecutive hours for loading and unloading

purposes only, unless a prior written request is received by the Board and a temporary parking permit has been issued by the Board. A Recreational Vehicle may be stored on a Lot as long as the Recreational Vehicle is completely concealed from Public View inside a garage or enclosure approved by the ARC. Recreational vehicles may not be parked or stored upon the streets or Common Areas within the Community at any time unless a prior written request is received by the Board and a temporary parking permit has been issued by the Board. Save and except loading and unloading on a driveway as set forth in this provision, golf carts, four-wheelers, dirt motorcycles, neighborhood electric vehicles, and any other similar vehicle as the Board may determine from time to time, may not be operated within the Property.

4. Vehicles in General:

This subsection applies to all vehicles, including Permitted Vehicles, Commercial Vehicles, and Recreational Vehicles, as same are described in this Section. No vehicle may be parked on a landscaped area on a Lot or a Common Area that has not been designated for parking. Provided, however, this provision does not apply to vehicles that may be parked on a landscaped Common Area at the direction of the Association, Declarant, or their designees. Driveways may not be used to rebuild or repaint vehicles.

5. Enforcement:

The Board has sole discretion to enforce the foregoing parking provisions. The Association has the right without the obligation to enforce the limitations on parking set forth in this Declaration or in another Dedicatory Instrument.

Notwithstanding anything contained in this Declaration to the contrary, the Board may promulgate additional parking rules regarding items including the use, maintenance, and parking of vehicles on Lots, private streets, and Common Areas restricted to parking purposes. The Board has discretion to determine the various types of vehicles that fall within the scope of any such rules. If there is a conflict between this Section and parking rules promulgated by the Board, the parking rules control.

O. Play Structures

Play Structures may not be constructed or placed on a Lot within the Property without the prior written approval of the ARC. Guidelines may be established from time to time regarding play forts, playhouses, swing sets, and other recreational equipment (collectively referred to as “*Play Structures*”), considering such factors including the overall height, size, location, and number of Play Structures placed on a Lot. In setting the Guidelines, factors including the size and configuration of the Lot, the location of the Lot in the community, the location of the Play Structure on the Lot, the type of fencing on the Lot, and the visibility of the Play Structure from streets, other Lots, or the Common Areas may be considered.

P. Screening

No Owner or Occupant of any portion of the Property may permit the keeping of articles, goods, materials, utility boxes, refuse, trash, storage tanks, or like equipment on the Property

which may be considered a nuisance or hazard in the sole discretion of the Board. Air conditioners, utility boxes, garbage containers, antennas to the extent reasonably possible and pursuant to the terms set forth in this Declaration, or like equipment, may not be kept in Public View and must be placed in a location first approved in writing by the ARC. Added screening must also be provided to shield such stored materials and equipment from grade view from adjacent Dwellings or the Common Area. Utility boxes must be screened so that they are not visible from the street and as may be set out in the Guidelines. Such screens must be of a height at least equal to that of the materials or equipment being stored, but in no event may such screen be more than 6 feet in height. A combination of trees, hedges, shrubs, or fences should be used as screening material, as same may be set out in the Guidelines. All screening designs, locations, and materials are subject to prior written ARC approval. Any such screening installed must be maintained in a clean and neat manner at all times and may not detract from the appearance of the Property.

Q. Signs

No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted, or attached to any Dwelling, fence, or other improvement upon such Lot so as to be visible from Public View except the following:

1. For Sale Signs. An Owner may erect 1 sign on his Lot, not exceeding 2 feet by 3 feet in area, fastened only to a stake in the ground and extending not more than 3 feet above the surface of such Lot advertising the property for sale.
2. Political Signs. Pursuant to Texas Election Code §259.002 or its successor statute, political signs are approved as temporary signage on Lots for all local, state, or federal election purposes, provided that they meet the following criteria:
 - a. Only 1 sign per candidate or measure is allowed.
 - b. Maximum sign size may not exceed 4 feet by 6 feet.
 - c. Signs must be ground-mounted. No sign may be mounted on any exterior part of the Dwelling, garages, patios, fences, or walls.
 - d. Signs may be posted not more than 90 days prior to the election date and must be removed within 10 days after the election date.
 - e. Signs may not contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component.
 - f. No sign may be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object.
 - g. No sign may involve the painting of architectural surfaces.
 - h. No sign may threaten public health or safety or violate a law.

- i. No sign may contain language, graphics, or any display that would be offensive to the ordinary person.
 - j. No sign may be accompanied by music or other sounds or by streamers or be otherwise distracting to motorists.
 - k. Political signs are prohibited on any Common Area or facility owned by the Association, including any public or private street right-of-way utility easement.
3. School Spirit Signs. Signs containing information about one or more students residing in a Dwelling and the school they attend are permitted so long as the sign is not larger than 36 inches by 36 inches and is fastened only to a stake in the ground. There may be no more than 1 sign for each student residing in the Dwelling.
4. Security Signs and Stickers. Signs or stickers provided to an Owner by a commercial security or alarm company providing service to the Dwelling are permitted so long as the sign is no larger than 8 inches by 8 inches, or the sticker is no larger than 4 inches by 4 inches. There may be no more than 1 sign and no more than 6 stickers located on the windows or doors of a Dwelling. Stickers are also permitted upon windows and doors for pet notification purposes, a “Child Find” program, or a similar program sponsored by a local police or local fire department.

Declarant or the Board may promulgate Guidelines regarding signs and emblems within the Property. Save and except Declarant and the Association, no Owner or Occupant may place any type of sign within the Common Area or Area of Common Authority without the prior written approval of the Board or Declarant (as addressed below). The Board and Declarant have the discretion to determine if an item placed by an Owner or Occupant in a Common Area or Area of Common Authority constitutes a sign under this provision.

A Builder or Declarant may place certain information and advertising signs on Lots without the prior permission of the ARC, so long as (i) such signs are similar to those listed as acceptable for Builder use in the Guidelines, and (ii) such signs do not otherwise violate this Declaration.

If any sign is placed within the Property, including Areas of Common Authority, the streets, street rights-of-way, and Common Areas, in violation of this Declaration or the Dedicatory Instruments, the Board or its agents have the right, but not the obligation, to enter upon any Lot, Homesite, street, street right-of-way, Common Area, or Area of Common Authority, to remove or dispose of any such sign violation and, in doing so, are not subject to any liability for trespass, other tort, or damages in connection with or arising from such entry, removal, or disposal, nor in any way is the Association or its agent liable for any accounting or other claim for such action.

Guidelines may be established from time to time addressing the display of signs, including billboards, posters, school activity signs, political signs, security signs and stickers, and advertising devices within the Property. The right is reserved by Declarant to construct and

maintain, or to allow Builders to construct and maintain signs and other advertising devices on land they own and on the Common Area as is customary in connection with the sale of developed tracts and newly constructed residential Dwellings. In addition, Declarant and the Association have the right to erect and maintain directional and informational signs along the streets within the Property and identifying signs and monuments at entrances to the Property.

R. Swimming Pools and Spas

No above ground swimming pools are permitted. All swimming pools and spas require prior written approval by the ARC.

S. Tree Removal

No trees greater than 3 caliper inches to be measured at a point 6 inches above grade may be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in writing by the ARC. In the event of an intentional or unintentional violation of this Section, the violator may be required to replace the removed tree with 1 or more comparable trees of such size and number and in such locations as the Board, in its sole discretion, may determine necessary to mitigate the damage.

T. Window Air Conditioning Units

No window or wall type air conditioners may be used, placed, or maintained on or in any building on the Lots, with the exception that a window or wall type air conditioner may be permitted for the benefit of a garage if such air conditioning unit is located at the rear of the garage unit and is screened from Public View. Window and wall type air conditioning units require prior written ARC approval.

All living areas within the Dwelling, including any room additions, must be centrally air-conditioned, unless otherwise approved by the ARC. Units that are alternatives to centrally air-conditioned units must be screened from Public View and will require prior written ARC approval.

U. Wind Turbines

No device used to convert wind into energy, including wind turbines, wind pumps, wind chargers, and windmills, is permitted to be used, placed, or maintained in any location within the Property; provided, however, this provision does not apply to Common Areas within the Property. The Board has the sole discretion to determine what devices are prohibited pursuant to this provision.

V. Window Treatments

Within 3 months of occupying a Dwelling on any Homesite, an Owner must install appropriate window treatments in keeping with the Community-Wide Standard. Appropriate window treatments include curtains and draperies with backing material of white, light beige, cream, light tan, or light gray; blinds or miniblinds of the same colors or natural wood; or shutters of the same colors or natural wood. No other window treatment color may be visible

from the exterior of the Dwelling. The Board has the sole discretion to determine what window treatments are appropriate.

Expressly prohibited both before and after the initial 3 months of occupancy are any temporary or disposable coverings not consistent with the Community-Wide Standard, such as reflective materials, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made for or commonly used by the general public for window coverings in a residential subdivision of the same caliber as the Property.

ARTICLE VII. COMMON AREA AND AREA OF COMMON AUTHORITY

The Association, subject to the rights of the Members set forth in this Declaration and any amendments or Supplemental Amendments thereto, is responsible for the exclusive management and control of the Common Area and all improvements thereon and will keep it in good, clean, attractive, and sanitary condition. No Owner or Occupant may appropriate any portion of the Common Area or any improvement thereon for his or her own exclusive use. Any Owner or Occupant that causes damage to the Common Area is financially responsible for the damage. The cost of repair, if not timely paid by the Owner (subject to any notice that may be required by law), will be assessed against the Owner's Lot and secured by the continuing lien set forth in this Declaration. The Association may permit use of Common Area facilities by persons other than Owners and Occupants of Lots and may charge use fees in such amounts as the Board may establish from time to time for such use. The Association may charge use, consumption, and activity fees to any person using Association services or facilities or participating in Association-sponsored activities. The Board may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners).

Declarant, and its designees, may transfer or convey interests in real or personal property within or for the benefit of the Property at any time to the Association, and the Association must accept such transfers and conveyances, even if such transfer or conveyance occurs after the termination of the Development Period. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests. Real property transferred to the Association by Declarant, or its designees, may be transferred via a deed without warranty; provided, however, the property must be transferred free and clear of all liens and mortgages at the time of such transfer. Upon Declarant's written request, the Association must reconvey to Declarant any real property that Declarant originally conveyed to the Association for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or to accommodate changes in the development plan.

Declarant (during the Development Period) or the Association (after the expiration of the Development Period) reserves the sole and exclusive right to amend existing Common Areas, add new Common Areas, and amend any permissible activities within or rights to access the Common Areas. Declarant and Association make no representations, guarantees, or warranties of any nature as to the longevity and mortality of habitats found throughout the Property.

During the Development Period, Declarant may convey record title or easements to some or all of the Common Areas to the Association if, as, and when deemed appropriate by Declarant

or as may be required by governmental officials, and Declarant has at all times during the Development Period the right (i) to effect redesigns or reconfigurations of the Common Areas (particularly along the edges), (ii) to execute any rules or restrictions applicable to the Common Areas which may be permitted in order to reduce property taxes, and (iii) to take whatever steps may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem or income taxes.

