

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WRIGHT RANCH**

This Declaration of Covenants, Conditions and Restrictions for Wright Ranch ("**Declaration**") is made effective August 25, 2020, by Laredo Four Winds II, Inc., a Texas corporation, acting by and through duly authorized persons together with its successors and assigns, the "**Declarant**")

RECITALS

Declarant is the owner of all of the lots in Cuatro Vientos East Subdivision Phase III, a Subdivision in Webb County, Texas, according to the Plat thereof recorded, in Volume 38 , Pages 25-26, of the Official Public Records of Webb County, Texas (the "**Plat**"); being all the Lots in such subdivision to be known as Wright Ranch (the "**Subdivision**");

Declarant desires to place certain restrictions, easements, covenants, conditions, stipulations, and reservations contained in this Declaration upon and against the Subdivision in order to establish a uniform plan for its development, improvement, use, occupancy, and ownership and to insure the preservation of such uniform plan for the benefit of both the present and future Owners of Lots (as defined herein) in the Subdivision.

Declarant hereby adopts, establishes and imposes upon the Subdivision the following reservations, easements, restrictions, assessments, liens, covenants, and conditions, (the "**Restrictions**"), which shall run with the land and title or interest therein, or any part thereof, and every contract, conveyance or other transfer of title made after the date hereof with respect to any Lot shall conclusively be held to have been executed, delivered, and accepted subject to the Restrictions and this Declaration, whether or not the Restrictions and Declaration are set out in full or are incorporated by reference in such contract, conveyance, or other transfer of title.

**Article I
DEFINITIONS**

Section I.1 "**Architectural Control Committee**," "**Committee**," or "**ACC**" means a committee appointed by the Board of Directors to approve or disapprove improvements to be constructed on a Lot as provided in this Declaration.

Section I.2 "**Assessment**" means a regular assessment or special assessment, or other amount an Owner is required to pay to the Association under this Declaration or other dedicatory instrument described herein.

Section I.3 "**Association**" means Wright Ranch Homeowner Association, a Texas non-profit corporation organized under Chapter 22 of the Business Organizations Code, and its successors and



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assigns, which is designated as the representative of Owners in the Subdivision, whose membership consists of Owners, and manages and regulates the Subdivision for the benefit of the Owners.

Section I.4 **“Board of Directors”** or **“Board”** refers to the governing body of the Association.

Section I.5 **“Building Setback Line”** refers to the minimum building setback lines applicable to the Lots as set forth in the Plat.

Section I.6 **“Bylaws”** means the duly adopted bylaws of the Association as the same may be amended from time to time. The current Bylaws are attached to this Declaration as Exhibit “A” and are fully incorporated herein.

Section I.7 **“Collection agent”** means a debt collector, as defined by Section 803 of the federal Fair Debt Collection Practices Act (15 U.S.C. Section 1692a)

Section I.8 **“Common Area”** means such areas within the platted Subdivision, or within such areas as may be annexed thereto, which are owned by the Association for the common use and enjoyment of the Owners. Any Common Area is not subject to the restrictions applicable to Residential Lots unless specifically set forth herein.

Section I.9 **“Declarant Control Period”** means and refers to the period of time during which the Class B Member is entitled to appoint and remove the members of the Board of Directors and the Officers of the Association other than Board members or officers elected by Members of the Association pursuant to the Bylaws.

Section I.10 **“Dedictory Instrument”** means each governing instrument covering the establishment, maintenance, and operation of the Subdivision. The term includes the Declaration, Bylaws, and ACC guidelines, Rules and Regulations, Open Records and Records Retention Policies, and Alternative Payment Schedule, and all lawful amendments. All dedicatory instruments will have no effect until filed in the Official Records.

Section I.11 **“Development Period”** means the period in which Declarant reserves a right to facilitate the development, construction, and marketing of the Subdivision.

Section I.12 **“Lot”** refers to any designated parcel of land in the Subdivision as shown on the Plat including any improvements: **“Residential Lot”** means any Lot that is not designated as Common Area.

Section I.13 **“Official Records”** means the Official Public Records of Real Property of Webb County, Texas.

Section I.14 **“Owner”** means one or more persons who hold record title to a Residential Lot and includes a personal representative.

Section I.15 **“Managing Agent”** means the Association’s designated representative as it appears on the Management Certificate.

Section I.16 **“Management Certificate”** means the instrument required to be recorded pursuant to Section 209.004 of the Texas Residential Property Owners Protection Act.

Section I.17 **“Member”** refers to every Owner or entity which holds membership in the Association by virtue of its ownership of a Lot.

Section I.18 **“Rules and Regulations”** or **“Rules”** mean the Rules and Regulations of the Association as may be promulgated and amended from time to time.

Section I.19 **“Texas Residential Property Owners Protection Act”** or the **“Act”** refers to Texas Property Code Chapter 209, as same may be amended or repealed in whole or in part.

Section I.20 **“Transfer Fee”** means dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment under this Declaration, other dedicatory instrument, or under law, including a fee or charge payable for a change of ownership entered in the records of the Association.

Article II

STREET AND COMMON AREA

Section II.1 Each Owner has an easement of access and a right and easement of enjoyment in and to Common Areas and such easement is appurtenant to and passes with the title to every Lot, subject to the following: (a) the right of the Association to suspend a Member’s voting right and right to use the Common Areas for any period during which any assessment against the Lot or any other sum due the Association by him remains unpaid; and, for a period not to exceed 30 days for any infraction of its published Rules and Regulations; (b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the Members; and (c) the right of the Association to limit the number Member’s guests.

Section II.2 The Common Area at all times is or will be owned or controlled by the Association, it being agreed that this provision is necessary in order to preserve the rights of Owners with respect to the operation and management of the Common Area. Notwithstanding the above, the Declarant reserves the right to grant, convey, and dedicate or reserve easements over, or under the Common Area for utility services.

Article III
LAND USE AND BUILDING TYPE

Section III.1 All Residential Lots may be used only for single-family residential purposes, which means residential occupancy by not more than two unrelated adult persons and their children living together as a single housekeeping unit, together with any bona fide household servants. No building or structure may be erected, placed, added to, or altered on any Lot except a single-family residential dwelling, not to exceed two and one-half stories of living area in height, and appurtenant structures as allowed below. Each Owner of any Lot subject to these restrictions is deemed to have covenanted and agreed, by acceptance of a contract, conveyance, or other transfer of title covering such Lot, that such Owner will not apply for a permit to erect, place, alter, or add to any structure on any Lot other than a single-family residence or other allowed structure as specified and permitted herein. Any garage apartment or servant's quarters that may be situated on any Lot cannot be used for rental purposes; it may be used only by servants who are employed in the dwelling and by members or temporary guest of the family.

Section III.2 Every residence must have an enclosed, attached garage for at least two and not more than four vehicles. No garage constructed as part of the original construction of the residence by the original builder may be converted to living quarters unless and until a replacement garage of equivalent size is constructed.

Section III.3 Notwithstanding anything to the contrary in this Article III: (i) during the period of original construction of new homes, construction and sales trailers may be temporarily placed and utilized upon Residential Lots with Declarant's approval, and (ii) a homebuilder marketing homes in the Subdivision may convert garage areas in model homes to temporary sales offices, provided those garage areas are restored for garage use when no longer used as a sales office.

Article IV
ARCHITECTURAL CONTROL

Section IV.1 No building or improvement of any character may be erected, placed added to, or altered on any Lot until the building plans, specifications, and a site plan showing the location of the proposed structure or structures have been submitted to and approved by the Architectural Control Committee as being in compliance with these Restrictions as to use, quality of workmanship and materials, nature of materials, harmony of external design and external colors with existing and proposed structures, and location of improvements with respect to topography, finished grade elevating, Lot boundary lines and building lines, and within the scheme and design of Declarant.

Section IV.2 Plans, and other documents must be submitted for approval by the Committee prior to commencing the erection, placement, addition to, or alteration of any such improvements on any Lot. If the Committee fails to approve or disapprove such plans and documents in writing within 30 days after actual receipt of the request by the Committee for approval, such plans and documents will be deemed

approved to the extent that the requested improvement is not otherwise prohibited by the Restrictions; failure to reject the requested plan WILL NOT BE DEEMED A WAIVER OF ANY RESTRICTION CONTAINED HEREIN AND THE REQUESTING PARTY MUST COMPLY WITH ALL THESE RESTRICTIONS. Deposit in the mail of any rejections within 30 days of the actual receipt of the request will be deemed timely. The Committee may establish and charge reasonable application fees for its review of plans. If the person requesting approval by the Committee provides a facsimile number or email address, approval or denial of the request may be delivered by facsimile or email. Architectural Control Committee action is in addition to and not in lieu of any construction permits that may be required by statute, ordinance, or regulation.

Section IV.3 During the period that Declarant owns any Lot, the Architectural Control Committee will be appointed by Declarant; the current Committee is composed of Richard M. Hachar and Mercedes Navarro. If any member of the Committee resigns or is removed while Declarant owns any Lot, Declarant must appoint a successor to fill the vacancy. Declarant may, in Declarant's sole discretion, assign Declarant's right to appoint members to the Architectural Control Committee created in this Article to the Board of Directors of the Association or to a successor Declarant. If Declarant assigns its right to appoint members of the Architectural Control Committee, the Architectural Control Committee will consist of three members. The person or entity empowered to appoint members to the Architectural Control Committee is also empowered to remove and replace members of the Architectural Control Committee. When Declarant and any successor or substitute Declarant no longer owns any Lot within the Subdivision or annexed Subdivisions, the power to appoint members of the Committee will vest in the Board of Directors of the Association.

Section IV.4 The Architectural Control Committee has the express authority to perform fact finding functions hereunder and the power to construe and interpret any covenant or restriction herein that may be vague, indefinite, uncertain, or capable of more than one construction. The Architectural Control Committee has the authority to determine and publish reasonable standards for materials, colors, and design for improvements, from time to time, as the Architectural Control Committee sees fit. The Committee may designate one or more members of the Committee to respond on behalf of the entire Committee.

Section IV.5 Members of the Committee and their representatives will not be liable to any person subject to or possessing or claiming the benefits of the Restrictions for any damage or injury to property or for damage or loss arising out of their acts or failure to act, it being understood and agreed that any remedy be restricted to injunctive relief and no other. The members of the Architectural Control Committee are not entitled to any compensation for services rendered pursuant to this covenant. The Architectural Control Committee and its members do not represent or warrant that any approved construction meets any building standard, will increase the value of any property, or will cause no harm to neighboring properties. All improvements are constructed at the sole risk of the Lot Owner.

Section IV.6 If the Architectural Control Committee determines that the complexity of a request for architectural approval so warrants, the Architectural Control Committee may retain an architect or

engineer for assistance and advice; in this event, the reasonable costs of such architect or engineer shall be paid by the party requesting architectural approval.

Section IV.7 The initial mailing address of the Committee is 3301 Chacota St., Suite 23B, Laredo, Texas 78046. The mailing address may be changed by recording notice of change of address in the Official Records.

Article V

DWELLING SIZE AND MATERIALS

Any dwelling located on any Lot must contain a total living area of not less than 1,450 square feet of living space, which may include habitable or non-habitable space on the residential lot such as living space, servant's quarters, garage, open or screen porches, or other approved accessory building or structure, and/or other similar residential features, as applicable.

All roofing material must have a least 20-year dimensional roof warranty; no rolled roofing shall be allowed. The exterior walls on all residences and outbuildings, excluding windows and doors, must be a hundred percent (100.00%) masonry (which is brick, stone, concrete, or stucco), provided that the plans, material and color specified have been approved by the Architectural Control Committee. The entire exterior vertical surfaces of chimneys must be covered with masonry unless specifically modified, reduced, or waived by the Architectural Control Committee. All exterior building materials are subject to approval by the Architectural Control Committee, in its sole discretion.

Section V.2 From time to time, the Architectural Control Committee may publish a memorandum of approved materials, colors and designs that are deemed acceptable to the Committee for use within the Subdivision subject to this Declaration.

Article VI

LOCATION OF BUILDINGS AND IMPROVEMENTS ON LOTS

Section VI.1 No part of any building may be located nearer to a public Street boundary line or any side or rear Lot boundary line than the applicable Building Setback Line or other omitting lines applicable to such Lot shown on the Plat. For the purposes of these Restrictions, the front Lot boundary line of each Lot will be the shortest boundary line thereof abutting the Lot and the public Street as shown on the Plat.

Section VI.2 The residential dwelling on each Lot in the Subdivision must face the front of the Lot. Roof overhangs not exceeding four (4') feet, window boxes, and fireplace extensions are deemed "architectural features" and are "part of any building" as used herein for building location purposes. No building or improvement may impair the use of any easement provided in the Plat or dedicated by instrument. All private driveways must be constructed of concrete and conform to specifications of governing authorities at the time of construction. Circular driveways, and driveways of Irregular Shaped Lots must be a minimum of ten (10') feet wide.

Section VI.3 If two Lots are joined together as a single residential unit, the interior Lot lines (and common setback line) between the joined Lots will be disregarded for purposes of placement of the residence and other structures. The joinder of two Lots as a single residential unit will not reduce the Assessments.

Section VI.4 No structure or improvement of any kind may be placed between the minimum Building Setback Line and the front property line, except outdoor lighting, landscape materials, and landscape related improvements as may be approved by the Architectural Control Committee in its sole discretion. No structure or improvement of any kind may be placed between the front property line (or side property line of corner Lots) and the curb. Notwithstanding the foregoing, the Architectural Control Committee may, but is not obligated to, approve mailboxes and lighting in the area between the Lot boundaries and the curb.

