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**DECLARATION OF
COVENANTS,
CONDITIONS,
AND
RESTRICTIONS
FOR
AUSTIN COLONY
WACO, TEXAS**

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**DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AUSTIN COLONY**

THE STATE OF TEXAS §
 §
COUNTY OF McLENNAN §

THIS DECLARATION is made on the date hereinafter set forth by **DSS SUBDIVISION, L.P.**, a Texas limited partnership, its successors and assigns (“Declarant”);

WITNESSETH:

WHEREAS, that with the exception of that tract of land owned by J. Alan Nelson and Susan I. Nelson and designated as Lot 11 in Block 1, Declarant is the owner of that certain real property, heretofore subdivided into that certain subdivision known as AUSTIN COLONY, (said Austin Colony except for Lot 11 in Block 1 being referred to herein as the “Subdivision” or the “Property”) as reflected on the plat recorded under Clerk's File No. 2005004493 in the Official Public Records of McLennan County, Texas (the “Subdivision Plat” or “Plat”), to which recorded Subdivision Plat reference is hereby made for all purposes; and

WHEREAS, it is the desire and intent of Declarant that the Property, except those portions thereof designated as easements and open space on the Plat, be developed into single family residences; and

WHEREAS, Declarant desires to hold, sell, and convey the Property, subject to the following additional covenants, restrictions, reservations, and easements, which are for the purpose of establishing a uniform plan for the development, improvement, and sale of the Property, and to ensure the preservation of such uniform plan for the benefit of both present and future owners of lots within the Property.

NOW, THEREFORE, Declarant hereby adopts the following covenants, conditions, and restrictions which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property and which shall be applicable to the lots within said Property and shall run with the land and shall bind all parties having or acquiring any right, title, or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

Section 1. “Architectural Review Committee” shall mean and refer to the architectural review committee created pursuant to this Declaration of Covenants, Conditions, and Restrictions, which shall have jurisdiction over the Property.

Section 2. “Association” shall mean and refer to the Austin Colony Property Owners Association, Inc., a non-profit corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 3. “Board of Directors” and “Board” shall mean and refer to the Board of Directors of the Association.

Section 4. “Common Areas” shall mean and refer to the Common Open Area and the Private Streets.

Section 5. “Common Open Area” shall mean and refer to all real property owned and maintained by the Association for the common use and enjoyment of the Owners and others as may be hereinafter conveyed to the Association by the Declarant.

Section 6. "Covenants" shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens, and charges imposed by or expressed in this Declaration.

Section 7. "Conveyance" shall mean and refer to conveyance of a fee simple title to a Lot.

Section 8. "Declarant" shall mean **DSS SUBDIVISION, L.P.**, a Texas limited partnership, and its successors and assigns.

Section 9. "Easements" shall mean and refer to the various utility or other easements of record and such other easements as are created or referred to in this Declaration.

Section 10. "Lot" shall mean and refer both to each parcel of land shown as a lot on the Subdivision Plat and to the residence and improvements constructed or to be constructed thereon, but shall not mean or include any portion of the Common Areas. A Lot shall consist of not less than 21,000 square feet of land.

Section 11. "Member" shall mean and refer to each person or entity who owns a Lot.

Section 12. "Owner" shall mean and refer to the record owner (other than Declarant), whether one or more persons or entities, of the fee simple title to the surface estate in any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Private Streets" shall mean and refer to all real property shown and designated as a "private street" by an easement for that purpose created herein by Declarant, specifically including those private streets as shown on the Subdivision Plat as "Lone Star Drive," "Freedom Court," "Republic Drive," and "Independence Trail."

Section 14. "Property" shall mean and refer to that certain real property hereinabove described.

Section 15. "Residence" shall mean and refer to the single family residence constructed on a Lot.

ARTICLE II RESERVATIONS, EXCEPTIONS, AND DEDICATIONS

Section 1. Declarant's Reservation. It is expressly agreed and understood that the title conveyed by Declarant to any Lot within the Property by contract, deed, or other conveyance shall not be held or construed in any event to include the title to any roadway or any water, gas, sewer, storm sewer, electric light, electric power, telegraph, telephone, audio, video, security, or communication facilities or systems or any pipes, lines, poles, or conduits on or in any utility facility or appurtenances thereto constructed by or under Declarant or its agents through, along, or upon the Property or any part thereof to serve the Property, and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in the Association.

Section 2. Reservation of Minerals. The Property is hereby subjected to the following reservation and exception: Declarant hereby reserves unto Declarant and Declarant's successors, assigns, and predecessors in title in accordance with their respective interests of record all oil, gas, and other minerals in, on, and under the Property, but Declarant hereby waives the right to use the surface of the Property for exploring, drilling for, producing, and mining oil, gas, and other minerals, provided that Declarant hereby retains and reserves the right to pool the Property with other lands for development of oil, gas, and other minerals and the right to drill under and through the subsurface of the Property below the depth of one hundred feet (100') by means of wells located on the surface of land outside the Property. Such exceptions, retained rights, and reservations shall inure to the benefit of Declarant, Declarant's predecessors in title, and Declarant's successors and assigns in accordance with their respective interests of record.

ARTICLE III PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right to an easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to grant or dedicate easements in, on, under, or above the Common Areas or any part thereof to any public or governmental agency or authority or to any utility company for any service to the Property or any part thereof;
- (b) the right of the Association to limit the number of guests of Owners who may use the Common Areas; and
- (c) the right of the Association in accordance with Chapter 209 of the Texas Property Code to (i) suspend the voting rights and (ii) suspend the right to use of the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

Section 2. Delegation of Use. Subject to the limitations set forth in Section 1 above, any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and recreational facilities located thereon to the members of his family, his tenants, or contract purchasers who reside on his Lot.

Section 3. Waiver of Use. No Owner may be exempt from personal liability for assessments duly levied by the Association, nor release a Lot owned from the liens and charges hereof, by waiver of the use and enjoyment of the Common Areas thereon or by abandonment.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person or entity who is a record Owner of a Lot within the Property which is subject to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the Lot which is subject to assessment by the Association.

Section 2. Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant, and each shall be entitled to one (1) vote for each Lot. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote of such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot.

Class B. Class B members shall be the Declarant, who shall be entitled to ten (10) votes for each Lot owned. The Class B membership (Declarant's weighted vote) ceases and converts to Class A membership upon the earlier to occur of the following events:

- (A) when seventy-five percent (75%) of the Lots are deeded to Owners; or
- (B) on January 1, 2015.