Owners covenant (i) not to possess any Common Area in any manner adverse to the Association, and (ii) not to claim or assert any interest or title in any Common Area. Owners waive their right to adversely possess any Common Area and acknowledge and agree that any claim of adverse possession by an Owner of any Common Area is void.

Subject to (i) anything to the contrary in a Dedicatory Instrument, (ii) an agreement with the owner of the relevant Area of Common Authority, or (iii) any covenant set forth in the deed or other instrument transferring the property to the Association, the Association may manage, operate, and control the Area of Common Authority. The Association may adopt rules and polices and enter into leases, licenses, and operating agreements with respect to portions of the Area of Common Authority and Common Area, for payment or no payment, as the Board deems appropriate. For purposes of clarity, the Area of Common Authority may include areas that are subject to the Association's rule making authority and enforcement rights set forth in the Dedicatory Instruments, such as the sidewalks within public rights-of-ways, even though persons or entities other than the Association may have the obligation to maintain such areas. The Area of Common Authority may include:

- (a) the Common Area;
- (b) any sidewalks, walking paths, or trail systems located within Kellar Farms;
- (c) landscaping within public rights-of-way within or in proximity to Kellar Farms (save and except those rights-of-way abutting Lots within the Property) to the extent that governmental authorities do not maintain it to the Community-Wide Standard;
- (d) such portions of any additional property as set forth by Declarant, this Declaration, any Dedicatory Instrument, or any covenants or agreements for maintenance entered into by, or otherwise binding on the Association; and
- (e) any property and facilities that Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Declarant must identify any such property and facilities by written notice to the Association, and such property and facilities will remain part of the Area of Common Authority until Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property it does not own, including Lots, property dedicated to the public, and property owned or maintained by another association, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. To the extent permitted by Texas law, the Association is not liable for any damage or injury occurring on or arising out of the condition of, property it does not own.

ARTICLE VIII. NOTICES AND EASEMENTS

A. Easements for Green Belt, Pond Maintenance, Flood Water, and Other Landscape Reserves

Declarant and the Association reserve for themselves and their successors, assigns, and designees the non-exclusive right and easement, but not the obligation, to enter upon the green belts, landscape reserves, ponds, and other bodies of water located within the Property (a) to install, keep, maintain, and replace pumps in order to obtain water for the irrigation of any of the Common Area, (b) to construct, maintain, and repair any fountain, wall, dam, hardedge, canal, or other structure retaining water therein, and (c) to remove trash and other debris and to fulfill their maintenance responsibilities as provided in this Declaration. Declarant's rights and easements set forth in this provision automatically terminate at such time as Declarant ceases to own any portion of the Property subject to the Declaration. Declarant, the Association, and their designees have an access easement over and across any portion of the Property abutting or containing any portion of any of the green belts and landscape reserves to the extent reasonably necessary to exercise their rights and responsibilities under this Declaration.

There is further reserved, for the benefit of Declarant, the Association, and their designees, a perpetual, non-exclusive right and easement of access and encroachment over the Common Areas in order to enter upon and across such portions of the Property for the purpose of exercising rights and performing obligations under this Declaration. Each person entitled to exercise these easements must use care in, and repair any damage resulting from, the intentional exercise of such easements. Nothing in this Declaration may be construed to make Declarant, the Association, or any other person or entity liable for damage resulting from flood due to hurricanes, heavy rainfall, or other natural disasters.

There is further reserved for Declarant, the Association, and their designees an easement for the overspray of herbicides, fungicides, pesticides, fertilizers, and water over portions of the Property located in proximity to the Common Area, any landscape or open space reserves, greenbelts, canals, ponds, or other bodies of water.

B. Easements to Serve Additional Property

Declarant and the Association, including their duly authorized agents, representatives, employees, designees, successors, assignees, licensees, and mortgagees, have and there is reserved an easement over the Common Areas for the purposes of enjoyment, use, access, and development of any annexed Property made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for tying in and installation of utilities on any annexed Property.

Declarant and the Association may enter into an agreement with regard to adjacent land owned by Declarant that has not been annexed into this Declaration for the purposes of providing access to any such adjacent land and sharing the cost of maintenance to any access roadway serving the property. During the Development Period, Declarant may enter into an agreement with an adjacent owner of land not annexed into this Declaration for the purposes of providing access to any such adjacent land and sharing the cost of maintenance to any access roadway

serving the property. After the expiration of the Development Period, the Association may enter into an agreement with an adjacent owner of land not annexed into this Declaration for the purposes of providing access to any such adjacent land and sharing the cost of maintenance to any access roadway serving the property. Any such agreement must provide for sharing of costs based on the ratio that the number of Dwellings or buildings on that portion of the property that is served by the easement and is not made subject to this Declaration bears to the total number of Dwellings and buildings within the Property.

C. Utilities and General

There are reserved in favor of Declarant, so long as Declarant owns any Property, the Association, and the designees of each (which may include Bastrop County, special purpose districts, and any utility companies) access and maintenance easements (collectively referred to as the “*Access Easements*”) upon, across, over, and under the Property to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining any of the following which may exist now or in the future: cable television systems, Wi-Fi systems, master television antenna systems, monitoring and similar systems, roads, walkways, bicycle pathways, trail systems, wetlands, drainage systems, street lights, signage, and all utilities, including water, sewers, meter boxes, telephone, gas, and electricity (collectively the “*Systems*”). There are additionally reserved unto Declarant, so long as Declarant owns any Property, the Association, and the designees of each (which may include Bastrop County, special purpose districts, and any utility companies) an easement for the installation of the foregoing Systems (referred to as the “*Installation Easements*”). Such Installation Easements are restricted in location to the Property that Declarant and the Association own or within easements designated for such purposes on applicable recorded plats of the Property or in other Dedicatory Instruments.

Notwithstanding anything contained in this Declaration to the contrary, driveways and sidewalks are not an encroachment into the Access Easements or Installation Easements; however, Owners must verify all easements affecting their Lot and obtain any necessary approval from the easement holder prior to submission of plans to the ARC. Upon the transfer of title of a Lot from Declarant to an Owner, the Access Easement covering the entirety of such Lot automatically reduces in size to the width of the Installation Easements on the Lot.

Notwithstanding anything to the contrary in this Declaration, the Access Easements and Installation Easements do not entitle the holders of such easements to access, construct, or install any of the foregoing Systems over, under, or through any existing Dwelling. Any damage to a Homesite resulting from the exercise of the Access Easements or Installation Easements must promptly be repaired by, and at the expense of, the person or entity exercising the Access Easements or Installation Easements. The exercise of the Access Easements and Installation Easements may not unreasonably interfere with the use of any Homesite.

Without limiting the generality of the foregoing, there are reserved for the local water supplier, electric company, internet provider, cable company, and natural gas supplier easements across all the Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining all utilities, including utility meters boxes, installation equipment, water, sewers, telephone, gas, electricity, internet, service equipment, and any other device, machinery, or equipment necessary for the proper functioning of the utility; however, the exercise of this

easement does not extend to the unauthorized entry into the Dwelling on any Homesite, except in an emergency. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property, except as may be approved by the Board or Declarant.

D. Conditions

Owners and Occupants of Lots within the Property are advised that the following conditions exist or may exist within or near the Property (collectively referred to as the “*Conditions*”):

1. The Property may contain a number of manmade, natural, and environmentally sensitive areas that may serve as habitats for a variety of native plants and wildlife, including insects, alligators, bobcats, coyotes, venomous and non-venomous snakes and other reptiles, deer, armadillos, and other animals, some of which may pose hazards to persons or pets coming in contact with them.
2. Reserve areas exist throughout the Property that may be restricted to uses such as, by way of illustration and not limitation, landscape, open space, drainage, or utility purposes, including greenspace reserves A and B.
3. There exists or may exist within or in proximity to the Property one or more parks or recreation centers. The parks and recreation center are collectively referred to in this Declaration as the “*Recreational Facilities*”.
4. A community trail system exists or may exist within the Property. The community trail system may extend through reserves owned by the Association, by a special purpose district, or by another entity, and may be maintained by the Association or another entity.
5. Surrounding uses and conditions exist or may exist within or in proximity to the Property, including commercial uses (which may include, but are not limited to, hotels, conference centers, restaurants, urban shopping centers and markets, medical and institutional facilities, large corporate campuses, multi-family uses, as well as land that is not owned by Declarant or the Association).
6. Adjacent land that is not owned by the Association or Declarant exists in proximity to the Property, outside of the platted area.
7. FEMA Flood Zone A exists or may exist within or in proximity to the Property.
8. A sign easement, including a 4-foot by 4-foot ground easement and 40-foot by 40-foot aerial easement in favor of John Gannon, Inc., more particularly described that instrument recorded under Clerk’s File No. 201503761 in the Bastrop County Official Records, exists or may exist within or in proximity to the Property.

Owners and Occupants are advised that there may be potentially dangerous conditions that exist within or near portions of the Property, such as, by way of illustration and not

limitation, the following: holes, streams, roots, stumps, ditches, gullies, flooding, standing water, murky water, erosion, instability of natural topography, insects, reptiles, and animals. It is possible for some or all of these conditions to extend into the Lots within the Property. Each Owner and Occupant of any Lot, and every person entering the Property (i) acknowledges that there are plants and wildlife that are indigenous to the area and are not restrained or restricted in their movements within or throughout the Property; and (ii) assumes all risk of personal injury arising from the presence of such plants and wildlife within the Property. Neither the Association, Declarant, any successor declarant, nor the partners, affiliates, officers, directors, agents, or employees of any of the foregoing, have any duty to take action to control, remove, or eradicate any plant or wildlife in the Property, nor do they have any liability for any injury resulting from the presence, movement, or propagation of any plant or wildlife within or throughout the Property.

OWNERS AND OCCUPANTS OF LOTS WITHIN THE PROPERTY AGREE TO HOLD HARMLESS DECLARANT AND THE ASSOCIATION, INCLUDING THEIR RESPECTIVE DIRECTORS AND OFFICERS, AND RELEASE THEM FROM ANY LIABILITY FOR THE EXISTENCE, PLACEMENT, CONSTRUCTION, DESIGN, OPERATION, REPLACEMENT, AND MAINTENANCE OF THE CONDITIONS AND AGREE TO INDEMNIFY SUCH RELEASED PARTIES FROM ANY LIABILITY RELATED TO SUCH OWNER'S OR OCCUPANT'S USE OF, OR PROXIMITY TO, THE CONDITIONS.

Each Owner and Occupant of a Lot within the Property acknowledges and understands that the Association, its Board, and Declarant are not insurers and that each Owner and Occupant assumes any risks for loss or damage to persons and property. Each Owner and Occupant of a Lot within the Property further acknowledges that the Association, its directors, officers, managers, agents, and employees, Declarant, and any successor declarant have made no representations or warranties, nor has any Owner or Occupant relied upon any representations or warranties, expressed or implied, relative to water levels, water clarity, safety, any use, or any future change in use of the Conditions. Declarant and the Association are not responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the Conditions within the Property.

