

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SHILOH HIGHLAND SUBDIVISION

THIS IS A COMPREHENSIVE LEGAL DOCUMENT WHICH PROVIDES FOR THE IMPOSITION OF MANDATORY HOMEOWNER ASSESSMENTS. THIS DECLARATION IS BINDING UPON ALL OWNERS IN THIS SUBDIVISION.

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SHILOH HIGHLAND SUBDIVISION**

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SHILOH HIGHLAND SUBDIVISION ("**Declaration**") is made effective as of the recordation hereof, by REPUBLIC LAND AND DEVELOPMENT COMPANY, LP, a Texas limited partnership (together with its successors and assigns, hereinafter referred to as the "**Declarant**"), acting by and through duly authorized persons.

RECITALS

WHEREAS, Declarant is the owner of Lots 1-14, Block 1, Lots 1-34 and Lot 0901, Block 2, Lots 4-15 and Lot 902, Block 3, Lots 1-15, Block 4, and Lots 1-25, Block 5, Shiloh Highland Subdivision, Phase 1, as evidenced by plat recorded in Volume 37, Pages 11-12 of the Official Public Records of Real Property of Wehh County, Texas (collectively, and as may be further added to through annexation or reduced by de-annexation, the "**Subdivision**"); and

WHEREAS, 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 (as defined herein) of Lots (as defined herein) in the Subdivision; and

Declarant hereby adopts, establishes and imposes upon the Subdivision the following reservations, easements, restrictions, assessments, liens, covenants, and conditions, 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 this Declaration, whether or not the Declaration is set out in full or are incorporated by reference in such contract, conveyance, or other transfer of title.

**ARTICLE I
DEFINITIONS**

Section 1.1. "**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 1.2. "**Assessment(s)**" 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 1.3. "**Association**" means SHILOH HIGHLAND HOMEOWNERS

ASSOCIATION, INC., a Texas nonprofit corporation organized under Chapter 22 of the Business Organizations Code, and its successors and 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 1.4. **“Board of Directors”** or **“Board”** refers to the governing body of the Association.

Section 1.5. **“Builder”** means a person or entity who acquires a Residential Lot for the purposes of constructing a residence for sale to others on such Residential Lot.

Section 1.6. **“Building Setback Line”** refers to the minimum building setback lines applicable to the Lots which are depicted on the applicable Plat for a Lot in the Subdivision and as required by the City of Laredo.

Section 1.7. **“Bylaws”** means the duly adopted bylaws of the Association as the same may be amended from time to time.

Section 1.8. **“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 1.9. **“Common Area”** means all real property in the Subdivision (including improvements) owned or leased 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 1.10. **“Community Wall”** means any wall and/or fence, which is: (a) along a major boulevard, amenity, Common Area, or entry way in the Subdivision; and/or (b) designated a Community Wall by the Declarant.

Section 1.11. **“Dedictory Instrument”** means each governing instrument covering the establishment, maintenance, and operation of the Subdivision. The term includes the Declaration, Bylaws, any ACC guidelines, Rules and Regulations, policies, certificates of formation, and all amendments of any of the foregoing.

Section 1.12. **“Development Period”** is the period before which Declarant, in its sole discretion, shall cause an instrument transferring control to the Association to be recorded in the Official Records.

Section 1.13. **“Lot”** refers to any designated parcel of land in the Subdivision as shown on the Plat including any improvements.

Section 1.14. **“Managing Agent”** means the Association’s designated representative as it appears on the most current Management Certificate.

Section 1.15. **“Management Certificate”** means the most current instrument recorded

pursuant to Section 209.004 of the Texas Property Code as the same may be amended from time to time.

Section 1.16. “**Member**” means Owner.

Section 1.17. “**Official Records**” means the Official Public Records of Real Property of Webb County, Texas.

Section 1.18. “**Owner**” means one or more persons who hold record title to a Residential Lot, and includes a personal representative, but does not include a party holding any claim to title of a Lot merely for purposes of security on a debt.

Section 1.19. “**Plat**” means that certain Subdivision Plat establishing Shiloh Highland Subdivision, Phase 1 recorded in Volume 37, Pages 11-12 of the Official Public Records of Real Property of Webb County, Texas and any further plats, replats, and amending plats filed which depict real property annexed into or currently within the Subdivision.

Section 1.20. “**Residential Lot**” means any Lot within the Subdivision that is not Common Area.

Section 1.21. “**Rules and Regulations**” or “**Rules**” mean the Rules and Regulations of the Association as may be promulgated and amended from time to time.

Section 1.22. “**Transfer Fee**” means dues, a fee, a charge, an assessment, a fine, a contribution, or other 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 DRAINAGE AND COMMON AREA

Section 2.1. The drainage easements in the Subdivision: (i) are private; (ii) are owned by the Association; (iii) are part of the Common Area of the Subdivision and maintained by the Association at the cost and expense of the Owners of Residential Lots in the Subdivision through assessments as provided herein; and (iv) will not be maintained by the City of Laredo, Webb County, or any other governmental entity.

Section 2.2. 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 or her remains unpaid; and, for a reasonable period 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 of Members’ guests.

Section 2.3. The Common Area 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. Declarant further reserves the right to grant and convey any property to the Association as Common Area, and the Association is hereby deemed to have accepted any such conveyance or to accept such a conveyance in the future.

ARTICLE III LAND USE AND BUILDING TYPE

Section 3.1. All Residential Lots may be used only for single-family residential purposes, which mean residential occupancy by not more than two unrelated adult persons and their children, parents or grand-parents, 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 2 and 1/2 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 Residential 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 Residential 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 guests of the family.

Section 3.2. Every residence must have an enclosed, attached or detached garage for at least two and not more than three 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 3.3. Notwithstanding anything herein to the contrary: (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 Builder 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.