Section 3. Meetings. The members of the Association shall elect members of the Board of Directors and vote on such other matters as may be presented by the Board of Directors at annual meetings established by the By-Laws of the Association. Special meetings of the membership may be called in accordance with the By-Laws of the Association. The Board of Directors shall govern the affairs of the Association. The members of the Association may vote in person or by proxy and, if by

proxy, in accordance with the By-Laws and regulations governing proxies adopted by the Association.

Section 4. By-Laws. The affairs of the Association shall be regulated by the By-Laws of the Association. The By-Laws of the Association shall be adopted by the Declarant and thereafter may be amended only by the vote of a majority of the members voting at a duly called meeting of the membership following thirty (30) days' prior notice setting forth the proposed change to the By-Laws in writing.

Section 5. Voting. For the purpose of determining whether any percentage of the members is attained in any action taken by the membership, each Lot shall be counted separately, regardless of whether one or more Lots may be owned and voted by the same person or entity.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and the Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments or charges;
- (b) special assessments for capital improvements, with such assessments to be established and collected as hereinafter provided; and
- (c) all costs, including but not limited to attorney's fees, in connection with the enforcement of any provision of this Declaration.

The regular and special assessments and costs of enforcement, together with interest, penalties, costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a prior and continuing lien upon the Lot and upon any and all rents, profits, and proceeds arising from the rental or sale of the Lot against which each such assessment is made. Each such assessment, together with interest, penalty, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due.

Section 2. Assignment of Rents, Profits and Proceeds. The Declarant, for each Lot within the Property, hereby assigns, and the Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to assign to the Association all rents, profits, and proceeds from each Lot for the payment of any and all regular and special assessments and costs of enforcement, together with interest, penalties, costs, and reasonable attorney's fees, whether current or delinquent. This assignment is a present, absolute, and unconditional assignment which may be enforced by the Association, without the necessity of any legal proceeding, by demanding and receiving payment from any person or entity who owes or which may owe the same for the use of any Lot at any time when the regular and special assessments and costs of enforcement, together with interest, penalties, costs, and reasonable attorney's fees, become or remain due and unpaid.

Section 3. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the Members of the Association and for the improvement and maintenance of the Common Areas, or for the payment to or reimbursement of other private parties or governmental entities for the furnishing of such services to the Association.

Section 4. Maximum Annual Assessment

- (a) No annual assessment shall be charged until January 1, 2006. Beginning on January 1, 2006, the maximum annual assessment for each Owner shall be One Hundred Fifty and No/100 Dollars (\$150.00).

- (b) From and after January 1, 2007, the maximum amount the Owner's annual assessment may be increased by the Board of Directors each year is the greater of the increase in the Consumer Price Index for the year involved or ten percent (10%).
- (c) From and after January 1, 2007, the maximum annual assessment may be increased above the limitation contained in Paragraph (b) above by a vote of two-thirds ($\frac{2}{3}$) of the Members present, in person or by proxy, at any annual meeting or at a special meeting duly called for this purpose.
- (d) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum allowed each year.

Section 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment for the purpose of defraying in whole or in part, (i) the cost of any construction, reconstruction, repair, or replacement of a capital improvement in the Common Areas, including fixtures and personal property related thereto, or (ii) the cost of any service provided to the Association, provided that any such special assessment shall have the assent of $\frac{2}{3}$ of the votes in the Association, in person or by proxy, at any annual meeting or at a special meeting duly called for this purpose.

Section 6. Rate of Assessment. Each Lot shall commence to bear its applicable assessments according to Section 4 above. Lots which are owned by Declarant shall be assessed only in the event that assessments to be paid at the maximum amount allowed by Owners of Lots owned by other than Declarant are not sufficient to meet the operating budget of the Association and then only to the extent required to meet said operating budget.

Section 7. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence on January 1, 2006, as to any Lots conveyed to an Owner before that date. Otherwise, the annual assessments shall commence as to a Lot on the first day of the month following the conveyance of the Lot to an Owner. Other than those annual assessments due on January 1, 2006, the first annual assessment shall be adjusted according to the number of months remaining in the calendar year of the year the Lot is conveyed to the Owner. From and after January 1, 2007, the Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to each Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment on a specified Lot has been paid and, if not, the amount due.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of the rate of eighteen percent (18%) per annum or the maximum non-usurious interest rate as then may be permitted under the applicable law in the State of Texas. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot, and interest, costs of collection, and reasonable attorney's fees for any such action shall be added to the amount of such assessment as allowed by Chapter 209 of the Texas Property Code. Each Owner, by his acceptance of title to a Lot, hereby expressly vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure on the defaulting Owner's Lot. The foreclosure of the lien may be instituted in the name of the Association, at the exclusive election of the Board, either judicially or non-judicially. Any non-judicial foreclosure sale shall be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust and according to the provisions of the Texas Property Code, as herein or therein set forth. The Declarant does hereby and each Owner, by accepting title to a Lot in the Subdivision, expressly grant to the Association, and its Trustee, Marvin L. Steakley, and each successor trustee as hereinafter provided ("Trustee") a power of sale in connection with the continuing lien created and imposed by this Article V. The lien provided for in this Article V shall be in favor of the Association acting on behalf of the Owners, and the Association shall have the power to bid at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 9. Trustee's Sale. It shall, at any time while any part of said assessment, interest, costs, or attorney's fees remains unpaid, be the duty of the Trustee at the request of the Board of Directors of the Association to enforce this trust, exercise the power of sale herein granted and to sell the Lot(s) of any Owner(s) who has failed to pay to the Association any sum secured by the continuing lien imposed and created by this Article V, by any method now or hereafter provided by law for foreclosing the liens imposed by this Declaration, including without limitation, all rights and remedies provided under Section 51.002 of the Texas Property Code or any amendment or recodification of the same or any successor law or statute, whether state or federal, which supersedes or replaces all or any part of the laws of the State of Texas relating to or governing the foreclosure of liens under a deed of trust or any other instrument granting a non-judicial power of sale, but subject to Chapter 209 of the Texas Property Code or any amendment or recodification of the same or any successor law or statute, whether state or federal, which supersedes or replaces all or any part of the laws of the State of Texas regarding the collection of assessments by a property owners' association. The Trustee shall convey to the purchaser or purchasers, with general warranty on behalf of the Owner(s) of the Lot(s) so sold, and the Owner(s) hereby binds himself, his heirs, his executors, and his administrators to forever warrant and defend the title to such purchaser or purchasers when so made by the Trustee. The Association may purchase at any Trustee's sale. A credit upon all or any part of the assessments and other charges owed shall be deemed cash paid for the purpose of this paragraph. With the proceeds arising from such sale or sales, the Trustee shall first pay all expenses of advertising, sale, and conveyance, including a commission of 5% of the gross proceeds of such sale or sales to the Trustee acting, and shall next apply such proceeds toward the payment of the assessments, interest, costs, and attorney's fees, and the remaining balance, if any, shall be paid to the Owner(s) of the Lot sold, his heirs or assigns. The right and power of sale hereunder shall not be exhausted by one or any sale, but so long as any of said indebtedness remains unpaid, the Trustee or Substitute Trustee may make other and successive sales.