Owners of Lots within the Property grant an easement to Declarant and the Association, including their respective designees, for any incidental noise, water, lighting, odors, parking, and visibility of the Conditions, as well as traffic that may occur due to the Conditions. There is further reserved for Declarant, the Association, and their designees an easement to the extent necessary over portions of Lots located in proximity to the Conditions for water and overspray of any products used to control vegetation within the Conditions.

Owners and Occupants of Lots that are located in proximity to the Conditions must take care and may not permit any trash, fertilizers, chemicals, petroleum products, environmental hazards, or any other foreign matters to infiltrate the Conditions. **ANY OWNER OR OCCUPANT PERMITTING OR CAUSING SUCH INFILTRATION MUST INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION, INCLUDING ITS DIRECTORS AND OFFICERS, FOR ALL COSTS OF CLEAN UP AND**

REMEDICATION NECESSARY TO RESTORE THE CONDITIONS TO THEIR CONDITION IMMEDIATELY PRIOR TO ANY SUCH INFILTRATION.

Owners of Lots located in proximity to the Recreational Facilities (“*Affected Lots*”) are subject to the risk of damage or injury due to errant sports balls and the use of improvements (if any) existing within the Recreational Facilities. Owners of Affected Lots, their successors, and assigns, assume the risk of damage and injury and release the Association and Declarant, their agents, employees, officers, directors, successors, and assigns, from any liability for damage or injury caused by errant sports balls in, on, or around the Recreational Facilities and the use and improvements (if any) of the Recreational Facilities. There is reserved and granted to Declarant and the Association, as to the Affected Lots, along with Declarant’s and Association’s independent contractors, agents, members, guests, and invitees, a nonexclusive easement over and across the Affected Lots, or portions thereof as provided below, for the following purposes:

- (i) Flight of sports balls over, across, and upon the Affected Lots;
- (ii) Doing of every act necessary and incident to the use of and playing of recreational activities on or within the Recreational Facilities, including, lighting of parking facilities and lighting within the Recreational Facilities; and
- (iii) Creation of noise related to the normal maintenance, operation, use and recreational activities of the Recreational Facilities, including, but not limited to, the operation of mowing and spraying equipment. Such noise may occur from early morning until late evening.

E. Commercial Uses

While the initial development plan for the Property features a residential community, this plan is subject to change and may be expanded to include commercial uses. Any additional land that may be annexed into the Property for commercial purposes may be subject to the jurisdiction of the Association.

F. Reclaimed Water

Declarant discloses to each Owner, and each Owner, by acceptance of title to his or her Lot, acknowledges, that Declarant or the Association may use: (i) water from water wells drilled on the Common Area, or (ii) reclaimed water for irrigation of the Common Areas. THIS WATER IS NOT INTENDED FOR HUMAN CONSUMPTION AND SHOULD NOT BE CONSUMED BY HUMANS.

G. Private Streets

Owners are advised that the streets located within Kellar Farms will be private streets, dedicated or to be dedicated to the Association for the use of the Owners, Occupants, and public service providers of Kellar Farms, and maintained by the Association. The private streets will not be dedicated to the public, any municipal body or public authority. The Annual Assessment covers the costs for maintenance, repair, and replacement of the private streets within Kellar Farms (as well as any access gates and associated equipment and improvements). Additional

sections may be annexed into the Property that may contain private streets or public streets. Notwithstanding anything contained in this Declaration to the contrary, if a section containing public streets is annexed into the Property in the future, a different Assessment may be set forth in the Supplemental Amendment pertaining to such section.

Declarant and the Association have the right to adopt rules and regulations concerning parking on the private streets within the Property, as well as the right to designate no parking zones denoted with signage or paint on the private streets. Declarant reserves for itself, the Association, and their respective successors and assigns, the right to grant additional ingress and egress easements over any such private streets within the Property without the joinder of any Owners or any other parties.

Declarant grants and reserves for itself, the Association, and their respective successors and assigns, and for the benefit of the Owners and Occupants, a non-exclusive and perpetual easement for the purpose of vehicular and pedestrian ingress and egress over any private streets that may exist within the Property. This easement is for the benefit of and appurtenant to each Lot within the Property and runs with the land. Each Owner of a Lot within the Property has the right to use such private streets in a manner that does not unreasonably interfere with or prevent the use thereof by any other Owner or any other party which may have the right to use same pursuant to the terms hereof. Each Owner of a Lot within the Property grants to Declarant and to the Association (as well as public utility providers, as applicable), and the designees of each, an easement across the private streets within the Property, along with an additional 10 feet on each side of the private streets, for the maintenance, repair, or replacement of the private streets or related improvements, provided that such easement may not extend into or beyond the foundation or exterior walls of any Dwelling or garage. After maintenance, repair, or replacement of the private streets or related improvements, the entity exercising this easement must return the affected portions of the Lots to their condition prior to the maintenance, repair, or replacement, at the entity's expense.

The access easement created is subject to the right of the Association to operate and maintain any entry gates, as applicable, as a controlled access system which requires a condition of entry such as identification cards, passes, keys, or similar devices as may be established from time to time by the Board. During the Development Period, the entry gates may remain open on a full-time or part-time basis at the Board's sole discretion in order to facilitate home sales and the buildout of the Property.

The access easement created is further subject to the right of the Board to promulgate rules and regulations regarding access to and use of the private streets.

H. Septic System

Owners are advised that each Lot has or will have a private septic system (collectively, the "*Septic Systems*") located in accordance with the schematic diagram on file with the Bastrop County Health Department. Compliance with the schematic diagram is mandatory. Each Owner is responsible for obtaining all necessary permits and tests related to their Septic System, as well as for the installation and all maintenance related to the Septic System located on the respective Lot. **OWNERS AND OCCUPANTS AGREE TO HOLD HARMLESS DECLARANT AND**

THE ASSOCIATION, INCLUDING THEIR RESPECTIVE DIRECTORS AND OFFICERS, AND RELEASE THEM FROM ANY LIABILITY FOR THE EXISTENCE, PLACEMENT, OPERATION, CONSTRUCTION, DESIGN, REPLACEMENT, OR MAINTENANCE ASSOCIATED WITH THE SEPTIC SYSTEMS AND AGREE TO INDEMNIFY EACH OF SUCH RELEASED PARTIES FROM ANY LIABILITY ARISING OUT OF OR RELATED TO SUCH OWNER'S OR OCCUPANT'S PROXIMITY TO THE SEPTIC SYSTEMS. OWNERS FURTHER GRANT AN EASEMENT TO DECLARANT AND THE ASSOCIATION FOR ANY INCIDENTAL NOISE, ODORS, LIGHTING, PARKING, OR VISIBILITY OF SUCH SEPTIC SYSTEMS. Owners and Occupants acknowledge that the Association, its directors, officers, managers, agents, or employees, Declarant, or any successor declarant have made no representations or warranties, nor has any Owner or Occupant relied upon any representations or warranties, expressed or implied, relative to safety, use, or any future change in use of the Septic Systems.

I. Water Service System

A water service and distribution system (the “*Water Service System*”) has been or will be installed on the Property, which Water Service System embraces all of the Lots. This Water Service System may consist of a master meter and water lines and such other appurtenances as are necessary to make water service available. The Owner of each Lot must, at his or its own cost, furnish, install, own, and maintain (all in accordance with the requirements of local governing authorities) the water service lines and appurtenances from the Dwelling to the Lot boundary of each Lot. The Association will, at its own cost, furnish, install, own, and maintain (all in accordance with the requirements of local governing authorities) the water service lines and appurtenances on the Common Area. Declarant and the Association have the right, but not the obligation, to install submeters for each individual Lot or Dwelling and, in such event, may establish individual Assessments and billing based on usage including, but not limited to, deposits and administrative fees associated with each sub-meter and service account. There is reserved for water utility providers serving the Property an easement across all of the Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining the Water Service System and all facilities related thereto; however, the exercise of this easement does not extend to the unauthorized entry into the Dwelling on any Homesite, except in an emergency.

ARTICLE IX. DEED RESTRICTION ENFORCEMENT

A. Authority to Promulgate Rules, Policies, and Guidelines

The Board has the authority, without the obligation, to promulgate, amend, cancel, limit, create exceptions to, and enforce rules, policies, and Guidelines, including rules and policies concerning the administration of the Property, the enforcement of the Dedicatory Instruments, the use and enjoyment of the Property, limitations on the use of the Common Area, and establishing and setting the amount of fines for violations of the Dedicatory Instruments and all fees and costs generated in the enforcement of the Dedicatory Instruments. Such rules, policies, and Guidelines are binding upon all Owners and Occupants. The rights and remedies contained in this Article are cumulative and supplement all other rights of enforcement under applicable law.

B. Attorney's Fees and Fines

In addition to all other remedies that may be available, after giving notice and an opportunity to be heard as may be required by §209 of the Texas Property Code, as same may be amended, the Association has the right to collect attorney's fees and fines as set by the Board from any Owner that is in violation of the Dedicatory Instruments, any applicable Supplemental Amendment or amendments, any Guidelines, or any other rule or regulation promulgated by the Board pursuant to the provisions set forth in this Declaration. The attorney's fees and fines will be added to the violating Owner's Assessment account and are secured by the continuing lien on the Lot.

C. Remedies

Each Owner must comply with all provisions of the Dedicatory Instruments. Failure to comply is grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association. In addition, the Board has the authority, but not the obligation, to enforce the covenants, conditions, and restrictions contained in the Dedicatory Instruments, and to regulate the use, maintenance, repair replacement, modification, and appearance of the Property, and may avail itself of any remedy provided in the Dedicatory Instruments and local, state, and federal law. Notwithstanding anything contained in this Declaration to the contrary, the Board has no duty to institute legal or other proceedings on behalf of or in the name of an Owner.

The Board has the sole discretion to determine whether to pursue enforcement action in any particular case. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

- (i) the Association's position is not strong enough to justify taking any or further action;
- (ii) although a technical violation may exist or may have occurred, 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
- (iii) that it is not in the Association's best interests, based upon hardship, expense, or other criteria, to pursue enforcement action.

Such decision is not a waiver of the Association's right to enforce such provision at a later time under other circumstances and does not preclude the Association from enforcing any Dedicatory Instrument.

D. Enforcement by Owners

Each Lot Owner, at his or her own expense, is empowered to enforce the covenants, conditions, and restrictions contained in this Declaration, any amendment to this Declaration, any Supplemental Amendment to this Declaration, and any amendment to any Supplemental Amendment; provided, however, no Owner has the right to enforce the lien rights retained in this

Declaration or any Supplemental Amendment in favor of the Association or other rights, regarding Assessments, fines, or other charges retained by the Association.