Section 3.4. A temporary parking area for the purpose of providing off street parking during the active selling period of new homes in the Subdivision is allowed on any 1 Residential Lot. The temporary parking area will be located on a Lot adjacent to or within close proximity to the new home sales office. The temporary parking area will not exceed 8 parking stalls and parking stalls will be a minimum of 9' wide by 18' in depth. The surface of the parking area will be made of asphalt or like material, with concrete curb along the edge of the asphalt surface. The remaining surface of the Lot not covered by the asphalt area will be landscaped. Landscaping and maintenance of the Residential Lot will be as required in Article XIV, Section 14.4 and Article XV hereof. The parking area will be removed and surface area of the Residential Lot will be

returned to as “reasonably original” condition as possible when the Subdivision is in a “closing out” stage of selling new homes.

ARTICLE IV ARCHITECTURAL CONTROL

Section 4.1. No building or improvement of any character may be erected, placed, added to, or altered on any Residential 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 this Declaration 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 elevation, Residential Lot boundary lines and building lines, and within the scheme and design of Declarant.

Section 4.2. 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 Residential 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 this Declaration; 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 OF THIS DECLARATION. 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 4.3. During the period that Declarant owns any Residential Lot, the Architectural Control Committee will be appointed by Declarant; the current Committee is composed of Tim Jolley, Rick Ramirez and Robert Czar. 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 by 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 4.4. 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 4.5. Members of the Committee and their representatives will not be liable to any person subject to or possessing or claiming the benefits of this Declaration 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 Owner.

Section 4.6. 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 4.7. The initial mailing address of the Committee is 3602 Paesanos Parkway Suite 200, San Antonio, Texas 78231. The mailing address may be changed at any time by the Board.

ARTICLE V DWELLING SIZE AND MATERIALS

Section 5.1. Any dwelling located on any Residential Lot must contain a total living area of not less than 1,100 square feet, exclusive of open or screened porches, terraces, driveways, garage, garage apartment, servants' quarters, or other approved accessory building or structure. All roofing material must have at least a 20 year roof warranty; no rolled roofing shall be allowed. Excluding the windows and doors of all structures, the front walls on all residences shall be 25% masonry (which is brick, stone, concrete or stucco) and the side and rear exterior wall and accessory buildings must be brick, stone, concrete, stucco, HardiPlank or similar cement siding. However, the masonry requirement for 1 and 1/2 story, 2 story or split level dwelling, the front exterior wall (excluding windows and doors) shall be 25% masonry and the side and rear exterior wall portion of a second story dwelling (part of dwelling which is 2 story), shall be brick, stone, concrete, stucco, HardiPlank siding or similar cement siding. Exterior siding materials may be exempted from the above masonry requirement, provided that the plans, materials and color specified have been approved by the Architectural Control Committee. The entire exterior vertical surfaces of chimneys must be covered with masonry or HardiPlank or unless specifically modified, reduced or waived by the Architectural Control Committee. All exterior color and building materials are subject to approval by the Architectural Control Committee, in its sole discretion.

Section 5.2. 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 RESIDENTIAL LOTS

Section 6.1. No part of any building may be located nearer to a boundary line than the applicable Building Setback Line or other limiting lines applicable to such Lot as provided herein or in the Plat. The residential dwelling on each Residential Lot in the Subdivision must face the front of the Lot. Roof overhangs not exceeding 24", 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 for irregularly shaped lots must be a minimum of twelve feet (12') wide.

Section 6.2. If two Residential Lots are joined together as a single residential unit, the interior Residential Lot lines (and common setback line) between the joined Residential Lots will be disregarded for purposes of placement of the residence and other structures. The joinder of two Residential Lots as a single residential unit will not reduce the assessments.

Section 6.3. No structure or improvement of any kind may be placed between the minimum front Building Setback Line (as adjusted for Lots where the building is setback further away from the front property line than is required by the 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 Residential 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 Residential Lot boundaries and the curb.

Section 6.4. 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 6.5. 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 Residential Lot or on any Common Area.

Section 6.6. No individual water supply system is permitted on any Residential Lot, including water wells. Each Owner is required to connect to the public water distribution and sanitary sewer system of Laredo Utilities and successors, heirs and assigns. Portable toilets of a commercial character may be located on a Residential Lot during the construction period of a

residence for the convenience of the construction workers.

ARTICLE VII DRAINAGE

Section 7.1. The Owner of each Residential 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 10 years of the existence of each Residential Lot, no approval for alteration of the drainage design or construction of any Residential 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 Residential Lot upon which drainage is altered will have the sole responsibility for any damages arising there from. No landscape plan or design that would have the effect of altering the drainage of any individual Residential Lot to hold water or would increase the flow of water to another Residential Lot may be approved. Each Owner is solely responsible for changes to the drainage upon such Owner's Residential Lot, including but not limited to damages to such Owner's Residential Lot and Residential Lots, Common Areas, or surrounding properties.

ARTICLE VIII EASEMENTS

Section 8.1. As long as the Declarant owns any of the Subdivision, there are reserved to the Declarant, the Association and the designees of each (which may include without limitation the city any part of the Subdivision is located within the county and utility providers) access and maintenance easements across acres, over and under all of the Subdivision as are reasonably necessary for any lawful purpose that is consistent with the on-going development and maintenance of the Subdivision.

Section 8.2. The Declarant and the Association reserve for themselves and their duly authorized agents, representatives and employees, designees, successors, assignees, licensees and mortgagees the non-exclusive right and easement, but not the obligation, to enter upon the Common Area for any lawful purpose that is consistent with the on-going development and maintenance of the Subdivision. The Declarant and the Association reserve for themselves and their duly authorized agents, representatives and employees, designees, successors, assignees, licensees and mortgagees an easement over the Common Area for the purposes of enjoyment, use, access and development of any annexed property, whether or not such Property is made subject to the Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for tying in and installation of utilities on any annexed property.