Section 10. Substitution of Trustee. If the Association should elect at any time (with or without cause) to remove the Trustee then acting, a successor and substitute may be named, constituted, and appointed by the Board of Directors of the Association without further formality than an appointment and designation in writing, signed by an officer of the Association, which appointment and designation shall be full evidence of the right and authority to make the same and all of the facts therein recited, and this conveyance shall vest in the Successor or Substitute Trustee, the title, powers, and duties conferred on the Trustee named herein and the conveyance by the Successor or Substitute Trustee to the purchaser shall be equally valid and effective. Such right to appoint a Successor or Substitute Trustee shall exist as often as the Association may elect and whenever the Trustee, original or substitute, cannot or will not act or has been removed.

Section 11. Validity of Acts. The Declarant does hereby and each Owner, by accepting title to a Lot in the Subdivision, specifically covenants and stipulates that the recitals in the conveyance made to the purchaser, either by the Trustee or any Successor or Substitute Trustee, shall be full proof and evidence of the matters therein stated, that no other proof shall be required (i) of the request by the holder of said indebtedness on the Trustee to enforce this trust, (ii) of the advertisement or sale, or any particulars thereof, (iii) of the inability, refusal, or failure of the Trustee, or Substitute Trustee to act, (iv) of the removal of the Trustee or the appointment of a Substitute Trustee as herein provided either as to the legality of his appointment or otherwise, (v) of the contingencies which brought about the failure or inability of the Trustee to act or of the Trustee's removal, as the case may be; that all prerequisites of said sale shall be presumed to have been performed; and that the sale made under the powers herein granted shall be a perpetual bar against the Owner(s) of the Lot(s) sold, his heirs, and his assigns.

Section 12. Possession of Foreclosed Lot. The Declarant does hereby and each Owner, by accepting title to a Lot in the Subdivision, specifically agree that after any sale under this Deed of Trust they or their heirs or assigns shall be mere tenants at sufferance of the purchaser of said property at said sale, and that such purchaser shall be entitled to immediate possession thereof. If the Owner(s) of the Lot(s) sold fails to vacate the premises immediately, such purchaser may and shall have the right to go into any justice court having venue or in any other court hereafter having jurisdiction of forcible detainer or eviction actions and file an action for possession of the Lot(s) sold, which action shall lie against the Owner(s) thereof or his heirs or assigns or any persons claiming under said Owner(s) as tenants at sufferance. This remedy is cumulative of any and all remedies the purchaser may have hereunder or otherwise.

Section 13. No Election. The filing of a suit to collect any sums due hereunder or to foreclose any lien, mortgage, or security interest created hereunder, either on any matured portions of the indebtedness or for the whole indebtedness, shall never be considered an election so as to preclude foreclosure under the powers of sale herein contained after a final judgment on the debt or the dismissal of the suit for foreclosure.

Section 14. Subordination of the Lien to Mortgage. The lien and assignment for the payment of the assessments provided for herein shall be subordinate to the liens securing any first-lien mortgage. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a first mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien for assessments which became due prior to such sale or transfer. No sale or transfer shall relieve any Lot from liability of any assessments which thereafter become due or from the lien securing the payment thereof.

ARTICLE VI ARCHITECTURAL REVIEW

Section 1. Architectural Approval. Declarant hereby reserves and retains the right of architectural review to itself or its assignee as hereinafter provided.

IT IS ACCORDINGLY COVENANTED AND AGREED that no building, driveway, culvert, water well, sanitation system, fence, wall, or other structure, except for those such existing improvements located on that tract designated as Lot 29 in Block 2 of the Subdivision, shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration to such structure or the color thereof (including, without limitation, grading plans, landscaping, re-roofing materials, patio covers and trellises, plans for off-street parking of vehicles, and utility layout), including, after the lesser of three years from the effective date hereof or when the present occupant vacates the property, such existing improvements located on that tract designated as Lot 29 in Block 2 of the Subdivision, be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been SUBMITTED TO AND APPROVED in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee. In the event said Committee, or its designated representative, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, the Committee shall be deemed to have APPROVED such design. All plans and specifications shall be submitted in writing over the signature of the Owner of the Lot or the Owner's authorized agent. The Architectural Review Committee shall have the right to require any Owner to remove or alter any structure, planting, modification, or repair which has not received approval or is built or installed other than according to the approved plans. The requirement of this Article is in addition to any approvals or permits required by any appropriate governmental entity. Approval of plans as complying with the applicable minimum construction standards adopted and promulgated from time to time for the Property by Declarant or its assignee shall be only for such purposes and shall not serve as approval for any other purpose. Declarant hereby reserves and retains the right at its option to assign its rights hereinabove set forth to an architectural review committee appointed by the Board of Directors of the Association. In the event Declarant elects to assign such rights of approval, such assignment shall be evidenced by an instrument in writing and acknowledged by the proper officers of Declarant and placed of record in the appropriate records of the County Clerk of McLennan County, Texas, and shall be effective from and after the date said instrument is recorded.

Section 2. No Liability. Neither Declarant, the Association, its Board of Directors, nor the Architectural Review Committee or the members thereof shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner of a Lot affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Review Committee for approval agrees that no action or suit for damages will be brought against Declarant, the Association, its Board of Directors, the Architectural Review Committee, or any of the members thereof.

Section 3. Architectural Guidelines. The Architectural Review Committee may from time to time, in its sole discretion, adopt, amend, and repeal Architectural Guidelines interpreting and implementing the provisions of this Article VI.

Section 4. Variances. Where circumstances, such as topography, location of property lines, location of trees, or other matters require, the Architectural Review Committee, by the vote or written consent of a majority of the members thereof, may allow reasonable variances as to any of the covenants, conditions, or restrictions contained in this Declaration under the jurisdiction of such committee pursuant to this Article VI, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property.

Section 5. Initial Members. Declarant hereby appoints and designates Larry J. Dagley, Norma Dagley, and Marvin L. Steakley as the initial members of the Architectural Review Committee to serve until their successors are appointed. Declarant or its assignee may appoint, remove, or reappoint such members of the Association as it may from time to time elect.