Section VI.5 The Architectural Control Committee may waive the setback line requirements upon a finding by the Committee that such waiver will not create an unreasonable burden upon the Subdivision and that there is sufficient need for the waiver. A waiver will not alleviate the requirements of any building code or governmental regulation and is not a waiver of any future enforcement.

Section VI.6 All service lines for utilities, (water, sewer, electricity, telephone, cable television, etc.) must be installed underground with cover meeting at least the minimum standards of the utility purveyor, and no above-surface wires or lines may be installed on any Lot or on any Common Area.

Section VI.7 No individual water supply system or onsite sanitary sewer or septic system is permitted on any Lot, including septic tanks and water wells. Each Owner is required to connect to the public sanitary sewer and water distribution systems of the City of Laredo Utilities System. Portable toilets of a commercial character may be located on a Lot during the construction period of a residence for the convenience of the construction workers.

Article VII

DRAINAGE

Section VII.1 The Owner of each Lot must maintain the original drainage design and construction of drainage on the Residential Lot. The original drainage design and construction may not be altered without prior approval by the Architectural Control Committee; also, during the first ten years of the existence of each Lot, no approval for alteration of the drainage design or construction of any Lot will be effective unless Declarant has given its written approval of such change. Declarant will have no liability of any kind for its approval or rejection of any request for alteration of drainage. The Owner of the Lot upon which drainage is altered will have the sole responsibility for any damages arising therefrom. No landscape plan or design that would have the effect of altering the drainage of any individual Lot to hold water or would increase the flow of water to another Lot may be approved. Each property Owner is

solely responsible for changes to the drainage upon each Owner's property, including but not limited to damages to such Owner's property and surrounding properties.

Article VIII

UTILITY AND DRAINAGE EASEMENTS

Section VIII.1 All easements for utilities and drainage must be kept clear of improvements or structures of any kind, and no trees, shrubs, berms, or other obstructions may be placed upon such easements in such a manner as would in any way limit the intended use of the easements. In this regard, Declarant, the Association, and any utility company or drainage authority using the easements will not be liable for any damage done to shrubbery, trees, flowers, or other property that is located within the area covered by the easements.

Section VIII.2 Easements for installation and maintenance of utilities and drainage facilities, and non-access easements, are reserved as shown on the Plat. Within these easements, no structure, planting or other material may be placed or permitted to remain so as not to damage or interfere with the installation, performance, and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow or drainage channels in the easements. The easement area of each Lot and all improvements in it must be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

Article IX

PROHIBITED AND LIMITED STRUCTURES AND ADDITIONS

Section IX.1 Mobile homes and modular homes are prohibited on any Lot, whether or not wheels are attached. No home constructed elsewhere may be moved and placed on any Lot in this Subdivision.

Section IX.2 Except where preempted by federal or state law or regulation, no antenna of any kind may be placed, kept or maintained on any Lot except (i) a "wire" or "tube" antenna for receiving usual and ordinary AM-FM radio and television signals, which antenna must be contained within the attic space of the residence, and (ii) "dish" or "satellite" receiver, of not greater than one meter in diameter, to be installed only on the side or back of the house, not to exceed the height of the tallest part of the house structure. Each Owner must use its best efforts to conceal all antennae from view on the fronting street. No broadcast antenna or antenna used for output devices may be placed outside any residence. No patio cover may be erected on the side of any residence if such construction will be within ten feet of the adjoining residence. No clothesline may be constructed unless concealed from general view by fences, buildings, or landscape as may be required by the Architectural Control Committee. No skateboard ramps, or other athletic apparatus may be erected, maintained, or placed, at any time, in front of the front building setback line established by the Plat. Without limiting the foregoing limitations, no portable building tent, shed, barn, basketball goal, or other portable structure of any nature may be placed on any Lot without approval by the Architectural Control Committee. However,

with approval by Declarant, a temporary office, flag poles, signs, and work-shed must be removed at completion of the construction or sale of the dwellings, whichever is applicable. Any such permitted temporary structure may never be used for residential purposes.

Section IX.3 Subject to this section, and approval by the Committee, Owners may display a flag of the United States of America, the flag of the State of Texas, or an official or replica flag of any branch of the United States armed forces. The flag of the United States may only be displayed in accordance with 4 U.S.C. Sections 5-10, which qualify the times and occasions for the flag's display, the position of the flag, and respect for it. The flag of the State of Texas may only be displayed in accordance with Chapter 31 of the Texas Government Code. A flagpole attached to a dwelling or a freestanding pole is to be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling on the Lot. The display of the flag, and its location and construction of the supporting flagpole must comply with appropriate ordinances, easements, and setbacks of record, and a displayed flag and flagpole on which it is flown shall be maintained in good condition. Any deteriorated flag or structurally unsafe flagpole must be repaired, replaced, or removed. A flagpole attached to the dwelling on a Lot may not exceed six feet in height. A freestanding flagpole may not exceed 20 feet in height, measured from the ground base to the top of the flagpole. Illumination of permitted flags must be sub-surface and not exceed 200 watts and positioned in a manner not directed toward and adjacent Lot. A flag displayed on a freestanding flagpole may not be more than ten feet in height, and a flag displayed on a flagpole attached to a dwelling may be no more than three by five feet. No more than one of each permitted flag may be displayed on a flagpole at any time. Owners may not install flagpoles or display flags in the Common Area without the express written consent of the Association.

Section IX.4 Subject to this section, and approval by the Committee, Owners may display or affix on the entry to the Owner's dwelling one or more religious items, the display of which is motivated by the Owner's or resident's sincere religious belief. No religious item may individually or in combination exceed 25 square inches and may not extend past the outer edge of the door frame of the dwelling. Notwithstanding the foregoing, the display or affixation of a religious item on an Owner's dwelling that threatens public health or safety, violates a law, or contains language, graphics, or any display that is patently offensive to a passerby is prohibited. This section does not authorize an Owner to use a material or color of an entry door or door frame or make an alteration to the door or door frame of the Owner's dwelling that is not authorized by the Committee. The Association may remove an item displayed in violation of this section.

Section IX.5 Subject to this section and approval by the ACC within 45 days of submission of a plan, Owners may install solar energy devices on the roof of the dwelling or other permitted improvement on a Lot, or in fenced yard or patio not taller than the fence line. As used in Section 202.010 of the Texas Property Code "solar energy device" has the meaning assigned by Section 171.107 of the Tax Code, which defines the term as "a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar generated power." The term includes a mechanical or chemical device that can store solar-generated energy for

use in heating or cooling or in the production of power. A solar energy device is not permitted anywhere on a Lot except on the roof of the residential dwelling or other permitted structure on the Lot or in a fenced yard or patio within the Lot. A solar energy device may not extend higher than the dwelling's or other permitted improvement's roofline, and shall conform to the slope of the roofline, shall have a frame, support bracket, or visible piping that is a silver, bronze, or black tone commonly available in the marketplace, and shall be located on a roof as designated by the ACC, unless an alternate location increases the estimated annual energy production of the device by more than 10% above the energy production of the device if located in the area designated by the ACC. For determining estimated annual energy production, the parties must use a publicly available modeling tool provided by the National Renewable Energy Laboratory. A solar energy device located in a fenced yard or patio must not be taller than or extend above the fence enclosing the yard or patio. A solar energy device must not be installed on a Lot in a manner that voids material warranties. A solar energy device that, as adjudicated by a court threatens the public health or safety, violates a law, or is in the Common Area is prohibited. The ACC may not withhold approval if the guidelines of this section are met or exceeded unless the ACC determines in writing that placement of the device as proposed constitutes a condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The written approval of the proposed placement of the device by all Owners of property adjoining the Lot in question constitutes prima facie evidence that substantial interference does not exist. During the Development period, Declarant may prohibit or restrict an Owner from installing a solar energy device.

Section IX.6 Section 202.007 of the Texas Property Code prohibits the Association and ACC from enforcing a provision that prohibits or restricts an Owner from installing rain barrels or a rain harvesting system on the Owner's Lot. However, Section 202.007 of the Texas Property Code further provides that the Association is not required to permit a rain barrel or rainwater harvesting system to be installed on a Lot in particular circumstances or restricted from regulating rain barrels and rain harvesting devices in specified manners, as follows: No rain barrel or rainwater harvesting system may be permitted in the Common Area or located on a Lot between the front of the dwelling and an adjoining or adjacent street, be of a color inconsistent with the color scheme of the Owner's dwelling, or display any language or other content that is not typically displayed by a barrel or system as manufactured. The ACC can regulate the size, type and shielding of, and the materials used in the construction of, a rain barrel, rainwater harvesting device, or other appurtenance that is located on the side of a dwelling or any other location that is visible from a street, another Lot, or the Common Area, if it does not prohibit the economic installation of the device or appurtenance on the Owner's Lot. There must be a reasonably sufficient area on a Lot to install these devices and appurtenances.

Article X

PROHIBITED ACTIVITIES

Section X.1 The Lots and buildings may be used for noncommercial residential uses only; no business or service activity of any kind may be conducted on or from any Lot or from any improvements situated thereon, whether activity be for profit or otherwise. The following criteria indicate that the Lot

does not violate this prohibition: (i) no additional exterior sign or Activity is present, (ii) the activity usually happens in a home, (iii) no additional traffic that would not be occurring normally is created, and (iv) nothing dangerous is present.

Section X.2 No lease or rental of any residence may be for a period of less than 30 days

Section X.3 No noxious or offensive activity of any kind that may constitute or become an annoyance or nuisance to the Subdivision neighborhood is permitted on any Lot, nor is any illegal activity permitted on any Lot. No activity intended as a harassment of any Owner is allowed. Violation of any order of the State of Texas, any state agency, or political Subdivision, or any municipal ordinance, state law or federal law, will be deemed a nuisance and is subject to enforcement as provided herein.

Section X.4 In the interest of public safety streets and roadways may not be used a playgrounds or recreational areas

Section X.5 The Association may determine what constitutes a violation of this Article X in its sole and absolute discretion.

Article XI

MINING AND MINERAL OPERATIONS

Section XI.1 No oil, gas, or water wells, drilling or development operations or refining, quarrying, or mining operations of any kind are permitted on any Lot.

Article XII

GARBAGE AND OTHER WASTE

Section XII.1 No Lot may be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste, and such substances must not be kept or stored upon any Lot, except that the garbage and other waste accumulated from normal household operations may be kept temporarily for purposes of ordinary waste collection. All such waste substances being kept on a Lot pending collection thereof must be kept in sanitary contains with securely closed tops or lids or in plastic bags with the tops thereof securely closed. Any such containers must be hidden from general view, except when awaiting collection on a regularly scheduled collection day. The temporary location of such containers pending collection, and the period of time such containers or bags may be situated at such temporary location, are all subject to the approval of the Architectural Control Committee. All containers, bags, or other equipment for the storage or disposal of waste must be kept in a clean and sanitary condition. All waste containers must be placed for collection on the same day as pickup is scheduled.

Article XIII

ANIMALS

Section XIII.1 No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that no more than two dogs and two cats may be kept, if they are not kept, bred, or maintained for commercial purposes. All pets must be attended and on a leash except when within the confines of a residence or fenced area; no pet can roam the Subdivision. Incessant barking or howling or pets will be deemed a nuisance and is prohibited.

Section XIII.2 The owner and custodian of each pet must immediately remove the excrement of his or her pet from yards, streets, sidewalks, common areas, easements, and rights-of-way. No animals may be kept on the front yard unattended, whether kept on a staked leash or not. Pet owners must comply with local ordinances.

Article XIV

FENCES, WALLS, HEDGES AND LANDSCAPING

Section XIV.1 Declarant has caused or may (but is not obligated to) cause the construction of a masonry fence, along certain portions of Lot boundary lines which are common with boundaries of the Subdivision, and boundaries of the easements and rights-of-way, as may be shown on the Plat.

Section XIV.2 The obligation to maintain, repair, and replace a fence along the above specified Lot boundaries or portions thereof is appurtenant to the ownership of the Lots and is a covenant running with the land with respect to each of the Lots. Except as specified under the immediately preceding sub-paragraph of this Article, no fence, wall, gas meter, or other structure, nor any hedge or other mass planting may be placed or permitted to remain on any Lot at a location between any boundary of such Lot which is adjacent to any street or streets and the building setback line related to such Lot boundary (as shown on the Plat), unless such structure or mass planting and its location has been approved by the Architectural Control Committee.

Section XIV.3 Fences and fence type walls must be generally six feet to eight feet in height above ground level, unless otherwise approved by the Architectural Control Committee, and the surface of any such fence or wall must be faced with brick or stone (no chain linked fences) approved by the Architectural Committee. No fence may be placed between the building set back and street as shown on the Plat. The foregoing notwithstanding, all fences and gates facing a public street or roadway must be constructed of masonry or wrought iron. Colors for masonry and iron portions of all fences are determined by the Architectural Control Committee, considering harmony with the existing residence. The design of masonry and iron portions of all fences is subject to approval by the Architectural Control Committee. During the period of construction of new homes, builders and contractors may construct security fences with gates but all such security fences and gates must be removed upon the completion of construction of new homes within the Subdivision.