Section 8.3. 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 8.4. 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 of drainage channels in the easements. The easement area of each Residential Lot and all improvements in it must be maintained continuously by the Owner of the Residential Lot, except for those improvements for which a public authority or utility company is responsible.

Section 8.5. Declarant and the Association shall have the right, but not the obligation, to install, maintain, repair and/or replace any fences, walls, retaining walls and/or Subdivision monumentation situated on any Lot. In furtherance of such purposes, Declarant reserves for itself and the Association an easement over and across all of the Lots for the installation, maintenance, repair and/or replacement of any fences, walls, Community Walls, retaining walls and/or Subdivision monumentation on any Lot. The exercise of the easements reserved hereunder will not extend to permitting entry into any residence, nor will it unreasonably interfere with the use of any Lot or residence or improvement constructed thereon. If any fence, wall, Community Wall, retaining wall and/or Subdivision monumentation is erected or installed on any Lot, such fence, wall, Community Wall, retaining wall and/or Subdivision monumentation shall be the property of the Owner of the Lot on which such fence, wall, Community Wall, retaining wall and/or Subdivision monumentation is erected or installed, subject to the rights of Declarant and the Association set forth in this Section. The Declarant or Association may choose either to maintain a Community Wall or to require Owners to maintain their portions of any Community Wall.

Owners of Lots on which a Community Wall, monument or sign is placed shall not do or permit any act that damages, defaces or alters such Community Wall, monument or sign or that obscures the same from view of any adjoining street.

In addition to the easements shown on the Plat, this Declaration hereby establishes additional easements for the purposes of installation, maintenance, and replacement of Community Walls, other fences/walls, columns, and subdivision monuments over and across the property described and depicted on Exhibit A attached hereto and incorporated herein for all purposes.

ARTICLE IX PROHIBITED AND LIMITED STRUCTURES AND ADDITIONS

Section 9.1. Mobile homes and modular homes are prohibited on any Lot, whether or not wheels are attached, except in limited circumstances as otherwise provided for herein. No home constructed elsewhere may be moved and placed on any Lot in this Subdivision.

Section 9.2. Except where preempted by federal or state law or regulation, no antenna of any kind may be placed, kept or maintained on any Residential 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 1 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. The foregoing restrictions are meant to be construed as liberally as possible without violating the federal Telecommunications Act of 1996. No patio cover may be erected on the side of any residence if such construction will be within 10 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, 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 may be placed upon a Lot by a home building company for use in connection with the construction and original sale of dwellings in the Subdivision, but such 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 9.3. 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 Residential Lot may not exceed 6 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 any adjacent Residential Lot. A flag displayed on a freestanding flagpole may not be more than 10 feet in height, and a flag displayed on a flagpole attached to a dwelling may be no more than 3 by 5 feet. No more than 1 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 9.4. 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 for 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 9.5. Subject to this section, and approval by the ACC, Owners may install solar energy devices on the roof of the dwelling or other permitted improvement on a Lot, or in a fenced yard or patio not taller than the fence line. As used in Section 202.010 of the Texas Property Code "solar energy devices" has the meaning assigned by Section 171.107. A solar energy device is not permitted anywhere on a Residential Lot except on the roof of the residential dwelling or other permitted structure on the Residential Lot or in a fenced yard or patio within the Residential 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 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 Residential 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 located 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 person of ordinary sensibilities. The written approval of the proposed placement of the device by all Owners of property adjoining the Residential 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 9.6. 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 Residential 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 Residential 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 Residential 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 it is 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

Residential Lot, or the Common Area, if it does not prohibit the economic installation of the device or appurtenance on the Owner's Residential Lot. There must be a reasonably sufficient area on a Residential Lot to install these devices and appurtenances.

ARTICLE X PROHIBITED ACTIVITIES

Section 10.1. The Residential Lots and buildings may be used for non-commercial residential uses only; no business or service activity of any kind may be conducted on or from any Residential Lot or from any improvements situated thereon, whether activity be for profit or otherwise. The following criteria indicate that the Residential Lot does not violate this prohibition: (i) no additional exterior sign of 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 10.2. No lease or rental of any residence may be for a period of less than 30 days.

Section 10.3. 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 Residential Lot, nor is any illegal activity permitted on any Residential 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 10.4. In the interest of public safety, streets and roadways may not be used as playgrounds or recreational areas.

Section 10.5. 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 11.1. No oil, gas or water wells, drilling or development operations, or refining, quarrying or mining operations of any kind are permitted on any Residential Lot.

ARTICLE XII GARBAGE AND OTHER WASTE

Section 12.1. No Residential 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 Residential 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 Residential Lot pending collection thereof must be kept in sanitary containers 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 13.1. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Residential Lot, except that no more than two dogs and two cats may be kept, provided that 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 is allowed to roam the Subdivision. Incessant barking or howling of pets will be deemed a nuisance and is prohibited.

Section 13.2. 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 stalked leash or not. Pet owners must comply with local ordinances.