ARTICLE VII DUTIES AND MANAGEMENT OF THE ASSOCIATION

Section 1. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof the Association shall:

- (a) own, maintain, and otherwise manage the Common Areas and all facilities, improvements, and landscaping thereon, including landscaping and mowing;
- (b) pay any real and personal property taxes and other charges assessed against the Common Areas;
- (c) have the authority to obtain, for the benefit of the Common Areas, all services and utilities needed for their use and enjoyment by the Members;
- (d) grant easements where necessary for utilities, security communications, telecommunications, and drainage facilities over the Common Areas to serve the Common Areas and the Lots;
- (e) maintain such policy or policies of insurance as the Board of Directors may deem necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members;
- (f) have the authority to contract with a management company for the performance of maintenance and repair of the facilities, improvements, and landscaping in the Common Areas and for conducting other activities on behalf of the Association, provided that such contract shall be limited to a duration of one (1) year except with the approval of a majority of the Members entitled to vote. Any such management agreement shall provide that it will be terminable by the Association without a termination fee for cause upon thirty (30) days' written notice or without cause by either party upon ninety (90) days' written notice;
- (g) have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Directors;
- (h) have the duty to establish and maintain a capital improvements reserve bond in an amount sufficient to provide for the repair and replacement of the private streets, street lighting, entry gates, and entry markers in amounts determined from time to time to be adequate for such purposes by the Board of Directors;
- (i) have the power to provide for the removal of household trash or garbage in accordance with prevailing environmental regulations, provided that the cost of removal of household trash and garbage from each Lot shall be paid to the

Association by the Owner of each Lot upon demand, which costs shall become a part of and be enforced in the same manner as the assessments against each Lot provided in Article V of this Declaration,

- (j) have the power to adopt regulations governing the preparation, placement, and removal of all trash, garbage, tree and brush trimmings, and animal wastes on and from each Lot;
- (k) have a duty to landscape and maintain the landscaping within the Common Areas; and
- (l) have a duty to maintain easements for fire hydrants.

ARTICLE VIII EASEMENTS

Section 1. Utility and Drainage Easements. Whenever electricity or telephone lines or drainage facilities are installed within the Property, which connection lines or facilities or any portion thereof lie in or upon land owned by the Association or others rather than the Owner of a Lot served by said connections, lines, or facilities, such Owners of Lots served shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots or parcel of land within the Property in or upon which said connections, lines, or facilities, or any portion thereof lie to repair, replace, and generally maintain said connections as and when the same may be necessary as set forth below. Easements for drainage are also reserved as shown on the Subdivision Plat. Drainage easements and ditches abutting an owner's Lot shall be maintained by the Owner to assure that all grass, weeds, and brush are mowed and removed to keep the areas in good condition. The Association will maintain the hydrology of all drainage structures on the Property, including but not limited to any drainage structure located along the side of a Lot as designated on the Subdivision Plat.

Section 2. Reservation of Easements. Easements over the Lots and Common Areas for the installation and maintenance of water, sewerage, electric, telephone, cable television, and any drainage facilities are hereby reserved by Declarant, together with the right to grant and transfer the same. Additionally, Declarant hereby expressly reserves the power and right to dedicate additional easements over any Lot as deemed appropriate by Declarant.

Section 3. Underground Electrical Service; Water and Sewerage Service. Each Owner of a Lot in the Subdivision shall be responsible for installing and maintaining underground electrical service and water and sewerage service on the Lot. An underground electric distribution system and a water and sewerage system will be installed in the Subdivision within easements provided for that purpose. The Owner of each Lot in the Subdivision shall, at the Owner's own cost, furnish, install, own, and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure or structures to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter.

Easements for the electric, water, and sewerage services may be crossed by driveways, walkways, and patio areas. Such easements for the electric, water, and sewerage services shall be kept clear of all buildings and neither Declarant nor any utility company using the easement shall be liable for any damage done by either of them or their assigns, agents, employees, or servants to shrubbery, trees, flowers, or other improvements of the Owner located on the land covered by said easements.

Section 4. Private Streets and Driveways. All Lots shall have access to a Private Street. Private Street rights-of-way are described on the Subdivision Plat, and incorporated herein for all purposes by reference. A speed limit of thirty (30) miles per hour is established for each Private Street. Declarant reserves the right to connect additional Private Streets to the existing Private Streets for the purpose of providing access for additional Lots annexed to the Subdivision pursuant to the

provisions of Article X, Section 4 hereof. The Owners of the additional Lots annexed shall have the same easements and rights of way for access as all other Owners.

Section 5. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance, and other emergency vehicles and other service vehicles, including but not limited to service vehicles for the installation, repair, maintenance, meter reading, or other activities in connection with the furnishing of water, sewerage, electrical, gas, telephone, security, telecommunication, or audio and video services serving any Lot, to enter upon the Common Areas, including but not limited to Private Streets, in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, contractors, and management personnel to enter the Common Areas to render any service.

Section 6. Landscape Easements. The Association will have a temporary landscape easement along both sides of the Private Streets for planting and watering trees until the same are established. The Association will be responsible for the installation and maintenance of all utility lines for maintaining the landscape easements and the cost of the utilities furnished.

ARTICLE IX RESTRICTIONS OF USE

Section 1. Residence Construction. No buildings shall be erected, altered, or permitted to remain on any Lot other than one (1) detached single-family Residence and attendant outbuildings not to exceed two (2) stories in height. No barn shall be permitted on any Lot. Each such Residence shall have a private garage for not less than two (2) cars, which shall not be used for residential purposes and which shall be connected to a Private Street by a driveway. Not more than one (1) residential structure shall be placed on a Lot. During construction on any Lot, the Owner shall be responsible for assuring that all contractors and subcontractors (i) abide by the construction guidelines adopted by the Architectural Review Committee, (ii) provide a hard surface on each Lot for the storage and operation of equipment and vehicles, (iii) provide a hard surface access to each Lot from the paved portion of the Private Streets for unloading equipment and materials, and (iv) remove all construction materials and debris from the Lot at completion of the construction, including brush and trees cleared from the building site, and remove daily all dirt, mud, and other materials deposited during construction from the Private Streets. All initial construction, including the Residence, landscaping, outbuildings, fencing, and the driveway must be started within two (2) years and completed within three (3) years following the date of the conveyance of the Lot by the Declarant to an Owner. If an Owner fails to start or complete such initial construction within the stated time period, the Owner will be assessed a fee for noncompliance. The fee for noncompliance will be \$100.00 a month for each month that an Owner fails to start or complete initial construction and shall be payable to the Association. The fee shall be considered a special assessment and subject to the provisions of Article V of these Restrictions.