Section XIV.4 All open, unpaved space within a Lot must be landscaped and maintained in a manner deemed appropriate by the Architectural Control Committee. All landscaping, mailboxes, sidewalks, driveways, lighting, and other exterior features that are open to the public view must be harmonious and in keeping with the overall character and aesthetics of the Subdivision. To this end, all landscape plans must be submitted to and approved by the Architectural Control Committee prior to the construction, installation, or placement of such improvements. Approved landscaping must be completed not less than six months following completion of a residence of a Lot. The yard may be sodded with Bermuda, Zoysia, Buffalo, St. Augustine, or other grasses approved by the Architectural Control Committee. The installation of native and xeriscape shrubs is encouraged. Each Lot must have an underground sprinkler system or a drip irrigation system for all landscaped areas.

Section XIV.5 All tree trimming, or removal must be accomplished at such times and using such methods to prevent the spread of oak wilt.

Article XV

CUTTING WEEDS OR GRASS AND REMOVAL OF TRASH

Section XV.1 The Owners and occupants of each Lot must at all times keep all weeds or grass thereon cut or trimmed in a reasonable neat manner, must not permit an accumulation of garbage, trash, rubbish, or other waste of any kind to remain thereon, and must keep and maintain adequate ground cover to protect against soil erosion. The Owner and occupants of each Lot must always keep the curb lines and gutter lines, along the streets adjoining their property lines, free of grass, weeds, and overgrowth. No Lot may be used for storage of material and equipment except for normal residential requirements or incidental to construction of improvements thereon as herein permitted.

Article XVI

SIGNS OR BILLBOARDS

Section XVI.1 The Owner of a Lot is entitled to display one sign thereon from time to time for purposes of selling or renting the property; provided, that each face of such sign must be rectangular in shape and not exceed six square feet in surface area, and that the content of such sign must be limited to the words "Sold", "For Sale," or "For Rent", the name and telephone number of the seller or real estate agent, and the words "Shown by Appointment Only". No "For Sale" or "For Rent" sign may be displayed unless a telephone number, where daytime inquiries can be answered, is listed in numbers readable from the curbside. No "For Sale" or "For Rent" sign may be displayed for any purpose other than a bona fide offer to sell or to rent the property upon which the sign is located. No "Sold" signs may remain on a Lot more than two weeks after completion of the sale. During the period of Lot sales and construction of new residences, home builders maintaining a sale or construction office within the Subdivision or areas duly annexed, Declarant and homebuilders with consent of Declarant have the right to place directional signs and other "sold" and "for sale" signs (not exceeding eight square feet in size) that do not contain the telephone number of the builder and other marketing signs, provided such signs are approved in writing by the Architectural Control Committee. For purposes of security and safety,

the Board of Directors has the authority to approve the installation of one sign on each Lot noting the existence of a residential security system; no such sign shall be placed greater than two feet from the residence, and no sign or sticker may be installed without the size, shape, color, and material being first approved by the Architectural Control Committee. Also, the Association may place signs on Lots noting special accomplishments, such as awards for "Yard of the Month" Christmas decorating, and landscape. No other sign, advertisement, billboard, or advertising structure of any kind may be erected or maintained within Subdivision boundaries without first having obtained the consent in writing for the Committee. The Committee and Board have the right to remove any unpermitted sign, advertisement, billboard, or structure that is erected or placed on any Lot or adjacent easement or right-of-way without consent, and in so doing, will not be subject to any liability for trespass or other tort in connection therewith.

Section XVI.2 Owners may display on the Owner's Lot one or more signs advertising a political candidate or ballot item for an election on or after the 90th day before the date of the election to which the sign relates or 10 days after that election date. Signs must be ground-mounted and display only one sign for each candidate or ballot item. Any sign that contains roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative components, is attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object, includes the painting or architectural surfaces threatens the public health or safety, is larger than four feet by six feet, violates a law, contains language, graphics or any display that would be offensive to the ordinary person, or is accompanied by music or other sounds or by streamers or is otherwise distracting to motorists is prohibited. The Association may remove a sign displayed in violation of this section or of Section 202.009 of the Texas Property Code.

Article XVII

MISCELLANEOUS VEHICLES AND EQUIPMENT

Section XVII.1 No trailer, motor home, tent, boat, recreational vehicle, travel trailer, any truck larger than a one ton pick-up, or any wrecked, junked or wholly inoperable vehicle may be kept, parked, stored, or maintained, on any portion of the front yard of a Lot in front of the building line of the residence, nor kept, parked, stored or maintained on any other portion of a Lot or street for a period of more than 48 hours unless it is in an approved enclosed structure or in an approved, screened area which prevents the view thereof from adjacent Lots and streets. No dismantling, repair, or assembling of an auto, trailer, motor home, tent boat, recreational vehicle, travel trailer, any truck or other machinery or equipment is permitted in any street, driveway, or yard adjacent to a street. Without limiting the foregoing, it will be presumed that any vehicle that does not have attached a current license plate and current safety inspection sticker (if required by statute)(or has one or more flat tires, or is otherwise disabled or partially disassembled, is a vehicle stored in violation of this Article.

Section XVII.2 Motorcycles, motorbikes, motor scooters, motorized bicycles, and other motorized vehicles may not be operated on any Lot or operated from any Lot over the streets of the Subdivision

unless such vehicle is operated by a state licensed driver and such vehicle is equipped with an adequate and properly functioning muffler, nor shall such vehicles be kept or operated in such a way as to constitute a nuisance or danger.

Article XVIII

MAINTENANCE OF RESIDENTIAL LOT

Section XVIII.1 All dwellings, fences, walls, and other approved structures must be kept in a reasonably good state of painting and repair and must be maintained at the cost of the Owner so as not to become unsightly.

Section XVIII.2 In addition to rights, powers and remedies granted by law, of the Owner or occupant of any Lot defaults in observing the requirements set out herein, and the continuation of such default after ten days written notice thereof from the Association, the Association, upon approval by the Board of Directors, may enter upon the Lot through its agents, without liability to the Owner or occupant in trespass or otherwise, and cause to be done any work or other thing necessary to secure compliance with these Restrictions, any may charge the Owner or occupant of such Lot for the cost for any such work or thing. The Owner or occupant of each Lot agrees, by the purchase or occupation of the Lot, to reimburse the Association immediately upon receipt of a statement covering the cost of any such work or thing. If the owner or occupant fails to pay such statement, the amount thereof and any attorney fees and court costs, may be added to the Annual Assessment assessed by the Association against such Lot, and before a charge thereon and be collected in the same manner as the regular Annual Assessment.

Article XIX

DUTIES AND POWERS OF THE ASSOCIATION

Section XIX.1 The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members to maintain, improve and enhance the Common Areas and to improve and enhance the attractiveness, desirability, and safety of the Subdivision. The Association has the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration and other dedicatory instruments.

Section XIX.2 The Association must manage, operate, care for, maintain and repair all Common Areas and keep the same in a safe, attractive, and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the Common Areas includes, but is not limited to the management, maintenance, repair and upkeep of the Subdivision and Common Areas.

Section XIX.3 The Association must obtain such insurance as may be required by law, and as the Association shall deem necessary or desirable.

Section XIX.4 The Association must prepare annual budgets for the Association, which must include a reserve fund for the maintenance for the Common Areas.

Section XIV.5 The Association must levy, collect, and enforce the Assessments and other charges and assessments as elsewhere provided in this Declaration.

Section XIV.6 The Association must provide for an annual un-audited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying, pursuant to the Association's Open Records Policy, pursuant to 209.005 of the Act.

Section XIV.7 The Association must perform functions to assist the Architectural Control Committee as elsewhere provided in this Declaration.

Section XIX.8 The Association must record in the Official Records a Management Certificate, signed by an officer of the Association, or the Managing Agent stating the name of the Subdivision, the name of the Association, the recording data of the Subdivision, the recording data of this Declaration, the name and mailing address of the Association, the name and mailing address of the Association's Managing Agent or designated representative, and other information the Association considers appropriate. The Association must record an amended Management Certificate not later than the 30th day after the Association has a change in any information required herein. The Association, and its officers, Directors, employees, and agents are not subject to liability to any person for a delay in recording, or a failure to record the Management Certificate, unless the delay or failure is caused by gross negligence.

Section XIX.9 The Association may acquire additional property (including leases) for the common benefit of Owners including improvements and personal property. The Association may construct improvements on such property and may demolish existing improvements.

Section XIX.10 The Association may adopt, amend, repeal and enforce Rules and Regulations, and levy fines, as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

Section XIX.11 The initial mailing address of the Association is 3302 Chacota St., Suite 23B, Laredo, Texas 78046. The mailing address of the Association may be changed by recording a notice of change of address in the Office of the County Clerk for Webb County, Texas.

Article XX
ANNUAL ASSESSMENT; SPECIAL ASSESSMENTS

Section XX.1 Each Residential Lot in the Subdivision is hereby made subject to an annual assessment (the “**Annual Assessment**”) for the purpose of establishing and maintaining a Subdivision maintenance and improvement fund, providing funds to operate and manage the Association, and to fund one or more serve funds. Each Owner, by acceptance of a deed to a Lot, whether or not it is expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association an Annual Assessment, and any other assessments or charges levied in accordance with the provisions hereof.

Section XX.2 The Annual Assessment is due and payable at the closing of any Lot and must be paid in accordance with this Declaration thereafter. The initial Annual Assessment for the year of purchase will be pro-rated at Closing for the number of days remaining in the calendar year. Thereafter, the Assessment will be assessed annually against each Lot as of January 1st of each succeeding calendar year to cover the full calendar year commencing with the Annual Assessment date. A statement reflecting the amount of the Annual Assessment with respect to each Lot must be mailed or otherwise delivered to each Lot Owner as soon as practicable after each Annual Assessment date. The amount of each Annual Assessment must be paid by the owner of each Lot (or the holder of the mortgage on such Lot, if applicable) to the Association, in advance, on January 1st of each year or within the 15th day after the statement covering such Annual Assessment has been mailed or otherwise delivered to the Lot Owner (or the holder of the mortgage on such Lot, if applicable), whichever is later. Upon resolution by the Board of Directors, the Annual Assessment may be payable in two installments, one payable on the 1st day of January and one payable on the 1st day of July, each year, each payment being one-half of the Annual Assessment for each fiscal year. Any Annual Assessment not paid when due will bear interest from the date due until paid, at the rate of 10% per annum.

Section XX.3 The maximum allowable Annual Assessment on each Residential Lot from and after the date such charge is first assessed against such lot is as follows:

Article I. For any assessable period for calendar year 2017, the maximum allowable Annual Assessment of each Lot will be \$240.00.

Article II. For any assessable period within the calendar years after the calendar year 2017, the maximum allowable Annual Assessment for each particular calendar year must be set by the Board of Directors on or before the 30th of November for each year prior to the year such changed assessment will become effective. The amount of the Annual Assessment may be increased by the Board of Directors by not more that 15% above the Annual Assessment for the previous year. An increase of more than 15% above the Annual Assessment for the previous year may be assessed only upon the vote or written consent of most of the Owners.

Article III. If any Lot is subject to the Annual Assessment for less than a full calendar year, then the Annual Assessment for any such partial year will be calculated on a pro rata basis.

Article IV. All Lots and properties dedicated to and accepted by a local public authority and all Lots and properties owned by Declarant or the Association are exempt from the Annual Assessments created by the Association.

Article V. All Lots are subject to a one-time transfer fee assessment in the amount of \$150.00 payable to Declarant at the closing of the home.

Section XX.4 The Association may levy a "Special Assessment" from time-to-time by action of the Board of Directors for the purpose of defraying all or part of the cost of any construction, repair, or replacement of capital improvements on any Common Area (including fixtures and personal property related thereto). To impose a special assessment, the following procedure must be followed:

- (a) A special meeting of all members of the Association must be called in accordance with all regular requirements for a special meeting of the Members, provided that written notice of any such meeting must be given to all Members specifying that the purpose of the meeting is to vote on a proposed special assessment for defraying the cost of proposed capital improvements (which are to be generally described in the notice), and further provide that such notice shall be sent to all members not less than 30 days nor more than 60 days prior to the date of such meeting.

Article VI. The first special meeting of the members called for approving the levy of a particular special assessment requires the presence at the meeting (either in person or by proxy) of Members entitled to cast at least 67% of all votes of each class of membership in the Association in order to constitute a quorum for valid action. If the required quorum is not present at the first such called meeting, another special meeting may be called with respect to that special assessment, subject to the same notice requirement and the required quorum as at the preceding meeting. No such subsequent meeting may be held more than 60 days after the prior meeting.

Article VII. At least 67% of a valid quorum of votes of each membership represented at the meeting (either in person or by proxy) must have voted in favor of any special assessment for capital improvements before such special assessment will be effective.

Section XX.5 the services or things which may be furnished and paid for by the Association out of the maintenance fund include (i) the maintenance and operations of the Common Area, (ii) the construction, installation, operation, maintenance, repair, and replacement of any facilities or improvements placed thereon (subject to the limitations herein set forth with respect to expenditures for such purposes), (iii) the maintenance of streets, landscape islands, street lighting, trash removal, fire, police, and security patrol services, (iv) installation, maintenance, and replacement of shrubbery, plants, grass, trees, monuments, Subdivision signage (whether located within the Subdivision or located on rights-of-way at the entrance of the Subdivision), (v) other landscaping or decorative improvements on any Common Area, easement benefitting the Association, or neighboring rights-of-way, (vi) fogging for

insect control, (vii) paying legal taxes assessed against the Association's property, and (ix) any and all other services or things that the Board of Directors deems necessary or desirable for the maintenance and improvement of the Subdivision, it being expressly provided that the Association is not limited to the particular items set forth above, nor is the Association required to furnish and pay for any of such particular items. Also, the Association is under no obligation to continue to furnish and pay for any service or thing after its commencement.