E. Self Help

“*Self Help*” means the authority, but not the obligation, of the Association, upon approval of not less than a majority of the Board members, to enter upon a Lot, Homesite, or other area that is an Owner’s responsibility to maintain (such as sidewalks that may be adjacent to an Owner’s Lot) and to cause to be performed any of the Owner’s maintenance and repair obligations, or acts required by that Owner to bring his/her Lot, Homesite, or other area into compliance with the Dedicatory Instruments, if the Owner fails to perform same after written demand from the Board. Except in the case of emergency situations, the Association must give the violating Owner a minimum of 5 days written notice (calculated using the date reflected on such notice) of its intent to exercise Self Help. The Board has the sole discretion to determine whether any given situation constitutes an emergency.

Self Help also includes the authority, but not the obligation, of the Association, upon approval of not less than a majority of the Board members, to cause the removal of any unapproved item placed upon the Common Area or Area of Common Authority by an Owner or Occupant, including by way of illustration and not limitation, storage pods, trailers, recreational vehicles, boats, or construction materials. Notwithstanding the 5 day written notice provision set forth above, the Association may, but is not required to, provide written notice to a violating Owner or Occupant prior to the exercise of Self Help to remove an unapproved item placed upon the Common Area or Area of Common Authority by an Owner or an Occupant.

In exercising its Self Help remedy, the Association is not subject to any liability for trespass, other tort, or damages in connection with or arising from such exercise of Self Help, nor in any way is the Association or its agent liable for any accounting or other claim for such action. The Association has the right, but not the obligation, to enter into any Lot, Homesite, or other area for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with the Dedicatory Instruments, which right may be exercised by the Association’s Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties.

Any costs incurred by the Association in the exercise of its Self Help remedy are the personal obligation of the person or entity who was the Owner of the Lot at the time when the Self Help costs were incurred. The costs incurred by the Association in exercising its Self Help remedy, which costs may include, by way of illustration and not limitation, the actual costs incurred by the Association and an administrative fee set by the Board, may be charged to the subject Owner’s Assessment account and are supported by the continuing lien created in this Declaration.

ARTICLE X. ARCHITECTURAL RESTRICTIONS

NOTE WELL: The provisions of this Article are broad and sweeping and regulate an extremely wide range of activities. Owners are advised to review this Article and the Guidelines carefully before commencing any work or engaging in any activity on or in

connection with their Lot or Dwelling to ensure they comply with all of the provisions set forth in this Declaration and in the Guidelines. Work commenced, performed, or completed without prior approval as required in this Declaration, in the Guidelines, or otherwise in violation of the terms of the Dedicatory Instruments or applicable law may subject the Owner of the Lot to substantial costs, expenses, fees, and penalties, which may be in addition to a requirement that the Lot or Dwelling be restored to its original condition. References in this Declaration to ARC approval mean the prior written approval of the ARC.

A. Architectural Review Committee - “ARC”

The ARC is a committee of the Board. In the absence of a designation by Declarant, the initial ARC is composed of the individuals designated as the initial members of the Board as set forth in the Association’s Certificate of Formation; provided, however, Declarant has the sole authority to designate all members of the ARC who need not be members of the Board. One member of the ARC may be designated as the representative to act on behalf of the ARC. During the Development Period, Declarant reserves the right to appoint replacements as necessary by reason of resignation, removal, or incapacity. At any time prior to the happening of the ARC Turnover (defined below), Declarant may, without obligation, assign to the Board, or to such other person Declarant deems appropriate, all or a portion of Declarant’s ARC rights or the responsibility for review and approval of modifications to existing Dwellings.

Declarant has the right of ARC appointment and removal until the first to occur of the following (the “*ARC Turnover*”):

1. Declarant no longer owns any portion of the Property, or
2. Declarant relinquishes, in writing, its authority over ARC appointment.

Upon ARC Turnover, the Board has the right to replace the ARC members by duly appointing Owners who are Members in Good Standing with the Association. After the ARC Turnover, the Board reserves the right to appoint replacements as necessary by reason of resignation, removal, or incapacity. Such removal or appointment is at the sole authority and discretion of the Board. The Board has the right to review any action or non-action taken by the ARC and is the final authority as to all ARC matters, including aesthetics and determination of the Community-Wide Standard.

Guidelines may be promulgated and amended by Declarant during the Development Period. After the expiration of the Development Period, Guidelines may be promulgated and amended by the Board; provided, however, any such amendments may not be applied retroactively to reverse a prior approval granted by the ARC or the Board to any Owner. Guidelines may be modified or amended as deemed necessary and appropriate for the orderly development of the Property, including those portions of the Guidelines regarding workmanship, materials, building methods, observance of requirements concerning installation and maintenance of public utility facilities and services, and compliance with governmental regulations. Subject to the provisions in this Declaration, there is no limitation on the scope of amendments to the Guidelines, and such amendments may remove requirements previously

imposed or otherwise make the Guidelines less restrictive. The rules, standards, and procedures set forth in the Guidelines, as same may be amended from time to time, are binding and enforceable against each Owner in the same manner as any Dedicatory Instrument. Further, different Guidelines for additional property that may be annexed into the Property may be promulgated.

The ARC has the authority, but not the obligation, to delegate review and approval or denial of plans for modifications of existing improvements within the Property to a Modifications Committee. The members of the Modifications Committee may be appointed and removed by Declarant during the Development Period, and thereafter by the Board. A denial by the Modifications Committee, if it is created, may be appealed to the ARC.

B. ARC Approval Required

No building, Hardscape, addition, modification (including tree removal), or improvement may be erected, placed, or performed on any Lot or Homesite until the construction plans and specifications, including the site plan, design development plan, and exterior plan, have been submitted in duplicate to and approved in writing by the ARC. Further, the ARC may review, approve, or deny applications for improvements within right-of-way areas that are adjacent to a Lot; provided, however, the Association, the Board, and the ARC are not liable for any injuries or damages that may arise from or may be related to any approved improvements located within a right-of-way area adjacent to a Lot.

The failure of the ARC to approve submitted applications for the construction of improvements within 30 days after the receipt thereof will be deemed to be a decision by the ARC denying the application.

In no case may construction begin prior to approval of plans by the ARC. If plans are disapproved, no construction may commence until revised plans are submitted and approved by the ARC. The Board has the right to establish and charge a review fee, to be paid at the time of submittal of plans and any revisions. If a fee is set and not paid, the 30-day time period set out in this Declaration will not begin to run until the fee is paid.

In reviewing each application, the ARC may consider any factors it deems relevant, including harmony of the proposed external design with surrounding structures and the environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability or attractiveness of particular improvements. Subject to the Board's authority in this Declaration, the ARC has the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations are not subject to the procedures in Article XVI or to judicial review so long as they are made in good faith and in accordance with required procedures.

The ARC is vested with the right, but not the obligation, to refuse to review a request for an improvement or modification, or to deny such a request, if the Owner requesting same is not a Member in Good Standing. The Board, on behalf of the ARC, may retain or delegate review of plans and specifications to a designated AIA architect or to such other person or firm as may be

designated by the Board, experienced and qualified to review same, who may then render an opinion to the ARC or the Board. Approval of plans and specifications does not cover or include approval for any other purpose and specifically, but without limitation, may not be construed as any representation as to or responsibility for the structural design or engineering of the improvement or the ultimate construction thereof.

The Board has the authority to require any Owner or an Owner's agents or contractors to cease and desist in constructing or altering any improvements on any Homesite where such improvements have not first been reviewed and approved by the ARC or constitute a violation of the Dedicatory Instruments or any other documents promulgated by the Board pursuant to the provisions set forth in this Declaration. Written notice may be delivered to an Owner or any agent or contractor with apparent authority to accept same, and such notice is binding on the Owner as if actually delivered to the Owner. The violating Owner must remove such violating improvements or sitework at its sole expense and without delay, returning same to its original condition or bringing the Homesite into compliance with the Dedicatory Instruments and any plans and specifications approved by the ARC for construction on that Homesite. If an Owner proceeds with construction that is not approved by the ARC, or that is a variance of the approved plans, the Association may assess fines as provided for in this Declaration and may continue to assess such fines until ARC approval is granted or the violation is removed. This Declaration is notice of such liability for a violation, and Owners agree to bear the cost and expense to cure any violations according to this provision, regardless of the substantial cost, time, or loss of business involved. Each Owner acknowledges that it might not always be possible to identify objectionable features of proposed construction or alteration of improvements until such construction or alteration is completed, in which case it may be unreasonable to require changes to the improvements involved; however, the ARC may refuse to approve similar proposals in the future.

The Board (or its agents or assigns) has the right, but not the obligation, to enter any Lot or Homesite to determine if violations of this Declaration, the Guidelines, or any other Dedicatory Instrument exist. In so doing, the Board, its agents, or assigns are not subject to any liability for trespass, other tort, or damages in connection with or arising from such entry, nor in any way is the Association or its agents liable for any accounting or other claim for such action.

C. Commencement of Construction and Repurchase Right

Each Owner of a Lot within the Subdivision must Commence Construction (as defined herein) on his or her Lot within 2 years after the date the Owner purchased the Lot (the "**Construction Period**"). For purposes of this Section, "**Commence Construction**" and "**Commencement of Construction**" mean the beginning of the construction of a Dwelling on a Lot, pursuant to plans approved in writing in advance by the ARC. Commence Construction and Commencement of Construction does not include the clearing or grading of a Lot. If an Owner (the "**Affected Owner**") fails to Commence Construction on his or her Lot (the "**Subject Lot**") by the conclusion of the Construction Period, as provided for in this Section, Declarant reserves, and has the right, but not the obligation, to repurchase the Subject Lot (the "**Repurchase Right**"), which Repurchase Right runs with the land and is binding on any future Owners of the Subject Lot for so long as Commencement of Construction has not occurred. In the event an Affected Owner conveys title to the Subject Lot to a subsequent purchaser before the expiration of the

Construction Period, the subsequent conveyance does not begin a new Construction Period. The Repurchase Right automatically terminates upon Commencement of Construction of a Dwelling on the Subject Lot. The Repurchase Right will be exercised, if at all, by Declarant by providing written notice to the Affected Owner after the expiration of the Construction Period (whereby the Owner has failed to Commence Construction) indicating Declarant's intent to exercise its Repurchase Right.

The repurchase price paid by Declarant will be equal to 90% of the purchase price paid for the Subject Lot by the Affected Owner (the "**Original Purchase Price**"). As part of the repurchase of the Subject Lot by Declarant, the Affected Owner must pay an amount equal to 1.5% of the Original Purchase Price to Declarant, which amount may be paid as commission to a sales agent facilitating the repurchase, if any. In addition, the Affected Owner must provide, at its sole expense, an owner's standard title policy for the repurchase of the Subject Lot. With the exception of those expenses incurred in connection with obtaining a title policy, all closing costs will be shared equally by the Affected Owner and Declarant. At the closing of the repurchase of a Subject Lot, the Affected Owner will be responsible for all outstanding amounts due to the Association related to the Subject Lot, including, but not limited to, Assessments, costs, fees, interest, and fines, if any. Notwithstanding anything contained in this Declaration to the contrary, the Annual Assessment amount due for the year during which a repurchase occurs will not be prorated and the Affected Owner will be responsible for the full Annual Assessment amount. The Affected Owner is responsible for all tax obligations related to the Subject Lot up through the date of closing of the repurchase.

