

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GRAMERCY VILLAGE**

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**ARTICLE I.
DEFINITIONS**

As used in this Declaration, the terms set forth below have the following meanings:

SECTION 1.1. ANNUAL MAINTENANCE CHARGE - The annual assessment made and levied by the Association against each Owner and the Owner's Lot in accordance with the provisions of this Declaration.

SECTION 1.2. ARCHITECTURAL REVIEW COMMITTEE - The Architectural Review Committee established and empowered in accordance with Article III of this Declaration.

SECTION 1.3. ASSOCIATION - Gramercy Village SA Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

SECTION 1.4. BOARD or BOARD OF DIRECTORS - The Board of Directors of the Association.

SECTION 1.5. BYLAWS - The Bylaws of the Association.

SECTION 1.6. CERTIFICATE OF FORMATION - The Certificate of Formation of the Association.

SECTION 1.7. COMMON AREA - Any real property and improvements thereon owned or maintained by the Association for the common use and benefit of the Owners, including but not limited to the Lots identified in Section 1.13, access gates, private streets, and recreational areas in the Community, if any. Common Areas may be restricted for particular uses as required by the Plat.

SECTION 1.8. COMMUNITY - The Property commonly known as "Gramercy Village," together with all Improvements now or hereafter situated thereon and all rights and appurtenances thereto.

SECTION 1.9. DECLARANT - Gramercy Village, LLC, a Texas limited liability company, its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Official Public Records of Real Property of Bexar County, Texas.

SECTION 1.10. DEVELOPMENT PERIOD - The period of Declarant control of the Association during which Declarant may appoint and remove Board members and the officers of the Association, other than Board members elected by Owners other than Declarant, as provided in the Bylaws of the Association. The Development Period will exist for a period of ten (10) years from the date this Declaration is recorded or as long as Declarant owns a Lot subject to the provisions of this Declaration, whichever period is longer, unless Declarant terminates the Development Period on an earlier date by an instrument duly executed by Declarant and recorded in the Official Public Records of Bexar County, Texas.

SECTION 1.11. DUPLEX - A building constructed on a Lot that contains two adjoining Residential Dwellings.

SECTION 1.12. IMPROVEMENT - Any Duplex, Residential Dwelling, building, structure, fixture, or fence, any transportable structure placed on a Lot, whether or not affixed to the land, and any addition to, or modification of an existing Duplex, Residential Dwelling, building, structure, fixture or fence on a Lot.

SECTION 1.13. LOT or LOTS - Each of the Lots shown on the Plat upon which a Duplex is or will be constructed. The following Lots are not designated for construction of a Duplex and, therefore, are not "Lots" as that term is defined and used in this Declaration:

- Lot 999, Block 41;
- Lots 901 through 903, inclusive, Block 42; and
- Lots 15, 901 and 902, Block 43.

SECTION 1.14. MAINTENANCE FUND - Any accumulation of the Annual Maintenance Charges collected by the Association in accordance with the provisions of this Declaration and interest, penalties, assessments and other sums and revenues collected by the Association pursuant to the provisions of this Declaration.

SECTION 1.15. MEMBER - Each Owner who is a Member of the Association as provided in Article IV hereof.

SECTION 1.16. MORTGAGE - A security interest, mortgage, deed of trust, or lien instrument granted by an Owner to secure the payment of a loan made to such Owner, duly recorded in the Official Public Records of Real Property of Bexar County, Texas, and creating a lien or security interest encumbering a Lot and some or all Improvements thereon.

SECTION 1.17. OWNER or OWNERS - A person or persons, firm, corporation or other entity or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

SECTION 1.18. PLAT or PLATS - The plats for the Property recorded under Plat Volume 20002, Page 1229 and Volume 20002, Page 1230 of the Plat Records of Bexar County, Texas, and the plat for any other subdivision annexed and made a part of the Community; and any amending plat or replat of any such plat.

SECTION 1.19. PLANS - The final construction plans and specifications (including a related site plan) of any Duplex, Residential Dwelling, or other Improvement of any kind proposed to be erected, placed, constructed, maintained, or altered on a Lot.

SECTION 1.20. PROPERTY - The real property identified and described in the preamble of the Declaration, commonly known as Gramercy Village, and any other property that may be subjected to the provisions of this Declaration by annexation document duly executed by Declarant and recorded in the Official Public Records of Real Property of Bexar County, Texas.

Declarant reserves the right to facilitate the development, construction, and marketing of the Property and the right to direct the size, shape, and composition of the Property until such time that all of the Lots that may be created have been made a part of the Property, the subject of this Declaration, and the jurisdiction of the Association, and such Lots have been conveyed to Owners other than Declarant.

SECTION 1.21. RESIDENTIAL DWELLING - Each of the two (2) residences and appurtenances constructed on a Lot. Two (2) Residential Dwellings comprise a Duplex.

SECTION 1.22. RULES AND REGULATIONS - Rules and regulations adopted from time to time by the Board concerning the management and administration of the Community for the use, benefit and enjoyment of the Owners, including Rules and Regulations governing the use of any Common Area.

SECTION 1.23. UTILITY COMPANY or UTILITY COMPANIES - Any public entity, utility district, governmental entity (including without limitation, districts created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution) or one or more private entities that regulate, provide, or maintain utilities and drainage.

**ARTICLE II.
PROVISIONS RELATING TO USE,
PERMITTED IMPROVEMENTS AND ARCHITECTURAL DESIGN**

SECTION 2.1. USE RESTRICTIONS.

SECTION 2.1.1. GENERAL. The Property will be held, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Declaration.

SECTION 2.1.2. RESIDENTIAL USE. Each Residential Dwelling may be used for residential purposes only. As used herein, the term “**residential purposes**” is deemed to specifically prohibit, without limitation, the use of a Residential Dwelling for a garage apartment or for any business, professional or other commercial activity of any type, unless such business, professional or commercial activity is unobtrusive and merely incidental to the primary use of the Residential Dwelling for residential purposes. As used herein, the term “**unobtrusive**” means, without limitation, there is no business, professional or commercial related sign, logo or symbol displayed on the Lot; and the conduct of the business, professional, or commercial activity is not otherwise apparent by reason of noise, odor, vehicle and/or pedestrian traffic and the like.