Section XX.6 The Association must provide liability insurance for all Directors and must indemnify Officers and Directors for all uninsured losses relating to all their acts other than criminal acts.

Section XX.7 The proceeds of the Annual Assessment provided for herein may not be used to reimburse Declarant, or its successors-in-interest, for any capital expenditure incurred by Declarant in the construction of or other improvements of Common Area recreational facilities, monuments or landscape, if any, located within or outside the boundaries of the Subdivision, nor shall any expenses or operation or maintenance of such facilities which have been installed by Declarant be paid for with Annual Assessment proceeds prior to the conveyance of such facilities, fully completed and unencumbered, to the Association.

Section XX.8 The Association is authorized to also provide maintenance services similar to those contemplated herein for the benefit of subsequently developed residential subdivision areas whose lots are made subject to this Declaring, provided such subdivision areas are duly annexed as provided herein. If additional residential subdivision areas are annexed into the Subdivision the officers and directors of the Association will be entitled to combine Annual Assessment moneys received from all Lots in the several Subdivision areas it may be serving into a single fund and provide and pay for services on behalf of all Subdivision areas being served by the Association without the necessity of any allocation to particular Lots or Subdivision areas.

Article XXI

RECREATIONAL COMMON AREA

Section XXI.1 There has been no dedication of recreational Common Area and recreational Common Area facilities in conjunction with the development of the Subdivision. Should recreational Common Area be acquired or annexed, each Lot owner will have a right and easement of enjoyment in and to any Common Area which may be subsequently acquired or annexed to the Subdivision and dedicated for the use and enjoyment of the members of the Association, which right and easement shall be appurtenant to and shall pass with the title to each Lot, subject to the following:

- (a) The right of the Association to charge reasonable admission and other fees and to establish reasonable Rules and Regulations covering the use of the Common Area and any recreational facility located on the Common Area.

Article VIII. the right of the Association to suspend a Member's voting rights and rights to

the use of the Common Area and any recreational facilities thereon for a period of time during which any fees or assessments against such Member's Lot remains unpaid, and to suspend such rights for a period not to exceed 60 days of any infraction of the Association's published rules and Regulations;

Article IX. the right of the Association to dedicate or transfer all or part of the Common Area or any Common Area facilities to any public agency or authority having the same or similar purposes as the association, subject to such conditions as may be reserved in the dedication or transfer. No such dedication or transfer shall be effective unless an instrument approving such dedication or transfer has been signed by at least 67% of the members in each class of membership in the Association and has been recorded in the Official Records.

Article XXII

LIEN; COLLECTION OF ASSESSMENTS

Section XXII.1 A contractual lien is hereby established on the Lots subject to these Restrictions to secure the payment of the Annual Assessment and any Special Assessment (collectively, the "Assessment"). All present and subsequent Owners of the Lots must convey such Lots with an appropriate reference to the recordation of these Restrictions in the Official Records, together with a recitation that the lien has been retained against each Lot for the benefit of the Association. Failure to record such reference will not cause the Restrictions or lien to be invalid; the Owner of any Lot is deemed to have covenanted and agreed to pay the Assessment by acceptance of a conveyance or other transfer of title to such Lot even if the reference and recitation referred to above is not made. Each Class A Member acknowledges that the lien for assessments created herein was in existence prior to the acquisitions of a Lot by such Class A Member. Pursuant to the provisions of Section 209.0092 of the Act and Texas Rules of Civil Procedure Rules 735 and 736 (and any successor statutes), the lien may be foreclosed judicially or by "Expedited Foreclosure Proceedings," (as such term defined in the Act); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. Expedited Foreclosure Proceedings are not required under this section if the Owner of the Lot to be foreclosed agrees in writing to waive said Expedited Foreclosure Proceedings at the time the foreclosure is sought. A waiver under this section may not be required as a condition of the transfer of title to a Lot. The lien shall secure payment of the Assessment and all past-due interest which may accrue thereon, together with all reasonable expenses, costs, and attorneys' fees that may be incurred in connection with the collection thereof. The lien shall run with the land and be a continuing charge on the land assessed and shall also be a personal obligation of the Owner of each Lot.

Section XXII.2 Prior to referring an Owner's account to a Collection Agent, the Association must provide written notice, by certified mail, return receipt requested, that specifies each delinquent amount and the total amount of the payment required to make the account current, describes the options the Owner has to avoid the referral including payment plan options, and provides at least 30 days to cure the delinquency before further action is taken.

Section XXII.3 Owners are not liable for costs that are dependent or contingent on amounts recovered or under an agreement that does not require the Association to pay all fees for the action taken by the Collection Agent. An agreement between the Association and a Collection Agent may not prohibit an Owner from contacting the Association's Board of Directors or Managing Agent regarding their delinquency.

Section XXII.4 The Association is not permitted to sell or transfer its interest in account receivables except for the purpose of collateral for a loan.

Section XXII.5 Pursuant to Section 209.062 of the Act, the Association hereby adopts reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments for delinquent regular or special assessments or any other amount owed without incurring additional penalties. The Association hereby adopts the following guidelines about alternative payment schedules for delinquent assessments and other amounts owed by an Owner:

- (a) The minimum term for a payment agreement shall be three months and the maximum shall be 18 months from the date of the Owner's request for a payment plan. Subject to such minimum and maximum terms, the Association may determine the appropriate term of the payment plan in its sole discretion.

Article X. All alternative payment agreements shall be in writing and signed by The Owner and a duly authorized member of the Board of the Association.

Article XI. If an Owner is not in default under the terms of the payment agreement, the Owner will not incur additional monetary expenses; however, the Owner will be responsible for all interest accruing during the term of the payment plan as well as reasonable costs associated with administering the payment plan or interest.

Article XII. I at the time the Association receives a payment, the Owner is not in default under an alternative payment agreement, the Association must apply the payment to the Owner's debt in the following order of priority: (i) any delinquent assessment; (ii) any current assessment; (iii) any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure; (iv) any attorney's fees incurred by the Association that are not subject to subsection (iii); (v) any fines assessed by the Association; and (vi) any other amounts owed to the Association.

- (b) If the Owner defaults under a payment plan agreement, the account may immediately be turned over to the Association's attorney for collection. The Association will not be required to enter into an alternative payment agreement with an Owner who failed to honor the terms of a previous payment agreement during the two years following the Owner's default under the previous alternative payment agreement. At the discretion of the Association, an Owner who failed to honor the terms of previous payment agreement may be required to

waive Expedite Foreclosure Proceedings under Section 209.0092 of the Act as a condition to an additional alternative payment agreement. If, at any time the Association receives a payment from an Owner who is in default of an alternative payment agreement, the Association is not required to apply the payment in the order of priority specified by section (d) above.

The Association may reduce or waive some or all the charges addressed by this policy on an ad hoc basis without waiving the right to charge such fees on future requests.

Section XXII.6 The Association may not foreclose its assessment lien by Expedited Foreclosure Proceedings or judicially unless it has: provided written notice by certified mail, return receipt requested, of the total amount of the delinquency to any other holder of a lien that is inferior or subordinate to the Association's lien and is evidenced by a deed of trust; and provided the recipient of the notice an opportunity to cure within 61 days from the receipt of the notice.

Section XXII.7 The Association may not foreclose its assessment lien for debts consisting solely of fines or attorneys' fees associated with the fines assessed, or for copy charges under its Open Records Policy, pursuant to Section 209.005 of the Act.

Section XXII.8 In addition to the right of the Association to enforce the maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim of lien against the Lot of the delinquent owner by recording a "Notice of lien" setting forth (i) the amount of the claim of delinquency, (ii) the interest thereon, (iii) the costs of collection which have accrued thereon, (iv) the legal description and street address of the Lot against which the lien is claimed, and (v) the name of the Owner. The Notice of Lien shall be recorded in the Official Public Records of Real Property of Webb County, Texas, and is a legal instrument affecting title to a Lot, that must be prepared by the Association's attorney. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association must execute and record a notice of satisfaction of the delinquent assessment upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such instrument.

Section XXII.9 All attorney's fees, costs, and other amounts collected from an Owner must be deposited into an account maintained at a financial institution in the name of the Association or its Managing Agent. Only Board members or the Association's Managing Agent or employees of its Managing Agent may be signatories on the account. On written request from the Owner, the Association must provide copies of invoices for attorneys' fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

Section XXII.10 After the Association conducts a foreclosure sale of an Owner's Lot, the Association must send to the Owner and to each lienholder of record, not later than the 30th day after the date of the foreclosure sale, a written notice stating the date and time the sale occurred and informing the Lot

owner and each lienholder of record of the right of the Lot owner and lienholder to redeem the property. The notice must be sent by certified mail, return receipt requested, to the Lot Owner's last known mailing address, as reflected in the records of the Association, the address of each holder of alien on the Lot subject to foreclosure evidenced by the most recent deed of trust filed of record in the real property records of the county in which the property is located, and the address of each transferee or assignee of a deed of trust who has provided notice to the Association of such assignment or transfer. Notice provided by a transferee or assignee to the Association must be in writing, must contain the mailing address of the transferee or assignee, and must be mailed by certified mail, return receipt requested, or United States mail with signature confirmation to the Association according to the mailing address of the Association pursuant to the most recent Management Certificate filed of record. If a recorded instrument does not include an address for the lienholder, the Association does not have a duty to notify the lienholder as provided by this section. For purpose of this section, the Lot Owner is deemed to have given approval for the Association to notify the lienholder. Not later than the 30th day after the date the Association sends the notice, the Association must record an affidavit in the Official Records stating the date on which the notice was sent and containing a legal description of the Lot. Any person is entitled to rely conclusively on the information contained in the recorded affidavit. The notice requirements of this section also apply to the sale of an Owner's Lot by a sheriff or constable conducted as provided by a judgment obtained by the Association.

Section XXII.11 The owner of a Lot in the Subdivision or a lienholder of record may redeem the property from any purchaser at a sale foreclosing the Association's assessment lien not later than the 180th day after the date the Association mails written notice of the sale to the Owner and the lienholder under Sections 209.010 and 209.011 of the Act. A lienholder of record may not redeem the Lot as provided herein before 90 days after the date the Association mails written notice of the sale to the Lot owner and the lienholder under the Act, and only if the Lot Owner has not previously redeemed. A person who purchases a Lot at a sale foreclosing the Association's assessment lien may not transfer ownership of the Lot to a person other than a redeeming Lot owner during the redemption period.

Section XXII.12 The right to foreclose the lien on real property for unpaid amounts due to the Association may be removed by a vote of at least 67% of the total votes allocated in the Association. Owners holding at least 10% of all voting interests may petition the Association and require a special meeting to be called for the purposes of taking a vote for the purposes of this section. This section is required pursuant to 209.0093 of the Act, and should this provision be amended or repealed in any form, this section will be deemed to be automatically amended or repealed in accordance therewith.

Section XXII.13 During the Development period, Declarant is entitled to change the annual rate of a Regular or Special Assessment as set forth in this section without the joinder, vote, or consent of any Owner and without further formality than giving notice. Without limitation to the foregoing, the provisions regarding disapproval of an annual rate of Regular or Special Assessments is specifically declared inapplicable when the rate is set by Declarant under this section.

Section XXII.14 Notwithstanding any provision herein to the contrary, so long as a Class B membership exists, Declarant must pay 25% of the Regular Assessment Declarant would owe pursuant to the this Declaration as a Class A Member; and, as long as Declarant is a Class B Member, Declarant , or any assigns of Declarant, must pay any deficiency in the operating budget, less capital contributions and reserves for the Common Expenses for the Subdivision, which deficiency shall be reimbursed to Declarant by the Association as funds become available.

Section XXII.15 From the date a contractor acquires a Lot until the earlier of (i) the date a residence is constructed thereon and sold to another person, or (ii) the date which is 18 months thereafter each contractor must pay 50% of the Assessments such contractor would owe pursuant to this Declaration as a Class A Member.