Closing of a repurchase transaction must be completed within 90 days from the date of Declarant's notice to the Affected Owner of its election to exercise its Repurchase Right. At the closing of the repurchase, the Affected Owner must execute a Special Warranty Deed conveying title of the Lot back to Declarant. Such conveyance must be free and clear of all encumbrances placed upon the Subject Lot during the period of time that the Affected Owner held title to the Subject Lot.

The ARC has the discretion to extend previously approved deadlines for Commencement of Construction and the Construction Period. If Commencement of Construction fails to occur by the time frame established in this Declaration (or otherwise set by the ARC pursuant to this provision) or is not completed by the Construction Period time frame established in this Declaration (or otherwise set by the ARC pursuant to this provision), the plans will be deemed not approved and must be re-submitted for ARC review and approval (subject to Declarant's Repurchase Right). In the event of any such re-submission of plans, the ARC has the discretion to determine the time constraints for the Commencement of Construction and Completion of Construction, which may be set on an expedited basis as determined by the ARC.

D. Building Setbacks

No Dwelling or other structure (including any protrusion from same) may be placed nearer to any street or property line than as established in this Declaration, in a Supplemental Amendment, in the Guidelines, on the applicable plat, or in another Dedicatory Instrument. In the event there is a conflict between the Guidelines, this Declaration, any other documents imposed upon the Property that contain a setback requirement, and the applicable plat, the more

restrictive will control. Notwithstanding anything to the contrary in this Declaration, in no case may any setback on a Lot be less than the width of any easement existing on the Lot, as shown on the applicable plat. All Dwellings must be oriented to the front of the Lot. The ARC has discretion to designate the “front” of a Lot. Unless otherwise provided on the applicable plat or other Dedicatory Instrument, no Dwelling may be built within 5 feet of a side Lot line. Unless otherwise provided on the applicable plat or other Dedicatory Instrument, all Lots must have a minimum rear setback of the greater of 10 feet or the width of any easement.

The combining of no more than 2 Lots to create 1 Homesite may be permitted subject to prior written approval of the ARC and partial release(s) by Declarant, to the extent necessary, of easements created in this Declaration. All governmental requirements must be complied with as to combining 1 Lot with another Lot. If Lots are combined, the side set back lines must be measured from resulting side property lines rather than from the Lot lines as indicated on the applicable plat. The combining of 2 Lots does not forgive the obligation to pay Assessments on all Lots so combined. By way of example and not limitation, if 2 Lots are combined to create 1 Homesite, the Homesite is obligated to pay 2 Assessments.

E. Landscaping

All open, unpaved space on a Homesite must be planted and landscaped. Landscaping in accordance with the plans approved by the ARC must be installed prior to occupancy of any Dwelling constructed on the Property. Where applicable, Owners are responsible for maintaining and irrigating the landscaping within the adjacent right-of-way located between the boundary of their Lot and the street. Any significant changes in the existing landscaping on any Homesite must have prior written approval from the ARC.

Notwithstanding anything contained in this Declaration to the contrary, landscaping minimum standards may be established in the Guidelines. The ARC has the discretion to determine if the landscaping on a Lot does not meet the minimum standards established in this Declaration or in the Guidelines.

F. Grading and Drainage

Topography of each Homesite must be maintained with proper grading and drainage systems such that runoff of water (rain or other precipitation, or manmade irrigation) does not cause undue erosion of the subject Homesite itself or any other Homesites, whether adjacent to the subject Homesite or not, or to the Common Areas. Owners causing (either directly or indirectly) erosion or other incidental damage to personal or real property due to inadequate or defective grading or drainage measures on their own Homesite or due to excess runoff are liable to all such damaged parties for the replacement, repair, and restoration of such damaged real or personal property. Each Owner is responsible for ensuring that his Lot meets all local, state, and federal rules and regulations regarding drainage and run-off.

G. Temporary Structures

Temporary structures may only be erected on the Property by (i) Declarant, (ii) the Association, or (iii) Builders with the prior written approval of the ARC. By way of illustration

and not limitation, temporary structures may include construction trailers and temporary construction debris receptacles. All temporary structures must be maintained in good condition and all construction debris must be contained to the site. Time limitations for such structures are limited to the period of active and exclusive construction and sales within the Property.

H. Garages

Each Dwelling must always have an attached garage. A minimum of a 3-car garage is recommended for each Homesite, and a minimum of a 2 ½-car garage is required for each Homesite. Garages are required to maintain fully operational overhead doors which are in good condition at all times. No garages may be used for or converted to a living area.

I. Square Footage Requirements

All one-story Dwellings must contain a minimum of 3,000 square feet of living area and all two-story Dwellings must contain a minimum of 4,000 square feet of living area. Living area does not include porches, garages, or non-air conditioned areas.

Notwithstanding anything contained in this Declaration to the contrary, Declarant reserves the unilateral right to develop the Property, and any additional property which may be subjected to this Declaration, in any manner consistent with residential use, including Dwellings which may contain higher or lower square footage in other portions of the Property.

ARTICLE XI. MAINTENANCE

A. General Maintenance

Each Owner must maintain and keep in good repair his or her Dwelling and all structures, parking areas and other improvements, including the driveway and its apron portion forward of the building line, comprising the Homesite. All structures and other improvements designed to be painted must be kept painted and the paint may not be allowed to become faded, cracked, flaked, or damaged in any manner. Grass, shrubs, trees, and other landscaping on each Homesite must be trimmed as often as necessary to maintain the same in a neat and attractive condition. Grass growing onto or over sidewalks, driveways, and curbs is presumed to be unattractive. Each Owner must ensure that weeds on his or her Lot are treated or removed.

Sidewalks, curbs, and driveways servicing a particular Lot, whether constructed within the boundaries of such Lot or within the street right-of-way adjacent to such Lot, must be maintained, repaired, and replaced, as needed, by the Owner of such Lot, subject to prior written approval of the ARC. Where applicable, each Owner is also responsible for maintaining and irrigating the landscaping within the adjacent public right-of-way located between the boundary of their Lot and the street. Owners may not remove grass, trees, shrubs, or similar vegetation from this area without prior written approval from the ARC.

B. Landscaping

In the event an Owner of a Homesite within the Property fails to maintain the landscaping, grass, or vegetation of his Homesite in a manner consistent with the Community-

Wide Standard established within the Property and satisfactory to the Board, the Board, after providing notice as may be required by law setting forth the action intended to be taken by the Association and after approval by a majority vote of the Board, has the right, but not the obligation, through its agents, contractors, or employees, to exercise its Self Help remedy to bring the Owner's Lot into compliance with this provision.

C. Dwelling and Improvement Exteriors

In the event an Owner of a Homesite fails to maintain the exterior of his Homesite or improvement (including the exterior of the Dwelling, improvement, or other structures, and the parking areas) in a manner consistent with the Community-Wide Standard established within the Property as solely determined by the Board, the Board, after providing notice as may be required by law setting forth the action intended to be taken by the Association and after approval by a majority vote of the Board, has the right, but not the obligation, through its agents, contractors, or employees, to enter upon the Homesite and exercise its Self Help remedy to bring the Owner's Lot into compliance with this provision.

D. Other Hazards

To the extent necessary to prevent pest infestation, diminish fire hazards, or diminish hazards caused by structural damage, the Association has the right, but not the obligation, through its agents, contractors, or employees, to enter any unoccupied Dwelling or other improvement located upon the Homesite, without notice, to take the action necessary to prevent such pest infestation, diminish such fire hazards, or diminish hazards caused by structural damage at the Owner's expense. Any such expenses, including administrative fees set by the Board, incurred by the Association are secured by the continuing lien created in this Declaration.

E. Liability, Cost, and Approval

Neither the Association, nor its agents, contractors, or employees are liable, and are expressly relieved from any liability, for trespass or other tort in connection with the exercise of its Self Help remedy, including the performance of the exterior maintenance, landscaping, or other work authorized in this Declaration. The cost, including administrative fees set by the Board, of such exterior maintenance, interior hazard diminution, and other work is the personal obligation of the Owner of the Homesite on which it was performed and is part of the Assessment payable by the Owner and secured by the lien retained in the Declaration. Alternatively, the Association or any Owner of a Homesite may bring an action at law or in equity to cause the Owner to bring the Homesite into compliance with these restrictions.

All Owners' replacement, repair, and restoration practices as to the improvements on Property within Kellar Farms are subject to the prior written approval of the ARC and must comply with all Guidelines which may change from time to time, as found necessary and appropriate in the discretion of the Board.

F. Casualty Losses

It is the Owner's obligation to have repaired or reconstructed any damage or destruction to his or her Dwelling or Lot.

If a Dwelling, landscaping, Outbuilding, or any other improvement located on a Lot is damaged by fire, storm, or any other casualty, the Owner must bring the affected Lot and all improvements thereon, as applicable, into compliance with the Dedicatory Instruments within the time period established by the Association on a case-by-case basis, pursuant to the architectural requirements and approval process set forth in the Dedicatory Instruments. Regarding a Dwelling that is totally destroyed due to casualty, the Owner(s) of the Dwelling must have the Dwelling or damaged portions of the Dwelling razed within the time period established by the Association on a case-by-case basis and replaced within the time period established by the Association on a case-by-case basis, with such replacement subject to ARC prior written approval.

ARTICLE XII. VARIANCES

The Board, or its duly authorized representative, may authorize variances from compliance with any of the architectural provisions of this Declaration or the Dedicatory Instruments, unless specifically prohibited, including restrictions upon height, size, placement of structures, or similar restrictions, when circumstances such as topography, natural obstruction, hardship, aesthetic, or environmental considerations may require. Such variances must be evidenced in writing, must be approved by at least a majority of the Board, and are effective upon recording. The variance must be signed by a member of the Board and recorded in the Official Public Records of Bastrop County, Texas. If such variances are granted, no violation of the covenants, conditions, or restrictions contained in this Declaration or the Dedicatory Instruments may be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance does not operate to waive any of the terms and provisions of this Declaration or the Dedicatory Instruments for any purpose except as to the particular provision covered by the variance, nor does it affect in any way the Owner's obligation to comply with all applicable governmental laws and regulations.

No granting of a variance may be relied on by any Member or Owner, or any other person or entity (whether privy or party to the subject variance or not), as a precedent in requesting or assuming a variance as to any other matter of potential or actual enforcement of any provision of this Declaration or the Dedicatory Instruments. Action of the Board in granting or denying a variance is a decision based expressly on one unique set of circumstances and need not be duplicated for any other request by any party or the same party for any reason whatsoever.