No Owner may use or permit such Owner's Lot, Duplex, a Residential Dwelling or other Improvement on the Lot to be used for any purpose that would (i) void any insurance in force with respect to the Community; (ii) make it impossible to obtain any insurance required by this Declaration; (iii) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (iv) constitute a violation of the provisions of this Declaration, the Rules and Regulations, or any applicable law; or (v) unreasonably interfere with the use and occupancy of the Community by other Owners.

An Owner of a Lot is entitled to lease each Residential Dwelling only for residential purposes. Every lease must provide that the lessee is bound by and subject to all of the obligations under this Declaration and a failure to do so will be a default under the lease. The Owner who leases his/her Lot is not relieved from any obligation to comply with the provisions of this Declaration by virtue of the lease. An Owner is not permitted to lease a room or rooms in the Residential Dwellings or other structure on the Owner's Lot or any portion less than the entirety of each Residential Dwelling and related Improvements.

No garage sale, rummage sale, estate sale, moving sale, or similar type of activity is permitted on a Lot. Provided that, if approved by the Board of Directors, the Association may allow a community-wide garage sale on a date designated by the Board; if approved by the Board, a garage sale will be permitted on Lots on the date and during the hours designated by the Board.

SECTION 2.1.3. PASSENGER VEHICLES. No vehicle other than a passenger vehicle or pick-up truck may be parked, kept, or stored on a Lot unless it is fully concealed in an enclosed garage. For purposes of this Declaration, the term "**passenger vehicle**" is limited to (a) a vehicle which displays a passenger vehicle license plate issued by the State of Texas or which, if displaying a license plate issued by another state, would be eligible to obtain a passenger vehicle license plate from the State of Texas, and (b) a sport utility vehicle used as a family vehicle (whether or not the sport utility vehicle displays a passenger or truck vehicle license plate); the term "**pick-up truck**" is limited to a one (1) ton capacity pick-up truck which has not been adapted or modified for commercial use. No passenger vehicle or pick-up truck may be parked on any unpaved portion of a Lot.

No inoperable vehicle of any kind may be parked, kept, or stored (a) on a Lot if visible from a street in the Community or any neighboring Lot or (b) on a street. As used herein, a vehicle is deemed to be inoperable if it does not display all required current permits and licenses, it is on a jack or does not have fully inflated tires, it is covered by a tarp, or it is not otherwise capable of being legally operated on a public street or right of way.

SECTION 2.1.4. OTHER VEHICLES. No pick-up truck in excess of one (1) ton capacity, mobile home trailer, utility trailer, recreational vehicle, boat, or the like may be parked, kept, or stored on a street or on a Lot unless fully concealed in an enclosed garage. Any vehicle that extends outside the garage, thereby not allowing the garage door to be closed, is not permitted.

SECTION 2.1.5. VEHICLE REPAIRS. No passenger vehicle, pick-up truck, mobile home trailer, utility trailer, recreational vehicle, boat, or other vehicle of any kind may be constructed, reconstructed, or repaired (a) on a Lot if visible from a street in the Community or any neighboring Lot or (b) on a street. No vehicle repair work performed in a garage may be offensive to persons of ordinary sensitivities by reason of noise or odor.

SECTION 2.1.6. NUISANCES. No rubbish or debris of any kind may be placed or permitted to accumulate on or adjacent to a Lot and no odors are permitted to arise therefrom, so as to render the Lot or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Lot or to its occupants. No nuisance is permitted to exist on a Lot. For the purpose of this Section, a nuisance is deemed to be any activity or condition (including the discharge of

fireworks) on a Lot or within the Community which is reasonably considered to be an annoyance to surrounding residents of ordinary sensibilities or which might reduce the desirability of the Lot or a surrounding Lot. The Board of Directors is authorized to determine whether an activity or condition on a Lot constitutes a nuisance or is offensive and its reasonable, good faith determination will be conclusive and binding on all parties.

SECTION 2.1.7. TRASH; TRASH CONTAINERS. No garbage or trash, or garbage or trash container, may be maintained on a Lot if visible from a street in the Community or a neighboring Lot except during a period to make the trash available for collection and then only the shortest time reasonably necessary to effect such collection. Garbage and trash made available for collection must only be placed in covered containers that are approved or provided by the trash disposal company contracted with the Association.

SECTION 2.1.8. CLOTHES DRYING. No outside clothesline or other outside facilities for drying or airing clothes may be erected, placed, or maintained on a Lot. No clothes may be aired or dried outside if visible from a street in the Community or a neighboring Lot.

SECTION 2.1.9. RIGHT TO INSPECT EXTERIOR. During reasonable hours, Declarant, any member of the Architectural Review Committee, any member of the Board, or any authorized representative of any of them, have the right to enter upon and inspect a Lot, and the exterior of the Improvements thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons will not be deemed guilty of trespass by reason of such entry. Provided that, except in the case of a bona fide emergency, the right of inspection may not be exercised unless the Owner or occupant of the Lot has been provided not less than twenty-four (24) hours' notice of the intent to inspect the Lot.

SECTION 2.1.10. ANIMALS. A total of three (3) generally recognized house or yard pets may be maintained by the occupants of each Residential Dwelling, resulting in a maximum of six (6) such pets per Duplex, but only if they are kept solely as domestic pets and not for commercial purposes. For purposes of this Section, all types of pigs, including without limitation, Vietnamese pot-bellied pigs, are deemed not to be generally recognized house or yard pets and are prohibited. No generally recognized house or yard pet is allowed to make an unreasonable amount of noise or to become a nuisance (as defined in Section 2.1.6, above). No structure for the care, housing, or confinement of a generally recognized house or yard pet may be maintained on a Lot if visible from a street in the Community or any neighboring Lot at ground level without the prior written consent of the Architectural Review Committee. With the exception of all types of pigs, which are prohibited, the Board has the authority to determine, in its sole and absolute discretion, whether a particular animal or bird is a generally recognized house or yard pet, and a particular animal or bird is a nuisance, and its reasonable, good faith determination will be conclusive and binding on all parties.