Article XXIII

TRANSFER; SUBDIVISION INFORMATION

Section XXIII.1 Not later than the tenth business day after the date a written request for Subdivision information is received from an Owner or the Owner's agent, a purchaser of a Lot or Lots in the Subdivision or the purchaser's agent, or a title insurance company or its agent acting on behalf of the Owner or purchaser, and the evidence of the requestor's authority to order a resale certificate is received and verified, the Association shall deliver to the Owner or the Owner's agent, the purchaser or the purchaser's agent, or the title insurance company or its agent a current copy of the Declaration, bylaws and Rules of the Association and a resale certificate prepared not earlier than the 60th day before the date of delivery that complies with Texas Property Code 207.003. for a request from a purchaser of property in the Subdivision or the purchaser's agent, the Association may require the purchaser or purchaser's agent to provide to the Associating, before the Association begins the process of preparing or delivers the items listed, reasonable evidence that the purchaser has a contractual or other right to acquire property in the Subdivision. A resale certificate must contain a statement of any right of first refusal, other than a right of first refusal that is prohibited by statute, and any other restraint contained in the dedicatory instruments that restricts the Owner's right to transfer the owner's Lot, the frequency and amount of any Assessments, the amount and purpose of any Special Assessment that has been approved before and is due after the resale certificate is delivered, the total of all amounts due and unpaid to the Association that are attributable to the Owner's Lot, capital expenditures, if any, approved by the Association for the current fiscal year, the amount of reserves, if any, for capital expenditures, the Association's current operating budget and balance sheet, the total of any unsatisfied judgments against the Association, the style and cause number of any pending lawsuit in which the Association is a party, other than a lawsuit relating to unpaid ad valorem taxes of an individual member of the Association, a copy of a certificate of insurance showing the Association's property and liability insurance relating got the Common Areas and common facilities, a description of any conditions on the Owner's Lot that the Board has actual knowledge are in violation of the Declaration or Bylaws or Rules, a summary or copy of notices received by the Association from any governmental authority regarding health or housing code violations existing on the preparation date of the resale certificate relating to the Owner's Lot or any Common Areas, the amount of any administrative or transfer fee charged by the

Association or its Managing Agent for a change or ownership of Lots in the Subdivision, the name, mailing address, and telephone number of the Association's Managing Agent, a statement indicating whether the restrictions allow foreclosure of the Association's lien on the Owner's Lot for failure to pay assessments, and a statement of all fees associated with the transfer of ownership, including a description of each fee, to whom each fee is paid, and the amount of each fee. The Association may charge a reasonable fee to assemble, copy, and deliver the information required by this section and may charge a reasonable fee to prepare and deliver an update of a resale certificate. The Association may require payment before beginning the process of providing a resale certificate but may not process a payment until the resale certificate is available for delivery. The Association may not charge a fee if the resale certificate is not provided in the time prescribed. The Association must deliver the information required to the person specified in the written request. A written request that does not specify the name and location to which the information is to be sent is not effective. The Association may deliver the information required and any update to the resale certificate by mail, hand delivery, or alternative delivery means specified in the written request. Neither the Association nor its Managing Agent is required to inspect a Lot before issuing a resale certificate or an update. Not later than the seventh business day after the date a written request for an update of a resale certificate is received from an Owner, Owner's agent, or title insurance company, the Association shall deliver to the Owner, Owner's agent, or title insurance company or its agent an updated resale certificate that contains the following information: if a right of first refusal or other restraint on sale is contained in the dedicatory instruments, a statement of whether the Association waives the restraint on sale; the status of any unpaid Assessments or other payments attributable to the Owner's Lot(s); and any changes to the information provided in the resale certificate issued previously. Requests for an updated resale certificate must be made within 180 days of the date the original resale certificate was issued. The updated request may be made only by the party requesting the original resale certificate.

Section XXIII.2 The Association must make the dedicatory instruments relating to the Subdivision and filed in the Official Records available on its website if the Association has, or its Managing Agent on behalf of the Association maintains, a publicly accessible website.

Section XXIII.3 Upon the transfer of ownership of any Lot, the Seller and Buyer of the Lot must promptly notify the Association of the name and mailing address of the new Owner, and a transfer fee may be charged, if such fee is approved by the Board of Directors. The address for mailing documents to the Association is 3302 Chacota St., Suite 23B, Laredo, Texas 78046, and may be changed by recording of notice in the Official Records.

Article XXIV

ASSOCIATION MEMBERSHIP

Section XXIV.1 Every person or entity owning or record either the entire fee title or any undivided interest in the fee title to any Residential Lot, or in any other area duly annexed thereto and brought under the jurisdiction of the Association, is a Member of the Association. The foregoing is not intended to include persons or entities holding an interest in a Lot merely as security for the performance of an

obligation or those having only an interest in the mineral estate. Membership is appurtenant to and may not be separated from ownership of such Lot. After the expiration of the Declarant Control Period, the Directors of the Association must be Members of the Association; ownership of the Lots is the sole qualification for membership.

Section XXIV.2 The Association has two classes of members with voting rights as follows:

- (a) **“Class A”** Members are all the Owners, other than the Declarant, of residential Lots situated in the Subdivision. Voting rights of Class A members are limited to one vote for each Lot owned. If any Lot is owned by more than one person or entity, the one vote that such Lot is entitled to must be exercised as the Owners of such Lot may determine among themselves.

Article XIII **“Class B”** Member (or Members) is Declarant and any successor, assign, or substitute Declarant, as provided herein. The Class B membership is entitled to ten votes for each Residential Lot owned until such time as the Declarant does not own any Lots, or on December 31, 2027, whichever date is earliest. At that time, the voting rights of the Class B membership will be automatically converted to one vote for each Lot owned, the same as the Class A membership.

Section XXIV.3 The initial Board of Directors of the Association, (which may be representatives of builders and developers currently building in the Subdivision) has been appointed by Declarant. Declarant may remove appointed directors and appoint successor directors at any time. In case of the resignation, death, or incapacity to serve of any appointed director during the period for which such director is to hold office. Declarant shall appoint a successor (also being a representative of builders and developers currently building in the Subdivision) to serve the balance of the term of office of the director. The appointed Board of Directors shall hold office until on before the 120th day after the date 75% of the Lots in the Subdivision are owned by persons or entities other than the Declarant, at which time the appointed members of Board of Directors shall, as soon as practical, call a special meeting of the Class A members of the Association for the purpose of holding an election to elect a director to replace one of the appointed directors (the retiring director to be determined by Declarant), the director so elected to serve until the next regular annual meeting of the Members of the Association. The two remaining appointed members of the Board of Directors will continue to hold office until all the Lots are owned by other than the Declarant.

Section XXIV.4 As long as any Board position is filled by an appointed director, the terms of office for elected members of the board will be from the date of their election until the date of the next Annual Meeting. Any elected director may be elected for consecutive and repetitive terms of office. Although Annual Meetings may not be held exactly one year apart, the terms of office for those elected shall be deemed one-year terms regardless of the dates of election and the following Annual Meeting.

Section XXIV.5 At the first regular annual meeting of the members after the Class B Members have sold to Class A Members all Residential Lots in the Subdivision, at the next Annual Meeting the Members of the Association must elect at least one director for a term of one year, at least one director for a term of two years, and at least one director for a term of three years, and at each regular annual meeting

thereafter the membership shall elect at least one director for a term of three years. After the Class B membership is dissolved, the Me members may elect to increase the number of directors to five. In case of the resignation, death or incapacity to serve of any of the directors elected to office, by the Members, a special meeting of the Members entitled to elect such director shall be called to elect a successor to serve the balance of the term of the directors. Any director elected, by the members of the corporation may be removed from the Board, with or without cause, by a majority vote of those Members who were entitled to vote for the election of such director, and if a director is removed, a successor must be elected to serve for the unexpired term of the removed director by a special election to be held by those members of entitled to vote for the election of the director so removed.

Section XXIV.6 No director may receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses included in the performance of his or her duties.

Section XXIV.7 The By-Laws of the corporation shall provide that any and all members of the Association shall have the right to inspect the financial books and records (with the exception of any personal files of each member for which disclosure may be prohibited by the Fair Debt Collection Act or other rule of law) of the corporation at its principal offices at all reasonable times.

Section XXIV.8 If the Association dissolves for any reason, the ownership of any Common Area and Association property shall immediately be conveyed to the Owners in equal shares based upon a per Lot distribution, of an undivided interest, UNLESS the Board of Directors has, with appropriate board resolution, conveyed the Common Area, if any, and Association property to a municipality or other governmental entity for public use.

Article XXV

RIGHTS OF MORTGAGEES

Section XXV.1 It is specially provided that the lien hereby created to secure the payment of the Annual Assessment is subordinate to and will not affect the enforcement of any vendor's lien or deed of trust lien now or record or which may hereafter be placed of record against any Lot covered hereby or any improvements located thereon. However, such Lots shall nevertheless remain subject to the Annual Assessment, and the sale or transfer of any Lot pursuant to foreclosure of any such superior lien will extinguish the lien securing the Annual Assessment only as to any Annual Assessment attributable to such Lot for the period of time prior to such sale or transfer, and the lien shall apply on pro-rated basis, by calendar days, thereafter.

Article XXVI
TERM OF RESTRICTIONS

Section XXVI.1 These restrictions run with the land, and are binding upon and inure to the benefit of the Declarant and the Association, their respective successors and assigns, and all future owners of the Residential Lots located in the Subdivision until December 31st of the year 2037. This initial term will be extended automatically after its expiration for successive periods of ten years duration each, unless an instrument revoking these restrictions, in whole or in part, is recorded in the Official Records, at least six months prior to the initial expiration date or the expiration of any ten-year extension period. Any such instrument of revocation must be executed by the then Owners of at least 67% of the collective number of restricted Lots situated in the Subdivision and any other residential Subdivision area which has been duly annexed thereto.

Article XXVII
ENFORCEMENT OF RESTRICTIONS

Section XXVII.1 The Association or their designated agent shall have the power to enforce the provisions of this Declaration, Bylaws, Design Guidelines and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Owner. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of the dedicatory instruments by any one or more of the following means: (a) by entry upon any Lot within the Subdivision, after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without written or oral notice to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability in trespass or otherwise by the Association to the Owner thereof, for the purpose of enforcement; (b) by commencing and maintaining actions and suites to restrain and enjoin any breach or threatened breach; (c) by exclusion, after notice and hearing, of any Owner from use of any recreational facilities within the Common Areas during and for up to 60 days following any breach, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (d) by levying and collecting, after notice and hearing, reimbursement to the Association for the costs incurred by the Association (including, but not limited to pre-litigation attorney's fees) in connection with the remedy of such breach; (e) by levying and collecting, advance in the Rules and Regulations of the Association, from any member for breach of the dedicatory instruments; and/or (f) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Owner, plus attorney's fees incurred by the Association with respect to exercising such remedy.

Section XXVII.2 Before the Association may suspend an owner's right to use the Common Area, file a suit against an Owner other than a suit to collect an Assessment or foreclose under the Association's lien, charge an Owner for property damage, or levy a fine for a violation of the Declaration, Bylaws, ACC standards, or Rules and Regulations, the Association or its Managing Agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or

property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner and inform the Owner that the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension (unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months), may request a hearing under Section 209.007 of the Act on or before the 30th day after the date the Owner receives the notice, and may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the Owner is serving on active military duty.

Section XXVII.3 If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board of Directors if a committee is not appointed. If a hearing is to be held before a committee, the notice prescribed by Section 209.006 of the Act must state that the Owner has the right to appeal the committee's decision to the Board by written notice. The Association shall hold a hearing under this section not later than the 30th day after the date the Board receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner of the Association may make an audio recording of the meeting. The Association shall hold a hearing under this section not later than the 30th day after the date the Board receives the Owner's request for a hearing and shall notify the owner of the date, time, and place of the hearing not later than the tenth day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting and may use alternative dispute resolution services. The Owner's presence is not required to hold a hearing.

The Association may collect reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association relating to collecting amounts, including damages, due the Association for enforcing restrictions contained in its dedicatory instruments only if the Owner is provided a written notice that attorney's fees and costs will be charged to the Owner of the delinquency or violation continues after a date certain. An Owner is not liable for attorney's fees incurred by the Association relating to a matter described by the notice under this section if the attorney's fees are incurred before the conclusion of the hearing; or if the Owner does not request a hearing, before the date by which the Owner must request a hearing. All attorney's fees, costs, and other amounts collected from an Owner must be deposited into an account maintained at a financial institution in the name of the Association or its Managing Agent. Only Board members or the Association's Managing Agent or employees or its Managing Agent may be signatories on the account. On written request from the Owner, the Association shall provide copies of invoices for attorney's fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

Article XXVIII
ASSIGNMENT BY DEVELOPER AND MAINTENANCE ASSOCIATION

Section XXVIII.1 The Declarant may at any time assign to the Association all rights reserved to Declarant hereunder. Any such assignment must be evidenced by an instrument in writing recorded in the Official Records. If not previously assigned, all such rights reserved to Declarant will automatically vest in the Association when all Lots covered by these Restrictions have been sold or otherwise conveyed from Declarant to other persons or entities.

Section XXVIII.2 The Association may at any time assign or delegate to a committee or designated representative any and all approval rights reserved to the Association hereunder. Any such assignment or delegation must be evidenced by a resolution of the Board of Directors of the Association.

Article XXIX
AMENDMENT OF RESTRICTIONS

Section XXIX.1 Declarant, during the Development and Declarant Control Periods, reserves the sole and exclusive right, without joinder or consent of any Owner, to (i) amend, restate, modify or repeal, this Declaration and other dedicatory instruments; (ii) amend, revise, modify, or vacate any Plat; and (iii) annex and subject any other property to the scheme of this Declaration, provided that any annexation is not inconsistent with the scheme of the Subdivision. This Declaration or other dedicatory instrument of the Subdivision may not be amended during the period of time between which Declarant loses the majority of voting rights and the time a new Board of Directors of the Association, consisting of Owner Members, assumes office.

Section XXIX.2 This Declaration may be amended or restated by the written agreement or by signed ballots voting for such of not less than sixty-seven percent (67%) of all the Owners in the Subdivision. There shall be one (1) vote per Lot. Anyone owning more than one Lot shall have one vote for each Lot owned. Such amendment must be approved by said Owners within three hundred and sixty-five (365) days of the date the first Owner executes such amendment. Otherwise, such amendment shall fail. If the amendment is adopted, it shall bind and affect the respective Lots whose Owners shall approve such amendment from the time after the date such amendment is approved by each Owner. The date an Owner's signature is acknowledged shall constitute prima facie evidence of the date of execution and adoption of said amendment by such Owner. Those members entitled to cast not less than 67% of all of the votes of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Members duly called for such purpose, written notice of which shall be given to all Owners at least ten days and not more than 60 days in advance and must set for the purpose of such meeting. Any such amendment will become effective when an instrument is filed for record in the Official Records, accompanied by a certificate, signed by a majority of the Board of Directors, stating that the required number of Members voted in favor of the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose.