Notwithstanding anything contained in this Declaration to the contrary, during the Development Period, Declarant has the unilateral right to grant a variance of any of the covenants, conditions, and restrictions contained in the Dedicatory Instruments so long as the variance is in keeping with the aesthetics of the Property.

ARTICLE XIII. LIMITATION OF LIABILITY

DECLARANT, THE ASSOCIATION, THE ARC, THE BOARD, AND THE RESPECTIVE OFFICERS, AGENTS, MANAGERS, PARTNERS, DIRECTORS, SUCCESSORS, OR ASSIGNS OF THE FOREGOING, ARE NOT LIABLE IN DAMAGES OR OTHERWISE TO ANYONE WHO SUBMITS MATTERS FOR APPROVAL TO ANY OF THE AFOREMENTIONED PARTIES, OR TO ANY OWNER

AFFECTED BY THIS DECLARATION BY REASON OF MISTAKE OF JUDGMENT, NEGLIGENCE, OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL, DISAPPROVAL, OR FAILURE TO APPROVE OR DISAPPROVE OF ANY MATTERS REQUIRING APPROVAL. APPROVAL BY THE ARC, THE BOARD, THE ASSOCIATION, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, MANAGERS, SUCCESSORS, OR ASSIGNS, IS NOT INTENDED AS ANY KIND OF REPRESENTATION, WARRANTY, OR GUARANTEE AS TO COMPLIANCE WITH LOCAL OR STATE LAWS AS TO THE INTEGRITY OR WORKABILITY OF THE PLANS OR AS TO THE CONTRACTORS USED.

ARTICLE XIV. ASSESSMENTS

A. Creation of the Lien and Personal Obligation of Assessments

The Owners of any Lot, by virtue of ownership of a Lot within the Property, covenant and agree to pay to the Association all applicable assessments and any fines, penalties, interest, and costs as more particularly set forth in this Declaration and any Supplemental Amendment, including the following:

1. Annual Assessment
2. Special Assessment
3. Utility Assessment
4. Capitalization Fee

The Annual Assessment, Special Assessment, Utility Assessment, Capitalization Fee, and any other assessment or charge set forth in this Declaration or in a Dedicatory Instrument (individually sometimes referred to as an “*Assessment*” and collectively, the “*Assessments*”), together with attorney’s fees, late fees, interest, and costs, are a charge and continuing lien in favor of the Association upon the Homesite and Lot against which each such Assessment is made. Each such Assessment, together with attorney’s fees, late fees, interest, and costs, is also the personal obligation of the person or entity who was the Owner of the land at the time when the Assessment became due. No diminution or abatement of Assessments or set-off may be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or to perform some function required to be taken or performed by the Association or the Board under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association. The obligation to pay Assessments is a separate covenant on the part of each Owner of a Lot.

B. Annual Assessments

1. Purpose

The Lots within the Property are subject to the “*Annual Assessment*”. Annual Assessments levied by the Association may be used for any legal purpose for the benefit of the Property as determined by the Board and, in particular, may include maintenance, repair, or improvement of any Common Area, Area of Common Authority, sidewalks, trail systems, pathways, fountains, parkways, private streets and roads, entry gates

installed as a controlled access system, boulevards, esplanades, setbacks and entryways, patrol service, street cleaning, street lighting, mosquito control, landscape architecture, greenbelts, fences or walls, regulatory signage or directional signage, signalization, special pavement markings, entrances and entrance monuments, public or private art or sculptures, reserve funds, other services as may be in the Property's and Owners' interest and all buildings, services, improvements, and facilities deemed necessary or desirable by the Board in connection with the administration, management, control, or operation of the Property. The Association may, in its sole discretion, give one or more of the purposes set forth in this provision preference over other purposes, and it is agreed that all expenses incurred, and expenditures and decisions made by the Association in good faith are binding and conclusive on all Members. Parkways, fountains, private streets, roads, esplanades, setbacks, and entryways that are not contained in any Common Area may be included in the Association's maintenance if, in the sole discretion of the Board, the maintenance of such areas benefits the Association's Members. Such share agreements for maintenance and improvement require the consent of a majority of the total number of directors of the Association. Additionally, Annual Assessments levied by the Association may be used, in the sole discretion of the Association, to pay the Association's fair allocation for costs related to the participation in any agreement with other property owners associations or with owners or operators of nearby property for the benefit of Association Members, such as to consolidate services, reduce costs, and provide consistency and economy of scale. Approval to enter such agreements requires a majority vote of the Board, and the Board may act unilaterally to negotiate, execute, modify, or terminate such contractual arrangements.

2. Creation

Payment of the Annual Assessment is the obligation of each Owner, subject to the provisions below, with such payment secured by the lien created in this Declaration, binding and enforceable as provided in this Declaration.

3. Rate

The initial Annual Assessment established by the Association is \$2,250.00 per Lot. The combining of 2 or more Lots does not forgive the obligation of the Owner(s) of such combined Lots to pay Annual Assessments on all Lots so combined. By way of example and not limitation, if 2 Lots are combined to create 1 Homesite, the Homesite is obligated to pay 2 Annual Assessments.

In the event that there is a deficit between the total approved operating budget for the year and the total amount of Annual Assessments due from Class A Members (the "*Deficit*"), Declarant must elect annually to either (i) pay the Deficit and not pay Annual Assessments, or (ii) pay Annual Assessments at the rate of 50% of the Annual Assessment amount assessed Class A Members for each Lot it owns within the Property. Notwithstanding anything contained in this Declaration to the contrary, Declarant is vested with the authority, without the obligation, to elect to pay the lesser of the options set forth in the previous sentence, even if the option selected results in Declarant owing

nothing. In the event that there is no Deficit, Declarant has no obligation to pay Annual Assessments as to any Lots that it may own.

Declarant is required to provide written notice to the Board each year by September 1st of its elected option. Failure to provide such notice will result in Declarant being billed in the manner of the last option taken by Declarant. If no option has ever been taken by Declarant, then Declarant will be billed the difference between the total approved operating budget for the year less the total amount due by Class A Members. Declarant's obligation to fund the Deficit automatically terminates without further action or consent by any party when Declarant no longer owns any portion of the Property.

Notwithstanding anything contained in this Declaration to the contrary, any Lot being used by Declarant as a model home or sales office Lot is not subject to any Assessments created in this Declaration. Upon conveyance of such model home or sales office Lot to a purchaser, the Lot is subject to all Assessments and charges provided for in this Declaration and as secured by the lien created in this Declaration.

4. Commencement

For purposes of calculation, the initial Annual Assessment for a Lot commences on the date of the transfer of the Lot to the Owner. Thereafter, Annual Assessments are due in advance on January 1st for the coming year and are delinquent if not paid in full as of January 31st of each year.

5. Proration

An Owner's initial Annual Assessment is made for the balance of the calendar year as determined on a pro-rata basis and is due and payable on the commencement date described above. The Annual Assessment for any year after the first year is due and payable on the first day of January. Any Owner who purchases a Lot or Lots after the first day of January in any year is personally responsible for a pro-rated Annual Assessment amount for that year.

6. Levying of the Annual Assessment

The Annual Assessment is levied at the sole discretion of the Board. The Board is responsible for determining the sufficiency or insufficiency of the then-current Annual Assessment to reasonably meet the expenses for providing services and capital improvements within the Property and may, at its sole discretion and without a vote by the Members, increase the Annual Assessment in an amount up to 10% annually. The Annual Assessment may only be increased by more than 10% annually if such increase is approved by Owners of a majority of the Lots present, in person or by proxy, at a meeting called for this purpose at which a quorum is present in person or by proxy. The Annual Assessment may not be adjusted more than once in a calendar year, nor may any increase be construed to take effect retroactively, unless otherwise approved by Owners of a majority of the Lots subject to such Annual Assessments present at a meeting called for this purpose at which a quorum is present in person or by proxy.

Annual Assessments must be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price and method of payment differentials. The Board may require advance payment of Annual Assessments at closing of the transfer of title to a Lot and may impose special requirements for Owners with a history of delinquent payment.

The annexation of all or a portion of property adjoining the Property may result in the Board adjusting the rate of Annual Assessments to be charged to the annexed property such that the adjusted Annual Assessments might not be uniform with the Annual Assessments being charged to other Owners. The Board has the absolute discretion to determine any such adjustment on a case-by-case basis.

C. Special Assessment

In addition to the Annual Assessment authorized above, the Association may levy a “**Special Assessment**” applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, modification, repair, or replacement of a capital improvement in the Common Area or Area of Common Authority, or any unbudgeted expenses or expenses in excess of those budgeted, or unusual, infrequent expenses benefiting the Association, provided that any such Special Assessment must have the approval of both (i) the Owners of a majority of the Lots present at a meeting duly called for this purpose at which a quorum is present in person or by proxy; and (ii) the written approval of Declarant during the Development Period. Such Special Assessments are due and payable as set forth in the resolution authorizing such Special Assessment and may be levied only against those Owners subject to the Annual Assessment as set forth above and are prorated in accordance therewith. The Association, if it so chooses, may levy a Special Assessment against only those Lots benefited by or using the capital improvement for which the Special Assessment is being levied. Special Assessments are due upon presentment of an invoice, or copy thereof, for the same to the last-known address of the Owner. Declarant is not obligated to pay Special Assessments.

D. Utility Assessment

In the event a utility service serving the Property is sub-metered, the Association may levy upon each Lot a “**Utility Assessment**” for utility products or services provided to the Lot, including water, sanitary sewer, and drainage products and services. The Utility Assessment imposed on the Lots will be unique as to each individual Lot. The Association or its designees must cause the submeters to be read at intervals to be determined by the Board, and the Owners of Lots within the Property will be billed by the Association based on their respective usage, including deposits and administrative fees associated with each submeter and service account. The Board has the discretion to determine the billing frequency of the Utility Assessment.

E. Capitalization Fee

Each person or entity acquiring title to a Lot (“**Grantee**”) within the Property covenants and agrees to pay to the Association a capitalization fee (the “**Capitalization Fee**”) for such acquired Lot, which Capitalization Fee is an amount equal to 100% of the then-current Annual Assessment rate, unless otherwise determined by the Board. Capitalization Fees are payable to

the Association on the date of the transfer of title to a Lot and are not prorated. The Capitalization Fee is in addition to, not in lieu of, the Annual Assessment and is not an advance payment of such Annual Assessment. The payment of the Capitalization Fee is secured by the continuing lien set forth in this Declaration, and the Capitalization Fee is collected in the same manner as Assessments.

A transferring Owner must notify the Association's Secretary or managing agent of a pending title transfer at least 7 days prior to the transfer. Such notice must include the name of the Grantee, the date of title transfer, and such other information as the Board may require. Capitalization Fees may be used by the Association for any purpose which, in the Association's sole discretion, is for the benefit of the Property, including the placement of Capitalization Fees in a reserve account.