SECTION 2.1.11. DISEASES AND INSECTS. No Owner or occupant of a Lot may permit any thing or condition to exist on the Lot which may induce, breed or harbor infectious plant diseases or noxious insects, including, without limitation, a swimming pool or hot tub that is not properly maintained.

SECTION 2.1.12. RESTRICTION ON FURTHER SUBDIVISION. No Lot as shown on the Plat may be further subdivided, and no portion less than the entirety of a Lot as shown on the original Plat may be conveyed by an Owner.

SECTION 2.1.13. CONSOLIDATION OF LOTS. The consolidation of adjoining Lots into one (1) building site is prohibited.

SECTION 2.1.14. SIGNS. No sign may be erected or maintained on a Lot if visible from a street in the Community or a neighboring Lot, except:

1. Street signs and such other signs as required by law;
2. Ground mounted political signs as permitted by law;
3. For lease or for sale signs, as permitted by law; and
4. Home security signs and school spirit signs, but only if expressly authorized by guidelines adopted by the Architectural Review Committee and then only in strict compliance with such guidelines.

Notwithstanding the foregoing, no sign may be placed in a location that may puncture the drip irrigation system that has been installed in the front yard of each Duplex. If the drip irrigation system is punctured by a sign, sign post, or other object, the Owner will be responsible for all related repair costs as provided in Section 2.2.3. The best location for an allowed sign is immediately adjacent to and touching a sidewalk or driveway, as the irrigation lines do not run next to sidewalks or driveways. Owners and occupants are encouraged to contact management to discuss sign location prior to placing any sign that is permitted by this Section 2.1.14 on a Lot.

No sign is permitted on Common Area with the exception of a sign placed on Common Area by Declarant during the Development Period and, thereafter, the Association. Declarant, during the Development Period and, thereafter, the Association, is authorized to go upon a Lot and remove a sign displayed on the Lot in violation of this Section and dispose of the sign without liability in trespass or otherwise.

SECTION 2.1.15. TREE REMOVAL. No tree (other than a dead tree) with a caliper of three (3) inches or more that is not within the area seven and one-half (7 ½) feet around the foundation of the Duplex constructed or to be constructed on a Lot may be removed from a Lot without the prior written approval of the Architectural Review Committee. A dead tree must be removed from a Lot within thirty (30) days of the date the Architectural Review Committee determines the tree is no longer growing.

SECTION 2.1.16. FLAGS. Section 202.011 of the Texas Property Code provides that a property owners' association may not enforce a provision in a dedicatory instrument that prohibits, restricts, or has the effect of prohibiting or restricting 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, except as otherwise provided therein. The following provisions shall be

applicable to flagpoles and the three (3) types of flags listed in Section 202.011 of the Texas Property Code:

1. ARC Approval. A flagpole that does not comply with all setbacks and above-ground flagpole stands and/or footings must be approved by the Architectural Review Committee. Additionally, in order to confirm a proposed flagpole conforms to the following standards, Owners are encouraged to apply to the Architectural Review Committee for prior approval. The Association may require an Owner to remove flagpoles, flagpole footings, or flags that do not comply with this Section 2.1.16.
2. Flag of the United States. The flag of the United States must be displayed in accordance with applicable provisions of 4 U.S.C. Sections 5-10, which address, among other things, the time and occasions for display, the position and manner of display, and respect for the flag.
3. Flag of the State of Texas. The flag of the State of Texas must be displayed in accordance with applicable provisions of Chapter 3100 of the Texas Government Code, which address, among other things, the orientation of the flag on a flagpole or flagstaff, the display of the flag with the flag of the United States of America, and the display of the flag outdoors.
4. Flagpoles.
 - (a) Not more than one (1) freestanding flagpole or flagpole attached to the Residential Dwelling (on a permanent or temporary basis) is permitted on a Lot.
 - (b) A freestanding flagpole shall not exceed twenty (20) feet in height, measured from the ground to the highest point of the flagpole.
 - (c) A flagpole attached to the Residential Dwelling may not exceed six (6) feet in length.
 - (d) A flagpole, whether freestanding or attached to the Residential Dwelling, must be constructed of permanent, long-lasting materials with a finish appropriate to materials used in the construction of the flagpole and harmonious with the Residential Dwelling on the Lot on which it is located. A flagpole, whether freestanding or attached to the Residential Dwelling, must be a dark color, such as black, brown, bronze or silver; a flagpole shall not be a primary color or white.
 - (e) A flagpole may not be located in an easement or encroach into an easement.
 - (f) A freestanding flagpole may not be located nearer to a property line of the Lot than the applicable setbacks as either shown on the Plat or as set forth in this Declaration. Provided, with prior Architectural Review Committee approval,

a freestanding flagpole may be located up to five feet (5') in front of the front building setback line for a Lot. Above-ground stands and/or footings also require Architectural Review Committee approval.

- (g) A flagpole must be maintained in good condition; a deteriorated or structurally unsafe flagpole must be repaired, replaced, or removed.
- (h) An Owner is prohibited from locating a flagpole on property owned or maintained by the Association.
- (i) A freestanding flagpole must be installed in accordance with the manufacturer's guidelines and specifications.
- (j) If the footing and/or stand for a freestanding flagpole extends above the surface of the ground, the Architectural Review Committee may require the installation of landscaping to screen the stand and/or footing from view.