Section XXIX.3 The board of Directors has the right in its sole judgment, from time to time, and at any time to amend this Declaration without joinder of any Owner or member for the following purposes:

Article XIV to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors, or omissions herein.

Article XV to conform this Declaration to the requirements of any lending institution; provided the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if, in the sole opinion of the Board, any substantive and substantial rights of Owners would be adversely affected thereby;

Article XVI to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans administration, or Federal Housing Administration, and in this respect, the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance;

Article XVII to amend the Rules and Regulations of the Association, if the board deems appropriate to comply with the scheme of the Declaration and the Subdivision; and

Article XVIII to amend the alternative payment schedule for certain assessments, open records policy, records retention policy, and/or other policies to comply with the Act.

Article XXX

MISCELLANEOUS

Section XXX.1 When this Declaration and statutes, ordinances and governmental rules and regulations cover the same subject matter, there must be compliance with each requirement. When this Declaration is in conflict or becomes in conflict with statutes, ordinances, and governmental rules and regulations, the statutes, ordinances, the governmental rules, and regulations will control, with the conflicting provision of this Declaration being preempted.

Section XXX.2 If any provision of this Declaration is held void or preempted by statute, ordinance, or governmental rules and regulations, the Board of Directors, on behalf of the Association, may seek reformation of the affected provision to provide, insofar as possible, implementation of the original intent of Declarant.

Section XXX.3 Each of the provisions of this Declaration is independent and severable and the invalidity of unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof will not affect the validity or enforceability of any other provision.

Section XXX.4 The provisions of this Declaration must be liberally construed as a whole to effectuate the purpose and intent of this Declaration.

Section XXX.5 All personal pronouns used in this Declaration and exhibits attached, if any, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural and vice versa. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever, and as often as may be appropriate.

Section XXX.6 Titles of articles are for convenience only and neither limit nor amplify the provisions of this Declaration itself.

Section XXX.7 No representations or warranties of any kind, express or implied, may be deemed to have been given or made by the Association or its agents or employees in connection with any portion of the Subdivision, or any improvement thereon, its or their physical condition, compliance with applicable laws, fitness for intended use, or in connection with the sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as specifically set forth in writing.

Section XXX.8 This Declaration does not and is not intended to create a condominium within the meaning of the Texas Condominium Act.

Section XXX.9 This Declaration shall be construed and governed under the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the 25th day of August, 2020.

LAREDO FOUR WINDS II, INC.
a Texas limited corporation

By: 

Name: Richard M. Hachar

Its: President

STATE OF TEXAS

COUNTY OF WEBB

This instrument was acknowledged before me this 25th day of August, 2020, by Richard M. Hachar, as President of Laredo Four Winds II, Inc., a Texas corporation, on behalf of said entity.

Mercedes Navarro
Notary Public, State of Texas

Exhibit A
Bylaws

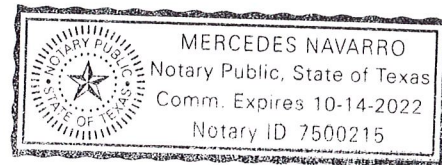


EXHIBIT "A"

BYLAWS OF

Wright Ranch Homeowner Association *(A Texas Nonprofit Corporation)*

ARTICLE 1 INTRODUCTION

1.1. PURPOSE OF BYLAWS. These Bylaws ("**Bylaws**") provide for the governance of Wright Ranch Homeowners Association ("**Association**") a Property Owners Association, as the term is defined in Texas Property Code 209.002(7), whose Members consist of the owners of Lots in Cuatro Vientos East Phase III-Wright Ranch, located in Webb County, Texas ("**Subdivision**"), according to the Plat thereof, recorded as Document 1402043, in Volume 38, Pages 25-26, Webb County Plat Records and which is covered by a dedicatory instrument entitled Declaration of Covenants, Conditions, and Restrictions for Wright Ranch ("**Declaration**") to which there Bylaws are attached.

1.2. DEFINITIONS. Words and phrases defined in the Declaration have the same meanings when used in these Bylaws. Unless defined otherwise in the Declaration or in these Bylaws, words and phrases defined in Texas Property Code 209.002 have the same meaning when used in these Bylaws. The following words and phrases have specified meanings when used in these Bylaws:

a. "**Board of Directors**" or "**Board**" means the Board of Directors of Wright Ranch Homeowner Association, the group of persons vested with the management of the affairs of the Association.

b. "**Board Meeting**" means a deliberation between a quorum of the voting Board, or between a quorum of the voting Board and another person, during which Association business is considered and the Board takes formal action; and does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance of the Board at the regional, state, or national convention or ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event or conference.

c. "**Business Organization Code**" means the governing laws of the State of Texas for nonprofit corporations.

d. "**Officer**" means an Officer of the Association, "**President**," "**Vice-President**," "**Secretary**," and "**Treasurer**" mean, respectively, the President, Vice-President, Secretary, and Treasurer of the Association.

e. "**Declarant Control Period**" means and refers to the period of time during which the Class B Member is entitled to appoint and remove the members of the Board of Directors and the Officers of the Association, other than Board members or officers elected by Members of the Association pursuant to these Bylaws.

f. **"Dedictory Instrument"** means each governing instrument covering the establishment, maintenance, and operation of the Subdivision. The term includes the Declaration, Certificate of Formation, Bylaws, Architectural Control guidelines, Rules and Regulation, Alternative Payment Guidelines, and Open Records and Records Retention Policies.

g. **"Development Period"** means the period in which Declarant reserves the right to facilitate the development, construction, and marketing of the subdivision, and a right to direct the size, shape, and composition of the Subdivision.

h. **"Director"** means a member of the Board of Directors of the Association.

i. **"Governing Documents"** means, collectively, the Declaration, these Bylaws, and Certificate of Formation, Architectural Control guidelines, Policies, and the Rules and Regulations of the Association.

j. **"Majority"** means more than 50%

k. **"Managing Agent"** means the Association's designated representative as it appears on the Management Certificate.

l. **"Management Certificate"** means the instrument required to be recorded pursuant to Section 209.004 of the Texas Residential Property Owners Protection Act.

m. **"Member"** means a Member of the Association, each Member being an Owner of the Lot in a Subdivision, unless the context indicates that a Member means a member of the Board of Directors or a member of a committee of the Association.

n. **"Ordinary Care"** means the care that an ordinary prudent person in a similar position would exercise under similar circumstances.

o. **"Owner"** means and refers to the holder of record, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subdivision, including contact buyers (a buyer under an executory contract for conveyance), but excluding those having such interest merely a security for the performance of an obligation (*i.e.* holders of mortgages and home equity loans).

p. **"Policies"** means the Alternative Payment Guidelines, and Open records and Records Retention Policies.

q. **"Texas Residential Property Owner Protection Act"** or the **"Act"** refers to Texas Property Code Chapter 209, as same may be amended or repealed in whole or in part.

Other definitions contained in the Declaration are incorporated herein by reference, as if fully set forth.

1.3. NONPROFIT PURPOSE. The Association is not organized for profit and is governed by Chapter 22 of the Business Organization Code.

1.4. COMPENSATION. A Director, Officer, or Member is not entitled to receive any pecuniary profit for the operation of the Association, and no divided or assets of the Association may be distributed to, or inure to the benefit of a Director, Officer, or Member; provided, however:

- a. that reasonable compensation may be paid to a Director, Officer, or Member, for services rendered to the Association;
- b. that a Director, Officer or Member may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the Board.

1.5. GENERAL POWERS AND DUTIES. The Association, acting through the Directors, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivision as may be required or permitted by the Governing Documents and State law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interest of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

ARTICLE 2 MEMEBERSHIP

2.1. MEMBERSHIP. Every person or entity who is record Owner of any Lot that is subject to Assessments provided in the Declaration is a Member of the Association. All present or future Members are subject to the Certificate of Formation, Declaration, these Bylaws, and other Dedicatory instruments. Membership in the Association signifies that each Lot Owner appoints the Board of Directors of the Association to manage or regulate the Subdivision in accordance with the provisions set forth in the Dedicatory Instruments are accepted, ratified, and will be strictly followed. Further, Membership in the Association signifies that the Owner has designated the Association as its representative to initiate, defend, or intervene in litigation or an administrative proceeding affecting the enforcement of the Declaration of the protection, preservation or operation of the subdivision.

2.2. CLASSES OF MEMEBERSHIP. The Association will initially have two classes of Membership:

- a. Class "A" Member are all Owners with exception of the Class "B" Member;
and
- b. Class "B" Member is the Declarant, its successors and assigns who take title for the purposes of development and sale of the Subdivision.

ARTICLE 3 GOVERNING BODY

3.1. BOARD OF DIRECTORS. The Board of Directors will govern the Association, each of whom will have one vote. The Board will consist of three to five Directors. Directors must be elected at the first annual meeting. A Director takes office upon the adjournment of the meeting or balloting at which he or she is elected or appointed and, absent, death, ineligibility, resignation, or removal, will hold office until his or her successor is elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but may not be less than three; however, a decrease in the number of Directors may not shorten the term of an incumbent Director. Notwithstanding anything contained in these Bylaws, during the Declarant Control Period, the Class "B" Member is entitled to appoint and remove the members of the Board of Directors and the officers of the Association. Thereafter, at least one-third of the members of the Board must be elected by the Owners other than the Declarant not later than the 10th anniversary after the Declaration was recorded in the Official Public Records of Real Property of Webb County, Texas.

3.2. QUALIFICATION AND TERM. After the Declarant Control Period expires, and the Class "B" membership ceases to exist, all Directors must be Members of Association. At the first annual meeting after the expiration of the Declarant Control Period, the Members must elect two Directors to three-year terms, one Director to a two-year term, and one Director to a one-year term. At each annual meeting thereafter, the Members must elect one Director to serve a three-year term.

3.2.1. CO-OWNERS. Co-owners of a single Lot may not serve on the Board at the same time. Co-owners of more than one Lot may serve on the Board at the same time, provided the number of Co-Owners serving at one time does not exceed the number of Lots they co-own.

3.3. ELECTION. Directors must be elected by the Members by written ballot. The election of Directors must be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, or a combination of mail and facsimile transmission. Any Board Member whose term has expired must be elected by the Members.

3.4. VACANCIES. A Board Member may be appointed by a majority of the remaining Board Members only to fill a vacancy caused by resignation, death, or disability. Each Director so elected must serve out the remaining term of his predecessor. This section does not apply to the appointment of a Board Member during the Declarant Control Period.

3.5. REMOVAL OF DIRECTORS. At any Annual or special meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing most the votes present in person or by proxy at such meeting, and a successor must then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members must be given an opportunity to be heard at the meeting. However, if the Board is presented with written, authority that a Board Member has been convicted of a crime of moral turpitude, the Member is immediately ineligible to serve on the Board, is automatically considered removed from the Board, and is prohibited from future service on the Board.

3.6. MEETINGS OF THE BOARD.

3.6.1. Organizational Meeting of the Board. After the Certificate of Formation is filed, the Board of Directors named in the Certificate of Formation may hold an organizational meeting of the Board, at the call of a majority of the Directors, to adopt these Bylaws and elect officers and for other purposes determined by the Board of meeting. As provided in the Certification of Formation for Association, the Directors may adopt written consent resolutions adopting the Bylaws and electing officers and for such other purposes as the Directors may determine appropriate for organizational meeting. If an organizational meeting is to be held, the Directors calling the meeting must send notice of the time and place of meeting to each Director named in the Certificate of Formation no later than the third day before the date of the meeting. Within ten days after each annual meeting, or at such time as the Directors may determine, the Directors may convene an organizational meeting for the purpose of electing officers. The time and place of such meeting must be fixed by the Board and announced to the Directors.

3.6.2. Open Meetings of the Board Regular and special board meetings must be open to Owners, subject to the right of the board to adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending a threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual Owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session. The section applies to a meeting of the Association Board during the Declarant Control Period only if the meeting is conducted for the purpose of adopting or amending the Dedicatory Instruments of the Association, increasing the amount of Regular Assessments of the association of adopting or increasing a Special Assessment; electing non-developer Board members of the Association or establishing a process by which those members are elected; or changing the voting rights of Members of the Association.

3.7. NOTICE OF BOARD MEETINGS.

3.7.1. To Board members. Subject to the Act and other provisions of the Association's Dedicatory Instruments, regular meetings of the Board may be held on the first Tuesday of each month at 7:00 p.m. at the address of the Association's Managing Agent as designated on the most recent Management Certificate. Notice of special meetings must be provided to each Director at least 72 hours before the start of the meeting. Attendance of a Director at a meeting constitutes a waiver of notice, unless the Director attends a meeting for express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Except as may be prohibited by the Act, the Directors may take action by written consent.

3.7.2. To Members. Members must be given notice of the date, hour, place, and general subject of a regular or special Board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice must be mailed to each member no later than the 10th day or earlier than the 60th day before the date of meeting; or provided at least 72 hours before the start of the meeting by posting the notice in a conspicuous manner reasonably designated to provide notice to Members in a place located in the Common

Area or, with the property owner's consent on other conspicuously located privately owned property within the Subdivision; or on any Internet website maintained by the Association or other Internet media; and sending the notice by email to each owner who has registered an email address with the Association. It is an Owner's duty to keep an updated email address registered with the Association.