1. Exempt Transfers. Notwithstanding the above, a Capitalization Fee will not be levied upon the transfer of title to a Lot:
 - a. to Declarant;
 - b. by a co-Owner to a person who was a co-Owner immediately prior to such transfer;
 - c. to the Owner's estate, trust, surviving spouse, or child;
 - d. to any entity wholly owned by Declarant; provided, upon any subsequent transfer of an ownership interest in such entity, the Capitalization Fee will become due;
 - e. to the Association; or
 - f. by the Association.

F. Collection and Remedies for Assessments

1. The Assessments provided for in this Declaration, together with attorney's fees, interest, late fees, and costs as necessary for collection (including payment processing costs that may be charged by the Association, which may include pay-to-pay fees), are a charge on and a continuing lien upon the land in favor of the Association against which each such Assessment is made. Each such Assessment, together with attorney's fees, interest, late fees, and costs, is also the personal obligation of the Owner of the Lot at the time the Assessment became due.

2. Any Assessment not paid within 30 days after the due date bears interest from the due date at the lesser of (a) 18% or (b) the maximum non-usurious rate of interest. No Owner may waive or otherwise escape liability for the Assessments provided for in this Declaration by reason of non-use or abandonment.

3. In order to secure the payment of the Assessments hereby levied, a lien is created in favor of the Association. Such lien runs with title to each Lot within the Property and

may be foreclosed upon by the Association pursuant to the laws of the State of Texas. Each Owner grants a power of sale to the Association to sell such property upon default in payment by any amount owed. Alternatively, the Association may judicially foreclose the lien or maintain an action at law to collect the amount owed.

4. The President of the Association, or his or her designee, is appointed trustee to exercise the Association's power of sale. The trustee will not incur any personal liability except for his or her own willful misconduct.

5. Although no further action is required to create or perfect the lien, the Association may, as further evidence of the lien, give notice of the lien by executing and recording a document setting forth notice (i) that delinquent sums are due the Association at the time such document is executed and (ii) the fact that a lien exists to secure the repayment thereof. The failure of the Association to execute and record any such document does not affect the validity, enforceability, or priority of the lien. If required by law, the Association will also give notice and an opportunity to cure the delinquency to any holder of a lien that is inferior or subordinate to the Association's lien, pursuant to Section 209.0091 of the Texas Property Code, or its successor statute.

6. In the event the Association has determined to foreclose its lien provided in this Declaration and to exercise the power of sale hereby granted, such foreclosure will be accomplished pursuant to the requirements of Sections 209.0091 and 209.0092 of the Texas Property Code by first obtaining a court order in an application for expedited foreclosure under the rules adopted by the Supreme Court of Texas. Notwithstanding anything contained in this Declaration to the contrary, in the event that the laws of the State of Texas are changed to no longer require a court order in an application for expedited foreclosure, the Association may pursue foreclosure of its lien via any method established in this Declaration, including nonjudicial foreclosure, as may be permitted by the then-current law, without the necessity of amending this Declaration.

7. At any foreclosure proceeding, any person or entity, including Declarant, the Association, or any Owner, has the right to bid for such Lot at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period such foreclosed Lot is owned by the Association following foreclosure, (1) no right to vote may be exercised on its behalf and (2) no Assessment may be levied on it. Out of the proceeds of such sale, there will be paid first, all expenses incurred by the Association in connection with such default, including attorney's fees and trustee's fees; second, from such proceeds there will be paid to the Association an amount equal to the amount of Assessments in default inclusive of interest, late charges, and attorney's fees; and third, the remaining balance, if any, will be paid to such Owner. Following any such foreclosure, each Occupant of any such Lot foreclosed on, and each Occupant of any improvements thereon will be deemed to be a tenant-at-sufferance and may be removed from possession by any lawful means.

G. Subordination of the Lien to Purchase Money Mortgages

The lien for Assessments, including interest, late charges, costs, and attorney's fees, provided for in this Declaration is subordinate to the lien of any purchase money mortgage (including any renewal, extension, rearrangement, or refinancing thereof) on any Lot or Homesite, including the purchase money mortgage lien held by the Lienholder as to Lots and Homesites owned by Declarant. The sale or transfer of any Lot or Homesite does not affect the lien and the sale or transfer will not relieve such Lot or Homesite from lien rights for any Assessments thereafter becoming due. Where the Lienholder, other mortgagee holding a purchase money mortgage of record, or other purchaser of a Lot or Homesite obtains title pursuant to foreclosure of the mortgage, it is not liable for the share of the Assessments or other charges by the Association chargeable to such Lot or Homesite that became due prior to such acquisition of title; however, from the date of foreclosure forward, such Assessments will again accrue and be payable to the Association.

H. Notice of Delinquency

When the Association or its agent or designee gives a written notice of the Assessment to any Owner who has not paid an Assessment that is due under this Declaration, such notice will be mailed to the Owner's last known address. The address of the Lot or Homesite is presumed to be the address for proper notice unless written notice of another address has been provided by the Owner to the Association.

ARTICLE XV. MODIFICATION AND TERMINATION OF COVENANTS

Notwithstanding anything contained in this Declaration to the contrary, in the event this Declaration or a Supplemental Amendment is amended and restated in the future, such amendment and restatement will not affect or disturb the lien created in this Declaration or any annexation accomplished by the Supplemental Amendment, which lien and annexation will continue to be in full force and effect from the date the Declaration and Supplemental Amendment were recorded.

A. Amendment by Declarant

In addition to the specific amendment rights granted elsewhere in this Declaration, until termination of the Development Period, Declarant may unilaterally amend this Declaration and any Supplemental Amendment for any purpose; provided, however, any such amendment may not adversely affect the title to any Lots or Homesites unless the Owner consents to the amendment in writing.

After the expiration of the Development Period, Declarant may unilaterally amend this Declaration and any Supplemental Amendment at any time without the joinder or consent of any Owner, entity, Lender, or other person if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on Lots and Homesites; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage

Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots or Homesites; (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on Lots or Homesites; or (e) necessary for the purpose of clarifying or resolving any ambiguities or conflicts in this Declaration or in any Supplemental Amendment, or for correcting any inadvertent misstatements, errors, or omissions in this Declaration or in any Supplemental Amendment; provided, however, any such amendment may not adversely affect the title to any Lots or Homesites unless the Owner consents to the amendment in writing.

Any amendment to the Declaration or a Supplemental Amendment made by Declarant must be recorded in the Official Public Records of Bastrop County, Texas, whereupon, to the extent of any conflict with this Declaration or Supplemental Amendment and any amendment thereto, the amendment will control.

Any amendment made by Declarant becomes effective upon recording unless otherwise specified in the amendment.

B. Amendment by Owners

During the Development Period, this Declaration and any Supplemental Amendment may be amended, modified, or terminated by the approval of the Owners of a majority of the Lots and the written consent of Declarant. After the termination of the Development Period, approval by the Owners of a majority of the Lots is required to amend, modify, or terminate this Declaration and any Supplemental Amendment; provided, however, any such amendment must be approved in writing by the Association. Upon approval of the Owners, as set out above, of the amended declaration or amended supplemental amendment (as evidenced by the President's or Vice-President's signature), the amended declaration or amended supplemental amendment must be recorded in the Official Public Records of Bastrop County, Texas, whereupon, to the extent of any conflict with this Declaration or Supplemental Amendment and any amendment thereto, the amendment will control. For purposes of this Section, the approval of multiple Owners of a Lot may be reflected by the signature of any one Owner of such Lot.

Notwithstanding anything contained in this Declaration to the contrary, the Association is entitled to use any combination of the following methods to obtain approval of the Owners for an amendment to the Declaration and any Supplemental Amendment:

1. written ballot, or electronic ballot as same may be established by the Board, that states the substance of the amendment and specifies the date by which a written or electronic ballot must be received to be counted;
2. a meeting of the Members of the Association, if written notice of the meeting stating the purpose of the meeting is delivered to the Owners of the Lots; such notice may be hand-delivered to the Owners, sent via regular mail to the Owner's last known mailing address, as reflected in the Association's records, or sent via email to the Owner's email address as reflected in the Association's records;

3. door-to-door circulation of a petition by the Association or a person authorized by the Association; or
4. any other method permitted under this Declaration or applicable law.

No amendment to the Declaration or to any Supplemental Amendment may limit the rights of Declarant pertaining to the Declaration and any Supplemental Amendment. Particularly reserved to Declarant is the right and privilege of Declarant to designate the use and architectural restrictions applicable to any portion of the Properties, as provided in this Declaration; and such designation, or subsequent change of designation, may not be deemed to adversely affect any substantive right of any existing Owner.

ARTICLE XVI. ALTERNATE DISPUTE RESOLUTION

It is the intent of the Association and Declarant to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the following dispute resolution procedures control and attempt to resolve all claims, grievances, or disputes involving the Property, including claims, grievances, or disputes arising out of or relating to the interpretation, application, or enforcement of the Dedicatory Instruments.

A. Dispute Resolution

No dispute between any of the following entities or individuals may be commenced until the parties have submitted to non-binding mediation: Owners, Members, the Board, officers in the Association, or the Association; provided, however, the Board has discretion to determine whether the Association will participate in the dispute resolution procedures regarding claims made by the Association or enforcement of the Dedicatory Instruments.

Disputes between Owners that are not regulated by this Declaration are not subject to the dispute resolution process.

B. Outside Mediator

In a dispute between any of the above entities or individuals, the parties must voluntarily submit to the following mediation procedures before commencing any judicial or administrative proceeding. Each party will represent himself/herself individually or through an agent or representative or may be represented by counsel. The dispute will be brought before a mutually selected mediator. Such mediator will either be an attorney-mediator skilled in community association law, a Professional Community Association Manager as certified by the Community Associations Institute, or a Certified Property Manager as certified by the Institute of Real Estate Managers. In order to be eligible to mediate a dispute under this provision, a Mediator may not reside in the Property, work for any of the parties, represent any of the parties, or have any conflict of interest with any of the parties. Costs for such mediator must be shared equally by the parties. If the parties cannot mutually agree upon the selection of a mediator after reasonable efforts (not more than 30 days), each party must select their own mediator and a third will be appointed by the two selected mediators. If this selection method must be used, each party will

pay the costs of their selected mediator and will share equally the costs of the third appointed mediator.

C. Mediation is Not a Waiver

By agreeing to use this Dispute Resolution process, the parties in no way waive their rights to extraordinary relief, including temporary restraining orders or temporary injunctions, if such relief is necessary to protect or preserve a party's legal rights before a mediation may be scheduled.

D. Assessment Collection and Lien Foreclosure

The provisions of this Declaration dealing with Alternate Dispute Resolution do not apply to the collection of Assessments or the foreclosure of the lien by the Association as set out in this Declaration.

E. Term

This Article is in full force and effect during the Development Period. Thereafter, this Article remains in full force and effect unless, at the first open meeting of the Association after such initial period, a majority of the Board votes to terminate the provisions of this Article.

ARTICLE XVII. GENERAL PROVISIONS

A. Severability

The invalidity of any one or more of the provisions of this Declaration does not affect the validity of the other provisions thereof.