5. Flags.

- (a) Unless otherwise expressly provided in the builder guidelines (if any), only the three (3) types of flags addressed in this Section may be displayed on a freestanding flagpole. Other types of flags may be displayed on a wall-mounted flagpole as otherwise provided in any builder guidelines or as otherwise permitted by the Association.
- (b) Not more than two (2) of the permitted types of flags may be displayed on a flagpole at any given time.
- (c) The maximum dimensions of a displayed flag on a freestanding flagpole that is less than fifteen (15) feet in height or on a flagpole attached to the Residential Dwelling is three (3) feet by five (5) feet.
- (d) The maximum dimensions of a displayed flag on a freestanding flagpole that is fifteen (15) feet in height or greater is four (4) feet by six (6) feet.
- (e) A displayed flag must be maintained in good condition; a deteriorated flag must be replaced or removed.
- (f) A flag must be displayed on a flagpole. A flag may not be attached to the wall of the Residential Dwelling or other structure on a Lot or a fence, or be displayed in a window of the Residential Dwelling or other structure on a Lot.
- (g) Illumination. It is the universal custom to display the flag of the United States of America only from sunrise to sunset. Likewise, the flag of the State of Texas should not normally be displayed outdoors before sunrise or after sunset. Accordingly, illumination of a flagpole or flag is not permitted.

- (h) Noise. An external halyard on a flagpole is required to be securely affixed to the flagpole so that it is not moved by the wind and, therefore, not permitted to clang against the flagpole.

SECTION 2.1.17. COMMON AREA. The use of the Common Area must be in strict accordance with the Declaration and any Rules and Regulations governing the Common Area adopted and published by the Board of Directors. Each Owner or other person who uses the Common Area does so at his/her own risk and hereby agrees to indemnify and hold harmless Declarant, the Association, and their respective agents, successors and assigns and release them from any liability for any claim, damage, injury or death related to the use thereof.

SECTION 2.1.18. EXEMPTIONS. No provision in this Declaration will be construed to prevent Declarant, or its duly authorized agents, from erecting or maintaining structures or signs on Lots or Common Area necessary or convenient to the development, construction, advertisement, sale, operation, or other disposition of property within the Community.

SECTION 2.1.19. STORAGE OF PERSONAL PROPERTY. No personal property, including, by way of example and not in limitation, lawn equipment, toys, lawn furniture and bar-b-cue grills, may be kept or stored on a Lot in view from a street adjacent to the Lot.

SECTION 2.2. DECORATION, ALTERATION, MAINTENANCE, AND REPAIR

SECTION 2.2.1. DECORATION AND ALTERATION. Subject to the provisions of this Declaration, each Owner has the right to modify, alter, repair, decorate, redecorate or improve the Duplex, Residential Dwellings and other Improvements on such Owner's Lot, provided that each modification, alteration, decoration, redecoration or improvement complies with this Declaration and each exterior modification, alteration, decoration, redecoration or improvement has been approved in writing by the Architectural Review Committee prior to construction. Notwithstanding the foregoing, the Architectural Review Committee is authorized to require an Owner to remove or eliminate any exterior modification, alteration, decoration, redecoration, or improvement on the Owner's Lot or the Duplex, Residential Dwelling or other Improvement on the Lot if (a) the item does not comply with this Declaration, (b) the item was not approved in writing by the Architectural Review Committee prior to construction and will not be approved by the Architectural Review Committee as built, or (c) in the Architectural Review Committee's sole judgment, the item detracts from the visual attractiveness of the Community.

SECTION 2.2.2. MAINTENANCE AND REPAIR. No Duplex, Residential Dwelling, or Improvement on a Lot is permitted to fall into disrepair, and each such Duplex, Residential Dwelling, or other Improvement must at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner of the Lot at such Owner's sole cost and expense. The Board of Directors has the exclusive authority to determine whether an Owner is maintaining his/her Lot in a reasonable manner and the Board of Directors' reasonable, good faith determination will be conclusive and binding on all parties. In the event the Owner of a Lot fails to keep the exterior of the Duplex, Residential Dwelling, or other Improvement on the Lot in good condition and repair, and such failure continues after thirty (30) days written notice from the Association, or such longer period, if required by law, the Association may at its

option, without liability to the Owner or occupant of the Lot in trespass or otherwise, enter upon the Lot and repair and/or paint the exterior of the Duplex, Residential Dwelling, or other Improvement on the Lot and otherwise cause the Duplex, Residential Dwelling, or other Improvement on the Lot to be placed in good condition and repair, and to do every other thing necessary to secure compliance with this Declaration. All costs incurred by the Association for such work may be charged to the Owner of the Lot. The Owner agrees by the purchase of such Lot to pay all costs, plus twenty-five percent (25%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such costs are secured by the lien created in Article V of this Declaration. Interest thereon at the rate of twelve percent (12%) per annum, or the maximum, non-usurious rate, whichever is less, will begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

SECTION 2.2.3. LOT MAINTENANCE. The Association will provide routine landscaping maintenance and irrigation of the front yard of each Duplex. Routine landscaping maintenance includes periodic mowing, weeding, trimming, and pruning, as applicable, as well as irrigation. Each Owner or occupant is responsible for maintenance of all other yard areas on a Lot. Routine maintenance does not include the replacement of dead or dying plants, shrubs, or trees, which are the Owner's responsibility.

As of the filing of this Declaration, front yard irrigation provided by the Association is pursuant to a drip irrigation system comprised of small hoses embedded throughout the front lawn. These hoses can be punctured by sharp objects such as signs, shovels, or other garden equipment. Owners and occupants must use caution at all times to avoid puncturing the hoses. In the event the Owner or occupant of a Lot punctures a hose or otherwise damages the irrigation system, the Owner will be responsible for all repair costs. The Owner agrees to pay such costs, plus twenty-five percent (25%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such costs are secured by the lien created in Article V of this Declaration. Interest thereon at the rate of twelve percent (12%) per annum or the maximum, non-usurious rate, whichever is less, will begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

In no event may an Owner or occupant use a Lot for storage of materials and equipment (except for normal residential requirements or incident to construction of Improvements thereon as herein permitted) or permit the accumulation of garbage, trash, or rubbish of any kind thereon. An Owner or occupant may not burn anything on the Lot or in a street within the Community; provided that, this provision will not be construed to prohibit cooking on an outdoor pit.