3.8. SPECIAL MEETINGS OF THE BOARD. Special meetings of the Board may be called by the President or, if he or she is absent or refuses to act, by any two Directors. At least three days' notice must be given to each Director, personally or by telephone or written communication, which notice must state the place, time, and purpose of such meeting.

3.9. CONDUCT OF MEETINGS. The President must preside over all meetings of the Board and the Secretary must keep, or cause to be kept, a record of all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Governing Documents, the then-current edition of Robert's Rule of Order will govern the conduct of the meetings of the Board.

3.10. QUORUM. At all meetings of the Board, a Majority of Directors will constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present will be the acts of the Board. If less than a quorum is present at any meeting of the Board the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. A Director present by proxy at a meeting may not be counted toward a quorum.

3.11. PROXY. A Director may vote in person or by proxy executed in writing by the Director. A proxy expires three months after the date the proxy is executed.

3.12. PLACE OF MEETINGS. Except for a meeting held by electronic or telephonic means, a Board meeting must be held in the county in which all or part of the property in the Subdivision is located or in a county adjacent to that county.

3.13. METHOD OF MEETING. The Board may meet by any method of communication, including electronic and telephonic, without prior notice to Owners, if each Director can hear and be heard by every other Director, or the Board may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. A remote electronic communications system, including videoconferencing technology or the Internet, may be used only if each person entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant. Any action taken without notice to Owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, without prior notice to Owners, consider to vote on fines, damage assessments, initiation of foreclosure actions, initiation of enforcement actions (except for temporary restraining orders or violations involving a threat to health or safety), increase in Regular Assessments, levying of Special Assessments, appeals from a denial of Architectural Control Committee approval, or a suspension of a right of a

particular Owner before the Owner has an opportunity to attend a Board meeting to present the Owner's position, including any defense on the issue.

3.14. MINUTES. The Board must keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board must make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's managing agent at the address appearing on the most recently filed Management Certificate or, if there is not a Managing Agent, to the Board.

3.15. RECESS. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent the requisites of this Article. If a regular or special board meeting is continued to the following regular business day, and on the following day the Board continues the meeting to another day, the Board must give notice of the continuation in at least one manner prescribed by the Act and these Bylaws within two hours after adjourning the meeting being continued.

3.16. ACTION WITHOUT A MEETING. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if all of the Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of the Board. Action by written consent has the same force and effect as a unanimous vote.

3.17. LIABILITIES AND STANDARD OF CARE. A Director must discharge the Director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the Association. A Director is not liable to the Association, a Member, or another person for an action taken or not taken as a Director if the Director acted in compliance with this section. A person seeking to establish liability of a Director must prove that the Director did not act in good faith, with ordinary care, in a manner the Director reasonable believe to be in the best interest of the Association. A Director is not considered to have the duties of a trustee of a trust with respect to the Association or with respect to property held or administered by the Association. A Director is not liable if, in the exercise of ordinary care, the Director acted in good faith and in reliance on the written opinion of an attorney for the Association.

3.18. INTERESTED DIRECTORS. A contract or transaction between the Association and one or more Directors, Officers, or Members who have a financial interest in such contract or transaction is valid and enforceable, and is not void or voidable, notwithstanding any relationship or interest, if the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by the Association's Board of Directors, a committee of the Board of Directors, or the Members, and the Board, the committee, or the Members in good faith and with ordinary care authorize the contract or transactions by the affirmative vote of the majority of the disinterested Directors, committee members or Member, regardless of whether the disinterested Directors, committee members or members constitute a quorum of the Members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the Members, or the contract or transaction is fair to the Association when the contract or transaction is authorized, approved, or ratified by the Board of Directors, a committee of the Board of Directors or the Members. Common or interested Directors or Members of the Association may be included in determining the presence of a quorum at a meeting of the Board,

a committee of the Board, or Members that authorize the contract or transaction. The person who has the relationship or interest may be present at or participate in and, if the person is a Director, Member, or committee member, may vote at a meeting of the Board of Directors, of the Members, or of a committee of the Board that authorizes the contract or transaction; or sign, in the person's capacity as a Director, Member, or committee member, a written consent of the Directors, Members, or committee members to authorize the contract or transaction.

3.19. RULES AND REGULATIONS. The Board, by resolution may from time to time adopt and publish Rules and Regulations governing use of the Common Area and the personal conduct of the Members, and their guests, and may suspend the right of use of the Common Area, after notice and hearing, pursuant to Section 209.006 and 209.007 of the Act.

3.20. POWERS AND DUTIES. The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Subdivision. The Board may do all such acts and things except those which, by law or the Governing Documents are reserved to the Members and may not be delegated to the Board. The Act of a majority of the Directors present in person or by proxy at a meeting at which a quorum is present is the act of the Board of Directors. Without prejudice to the general and specific powers and duties set forth in laws or the Governing Documents, or such powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not limited to, the following:

3.20.1. GUESTS. The Board may limit the number of guests of Owners with respect to the use of the Common Areas.

3.20.2. DELINQUENT ACCOUNTS. The Board may establish, levy, and collect reasonable late charges for Members' delinquent accounts. The Board may also establish a rate of interest to be charged on Members' delinquent accounts, provided the rate of interest does not exceed 18% or the maximum rate permitted by state law, whichever is the lesser.

3.20.3. FIDELITY BONDS. The Board may require that all Officers, agents, and employees of the Association handling or responsible for Association funds must furnish adequate fidelity bonds. The premiums on such bonds will be an expense of the Association.

3.20.4. EMPLOYEES. The Board may employ independent contractors or employees as deemed necessary and may prescribe their duties.

3.20.5. APPOINTMENT OF COMMITTEES. The Board, by resolution, may from time to time designate standing or *ad hoc* committees to advise or assist the Board with its responsibilities. The resolution must establish the purposes and powers of each committee created, provide for the appointment of its Members, as well as chairman, and must provide for reports, termination, and other administrative matters deemed appropriate by the Board. Committees may be appointed from among the Members or professionals in the area of expertise for which the Committee is formed.

3.20.6. FINES. In addition to, or in lieu of, other remedies as provided by law, the Board may levy fines for each day or occurrence that a violation of the Dedicatory Instruments persists after notice and hearing, provided the amount of the fine does not exceed the amount necessary to ensure compliance with the Dedicatory Instruments.

3.20.7. CONTRACTS FOR SERVICES. The Board may enter into contracts for services on behalf of the association, and, when appropriate, may solicit competitive bids based on a standard statement of work prepared or approved by the Board.

3.20.8. PROFESSIONAL ASSOCIATION MANAGEMENT SERVICES. The Board may employ a Managing Agent for the Association at a compensation established by the Board, to perform duties and services authorized by the Board. The Board must execute and file Management Certificates in accordance with Section 209.004 of the Act.

3.20.9. FINANCIAL RECORDS AND ANNUAL REPORTS. The Board must maintain current and accurate financial records with complete entries as to each financial transaction of the Association, including income and expenditures, in accordance with generally accepted accounting principles. The Board must annually prepare or approve a financial report for the Association for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: a statement of support, revenue and expenses, statement of changes in funds balances, a statement of functional expenses, and a balance sheet for each fund

3.21. DISSENT TO ACTION. A Director who is present at a meeting of the Board of Directors at which action is taken on an Association matter is presumed to have assented to the action unless the Director's dissent has been entered in the minutes of the meeting, the Director has filed a written dissent for the action with the person acting as a secretary of the meeting before the meeting is adjourned, or the Director has sent a written dissent by registered mail to the secretary of the Association immediately after the meeting has been adjourned. The right to dissent under this section does not apply to a Director who voted in favor of the action.

ARTICLE 4 OFFICERS

4.1 DESIGNATION. The principal Officers of the Association will be the President, the Vice- President, the Secretary, and the Treasurer. The Board may appoint such other Officers and Assistant Officers as it deems necessary. The President and Vice-President will be Directors. Other Officers may, but need not, be Directors. Any two offices may be held by the same person, except the offices of President and Secretary. If an Officer is absent or unable to act, the Board may appoint a Director to perform the duties of that Officer and to act in place of that Officer, on an interim basis.

4.2. ELECTION OF OFFICERS. The Officers must be elected no less than annually by the Directors at the organizational meeting of the Board and will hold office at the pleasure of the Board. Except for resignation or removal, Officers will hold office until their respective successors have been designated by the Board.

4.3. REMOVAL AND RESIGNATION OF OFFICERS. A majority of Directors may remove any officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of Board called for that purpose. An Officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when

received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a Director does not constitute resignation or removal from the Board.

4.4. STANDARD OF CARE. An officer is not liable to the Association or any other person for an action taken or omission made by the Officer in the person's capacity as an Officer unless the Officer's conduct was not exercise in good faith with ordinary care, and in a manner the office reasonably believes to be in the best interest of the Association. This section does not affect the liability of the Association for an act or omission of the Officer.

4.5. DESCRIPTION OF PRINCIPAL OFFICES.

4.5.1 President. As the chief executive Officer of the Association, the President must be a Director and must: (i) preside at all meetings of the Association and of the Board; (ii) have all general powers and duties which are usually vested in the office of President of a corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) see that all orders and resolutions of the Board are carried into effect. The President will not vote except to break a tie.

4.5.2 Vice-President. The Vice-President must be a Director and, in the absence of the President or in the event of the President's inability or refusal to act, must perform the duties of the President. The Vice- President will perform such duties as are assigned by the president and Board.

4.5.3 Secretary. The Secretary must: (i) keep the minutes of all meetings of the Board and of the Association; (ii) have charge of such books, papers, and records as the Board may direct; (iii) maintain a record of the names and addresses of the Members for the mailing of notices; (iv) prepare all give all notices in accordance with the Texas Business Organizations Code and the Governing Documents; (v) act as the custodian of records of the Association; (vi) review all mail on behalf of the Association; (vii) keep a current register of the names and addresses of Members; and (viii) in general, perform all duties incident to the office of Secretary.

4.5.4 Treasurer. The Treasurer must: (i) be responsible for Association funds; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data and tax returns; (iv) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board; (v) prepare the annual and supplemental budgets of the Association; (vi) review the accounts of the managing agent on a monthly basis in the event such managing agent is responsible for collecting and disbursing Association funds; and (vii) perform all the duties incident of the office of Treasurer.

4.6. AUTHORIZED AGENTS. Except when the Governing Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association, by written resolution. In the absence of Board designation, the President and the Vice-President are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 5

MEETINGS OF THE ASSOCIATION

5.1. ANNUAL MEETING. Annual meetings of the Association must be held at 2 p.m. on the third Sunday in March each year, or within 30 days thereafter, weather permitting. At the annual meeting Member must elect Directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them. Notwithstanding any other provision in these Bylaws, the Board must call an Annual Meeting of the Members of the Association.

5.2. MANDATORY ELECTION REQUIRED AFTER FAILURE TO CALL ANNUAL MEETING. If the Board does not call an Annual Meeting of the Association Members, an Owner may demand that a meeting of the Association Members be called not later than the 30th day after the date of the Owner's demand. The Owner's demand must be made in writing and sent by certified mail, return receipt requested, to the registered agent of the Association and to the Association at the address for the association according to the most recently filed Management Certificate. A copy of the notice must be sent to each Owner who is a member of the Association. If the Board does not call a meeting of the Members of the Association on or before the 30th day after the date of a demand, three or more Owners may form an election committee. The election committee must file written notice of the committee's formation with the county clerk of each county in which the Subdivision is located. A notice filed by an election committee must contain: (i) a statement that an election committee has been formed to call a meeting of Owners who are Members of the Association for the sole purpose of electing Board members; (ii) the name and residential address of each committee member; and (iii) the name of the Subdivision over which the Association has jurisdiction under the Dedicatory Instruments. Each committee member must sign and acknowledge the notice before a notary or other official authorized to take acknowledgments. The county clerk must enter on the notice the date the notice is filed and record the notice in the county's real property records. Only one committee in the Subdivision may operate under this section at one time. If more than one committee in a subdivision files a notice, the first committee that files a notice, after having complied with all other requirements of the section, is the committee with the power to act under this section. A committee that does hold or conduct a successful election within four months after the date the notice is filed with the county clerk is dissolved by operation of law. An election held or conducted by a dissolved committee is ineffective for any purpose under this section. The election committee may call meetings of the Owners who are Members of the Association for the sole purpose of electing Board members. Notice, quorum, and voting provisions contained in these Bylaws apply to any meeting called by the election committee.

5.3. SPECIAL MEETINGS. It is the duty of the President to call a special meeting of the Association if directed to do so by a majority of the Board or by a petition signed by Members representing at least 10% of the eligible votes in the Association. Such meeting must be held within 30 days after the Board resolution or receipt of the petition. The notice of any special meeting must state the time, place, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

5.4. PLACE OF MEETINGS. Meetings of the Association must be held at place as is designated by the Board in the notice of the meeting.

5.5. NOTICE OF MEETING. Not later than the 10th day or earlier than the 60th day before the date of an election or vote, the Association must give written notice of the election or vote to each Owner in the Association, for purposes of an Association- wide election or vote or to vote for the election of members of the Board.

5.6. ELIGIBILITY. All members of the Association will receive notice of meetings of the Association, and they may vote at meetings of the Association or be elected to serve as a Director.

5.7. RECORD DATES.

5.7.1 Determining Notice Eligibility. The Board must fix a date as the record date for determining the Members entitled to notice of a meeting of the Association. The record date may not be more than 60 days before the date of a meeting of the Association at which Members will vote.