Section 2. Location of Buildings. No building shall be placed or maintained on any Lot nearer the front boundary of the Lot than the building set back lines shown on Exhibit A attached hereto and incorporated herein. No building shall be placed or maintained on any Lot nearer each side boundary of the Lot than twenty feet (20'). Moreover, no building shall be placed or maintained on any Lot in Block 1 or on Lots 1, 14, 15, and 29 in Block 2 of the subdivision nearer the rear boundary of the Lot than twenty-five feet (25'), and no building shall be placed or maintained on any Lot in Block 2 of the subdivision, other than Lots 1, 14, 15, and 29, nearer the rear boundary of the Lot than sixty feet (60'). Outbuildings, which shall include all types of accessory buildings and structures on the Lot, with the exception of one (1) garage for not less than two (2) cars, shall in all cases be located to the rear of the front of the Residence. Each Residence shall have one (1) garage for not less than two (2) cars for the storage of automobiles and other transportation vehicles. The garage may be attached to or separate from the Residence, but if attached to the Residence, the garage shall open to the rear or side of the Lot only. If separate from the Residence, the garage shall be located behind the Residence and may open to the front, side, or rear of the Lot. If the garage on Lots 1 through 10 or Lots 53 through 61 in Block 1 of the Subdivision opens to the side of the Lot, that opening shall not be visible when entering the Subdivision from FM 1637 or while driving south on Lone Star Drive. For the purposes of this Declaration, eaves, steps, unroofed porches, and roof overhangs shall not be considered in any measurement made for the purpose of determining building placement. Driveway access to each Lot will be from a Private Street and the front of the Residence only. A circular driveway is permitted if its location is approved by the Architectural Review

Committee. Otherwise, there shall be no more than one (1) driveway access to a Private Street from any Lot unless a variance to this requirement is granted by the Architectural Review Committee. No gate, opening, or access of any kind shall be permitted to any Lot from any other property except by the Private Street. The Architectural Review Committee shall be empowered to grant exceptions for minor variances in the placement of any building on a Lot.

Section 3. Consolidated Building Sites. More than one (1) Lot may be combined into a single building site, provided that such Lots are adjacent to each other. In the event of the consolidation of Lots or portions of Lots, the Owner's obligation for assessments, as provided in Article V, shall be according to the number of Lots contained in the consolidated building site. The location of buildings, as provided in this Article IX, Section 2 above, shall apply to the property lines of a combined building site which consists of more than one (1) Lot, without regard to the original Lot lines; provided however, any subsequent division of a consolidated building site must conform to the original Lot lines. In the event of the consolidation of Lots, the Lot or Lots on which the Residence, landscaping, outbuildings, and driveway are located must comply with the construction time limitations for initial construction set forth in Article IX, Section 1 of these restrictions. The remainder of the consolidated Lot or Lots is exempted from the two (2)-year initial construction requirement.

Section 4. Prohibition of Offensive or Commercial Use. No activity which may become an annoyance or nuisance to the neighborhood or which shall in any way interfere with the quiet enjoyment by each Owner of such Owner's Residence or which shall degrade property values or detract from the aesthetic beauty of the Property shall be conducted thereon. No repair work, dismantling, or assembling of boats, motor vehicles, or other machinery shall be done outside of an outbuilding. No part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such nonresidential purposes. Notwithstanding the foregoing prohibition against commercial activities, each Owner may maintain a home office in the Residence or an outbuilding for conducting professional or managerial activities, provided that such activities do not include bringing clients, patients, customers, or business invitees to the Property on a regular basis.

Section 5. Minimum Square Footage. The living area of the Residence on Lots 1 through 10 and Lots 53 through 61 in Block 1 of the Subdivision shall not be less than 2,500 square feet. The living area of a Residence on all other Lots in the Subdivision shall not be less than 2,800 square feet. The front width of each Residence shall not be less than sixty feet (60'). No more than one building for dwelling purposes shall be built on any one Lot.

The Architectural Review Committee or its assignee, at its sole discretion, is hereby permitted to approve deviations in the building area and location in instances where, in its judgment, such deviation will result in a more common beneficial use.

Section 6. Construction Materials. The Residence shall be constructed so that the exterior walls are not less than ninety (90%) brick, stone, stucco, or hardi-board-type concrete siding, and in no event of plastic, metal, or vinyl siding. The roof of a Residence shall be constructed or covered with 240-pound-minimum-weight composition shingles in a weathered wood, heather wood, or black color. Other colors or other materials, such as clay, slate, tile, or metal will require approval by the Architectural Review Committee. Mailboxes are subject to the Architectural Review Committee's approval, must be lighted with a streetlight controlled by a night sensor, and must be made of materials that match the Residence's construction. The driveway leading to the garage from a Private Street must be installed prior to occupancy and shall be constructed of concrete, patterned concrete, brick, or such similar materials as the Architectural Review Committee may approve, provided however, that no such driveway shall be constructed of dirt, clay, gravel, or crushed or loose stone. The Architectural Review Committee shall have the authority to designate appropriate materials for driveways located entirely within a Lot and to the rear of the Residence which serve outbuildings situated on the Lot in compliance with Section 2 of this Article IX. A concrete culvert shall be constructed and maintained where each driveway crosses a drainage ditch beside a Private Street. A circular driveway shall be permitted if its location is approved by the Architectural Review Committee. Otherwise, there shall be no more than one (1) driveway access to a Private Street from any Lot unless a variance to this requirement is granted by the Architectural Review Committee. All proposed culverts must be approved prior to installation by the Architectural Review Committee. Prior to occupancy, a walkway constructed of cement, brick, cut stone, or pavers, but not of gravel or

any type of loose stone, must also be installed from the front entry of a Residence to the driveway or Private Street.

Section 7. Lot Lighting. Exterior lighting on any Lot shall be subject to the approval of the Architectural Review Committee.

Section 8. Signs, Advertisements, Billboards. No sign, advertisement, billboard, or advertising structure of any kind shall be displayed to the public view on any portion of the Property except the following:

- (a) One (1) sign for each Lot of not more than twenty-four inches (24") by thirty-six inches (36") for the purpose of advertising the Residence located thereon for sale or rent; or
- (b) Two (2) signs for each Lot of not more than twenty-four inches (24") by thirty-six inches (36") for the purpose of advocating the election of one or more political candidates or the sponsorship of a political party, issue, or proposal, provided that such signs shall not be erected more than sixty (60) days prior to the election to which they pertain and shall be removed within seven (7) days after such election.

The Association shall have the right to remove any such sign, advertisement, billboard, or structure which is placed on any Lot in violation of this Section and in so doing shall not be subject to any liability for trespass or other tort in connection therewith or arising therefrom.

Section 9. Temporary Structures. Except for a temporary structure to be used by the Declarant as a sales office for the Subdivision, no structure of a temporary character, trailer, tent, or shack shall be constructed, erected, altered, placed, or permitted to remain on any Lot at any time, either temporarily or permanently. Outbuildings or structures, whether temporary or permanent, used for accessory storage or other purposes must be approved by the Architectural Review Committee or its assignee.