The Board of Directors has the exclusive authority to determine whether a Lot is being maintained in a reasonable manner and in accordance with the standards of the Community, and the Board of Directors' determination will be conclusive and binding on all parties. In the event the Owner or occupant of a Lot fails to maintain the Lot in a reasonable manner and such failure continues after thirty (30) days written notice from the Association, or such longer period, if required by law, the Association may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon the Lot and do all work necessary to secure compliance with this Declaration. All costs incurred by the Association for such work may be charged to the Owner of such Lot. The Owner agrees by the purchase or occupancy of such Lot to pay such costs, plus

twenty-five percent (25%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such costs are secured by the lien created in Article V of this Declaration. Interest thereon at the rate of twelve percent (12%) per annum or the maximum, non-usurious rate, whichever is less, will begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

SECTION 2.3. CONSTRUCTION OF RESIDENTIAL DWELLINGS AND OTHER IMPROVEMENTS; EXTERIOR ELEMENTS.

SECTION 2.3.1. TYPES OF BUILDINGS. No building may be erected, altered, placed or permitted to remain on a Lot other than (i) one residential Duplex comprised of two Residential Dwellings not to exceed the height limitations set forth in Section 2.4.2., together with an attached garage for one and a half (1½) vehicles, all of which are subject to the prior written approval of the Architectural Review Committee.

SECTION 2.3.2. STORAGE. All materials for construction of a Duplex or other Improvement on a Lot must be placed within the property lines of the Lot. Upon the completion of the construction, all unused materials must be promptly removed from the Lot. Building materials may not be stored on a Lot except during active construction of a Duplex or Improvement approved by the Architectural Review Committee.

SECTION 2.3.3. TEMPORARY STRUCTURES. No building, structure, or other Improvement of a temporary character, trailer, mobile home, modular or prefabricated home, tent, or other building may be placed on a Lot, either temporarily or permanently. Notwithstanding the foregoing, Declarant reserves the exclusive right to erect, place and maintain such facilities in and upon the Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and sale of Duplexes, and construction of other Improvements in the Community.

SECTION 2.3.4. CARPORTS/GARAGES. No carport or porte cochere is permitted on a Lot. A garage must be provided for each Residential Dwellings. A garage may not be used as living area.

SECTION 2.3.5. AIR CONDITIONERS. No window, roof, or wall type air conditioner that is visible from a street in the Community or a neighboring Lot at ground level may be used, placed, or maintained on or in a Duplex, Residential Dwelling, or other Improvement on a Lot. An air-conditioning unit or evaporative cooler may not be located in the front yard of a Lot.

SECTION 2.3.6. ANTENNAS. Satellite dish antennas which are forty (40) inches or smaller in diameter and antennas designed to receive television broadcast signals may be installed, provided they are installed in the least obtrusive location that allows reception of an acceptable quality signal. All other antennas are prohibited, unless expressly authorized by the Architectural Review Committee. As used herein, "least obtrusive location" means a location that is not readily visible from the street in front of the Lot or, in the case of a corner Lot, the side street. The provisions of this Section are intended to be consistent with the Telecommunications Act of 1996 (the "Act") and FCC Regulations promulgated under the Act, as the same currently

exist or may hereafter be amended; the provisions of this Section will be construed to be as restrictive as possible without violating the provisions of the Act or applicable FCC Regulations.

SECTION 2.3.7. EXTERIOR FINISH. All exterior materials used on a Duplex, Residential Dwelling, or other Improvement must be approved in writing by the Architectural Review Committee prior to the commencement of construction. All brick, stonework, stucco material, siding, and mortar must be approved by the Architectural Review Committee as to type, size, color, and application. The Architectural Review Committee may, but is not required to, maintain a brick and stone pallet of approved selections for proposed Improvements. Any concrete, concrete block, or cinder block utilized in the construction of a Duplex or for retaining walls and foundations must be finished in the same materials utilized for the remainder of the Duplex. Metal flashing, valleys, vents, chimney flues, and gutters installed on a Duplex must blend or be painted to blend with the color of the exterior materials to which they are adhered or attached. Brick or stone on the exterior of a Duplex may not be painted without the prior written consent of the Architectural Review Committee.

SECTION 2.3.8. EXTERIOR LIGHTING, STREET NUMBERS AND SECURITY CAMERAS. No exterior lighting may be directed toward another Duplex, Residential Dwelling, or Lot, or illuminate beyond the boundaries of the Lot on which the lighting fixture is located.

The viewing area of a security or surveillance camera must be limited to the Lot on which the security or surveillance camera is located; a viewing area that includes any portion of an adjacent (side or rear) Lot is prohibited.

SECTION 2.3.9. MAILBOXES. Cluster mailboxes will be used in the Community; therefore, an individual mailbox on a Lot is prohibited. The Association is obligated to maintain all cluster mailboxes within the Community.

SECTION 2.3.10. ROOFING. The pitch of a roof and all roofing materials on a Duplex or other Improvement on a Lot must be approved in writing by the Architectural Review Committee prior to the commencement of construction. All plumbing or heating vents, stacks, and other projections from the roof of a Duplex must, to the extent possible, be located on the rear roof of the Duplex and must blend or be painted to blend with the color of the roofing material.

SECTION 2.3.11. WINDOW TREATMENTS AND DOORS. Only double-pane vinyl windows or higher quality windows may be installed in a Duplex. Reflective glass is not permitted on the exterior of a Duplex or other Improvement on a Lot. No foil or other reflective material may be installed on or in any window or used for a sunscreen, blind, shade or other purpose except as approved in writing by the Architectural Review Committee. Burglar or security bars are not permitted on the exterior of windows or doors. Screen doors may not be used on the front of a Duplex. No aluminum or metal doors with glass fronts (e.g., storm doors) are allowed on the front of a Duplex.

SECTION 2.3.12. UTILITY METERS AND HVAC EQUIPMENT. All electrical, gas, telephone and cable television meters must be located, to the extent possible, at the side or rear of each Duplex, out of view. All exterior heating, ventilating, and air-conditioning compressor

units and equipment must be located at the rear of the Duplex or at the sides of the Lot screened from view in a manner approved by the Architectural Review Committee.