ARTICLE XIV FENCES, WALLS, HEDGES AND LANDSCAPING

Section 14.1. Declarant has caused or may (but is not obligated to) cause the construction of a masonry, wood, or metal fence, along certain portions of Residential 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 14.2. 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 Residential Lots and is a covenant running with the land with respect to each of the Residential 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 (with the exception of those fences, walls, monument and other improvements associated with access, fence and monuments easements established in Section 8.3, above) may be placed or permitted to remain on any Residential Lot at a location between any boundary of such Residential Lot which is adjacent to any street or streets and the Building Setback Line related to such Residential 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 14.3. Fences and fence type walls must be generally 6' to 8' 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 wood, brick, stone, or some other material (no chain link fences) approved by the Architectural Control Committee. No fence may be placed between the

front building setback and street as show on Plat, (with the exception of those fences, walls, monument and other improvements associated with access, fence and monuments easements established in Article VIII above). All fences and gates facing a public street and roadway must be constructed on masonry, wrought iron, or vertical solid cedar, spruce or other wood approved by the Architectural Control Committee. All wood fences and gates must be left natural or covered with a natural clear stain or a clear wood preserver that does not alter the color or natural appearance of the wood. Colors for the masonry and iron portions of all fences are determined by the Architectural Control Committee, considering harmony with the existing residence. Wood fences and gates that face a public street or roadway ("front fence") and any fence that faces a side street or roadway and any offsets thereof in the fence that has unobstructed view to the front yard, a side street or roadway and any offsets thereof in the fence that has an unobstructed view to the front yard, must be solid in appearance, and with 1" x 6" vertical wood planks, a 2" x 6" cap and a 1" x 4" rail on the top edge of the fence, the design of masonry and wrought iron portions of the "front fence" is subject to approval by the Architectural Control Committee. Rear and side yard fences, (except those side yard fences that face a side street or roadway or have an unobstructed view from the front yard - "interior rear yard fences"), wood fences may not be of "open" picket, "rail" or basket weave design. Wood fences must be solid in appearance, and built with 1" x 6" inch vertical wood planks. During the period of construction of new homes, Builders and their contractors may construct security fences with gates, but all such security fences and gates must be removed at the completion of the house construction activities. In any event, all fence construction shall comply with ordinances, guidelines and regulations set forth by the local governing authority to include and not limited to City of Laredo, Texas.

Section 14.4. All open, unpaved space within a Residential 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 on a Residential 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 Residential Lot must have an underground sprinkler system or a drip irrigation system for all landscaped areas.

Section 14.5. All tree trimming removal must be accomplished at such times and using such methods so as to prevent the spread of oak wilt.

ARTICLE XV CUTTING WEEDS OR GRASS AND REMOVAL OF TRASH

Section 15.1. The Owners and occupants of each Residential 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 Residential Lot must at all times keep the curb lines and gutter lines, along the

streets adjoining their property lines, free of grass, weeds, and overgrowth. No Residential 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 16.1. The Owner of a Residential Lot is entitled to display one sign thereon from time to time for purposes of selling or renting the residence; provided, that each face of such sign must be rectangular in shape and not exceed 6 sq. ft. 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 Residential Lot more than two weeks after completion of the sale. During the period of Residential Lot sales and construction of new residences, Builders maintaining a sales or construction office within the Subdivision, or areas duly annexed, Declarant and Builders with consent of Declarant have the right to place directional signs and other "sold" and "for sale" signs (not exceeding 8 sq. ft. 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 Residential Lot noting the existence of a residential security system; no such sign shall be placed greater than 2' 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 Residential 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 of the Committee or as discussed below. The Committee and Board have the right to remove any unpermitted sign, advertisement, billboard, or structure that is erected or placed on any Residential 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 16.2. Owners may display on the Owner's Residential 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 of architectural surfaces, threatens the public health or safety, is larger than 4' by 6', 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 17.1. 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 Residential Lot in front of the building line of the residence, nor kept, parked, stored or maintained on any other portion of a Residential 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 Residential 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 17.2. Motorcycles, motorbikes, motor scooters, motorized bicycles, and other motorized vehicles may not be operated on any Residential Lot or operated from any Residential 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 18.1. All dwellings, fences, walls and other approved structures on a Lot must be kept in a reasonable good state of painting and repair, and must be maintained at the cost of the Owner of the Lot so as not to become unsightly.

Section 18.2. In addition to rights, powers and remedies granted by law, if the Owner or occupant of any Residential Lot defaults in observing the requirements set out herein, the Association, upon approval by the Board of Directors, may enter upon the Residential 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 this Declaration, and may charge the Owner or occupant of such Residential Lot for the cost of any such work or thing. The Owner or occupant of each Residential Lot agrees, by the purchase or occupation of the Residential 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 assessments assessed by the Association against such Residential Lot, and become a charge thereon and be collected in the same manner as any assessment.

ARTICLE XIX DUTIES AND POWERS OF THE ASSOCIATION

Section 19.1. 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 set forth herein, in the Bylaws of the Association, in the certificate of formation of the Association, 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 19.2. 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 19.3. The Association must perform functions to assist the Architectural Control Committee as elsewhere provided in this Declaration.

Section 19.4. 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 19.5. The Association may adopt, amend, repeal and enforce Rules and Regulations, and levy fines for violations of any of the governing documents of the Association, as may be deemed necessary or desirable with respect to the interpretation and implementation of the same, 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.

ARTICLE XX ANNUAL ASSESSMENT; SPECIAL ASSESSMENTS

Section 20.1. 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 reserve funds. Each Owner, by acceptance of a deed to a Residential 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 20.2. The Annual Assessment is due and payable at the closing of any Residential 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 Residential Lot

as of January 1st of each succeeding calendar year to cover the full calendar year commencing with the particular Annual Assessment date. A statement reflecting the amount of the Annual Assessment with respect to each Residential Lot must be mailed or otherwise delivered to each Owner as soon as practicable after each Annual Assessment date. The amount of each Annual Assessment must be paid by the Owner of each Residential Lot (or the holder of the mortgage on such Residential 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 Owner (or the holder of the mortgage on such Residential Lot, if applicable), whichever is later. Upon resolution by the Board of Directors, the Annual Assessment may be payable in four installments, payable on the 1st day of January, April, July and October, respectively, each year, each payment being 1/4 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 a rate that does not exceed 10% per annum or the maximum rate permitted by state law, whichever is the lesser.