Section 10. Animal Husbandry. Dogs, cats, and other usual and ordinary household pets may be kept in any Residence, provided they are not kept, bred, or maintained for any commercial purpose. No horses, donkeys, cattle, swine, goats, sheep, or fowl or large birds may be maintained on any Lot. No exotic animals of any kind may be permitted on any Lot. Notwithstanding the foregoing, no animals or fowl may be kept on a Lot which result in any annoyance or are obnoxious to residents of the Property. No animals shall be permitted outside of any Lot except under the control of the Owner or a member of the Owner's family. Dogs must be confined to the Owner's Lot by adequate fences or electric or electronic controls. The Board may approve temporary variances to permit animals to be kept for an FFA project.

Section 11. Storage of Automobiles, Boats, Trailers, Other Vehicles, and Equipment. No automobiles, boats, trailers, campers, recreational vehicles, motorcycles, buses, inoperative vehicles of any kind, camp rigs, or boat rigging shall be parked or stored permanently or semi-permanently on or beside any driveway in front of the Residence or on or beside any adjoining Private Street within the Property. All vehicles maintained on any Lot shall be stored in a garage. No recreational vehicle and no truck having more than two (2) axles or a rated cargo capacity of more than one (1) ton shall be parked or stored on any Lot unless it is not less than one hundred fifty feet (150') from the nearest Private Street and screened from view of the street, except vehicles may be parked near the Residence or an outbuilding for periods not to exceed eight (8) hours during any seven (7) day period for loading, delivering, and moving. No vehicle shall be routinely parked on a Private Street. For the purposes of these restrictions, the words "semi-permanent" shall be defined as remaining in the same location without movement for twenty-four (24) or more consecutive hours.

Section 12. Walls, Fences and Hedges. All Lots shall be fenced in accordance with specifications therefor established by the Architectural Review Committee. Prior to occupying a Residence, each Owner shall be responsible for constructing a fence along the perimeter of the rear and side property lines of the Owner's Lot. In no case shall a fence be constructed nearer the front of a Lot than the front building set back line shown on Exhibit A attached hereto and incorporated herein. In the case of adjacent Lots sharing a common property line, each Owner shall be responsible for the Owner's proportionate percentage of the cost of the Lot's interior shared property line fencing.

In the event that an Owner has constructed a fence on a shared property line and paid the entire cost of the fence, said Owner shall file of record a Notice in the Real Property Records of McLennan County, Texas, setting forth the cost of the fence and a claim against the adjacent Lot for reimbursement of the proportionate percentage of the cost of the new Owner's shared property line fencing. Upon the conveyance of a Lot to an Owner where said fencing has been constructed by an adjacent Owner, said new Owner shall reimburse the Owner who bore the expense of the fence construction the full amount of the new Owner's proportionate share for the cost of the construction of said fence. Said charge shall run with the land and be binding thereon. After construction of the fencing, each Owner shall thereafter own and maintain said fences in a neat and attractive manner. In the case of commonly owned property line fences, each Owner of the adjoining Lots shall own an undivided fifty percent (50%) interest in his proportionate percentage of commonly shared fence. In the event of a dispute between Owners concerning the undivided proportionate percentage of ownership and maintenance of the fences, general rules of law governing party walls apply. The Declarant will be responsible for constructing, and the Association will be thereafter responsible for maintaining, those parts of the perimeter fence which are on any Common Area, specifically including but not limited to the entry gate. The Architectural Review Committee shall have the authority to temporarily waive the requirements for currently existing fences along the rear property line of a Lot to conform to the specifications for other fences.

The Architectural Review Committee, or its assignee, at its sole discretion is hereby permitted to grant deviations in height, location, and construction materials related to fences and walls which in its judgment will result in a more beneficial use. Any wall, fence, or hedge erected as protective screening on a Lot by Declarant, its agents, or its assigns, shall pass ownership with title to the Lot, and it shall be the Owner's responsibility to thereafter maintain said protective screening.

Section 13. Visual Screening. The drying of clothes in public view is prohibited, and the Owners or occupants of any Lots at the intersections of streets or adjacent to the Common Areas or other facilities where the rear or side yard or portion of the Lot is visible to the public shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view.

Section 14. Lot Maintenance. The Owner of a Lot shall keep the Lot and the ditches on the Lot, regardless of whether the ditch abuts a Private Street or is located within a set back line as shown on Exhibit A attached hereto and incorporated herein, in a sanitary, healthful, and attractive condition. And, the Owner or occupants of all Lots shall keep all weeds and grass thereon cut to a height not to exceed eight inches (8") and shall in no event use any Lot for storage of material and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash, or rubbish of any kind thereon, and shall not burn any garbage, trash, or rubbish. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements, or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assignee, may without liability to the Owner or occupant, in trespass or otherwise, enter upon said Lot, cut, or cause to be removed, such weeds, grass, garbage, trash, and rubbish or do any other thing necessary to secure compliance with these restrictions, so as to place said Lot in a neat, attractive, healthful, and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Property to pay such statement immediately upon receipt thereof. To secure the payment of such charges in the event of non-payment by the Owner, a vendor's lien is herein and hereby retained against the above-described Lot in favor of Declarant or its assignee but inferior to a purchase money lien or mortgage. Such vendor's lien shall be applicable and effective whether mentioned specifically in each deed or conveyance by Declarant or not.

Section 15. Maintenance of Improvements. All improvements on each of the Lots shall be kept at all times in a sanitary, healthful, attractive, and structurally sound condition, and the Owner or occupants of all Lots shall maintain, repair, and replace the walls, windows, roofs, doors, foundations, walkways, driveways, fences, and all other improvements upon each of the Lots as and when such maintenance, repair, or replacement is required to maintain the improvements in a sanitary, healthful, attractive, and structurally sound condition. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements, or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assignee, may without liability to the Owner or occupant, in trespass or otherwise, enter upon said Lot, repair, replace, and otherwise maintain the walls, windows, roofs, doors, foundations, walkways, driveways, fences, and other

improvements, or do any other thing necessary to secure compliance with these restrictions, so as to place the improvements on said Lot in a neat, attractive, healthful, sanitary, and structurally sound condition, and may charge the Owner or the occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Property to pay such statement immediately upon receipt thereof. To secure the payment of such charges in the event of non-payment by the Owner, a vendor's lien is herein and hereby retained against the above-described Lot in favor of Declarant or its assignee but inferior to a purchase money lien or mortgage. Such vendor's lien shall be applicable and effective whether mentioned specifically in each deed or conveyance by Declarant or not.