SECTION 2.3.13. PLAY STRUCTURES. One (1) free-standing play structure is permitted in the rear yard of each Residential Dwelling within the applicable setbacks; provided that, in no event may a permitted play structure exceed twelve (12) feet in height, measured from the ground to the highest point of the play structure, and in no event may a platform of a play structure extend above the ground by more than five (5) feet.

SECTION 2.3.14. LANDSCAPING.

1. Landscaping of the front yard areas must be installed at or before substantial completion of a Duplex. Landscaping must be maintained in a live condition at all times and replaced as necessary. Significant changes to landscaping must be approved by the Architectural Review Committee.
2. No hedge or shrubbery planting may obstruct or interfere with traffic sight-lines for streets within the Community. The determination of whether any such obstruction exists may be made by the Architectural Review Committee and its reasonable, good faith determination will be conclusive and binding on all parties.
3. The installation of drought-resistant landscaping and water-conserving natural turf requires the prior written approval of the Architectural Review Committee. The proposed installation of drought-resistant landscaping and water-conserving natural turf will be reviewed by the Architectural Review Committee to ensure, to the extent practicable, maximum aesthetic compatibility with other landscaping in the Community. Full green lawns (turf) are, as a general rule, required in the front yard space and the space along the side of the Duplex and Residential Dwelling on a Lot not enclosed by a fence. Drought-resistant landscaping and water-conserving natural turf are subject to the same requirements as other landscaping.
4. No vegetable, herb or similar gardens or plants may be planted or maintained in the front or side yards of a Lot unless otherwise approved in writing by the Architectural Review Committee.
5. Two (2) street trees of a native Texas variety are required to be planted and maintained on each Lot, one in the front area of each Residential Dwelling on the Lot.

SECTION 2.3.15. SEASONAL DECORATIONS. Seasonal or holiday decorations may be displayed on a Lot or Duplex for a reasonable period of time before and after the holiday to which the holiday decorations relate. In the event of a dispute concerning the permissible period for seasonal or holiday decorations, the good faith decision of the Board of Directors concerning a reasonable period of time before and after a holiday will be conclusive and binding on all parties. Only temporary, seasonal or holiday decorations are permitted.

SECTION 2.3.16. SWIMMING POOLS AND OTHER AMENITY STRUCTURES.

An outdoor hot tub, reflecting pond, sauna, whirlpool, or other water amenity to be constructed or installed on a Lot must be approved in writing by the Architectural Review Committee. A fountain in the front yard of a Lot is prohibited. An in-ground swimming pool or a permanent, above-ground swimming pool is prohibited.

SECTION 2.3.17. DRIVEWAYS AND SIDEWALKS.

All driveways and sidewalks to be constructed on a Lot must be approved in writing by the Architectural Review Committee. All driveways and sidewalks on a Lot must be constructed of concrete and paved with concrete, natural stone, or unit masonry. Asphalt paving or white portland cement is prohibited. No driveway or sidewalk may be painted or stained without the prior written approval of the Architectural Review Committee.

Driveways may not exceed thirty (30) feet in width except as required for garage or access or as otherwise approved in writing by the Architectural Review Committee. The expansion joints for a driveway must be spaced no greater than sixteen (16) feet apart.

All driveways and sidewalks on a Lot must be properly maintained and repaired by the Owner of the Lot, including, without limitation, the removal of grass and/or weeds from expansion joints and the removal of oil stains. The Board of Directors is authorized to determine whether a driveway or sidewalk on a Lot is being properly maintained in accordance with the standards of the Community and its reasonable, good faith determination will be conclusive and binding on all parties.

SECTION 2.3.18. EXTERIOR COLORS. The color(s) of paint and color impregnation proposed to be used of the exterior of the Duplex, Residential Dwelling or other Improvement on a Lot must be approved in writing by the Architectural Review Committee prior to application. The exterior of each Duplex must be painted in a uniform manner; it is not permissible for each Residential Dwelling in a Duplex to have a separate color scheme. The Owner of a Lot is required to submit to the Architectural Review Committee a request for approval of the proposed paint color(s), together with paint samples. The Architectural Review Committee is authorized to disapprove a proposed paint color if the color is not compatible with colors commonly used on the exteriors of Duplexes in the Community, or if two (2) or more colors proposed to be used on a Duplex on a Lot are not compatible with each other. The Architectural Review Committee is also authorized to disapprove a proposed paint color if the color is the same or substantially similar to the color of the paint used on the Residential Dwelling on a Lot in close proximity to the Lot for which the paint is proposed. Exterior colors are generally limited to earth tone colors. Iridescent colors or tones considered to be brilliant are prohibited. The reasonable, good faith decision of the Architectural Review Committee as to the compatibility of proposed paint color(s) with exterior building materials or other paint color(s) and whether a proposed paint color is brilliant will be conclusive and binding on all parties.

SECTION 2.3.19. BASKETBALL GOALS AND TRAMPOLINES. Basketball goals are prohibited on streets in the Community. Trampolines are prohibited on Lots in front of a Residential Dwelling.

SECTION 2.3.20. SOLAR ENERGY DEVICES. Section 202.010 of the Texas Property Code provides that a property owners' association may not enforce a provision in a dedicatory instrument that prohibits or restricts a property owner from installing a solar energy device except as otherwise provided therein. The Board of Directors may adopt and amend from time to time policies related to solar energy devices that do not conflict with the provisions of Section 202.010 of the Texas Property Code.

SECTION 2.3.21. RAIN BARRELS AND RAIN HARVESTING SYSTEMS. Section 202.007 of the Texas Property Code provides that a property owners' association may not enforce a provision in a dedicatory instrument that prohibits or restricts a property owner from installing rain barrels or a rain harvesting system on the property owner's Lot. The Board of Directors may adopt and amend from time to time policies related to rain barrels and rain harvesting systems that do not conflict with the provisions of Section 202.007 of the Texas Property Code.

SECTION 2.4 SIZE AND LOCATION OF RESIDENTIAL DWELLINGS.

SECTION 2.4.1. MINIMUM ALLOWABLE AREA OF INTERIOR LIVING SPACE. The minimum allowable area of interior living space in each Residential Dwelling on a Lot is 1,350 square feet. For purposes of this Declaration, the term "interior living space" excludes steps, porches, exterior balconies, and garages.