B. Compliance with Laws

At all times, each Owner must comply with all applicable federal, state, county, and municipal laws, ordinances, rules, and regulations with respect to the use, occupancy, and condition of the Homesite and any improvements thereon. If any provision contained in this Declaration or any supplemental declaration or amendment is found to violate any law, then the provision must be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

C. Gender and Number

The singular, wherever used in this Declaration, must be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration applicable either to corporations (or other entities) or individuals, male or female, must in all cases be assumed as though in each case fully expressed.

D. Interpretation

For purposes of this Declaration, (a) “include”, “includes”, and “including” are deemed to be followed by the words “without limitation”, (b) “or” is not exclusive, (c) “any” means “any and all”, and (d) “may not” is a prohibition and does not mean “might not” or its equivalents.

E. Headlines

The titles and captions for this Declaration and the sections contained in this Declaration are for convenience only and may not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

F. Governing Law

The provisions in this Declaration are governed by and enforceable in accordance with the laws of the State of Texas, and venue is mandatory in Bastrop County, Texas. Any obligations performable pursuant to this Declaration are to be performed in Bastrop County, Texas.

G. Fines for Violations

The Association may assess fines for violations of the Dedicatory Instruments, other than non-payment or delinquency in Assessments, in amounts to be set by the Board, which fines are secured by the continuing lien set out in this Declaration.

H. Books and Records

The books, records, and papers of the Association are subject to inspection by any Member upon written request and by appointment during normal business hours pursuant to an Access, Production, and Copying Policy adopted by the Association.

I. Notices

Any notice required to be sent to any Owner under the provisions of this Declaration is deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Owner on the records of the Association at the time of such mailing.

J. Mergers

Upon a merger or consolidation of the Association with another association as provided in its Certificate of Formation, the Association’s properties, assets, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights, and obligations of another association may be transferred to the Association as a surviving corporation or to a like organization or governmental agency. The surviving or consolidated association will administer any restrictions together with any Declarations of Covenants, Conditions, and Restrictions governing these and any other properties, under one

administration. No such merger or consolidation may cause any revocation, change, or addition to this Declaration.

K. Current Address and Occupants

Owners are required to notify the Association in writing of their current address if other than the physical address of the Lot or Homesite. If an Owner fails to notify the Association of his/her current address, the Association may use the address of the Lot or Homesite as the current address. If an Owner leases the property, he must supply the name of the Occupant present upon the execution of any lease.

L. Security

THE ASSOCIATION (INCLUDING ITS DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS, AND ATTORNEYS) AND DECLARANT (INCLUDING ITS AFFILIATES) ARE NOT INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH OWNER AND OCCUPANT OF A LOT ACKNOWLEDGES THAT THE ENTRY GATES, IF ANY, ARE SOLELY FOR ACCESS CONTROL PURPOSES AND ARE NOT FOR SECURITY PURPOSES. EACH OWNER AND OCCUPANT OF ANY LOT, AS APPLICABLE, ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT ANY ENTRY GATE, FIRE PROTECTION OR BURGLAR ALARM SYSTEMS, OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS, OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED.

EACH OWNER AND OCCUPANT OF ANY LOT, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING, OR OWNER OR USER OF AN IMPROVEMENT, ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLINGS AND IMPROVEMENTS, AND TO THE CONTENTS OF DWELLINGS AND IMPROVEMENTS, AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER OR OCCUPANT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS

RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

M. View Impairment

Neither Declarant, nor the Association, guarantee or represent that any view over and across the Lots, Common Areas, Areas of Common Authority, reserves, or open spaces within the Property will be preserved without impairment. Declarant and the Association have no obligation to relocate, prune, or thin trees, shrubs, or other landscaping. The Association has the right, without the obligation, to relocate, prune, thin, or add trees and other landscaping or improvements to the Common Area. There are no express or implied easements for view purposes or for the passage of light and air. No Owner has the right to object to the construction of improvements on any adjacent or nearby Lot, Area of Common Authority, or Common Area, based on the impact of such improvements on the Owner's view.

N. Video, Data, and Communication Service Agreements

Declarant or the Association (subject to the approval of Declarant during the Development Period) has entered or may enter into a global agreement with a service provider for the provision of cable television, data, or other communication services in order to obtain access to benefits and services for the benefit of Owners and Dwellings located within the Property. Payment for services and benefits provided pursuant to video, data, or communication service agreements executed pursuant to this provision will be made from Assessments levied and collected by the Association pursuant to the authority granted in this Declaration, and such Assessments are supported by the lien created in this Declaration. While Owners are free to obtain the same or similar services from a provider of their choice, no Owner may avoid paying any portion of Assessments levied based on non-use of video, data, or communication services provided and paid for by the Association with Assessments.

O. Occupants Bound

All provisions of the Dedicatory Instruments applicable to the Property and Owners also apply to all Occupants of any Lot or Dwelling. Each Owner must cause all Occupants of their Lot to comply with the Dedicatory Instruments, and each Owner is responsible for all violations, losses, and damages caused by an Occupant of the Owner's Lot, notwithstanding the fact that such Occupant is jointly and severally liable and may be sanctioned for any violation. In addition to all other remedies available to the Association in the event of a violation by an Occupant, the Association may require that the Occupant be removed from and not be allowed to return to the Property or that any lease, agreement, or permission given allowing the Occupant to be present be terminated.

P. Transfer of Title and Resale Certificate

1. Transfer of Title: Any Owner, other than Declarant, desiring to sell or otherwise transfer title to his or her Lot must give the Board at least 7 days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The person, other than Declarant, transferring

title is jointly and severally responsible with the person accepting title for all obligations of the Owner, including Assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title.

Upon acceptance of title to a Lot, the new Owner of the Lot must pay to the Association an administrative fee to cover the administrative expenses associated with updating the Association's records, which administrative fee is supported by the lien created in this Declaration. This administrative fee will be an amount determined by the Board and will include fees charged by a management company retained by the Association for updating its records.

2. Resale Certificate: No Owner, other than Declarant, may transfer title to a Lot, together with the improvements thereon, until he or she has requested and obtained a resale certificate signed by a representative of the Association as described in Chapter 207 of the Texas Property Code, or its successor statute, indicating, in addition to all other matters described in Chapter 207, the information required in Section 5.012 of the Texas Property Code (the "**Resale Certificate**").

In accordance with Chapter 207 of the Texas Property Code, as same may be amended from time to time, the Association may charge a reasonable fee to prepare, assemble, copy, and deliver a Resale Certificate and accompanying information and any update to a Resale Certificate, which charge is supported by the lien created in this Declaration.

Q. Trademark

Declarant is or may be the exclusive owner and proprietor of and has reserved or may reserve all rights with respect to the trademark for Kellar Farms (the "**Trademark**"). In the event that Declarant is the owner of the Trademark, unless and until a written license agreement has been sought and obtained from Declarant (and in this connection Declarant may withhold consent in its sole and absolute discretion), no person or entity may at any time or for any reason whatsoever, use, depict, draw, demonstrate, reproduce, infringe, copy, or resemble, directly or indirectly, the Trademark. Notwithstanding anything contained in this Declaration to the contrary, Declarant specifically grants to the Association, a residential nonprofit association which may hereafter be formed, or a nonprofit master association which may hereafter be formed with jurisdiction over the Property (each such nonprofit corporation is referred to as an "**Authorized User**"), the right to use the Trademark on a limited basis in the administration, consistent with the Dedicatory Instruments of the Property, and the enforcement of restrictive covenants encumbering the Property located in Bastrop County, Texas. The right to use the Trademark may continue for so long as an Authorized User (i) operates as a Texas nonprofit corporation in conformance with its Dedicatory Instruments and pursuant to its purpose; and (ii) does not engage in the development or sale of real property within the Property.

R. Water Management

Each Owner acknowledges and agrees that some or all of the water features, which may include rivers, bayous, ponds, streams, creeks, lakes, or any wetlands in or in proximity to the Property may be designed as water management areas and are not designed solely as aesthetic features. Due to fluctuations in water elevations within the immediate area and as a result of

natural events, such as hurricanes or tropical storms, water levels will rise and fall. Each Owner further acknowledges and agrees that neither the Association nor Declarant has, and neither is obligated to, exert control over such elevations. Each Owner agrees, by purchase of a Lot, to release and discharge Declarant and the Association, including their respective officers and directors, from and against any losses, claims, damages (compensatory, consequential, punitive, or otherwise), injuries, deaths, and expenses of whatever nature or kind, including legal costs related to or arising out of any claim relating to such fluctuations in water elevations. Owners may not alter, modify, expand, fill, or otherwise adversely affect any water features, wetlands, or waterways located within or in the vicinity of the Property without the prior written approval of the authorities as may have relevant jurisdiction over such matters.

S. Master Plan

“**Master Plan**” means the land use plan for the development of Kellar Farms, if any, prepared by or at the request of Declarant, as it may be amended by Declarant in its sole and absolute discretion, from time to time, which plan includes the Property encumbered by this Declaration. The Association is not a party to Declarant’s Master Plan and has no authority regarding Declarant’s land use decisions. The Master Plan may include all, none, or a portion of property owned by Declarant, which Declarant may, without the obligation to do so, from time to time subject to this Declaration by a subsequently recorded written document. Inclusion of property on the Master Plan does not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor does the exclusion of property owned by Declarant from the Master Plan bar its later annexation in accordance with this Declaration. Additionally, any use indicated on the Master Plan is tentative and subject to change by Declarant without notice to the Owners.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this _____ day of _____, 2023.

DECLARANT:

D&P INTERESTS, LP, a Texas limited partnership

By: Canterra Classics, Inc., its general partner

By: _____

Print Name: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, the _____ of Canterra Classics, Inc., general partner of D&P Interests, LP, a Texas limited partnership, known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that s/he executed the same for the purposes expressed in this Declaration and in the capacity expressed above.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2023.

Notary Public – State of Texas

LIENHOLDER CONSENT AND SUBORDINATION

Prosperity Bank, a Texas state financial institution, being the sole beneficiary of a purchase money mortgage lien (as set forth in Article XIV, Section F of the Declaration) and other liens, assignments, and security interests encumbering all or a portion of the Property consents to the terms and provisions of this Declaration to which this Lienholder Consent and Subordination is attached and acknowledges that the execution thereof does not constitute a default under the lien document or any other document executed in connection with or as security for the indebtedness above described, and subordinates the liens of the lien document and any other liens or security instruments securing the indebtedness to the Declaration (and the covenants, conditions and restrictions in this Declaration), and acknowledges and agrees that a foreclosure of the liens or security interests will not extinguish this Declaration (or the covenants, conditions and restrictions in this Declaration). No warranties of title are made by lienholder, lienholder’s joinder being solely limited to such consent and subordination.

SIGNED AND EXECUTED THIS on _____, 2023.

Prosperity Bank, a Texas state financial institution

By: _____

Print Name: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____ 2023, by _____, the _____ of Prosperity Bank, a Texas state financial institution, on behalf of this entity.

Notary Public – State of Texas

EXHIBIT A

(Community Fence diagram follows)