Section 20.3. For any assessable period within the calendar years after the calendar year 2019, 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 than 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 a majority of the Owners. If any Residential 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. All Residential Lots and properties dedicated to and accepted by a local public authority and all Residential Lots and properties owned by Declarant or the Association are exempt from the Annual Assessments created by the Association.

Section 20.4. Upon and at the time of transfer of a Residential Lot from the Builder to the initial Owner, a capital improvement fee in an amount equal to Five Hundred and No/100 Dollars (\$500.00) per Residential Lot will be paid by the transferee of the Residential Lot to the Association for the Association's capital improvement fund. During the existence of Class B membership, the Declarant shall have the right to modify any capital improvement fee payable on the transfer of a Residential Lot by recordation of an amendment hereto in the Official Public Records of Real Property of Webb County, Texas. Upon termination of the Class B membership (and only at such time), the Board of Directors of the Association will be permitted to modify any capital improvement fee payable on the transfer of a Residential Lot by recordation of an amendment hereto in the Official Public Records of the Real Property of Webb County, Texas. Capital improvement fees are not advance payments of assessments and are not refundable. The Declarant will have the power to waive the payment of any capital improvement fee attributable to a Residential Lot by the recordation in the Official Public Records of Real Property of Webb County Texas, of a waiver notice executed by a majority of the Board of Directors of the Association.

Section 20.5. 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. In order 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).
- (b) The first special meeting of the Members called for the purpose of 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 particular Special Assessment, subject to the same notice requirement and the required quorum as at the preceding meeting.
- (c) 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 20.6. 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 landscape islands, street lighting, trash removal, 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 and other expenses for the enforcement of the provisions of this Declaration, (viii) paying all 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 particular service or thing after its commencement.

Section 20.7. The Association must provide liability insurance for all Directors and must indemnify officers and directors for all uninsured losses relating to all of their acts other than

criminal acts.

Section 20.8. 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 all 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 20.9. 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 Declaration, 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 Residential 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 COMMON AREA

Section 21.1. There has been no dedication of recreational Common Area and recreational Common Area facilities in connection 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;
- (b) 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 Residential Lot remains unpaid, and to suspend such rights for a reasonable time for any infraction of the Association's published Rules and Regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area or any Common Area facilities.

ARTICLE XXII

LIEN; COLLECTION OF ASSESSMENTS

Section 22.1. A contractual lien is hereby established on the Residential Lots subject to this Declaration to secure the payment of the Annual Assessment and any Special Assessment. All present and subsequent Owners of the Residential Lots must convey such Lots with an appropriate reference to the recordation of this Declaration in the Official Records, together with a recitation that the lien has been retained against each Residential Lot for the benefit of the Association. Failure to record such reference will not cause the Declaration or lien to be invalid; the Owner of any Residential Lot is deemed to have covenanted and agreed to pay the Assessment by acceptance of a conveyance or other transfer of title to such Residential 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 Residential Lot by such Class A Member. Pursuant to the provisions of Section 209.0092 of the Texas Property Code 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 Residential 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 Residential 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 Residential Lot.

Section 22.2. 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 a reasonable period to cure the delinquency before further action is taken.

Section 22.3. 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 22.4. The Association is not permitted to sell or transfer its interest in accounts receivable except for the purpose of collateral for a loan.

Section 22.5. Pursuant to Section 209.062 of the Texas Property Code, 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 with regards to 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.
- (b) Any and all alternative payment agreements shall be in writing and signed by the Owner and a duly authorized member of the Board of Directors.
- (c) As long as 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.
- (d) If 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.
- (e) If an 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 a previous payment agreement may be required to waive Expedited Foreclosure Proceedings under Section 209.0092 of the Texas Property Code 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 of the charges addressed by this policy on an ad hoc basis without waiving the right to charge such fees on future requests.

Section 22.6. 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.

Section 22.7. 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 22.8. 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 Residential 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 Records, 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 22.9. All attorneys' 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 22.10. During the Development Period, Declarant is entitled to change the annual rate of an Annual Assessment or change or implement a Special Assessment 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 annual rate of Annual Assessment or Special Assessment is specifically declared inapplicable when the rate is set by Declarant under this section.

Section 22.11. Notwithstanding any provision herein to the contrary, so long as a Class B membership exists, Declarant is not required to pay any of the assessments Declarant would otherwise owe pursuant to this Declaration because of ownership of Residential Lots; and, as long as Declarant is a Class B Member, Declarant, or any assigns of Declarant, may, but is not required to, pay any deficiency in the operating budget, less capital contributions and reserves for the expenses for the Subdivision.

Section 22.12. Further, the Declarant may, but is not required to, waive any assessments due from a Builder due to such Builder's ownership of a Residential Lot.

ARTICLE XXIII TRANSFER; SUBDIVISION INFORMATION

Section 23.1. The Association will comply with applicable law upon request for a resale certificate.

Section 23.2. 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 23.3. Upon the transfer of ownership of any Residential 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.

ARTICLE XXIV ASSOCIATION MEMBERSHIP

Section 24.1. Every person or entity owning of 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 Development Period, the Directors of the Association must be Members of the Association; ownership of a Lot is the sole qualification for membership.

Section 24.2. The Association has two classes of members with voting rights as follows:

- (a) "Class A" Members are all of 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.
- (b) "Class B" Member (or Members) is Declarant and any successor, assign, or substitute Declarant, as provided herein. The Class B membership is entitled to 10 votes for each Residential Lot owned until such time as the Declarant does not own any Lots.

Section 24.3. The directors will be appointed, elected, and replaced in accordance with the Bylaws.

Section 24.4. Any and all members of the Association shall have the right to inspect the financial books and records (with exceptions for privileged or confidential information) of the corporation at its principal offices at all reasonable times.