SECTION 2.4.2. MAXIMUM ALLOWABLE HEIGHT OF BUILDING. No Duplex may exceed a reasonable height required for two (2) stories of living space (above finished grade) plus a pitched roof. No Duplex may have more than two (2) stories of living space above finished grade; provided that, in no event may the height of a Duplex exceed twenty-nine (29) feet above finished grade. **Declarant makes no representations or warranties concerning the preservation of any view from a Lot in the Community.**

SECTION 2.4.3. LOCATION OF IMPROVEMENTS - SETBACKS. No Duplex or other Improvement may be located nearer to the front property line of a Lot than the distance shown on the Plat. No Duplex or other Improvement may be located nearer to the side property line of a Lot than five (5) feet, except in the case of a corner Lot, in which event no Duplex or other Improvement may be located nearer than ten (10) feet from the side property line that is adjacent to the side street. No Duplex or other Improvement may be located nearer to the rear property line of the Lot than fifteen (15) feet; provided that, in no event is an Improvement permitted to encroach upon a public utility easement.

SECTION 2.5. FENCES.

SECTION 2.5.1. FENCES ON LOTS. No fence may be constructed on a Lot without the prior written approval of the Architectural Review Committee; however, the replacement or repair of an existing fence with the same type, color, and grade of materials previously used does not require approval of the Architectural Review Committee. A wire or chain link fence on a Lot is prohibited.

SECTION 2.5.2. FENCES ERECTED BY DECLARANT. Declarant may, but is not obligated to, construct perimeter fencing around the Community or along selected perimeters of

the Community. For the purpose of constructing perimeter fencing, if so elected by Declarant, Declarant is authorized to construct whatever type and design of fence along each perimeter of the Community that it deems most suitable and appropriate for the Community. If the perimeter fencing is located on or adjacent to the property line of Lots, each Lot on which perimeter fencing is located and each Lot adjacent to perimeter fencing is subject to an easement for the maintenance, repair, and replacement of the perimeter fence as provided in Section 2.6.7, of this Declaration. No Owner may attach any item to a perimeter fence or in any manner impair or impede the Association's right to maintain, repair, or replace a perimeter fence. An Owner is responsible for any damage to a perimeter fence which is caused by such Owner or the Owner's family members, guests, agents, or invitees.

SECTION 2.6. RESERVATIONS AND EASEMENTS.

SECTION 2.6.1. UTILITY EASEMENTS. Declarant reserves the utility easements, roads and rights-of-way shown on the Plat for the construction, addition, maintenance, and operation of all necessary utility systems including systems of electric light and power supply, telephone service, cable television service, gas supply, water supply and sewer service, including systems for utilization of services resulting from advances in science and technology. There is hereby created an easement upon, across, over and under all of the Community for ingress and egress for the purpose of installing, replacing, repairing, and maintaining all utilities. By virtue of this easement, it is expressly permissible for the Utility Companies and other entities supplying services to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, under the land within the utility easements now or from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this paragraph, no utilities or appurtenances thereto may be installed or relocated on the Community until approved by Declarant or the Board.

SECTION 2.6.2. ADDITIONAL EASEMENTS. Declarant reserves the right to impose further restrictions and dedicate additional easements and roadway rights of way by instrument recorded in the Official Public Records of Real Property of Bexar County, Texas or by express provisions in conveyances, with respect to Lots that have not been sold by Declarant.

SECTION 2.6.3. CHANGES TO EASEMENTS. Declarant reserves the right to make changes in and additions to all easements for the purpose of aiding in the most efficient and economic installation of utility systems.

SECTION 2.6.4. MINERAL AND UTILITY EASEMENT RIGHTS. It is expressly agreed and understood that the title conveyed by Declarant to a Lot or other parcel of land in the Community by contract, deed or other conveyance will not in any event be held or construed to include the title to any oil, gas, coal, lignite, uranium, iron ore, or any other minerals, water (surface or underground), gas, sewer, storm sewer, electric light, electric power, telegraph or telephone lines, poles or conduits or any utility or appurtenances constructed by or under authority of Declarant or its agents or Utility Companies through, along or upon said easements or any part thereof to serve said Lot or other parcel of land or any other portions of the Community. Declarant hereby expressly reserves the right to maintain, repair, sell or lease such

lines, utilities, drainage facilities and appurtenances to any public service corporation or other governmental agency or to any other party.

SECTION 2.6.5. DRAINAGE. No Owner of a Lot is permitted to construct Improvements on the Owner's Lot or to grade the Lot or permit the Lot to remain in or be placed in such condition that causes rain water on the Lot to drain onto another Lot or Common Area. It is the intent of this provision to preserve natural drainage. Declarant may, but is not required to, install drainage inlets or underground drains within the utility easement on one or more Lots. If so, no Owner may in any manner obstruct or interfere with such drainage system.

SECTION 2.6.6. ELECTRIC DISTRIBUTION SYSTEM. An electric distribution system will be installed in the Community, which service area embraces all of the Lots which are platted in the Community. The electrical distribution system will consist of underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as necessary to make underground service available. The Owner of each Lot must, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the Residential Dwellings on the Owner's Lot to the electric company's primary service line. The electric company furnishing service must make the necessary connections at said point of attachment. Declarant has granted or will have granted either by designation on the Plat or by separate instrument, necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted or will grant to the various Owners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various Owners to permit installation, repair and maintenance of each Owner's owned, and installed service wires. In addition, the Owner of each Lot must, at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as service is maintained, the electric service to each dwelling unit therein must be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed the electric distribution system at no cost to Declarant (except for certain conduits, where applicable) upon Declarant's representation that the Community is being developed for residential dwelling units, all of which are designed to be permanently located where originally constructed which are built for sale or rent.

The provisions of this Section also apply to any future residential development in Gramercy Village.