Section 16. Antennae. Subject to the provisions of applicable law, no antennae, satellite dishes, or other devices for sending or receiving radio, television, telecommunication, or microwave signals shall be erected or maintained except in accordance with the guidelines adopted and published by the Architectural Review Committee, which guidelines may be amended from time to time to allow for changes in technology and regulatory requirements. Moreover, no antenna, satellite dish, or other device for sending or receiving radio, television, telecommunication, or microwave signals shall be installed on a Residence in such a way that it can be seen from the Private Street in front of the Lot, and no free standing, satellite dish, or other such device shall be installed on any Lot. In the event that any provision of this section or the guidelines adopted pursuant to it are found to be unenforceable under the provisions of any law or regulation, the remainder of this section and all guidelines adopted pursuant to it shall be enforced and interpreted to be as restrictive as may be permitted by law.

Section 17. Window Coolers. No window or wall type air conditioners or water coolers shall be permitted to be used, placed, or maintained on or in any Residence, provided that window or wall air conditioners may be placed in outbuildings so long as they cannot be viewed from any Private Streets.

Section 18. Refuse Collection. No trash or garbage shall be maintained or permitted to remain on a Lot except in containers approved by the Board of Directors and in a location where the receptacle cannot be seen from any adjoining Lot or Private Street. No trash or garbage shall be burned on any Lot.

Section 19. Fuel and Water Storage Tanks and Power Generators. No storage tanks shall be located on any Lot other than one (1) tank for the storage of water for domestic use or one (1) tank for the storage of propane for domestic use. If the water or propane tank is above ground, it shall be placed behind the rear of the Residence in an outbuilding, or it shall be visually screened from public view from any Lots and Private Streets in accordance with Architectural Guidelines promulgated by the Architectural Review Committee. If an electrical power generator is maintained on any Lot, it shall be placed behind the rear of the Residence in an outbuilding, or it shall be visually screened from view from any Lots and Private Streets in accordance with Architectural Guidelines promulgated by the Architectural Review Committee.

Section 20. Right of Inspection. During reasonable hours and after reasonable notice, the Association shall have the right to enter upon and inspect a Lot or any portion thereof and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and shall not be deemed guilty of trespass or other tort by reason thereof.

Section 21. Condemnation. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all first mortgagees known to the Association to have an interest in any Lot. The expense of participation in such proceedings by the Association shall be borne by the Association and be paid for out of assessments collected pursuant to Article V hereof. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses, and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for such taking shall be deposited with the Association, and such damages or awards shall be applied as provided herein. In the event that an action in eminent domain is brought

to condemn a portion of the Common Areas, the Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such portion of the Property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner and first mortgagee, if any, as their interests may appear. The Association, if it deems advisable may call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore, as far as possible, the Common Areas so taken or damaged. In the event it is determined that such Common Areas should be replaced or restored by obtaining other land or building additional structures, this Declaration shall be duly amended by instrument executed by the Association on behalf of the Owners.

ARTICLE X GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, or charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. If the enforcement of any covenant or restriction contained in this Declaration is prevented, in whole or in part, by any statute or regulation which is subsequently superseded to permit the enforcement of the said covenant or restriction, no act or omission of the Association or any Owner during the period when enforcement was prevented shall be deemed to have waived or otherwise limited the subsequent enforcement of such covenant or restriction to the full extent of its original meaning and tenor.

Section 2. Severability. Invalidation of any one of these covenants, conditions, or restrictions shall not affect any other provision, which shall remain in full force and effect.

Section 3. Amendment. These covenants, conditions, and restrictions shall run with the land, and shall be binding upon Declarant and its successors and assigns and all persons claiming under them and all Owners of the Lots, for a period extending until December 31, 2026, at which time they shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by the Members entitled to cast not less than two-thirds ($\frac{2}{3}$) of the votes of the aggregate of both Classes of Membership has been recorded, agreeing to change said covenants in whole or in part, or to revoke them. These covenants, conditions, and restrictions may be amended or revoked at any time by an instrument signed by the Members entitled to cast not less than two-thirds ($\frac{2}{3}$) of the aggregate of the votes of both Classes of Membership.

The Declarant reserves the right during the period in which Declarant owns any property in the Subdivision, without joinder or consent of any Owner or mortgagee, to amend this Declaration or the By-Laws by an instrument in writing duly signed, acknowledged, and filed for record, for the purpose of resolving or clarifying any ambiguities or conflicts therein, or correcting any inadvertent misstatements, errors, or omissions herein, or to comply with the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, or any other mortgage lender; provided that no such amendment shall change the vested property rights of any Owner, except as otherwise provided herein.

Section 4. Annexation. The Declarant, so long as Declarant owns any part of the Property, reserves the right to annex additional property which adjoins the Property into the Association and subject the same to the covenants, conditions, and restrictions set forth herein. Declarant shall evidence the annexation of additional property by filing in the Real Property Records of McLennan County, Texas, an instrument entitled "Supplemental Declaration," referring to this provision of this Declaration, and describing the additional property to be annexed, together with specific descriptions of all Common Areas, Private Streets, and other easements within the additional property which will be subject to and governed by this Declaration. The owners of the additional property annexed under the provisions of this section shall have all of the rights, privileges, and obligations as the Owners in the Property. The Declarant may also provide additional covenants, conditions, and restrictions for the use of any part of the additional land annexed.

Section 5. Books and Records. The books and records of the Association shall, during reasonable business hours, be subject to reasonable inspection by any Member to the extent provided by law. The Board of Directors may, by resolution, establish rules and regulations governing the frequency of inspection and other matters, to the extent that inspection of the books and records by any Member or Members will not become burdensome to or constitute harassment of the Association. The Declaration and the Articles of Incorporation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 6. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage paid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 7. Good Faith Lender's Clause. Any violation of these covenants, conditions, or restrictions shall not affect any lien or deed of trust of record held in good faith upon any Lot, which liens may be enforced in due course, subject to the terms of this Declaration.

Section 8. Mergers. Upon a merger or consolidation of the Association with another association as provided in its articles of incorporation, its properties, assets, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights, and obligations of another association may be transferred to the Association as a surviving corporation. The surviving or consolidated association shall administer the covenants, conditions, and restrictions contained in this Declaration, under one administration. No such merger or consolidation shall cause any revocation, change, or addition to this Declaration.

Section 9. Conflict with Deeds of Conveyance. If any part of this Declaration shall be in conflict with any covenant, condition, or restriction within a previously recorded deed of conveyance to any portion of the Property, the covenants, conditions, or restrictions within the prior deed of conveyance shall govern but only to the extent of such conflict.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal effective as of the 9th day of February, 2005.