Section 24.5. 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 25.1. It is specifically 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 of 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 the prior to such sale or transfer, and the lien shall apply on a pro rated basis, by calendar days, thereafter.

ARTICLE XXVI TERM OF DECLARATION

Section 26.1. 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 30 years from the date of recordation hereof. This initial term will be extended automatically after its expiration for successive periods of 10 years duration each, unless an instrument removing these restrictions, in whole or in part, is recorded in the Official Records, at least 6 months prior to the initial expiration date or the expiration of any 10-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 27.1. The Association or their designated agent shall have the power to enforce the provisions of the Declaration or any Dedicatory Instrument 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 (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 self-help to cause the Lot to comply and cease the violation, and charging the Owner the costs thereof; (b) by commencing and maintaining actions and suits to restrain and enjoin any

breach or threatened breach; (c) by exclusion of any Owner from use of the Common Areas; (d) by levying and collecting 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 reasonably applied fines and penalties from any Member in reasonable amounts to be determined by the Board; 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 27.2. The Association shall comply with applicable law before enforcement exercising the remedies contained herein.

Section 27.3. 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.

ARTICLE XXVIII ASSIGNMENT BY DECLARANT AND ASSOCIATION

Section 28.1. The Declarant may at any time assign to the Association or another party any and all rights and duties reserved to Declarant hereunder. If not previously assigned, all such rights reserved to Declarant will automatically vest in the Association when all Residential Lots covered by this Declaration have been sold or otherwise conveyed from Declarant to third parties; provided, however, Declarant's rights shall not vest in the Association if any Lots are owned by a Builder.

Section 28.2. 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 DECLARATION

Section 29.1. Declarant, during the Development Period, 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; (iii) annex and subject any other property to the scheme of this Declaration; and (iv) deannex any portion of the Subdivision and remove such portion from this Declaration. This Declaration or other Dedicatory Instrument of the Subdivision may not be amended during the Development Period without Declarant's written consent.

Section 29.2. This Declaration may be amended or restated by the written agreement or by signed ballots voting for such of not less than 67% of all of the Owners in the Subdivision. There shall be one vote per Lot. The amendment may be voted on by Owners in person or by proxy, at a meeting of the Members duly called for such purpose. Any such amendment will become effective when an instrument is filed for record in the Official Records.

Section 29.3. 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 (except Declarant, during the Development Period) for the following purposes:

- (a) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors, or omissions hereto;
- (b) 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;
- (c) 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;
- (d) to amend any provision hereof to comply with the applicable law.

ARTICLE XXX MISCELLANEOUS

Section 30.1. When this Declaration and statutes, ordinances, and governmental rules and regulations cover the subject matter, there must be compliance with each requirement. When this Declaration is in conflict or becomes in conflict with statutes, ordinances, governmental rules and regulations, the statutes, ordinances, the governmental rules and regulations will control, with the conflicting provision of this Declaration being preempted.

Section 30.2. 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 30.3. Each of the provisions of this Declaration is independent and severable and the invalidity of enforceability or partial invalidity or partial unenforceability of any provision or portion hereof will not affect the validity or enforceability of any other provision.

Section 30.4. The provisions of this Declaration must be liberally construed as a whole to effectuate the purpose and intent of this Declaration.

Section 30.5. 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 30.6. Titles of articles are for convenience only and neither limit or amplify the provisions of this Declaration itself.

Section 30.7. 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 action 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 30.8. Owners of Residential Lots are hereby advised: (i) that the Subdivision is adjacent to warehouses on the westerly boundary of the Subdivision; (ii) that the Subdivision is adjacent to other non-residential uses; and (iii) that Springfield Avenue is currently being extended adjacent to the Subdivision, and in particular nearby Lots 5-14, Block 1, and Lots 1-6, Block 3 of Phase 1 of the Subdivision. Each Owner acknowledges that there may be incidental noise, lighting, odors, and/or traffic which may occur due to the existence and/or normal operation of adjacent properties, roadway construction, and the development of the Subdivision, and hereby agree to hold harmless the Declarant and the Association, and their successors and assigns and release them from any liability for any damages they may sustain because of any such operations and construction and the noise, lighting, odors, and/or traffic caused thereht.

[SIGNATURE PAGE FOLLOWS]

EXECUTED AND EFFECTIVE as of the date first set forth above.

DECLARANT:

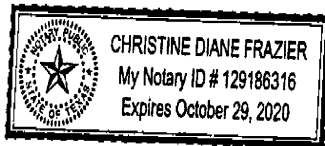
REPUBLIC LAND AND DEVELOPMENT COMPANY, LP,
a Texas limited partnership

By: RLDC GP, LLC,
a Texas limited liability company,
its General Partner

By: [Signature]
Name: Jeff Czar
Title: Manager

STATE OF TEXAS §
 §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 16th day of June, 2019,
by Jeff Czar, Manager of RLDC GP, LLC, a Texas limited liability
company, General Partner of Republic Land and Development Company, LP, a Texas limited
partnership, on behalf of said partnership, who acknowledged to me that he or she executed the
same for the purposes set forth therein.