5.7.2 Determining Voting Eligibility. The Board must fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than 60 days before the date of a meeting of the Association at which Members will vote.

5.7.3 Determining Rights Eligibility. The Board must fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding two paragraphs. The record date may not be more than 60 days before the date of the action for which eligibility is required, such as a nomination to the Board.

5.7.4 Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the record date for determining Members entitled to notice of the original meeting.

5.8. VOTING MEMEBERS LIST. The Board must prepare and make available a list of the Association's voting Members in accordance with Business Organizations Code Section 22.158. After setting a record date for the notice of a meeting, the Association must prepare an alphabetical list of the names of all its voting members. The list must identify the Members who are entitled to notice, the address of each voting Member; and the number of votes each voting Member is entitled to cast at the meeting. Not later than the second business day after the date notice is given of a meeting for which a list was prepared in accordance with the section, the continuing through the meeting, the list of voting Members must be available at the office of the Association's Managing Agent, according to the most recent Management Certificate recorded, as identified in the notice of the meeting, for inspection by Members entitled to vote at the meeting for the purpose of communication with other Members concerning the meeting. A voting Member or voting Member's agent or attorney is entitled on written demand to inspect and, at the member's expense and subject to Section 209.005 of the Act, copy the list at a reasonable time during the period the list is available for inspection. The Association must make the list of voting Members available at the meeting. A voting Member or voting Member's agent or attorney is entitled to inspect the list at any time during the meeting or an adjournment of the meeting.

5.9. QUORUM. At any meeting of the Association, the presence of one person or by proxy of Members entitled to cast at least 10% of the votes that may be cast for election of the Board will constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

5.10. LACK OF QUORUM. If a quorum is not present or represented at any meeting, the Members entitled to vote will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present and represented.

5.11. VOTES. Members of the Association will have one vote for each Lot owned in the Subdivision. The vote of Members representing at least a majority of the votes cast at any meeting at which a quorum is present will be binding upon all Members for all purposes, except when a higher percentage is required by the Declaration or these Bylaws. There will be no cumulative voting. The voting rights of an Owner may be cast or given in person or by proxy at a meeting of the Association; by absentee ballot in accordance with this section; or by electronic ballot in accordance with these Bylaws.

5.12. PROXIES. Unless otherwise provided by the proxy, a proxy is revocable and expires 11 months after the date of its execution. A proxy may not be irrevocable for longer than 11 months.

5.13. BALLOTS. Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the Member. In an Association-wide election, written and signed ballots are not required for uncontested races. Electronic votes cast as provided below constitute written and signed ballots. An absentee or electronic ballot may be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; it may not be counted for the purpose of establishing a quorum only for items appearing on a ballot even if properly delivered, if the owner attends any meeting to vote in person. Any vote cast at a meeting by an Owner supersedes any votes submitted by absentee or electronic ballot previously submitted for that proposal, and may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot. A solicitation for votes by absentee ballot must include: an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; instructions for delivery of the completed absentee ballot, including the delivery location, and the following language: *"By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to this proposal your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."* For the purposes of this section, "electronic ballot" means a ballot given by email, facsimile, or posting on an Internet website for which the identity of the Owner submitting the ballot can be confirmed and for which the property owner may receive a receipt of the electronic transmission and receipt of the owner's ballot. If an electronic ballot is posted on the Association's Internet website, a notice of the posting must be sent to each Owner that contains instructions on obtaining access to the posting on the website.

5.13.1. Co-Owned Lots. If a Lot is owned by more than one Member and only one Member is present at a meeting of the Association, that person may cast the vote allocated to

that Lot. If more than one of the multiple Owners is present, the vote allocated to that Lot may be cast only in accordance with Owners' unanimous agreement. Multiple Owners are in unanimous agreement of one of the multiple owners casts the vote allocated to the Lot and none of the other Owners makes prompt protest to the person presiding over the meeting.

5.13.2. Corporation- Owner Lots. If a Lot is owned by a corporation, the vote appurtenant to that Lot may be cast by an officer of the corporation in the absence of express notice of the designation of a specific person by the Board of Directors or Bylaws of the owning corporation. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The person presiding over a meeting or qualified to vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

5.14. TABULATION AND ACCESS TO BALLOTS. A person who is a candidate in the Association's Board election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code, may not tabulate or otherwise be given access to the ballots cast in that election or vote except as provided by this section. A person other than a person described above may tabulate votes in an Association election or vote but may not disclose to any other person how an individual voted. Notwithstanding any other provision of this chapter or any other law, a person other than a person who tabulates votes may be given access to the ballots cast in the election or vote only as part of a recount process authorized by law.

5.15. RECOUNT OF VOTES. Any owner may, not later than the 15th day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing by certified mail, return receipt requested, or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address or in person as reflected on the latest Management Certificate, or to the address to which absentee and proxy ballots are mailed. The Association must, at the expense of the Owner requesting the recount, retain the services of a person qualified to tabulate votes under this section for the purpose of performing the recount. The Association must enter into a contract for the services of a person who is not a Member of the Association or related to a Member of the Association board within the third degree by consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code, who is a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person agreed on by the Association and the persons requesting the recount. Any recount under this section must be performed on or before the 30th day after the date of receipt of a request. If the recount changes the results of the election, the Association must reimburse the requesting Owner for the cost of the recount. The Association must provide the results of the recount of each Owner who requested the recount. Any action taken by the board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

5.16. CONDUCT OF MEETINGS. The President, or any person designated by the Board, must preside over meetings of the Association. The Secretary must keep, or cause to be kept, the minutes which record all resolutions adopted and all transaction occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then-current edition of Roberts's Rule of Order will govern the conduct of all meetings of the Association when not in conflict with the Governing Documents. Votes will be tallied by tellers appointed by the person presiding over the meeting.

5.17. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, the order of business at annual meetings of the Association will be as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Reading and approval of minutes of preceding meeting
- Reports
- Election of Directors
- Unfinished or old business
- New business
- Adjournment

5.18 ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

ARTICLE 6 COMMITTEES

6.1. NOMINATING COMMITTEE. After the expiration of the Declarant Control Period, nomination for the election of the Board of Directors may be made by a Nominating Committee. The Nomination Committee must make as many nominations to the Board as it may in its discretion determine, but not less than the number of vacancies that are to be filled. Nomination may also be made from the floor at the annual meeting.

6.2. OTHER COMMITTEES. The Board of Directors may appoint other committees as the Board deems appropriate to carry out its purposes.

ARTICLE 7 RULES AND REGULATIONS

7.1. RULES. The Board has the right to establish and amend, from time to time, reasonable Rules and Regulations for: (i) the administration of the Association and the Governing Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Subdivision; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such Rules may not conflict with law or the Governing Documents. The Board must, at all times, maintain the then-current and complete Rules in a written form that can be copied and distributed to the Members, and must be recorded in the Official Public Records of Real Property of Webb County, Texas.

7.2. ADOPTION AND AMENDMENT. Any Rule may be adopted, amended, or terminated by the Board, provided that the Rule and the requisite Board approval and properly recorded as a resolution in the minutes of the meeting of the Board.

7.3. NOTICE AND COMMENT. The Board must give written notice to an Owner of each Lot of any amendment, termination, or adoption of a Rule, or must publish same in a newsletter or similar publication which is circulated to the Members, at least ten days before the

Rule's effective date. Any Member so notified will have the right to comment orally or in writing to the Board on the proposed action.

7.4. DISTRIBUTION. Upon written request from any Member or Resident, the Board must provide a current and complete copy of the Rules.

ARTICLE 8 OBLIGATIONS OF THE OWNERS

8.1. PROOF OF OWNERSHIP. Any person, on becoming a Member of the Association, must furnish to the Board evidence of ownership in the Lot, which copy must remain in the files of the Association. A Member will not be deemed to be in good standing nor be entitled to vote at any annual or special meeting of the Association unless this requirement is first met.

8.2. OWNERS' ADDRESSES. The Owner or the several Co-Owners of a Lot must register and maintain one mailing address to be used by the Association for mailing of statements, notices, and all other communications. The Owner must keep the Association informed of the Member's current mailing address. If an Owner fails to maintain a current mailing address with the Association, the address of that Owner's Lot will be deemed to be his mailing address. An Owner who mortgages his or her Lot must furnish the Board with the name and mailing address of the mortgagee.

8.3. ASSESSMENTS. All Owners are obligated to pay Maintenance Charges and other assessments imposed by the Association to meet the Common Expenses as defined in the Declaration.

8.4. COMPLIANCE WITH DOCUMENTS. Each Owner must comply with the provisions and terms of the Governing Documents, and any amendments thereto. Further, each Owner must always endeavor to observe and promote the cooperative purposes for which the Association was established.

ARTICLE 9 ASSOCIATION RECORDS

9.1. AVAILABILITY. The Association must make the books and records of the Association, including financial records, open to and reasonable available for examination by an Owner, or a person designated in a writing signed by the owner as the Owner's agent, attorney, or certified public accountant, in accordance with this section. An Owner is entitled to obtain from the Association copies of information contained in the Association's books and records. Association attorney's files and records, excluding invoices requested by an Owner are not records of the Association and are not subject to inspection by the Owner or production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy association documents, the documents must be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. This Article does not require production of a document that constitutes attorney work product or that is privileged as an attorney-client communication. An Owner or the Owner's authorized representative must submit a written request for access or information by certified mail, with sufficient detail describing the Association's books and records requested, to the mailing address of the Association or

authorized representative as reflected on the most current Management Certificate. The request must contain an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records if an inspection is requested, the Association, on or before the 10th business day after the date the Association receives the request, must send written notice of date during normal business hours that the Owner may inspect the requested books and records to the extent those books and records are in the possession, custody, or control of the Association, or if copies of identified books and records are requested, the Association must, to the extent those books and records are in the possession, custody or control of the Association, produce the requested books and records for the requesting party on or before the 10th business day after the date the Association receives the request. If the Association is unable to produce the books or records requested on or before the 10th business day after the Association receives the request, the Association must provide to the requestor written notice that informs the requestor that the Association is unable to produce the information on or before the 10th business day after the date the Association received the request, and states a date by which the information will be sent or made available for inspection to the requesting party that is not later than the 15th business day after the date notice under this Article is given. The Association may produce books and records requested under this section in hard copy, electronic, or other format reasonably available to the Association.

9.2. OPEN RECORDS POLICY. The Board has adopted a Records Production and Copying Policy that prescribes the costs the Association will charge for the compilation, production, and reproduction of information requested under this section, and is recorded in the Official Public Record of Real Property Records of Webb County, pursuant to section 209.005 of the Act. The prescribed charges may include all reasonable cost of materials, labor. The Association may not charge an owner for the compilation, production, or reproduction of information requested under this section unless the policy prescribing those costs has been recorded as required by this subsection. An Owner is responsible for costs related to the compilation, production, and reproduction of the requested information in the amounts prescribed by the policy adopted under this section. The Association may require advance payment of the estimated costs of compilation, production, and reproduction of the requested information. If the estimated costs are lesser or greater than the actual costs, the Association must submit a final invoice to the Owner on or before the 30th business day after the date the information is delivered. If the final invoice included additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the Owner, may be added to the Owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the owner is entitled to a refund, and the refund must be issued to the owner no later than the 30th business day after the date the invoice is sent to the Owner.

9.3. RECORDS RETENTION. In accordance with Section 209.005 (m) of the Act, the Association has adopted, recorded, and complied with a Document Retention Policy which will be recorded in the Official Public Records of Real Property of Webb County, Texas.

ARTICLE 10

NOTICES

10.1 CO-OWNERS. If a Lot is owned by more than one person, notice to one Co-Owner will be deemed notice to all Co-Owners.

10.2. DELIVERY OF NOTICES. Any written notice required or permitted by these Bylaws may be given personally, by mail, or by facsimile transmission. If mailed, the notice is deemed delivered when deposited in the U.S. Mail addressed to the Member at the address shown on the Association's records. If transmitted by facsimile, the notice is deemed delivered on successful transmission of the facsimile.

10.3. WAIVER OF NOTICE. Whenever any notice is required to be given to an Owner, Member or Director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, will be equivalent to the giving of such notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, will constitute a waiver of notice by such Member or Director of the time, place, and purpose of such meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice will be required, and any business may be transacted at such meeting.

ARTICLE 11 AMENDMENTS TO BYLAWS

11.1. PROPOSALS. These Bylaws may be amended by a Majority of the Members. The Association must provide each Member with a detailed description of any proposed amendment. Such description must be included in the notice of any annual or special meeting of the Association if such proposed amendment is to be considered at said meeting.

11.2. CONSENTS. An amendment may be adopted by the vote, in person or by proxy, or written consents of Members representing at least a Majority of the votes cast or present at a meeting for which a quorum is obtained.

11.3. EFFECTIVE. To be effective, each amendment must be in writing and be signed by at least two Officers acknowledging the requisite approval of Members and be delivered to each Member at least ten days before the amendment's effective date.

ARTICLE 12 GENERAL PROVISIONS

12.1. CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision will be null and void, but all other provisions of these Bylaws will remain in full force and effect. In the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

12.2. SEVERABILITY. Invalidation of any provision of these Bylaws, by judgment or court order, will in no way affect any other provision which will remain in full force and effect. The effect of a general statement will not be limited by the enumeration of specific matters similar to the general.

12.3. FISCAL YEAR. The fiscal year of the Association will be in the calendar year.

12.4. WAIVER. No restriction, condition, obligation, or covenant in the Declaration or these Bylaws will be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.