DSS SUBDIVISION, L.P., a Texas limited partnership

By: Its General Partners:

MLST, L.C., a Texas limited liability company

By: 
MARVIN L. STEAKLEY,
Member

DDD DEVELOPMENT LLC, a Texas limited liability company

By: 
LARRY J. DAGLEY, Member

THE STATE OF TEXAS §
§
COUNTY OF McLENNAN §

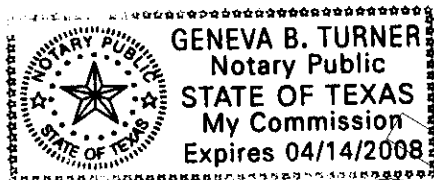
THIS INSTRUMENT was acknowledged before me on Feb 9th, 2005, by MARVIN L. STEAKLEY, Member of MLST, L.C., a Texas limited liability company, in its capacity as general partner of DSS SUBDIVISION, L.P., a Texas limited partnership, on behalf of said partnership.



Ginger Lindell
Notary Public in and for
The State of Texas

THE STATE OF TEXAS §
§
COUNTY OF McLENNAN §

THIS INSTRUMENT was acknowledged before me on February 9, 2005, by LARRY J. DAGLEY, Member of DDD DEVELOPMENT LLC, a Texas limited liability company, in its capacity as general partner of DSS SUBDIVISION, L.P., a Texas limited partnership, on behalf of said partnership.

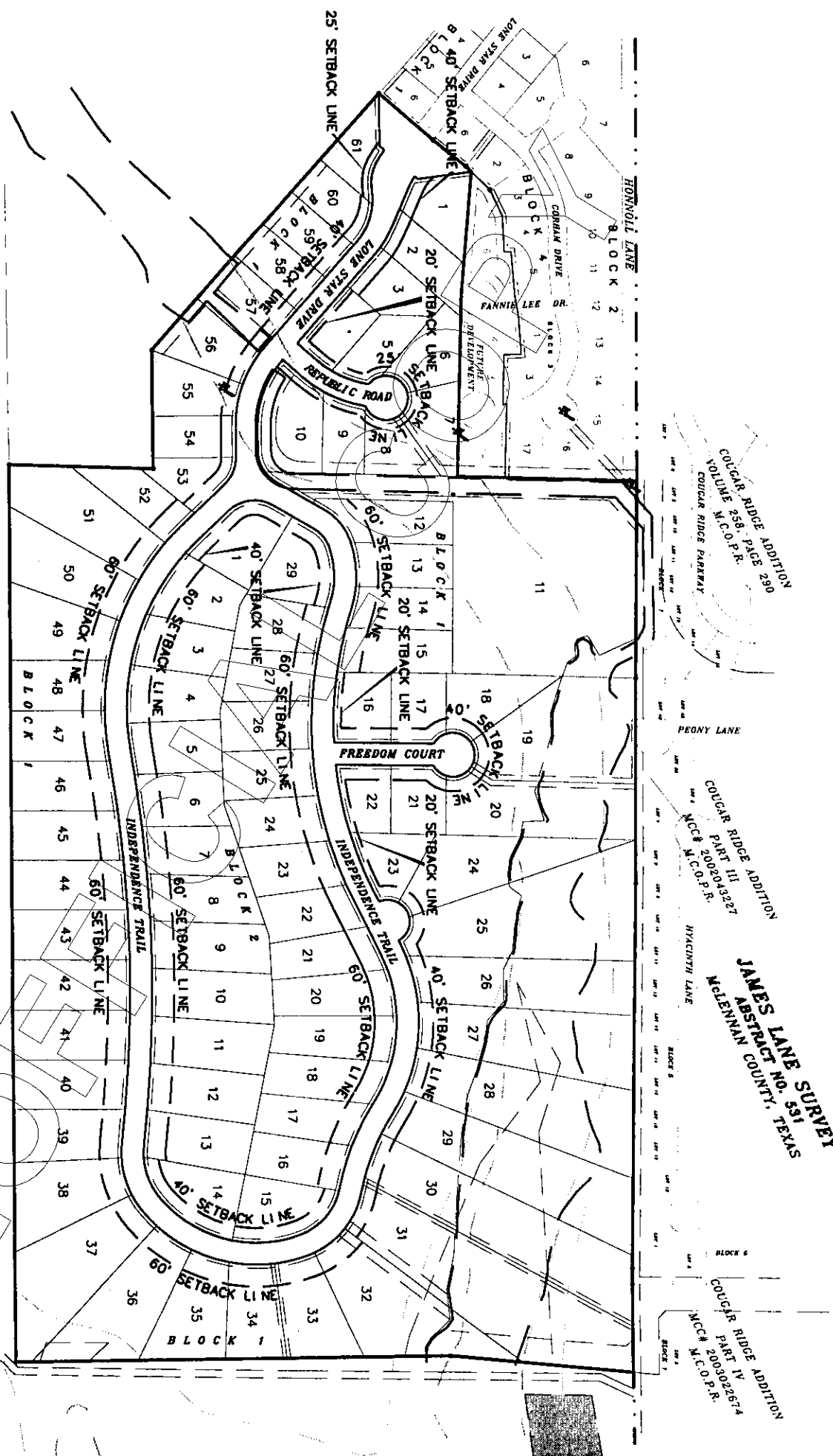


Geneva B. Turner
Notary Public in and for
The State of Texas

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UNOFFICIAL COPY

Return to:
Geneva B. Turner
Pakis, Giotes, Page & Burleson, P.C.
801 Washington Avenue, Suite 800
Waco, Texas 76701



COUGAR RIDGE ADDITION
 VOLUME M.C.O.P.R. PAGE 2 290

COUGAR RIDGE ADDITION
 PART III
 VOLUME M.C.O.P.R. 20030525274

JAMES LANE SURVEY
 MCLENNAN COUNTY, TEXAS
 ABSTRACT NO. 551

COUGAR RIDGE ADDITION
 PART IV
 VOLUME M.C.O.P.R. 20030525274

EXHIBIT A

DRAWING SHOWING
SETBACK LINES FOR AUSTIN COLONY ADDITION



The Wallace Group, Inc.

8225 Central Park Drive, Suite 100, Waco, Texas 76712 1-800-336-1683
 Engineers ■ Architects ■ Planners ■ Surveyors
 Waco ■ Killean ■ Austin ■ Dallas ■ Round Rock

NOT TO SCALE	PLAT NO. B-2204	DRAFT DATE 12-8-04	DRAWN BY SRJ
SCALE	WORK ORDER NO. 15669	FIELDBOOK/P.G. N/A	TAB # NONE
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J.A. "Andy" Harwell

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J.A. "ANDY" HARWELL, COUNTY CLERK
MCLENNAN COUNTY, TEXAS

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