[Signature]
Notary Public, State of Texas

AFTER RECORDING, PLEASE RETURN TO:

Barton Benson Jones PLLC
Attn: Devin "Buck" Benson
745 E. Mulberry Ave., Suite 550
San Antonio, Texas 78212

EXHIBIT A

LEGAL DESCRIPTION AND DEPICTION OF CERTAIN EASEMENTS

FENCE, COLUMN, ACCESS AND MAINTENANCE EASEMENT (WEST)

0.0534 ACRE

Being out and part of

Lots 28 – 34, Block 2, Shiloh Highland Subdivision, Phase 1

Recorded in Volume 37, Pages 11-12, Webb County Plat Records

Within the limits of the

City of Laredo and Webb County, Texas

Being a tract of land found to contain 0.0534 acres (2325 sq. ft.), more or less, out and part of Lots 28 – 34, Block 2, Shiloh Highland Subdivision, Phase 1, recorded in Volume 37, Pages 11-12, Webb County Plat Records; this 0.0534 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a point in the westerly right-of-way line of Shiloh Station Lane at the southeast corner of Lot 34, Block 2, of said Shiloh Highland Subdivision, also being the southeast corner of the herein described tract and the POINT OF BEGINNING;

THENCE South 66°55'38" West, 367.18 Feet, to the most southerly southwest corner of Lot 28, Block 2, of said Shiloh Highland Subdivision for the southwest corner of this tract;

THENCE North 22°16'25" West, 6.00 Feet, to the northwest corner of this tract;

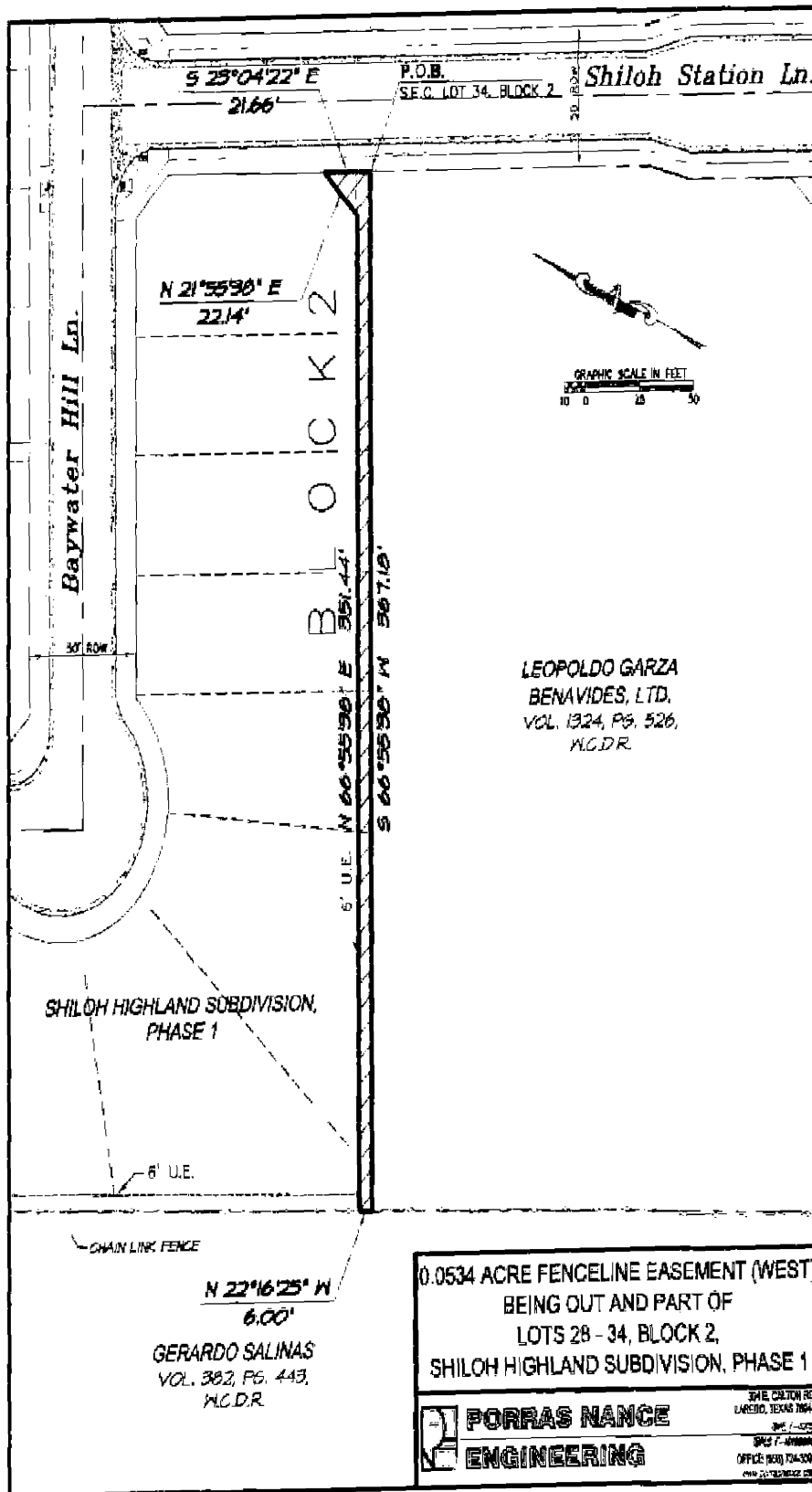
THENCE North 66°55'38" East, 351.44 Feet, to an interior deflection corner to the left of this tract;

THENCE North 21°55'38" East, 22.14 Feet, to a point in the westerly right-of-way line of Shiloh Station Lane for the northeast corner of the herein described tract

THENCE South 23°04'22" East, 21.66 Feet, along the westerly right-of-way line of Shiloh Station Lane to the southeast corner of the herein described tract and the POINT OF BEGINNING.

Basis of Bearings and Distances:

GPS NAD 83 (2011 Adj.), Texas State Plane, 4205 South Zone



FENCE, COLUMN, ACCESS AND MAINTENANCE EASEMENT (EAST)

0.0753 ACRE

Being out and part of

Lots 6 – 15, Block 3, Shiloh Highland Subdivision, Phase I

Recorded in Volume 37, Pages 11-12, Webb County Plat Records

Within the limits of the

City of Laredo and Webb County, Texas

Being a tract of land found to contain 0.0753 acres (3279 sq. ft.), more or less, out and part of Lots 6 – 15, Block 3, Shiloh Highland Subdivision, Phase I, recorded in Volume 37, Pages 11-12, Webb County Plat Records; this 0.0753 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a point in the easterly right-of-way line of Shiloh Station Lane at the southwest corner of Lot 15, Block 3, of said Shiloh Highland Subdivision, also being the southwest corner of the herein described tract and the POINT OF BEGINNING;

THENCE North 23°04'22" West, 21.66 Feet, along the easterly right-of-way line of Shiloh Station Lane to the northwest corner of the herein described tract;

THENCE South 68°04'22" East, 22.14 Feet, to an interior deflection corner to left of this tract;

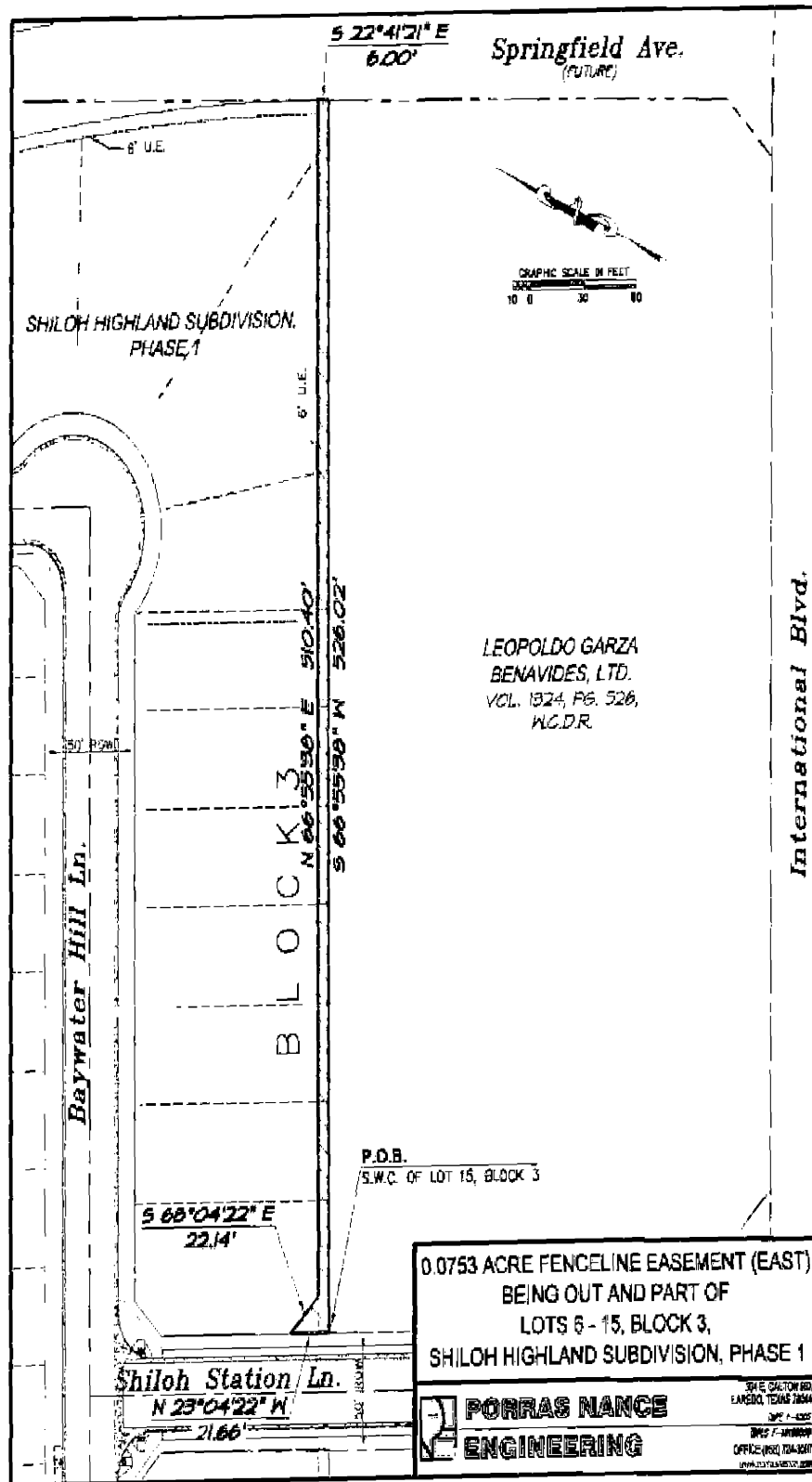
THENCE North 66°55'38" East, 510.40 Feet, to a point on the easterly boundary line of Lot 6, Block 3, of said Shiloh Highland Subdivision for the northeast corner of this tract;

THENCE South 22°41'21" East, 6.00 Feet, to the southeast corner of this tract;

THENCE South 66°55'38" West, 526.02 Feet, to a point in the easterly right-of-way line of Shiloh Station Lane for the southwest corner of the herein described tract and the POINT OF BEGINNING.

Basis of Bearings and Distances:

GPS NAD 83 (2011 Adj.), Texas State Plane, 4205 South Zone



DOC #1364552
Recorded 06/27/2019 12:42:26 PM

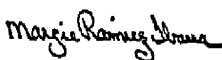


By: BRIGETTE GARAY, DEPUTY
MARGIE RAMIREZ IBARRA, COUNTY CLERK
Fees: \$158.00

STATE OF TEXAS
COUNTY OF WEBB

I HEREBY CERTIFY THAT THIS INSTRUMENT WAS
FILED ON THE DATE AND AT THE TIME STAMPED
HEREON BY ME AND WAS DULY RECORDED IN THE
VOLUME AND PAGE OF THE OFFICIAL PUBLIC
RECORDS OF WEBB COUNTY TEXAS AS STAMPED
HEREON BY ME




COUNTY CLERK
WEBB COUNTY, TEXAS