SECTION 2.6.7. EASEMENT FOR PERIMETER FENCING. Although Declarant has no obligation to construct perimeter fencing, Declarant hereby reserves for itself and the Association a perpetual easement upon and across a portion of each Lot in the Community for the purpose of constructing, maintaining, repairing, reconstructing, and replacing perimeter fencing for the Community. The easement area is, in all instances, three (3) feet in width and extends along the entire width of the perimeter property line of a Lot (i.e., the property line of a Lot that is adjacent to Common Area or land outside the Community). By virtue of these

easements, it is permissible for Declarant, the Association, and their respective agents, employees, and contractors, to go upon that portion of each Lot subject to the easement for the purposes of constructing, maintaining, repairing, reconstructing, and replacing a perimeter fence.

SECTION 2.6.8. NOTICE REGARDING VARIOUS EASEMENTS. Owners are hereby advised that there may exist a flood control and drainage easement (“**Flood Control Drainage Easement**”), an electrical transmission and distribution easement (“**Electrical Easement**”), a pipeline easement (“**Pipeline Easement**”), and/or drainage detention reserves (“**Detention Reserves**”) along, within or outside the boundaries of the Property. Owners hereby agree to hold harmless Declarant and the Association, and their respective successors and assigns, and release them from any liability for the existence, placement, and/or maintenance of said Flood Control Drainage Easement, Electrical Easement, Pipeline Easement, and Detention Reserves and agree to indemnify such parties from any damages they may sustain. Owners further grant an easement to Declarant and the Association for any incidental odor, noise and/or visibility of said Flood Control Drainage Easement, Electrical Easement, Pipeline Easement, and Detention Reserves and/or traffic which may occur due to the existence of said Flood Control Drainage Easement, Electrical Easement, Pipeline Easement, and Detention Reserves. Owners hereby acknowledge that the Association, its directors, officers, managers, agents, or employees, Declarant and any successor Declarant have made no representations or warranties nor has any Owner, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, relative to said Flood Control Drainage Easement, Electrical Easement, Pipeline Easement, and Detention Reserves.

SECTION 2.6.9. EASEMENTS FOR GREEN BELT, POND MAINTENANCE, FLOOD WATER AND OTHER LANDSCAPE RESERVES. Declarant and Association reserve for themselves and their successors, assigns and designees the non-exclusive right and easement, but not the obligation, to enter upon the green belts, landscape reserves, dry-bottom storm water detention basin, drainage swales, and all storm water collection facilities (if any) located within the Property (a) to construct, maintain and repair any wall, hardedge, or other structure and (b) to remove trash and other debris and fulfill their maintenance responsibilities as provided in this Declaration. Declarant’s rights and easements hereunder will be transferred to the Association at such time as Declarant ceases to own any portion of the Property subject to the Declaration, or such earlier time as Declarant may decide, in its sole discretion, and transfer such rights by a written instrument. Declarant, the Association, and their designees have an access easement over and across any portion of the Property abutting or containing any portion of any of the green belts, landscape reserves, or other storm water collection facilities to the extent reasonably necessary to exercise their rights and responsibilities under this Declaration.

There is further reserved for the Declarant, the Association and/or their designees an easement for the over-spray of herbicides, fungicides, pesticides, fertilizers, and water over portions of the Property located adjacent to any landscape/open space reserves, green belts, detention basin, or other drainage swales.

SECTION 2.6.10. COMMON AREAS. Owners of Lots within Gramercy Village are notified that there exist Common Areas within the Community which may be restricted to or utilized for landscape, open space, parks, drainage and detention, and utility purposes. Owners of Lots within the Property hereby agree to hold harmless Declarant, the Association, and their

respective agents, successors and assigns and release them from any liability for the placement of, construction, design, operation, and maintenance of the Common Areas, and agree to indemnify the parties released for any incidental noise, lighting, odors, parking, and/or traffic which may occur in the normal operation of the Common Areas. Owners whose Lots are adjacent to or abut Common Area may not allow any drainage pipes or conduits, grass clippings, dead plants or grass, trash, fertilizers, chemicals, petroleum products, environmental hazards, or any other foreign matters to infiltrate or penetrate the Common Areas. An Owner who permits or causes such infiltration or penetration hereby agrees to indemnify and hold harmless the Association for all costs of clean up, repair and remediation necessary to restore the Common Areas to their condition immediately prior to said infiltration or penetration. Each Owner hereby acknowledges that the Association, its directors, officers, managers, agents, or employees, Declarant or any representative of Declarant have made no representations or warranties, nor has such Owner or any tenant, guest or invitee of such Owner relied upon any representations or warranties, expressed or implied, relative to the Common Areas.

SECTION 2.6.11. GATES AND PRIVATE STREETS. Declarant intends to install access gates at the entrance to the Community. Such gates will be managed and maintained by the Association, which may charge reasonable fees for access cards, remote control units, or similar devices. The Board of Directors will have the sole authority to determine the method of gate access by Owners, occupants, and guests, and the hours during which the gates will be open, requiring no special access key, or closed, requiring a special access key. The Board of Directors may adopt policies it deems necessary related to the gates, gate access, and charges related to access devices.

The streets within the Community shall be private and shall be owned and maintained by the Declarant until such time as they are conveyed to the Association. Declarant shall convey the streets to the Association at the termination of the Development Period or such earlier time as determined by Declarant. The future maintenance and repair of the private streets shall be the responsibility of the Association, and Board of Directors has the authority to determine (a) whether the private streets are in need of repair, and (b) the scope and manner of effecting maintenance and/or repair work. The Board of Directors shall act reasonably and in good faith to see that the private streets are maintained to substantially the same standard as at the time of original construction.

ARTICLE III. ARCHITECTURAL APPROVAL

SECTION 3.1. ARCHITECTURAL REVIEW COMMITTEE. The Architectural Review Committee will consist of three (3) members, all of whom will be appointed by Declarant, except as otherwise set forth herein. Declarant has the continuing right to appoint all three (3) members until the earlier of (a) the date that the Development Period terminates, or (b) the date Declarant elects to discontinue such right of appointment by written notice to the Board. Thereafter, the Board has the right to appoint all members. During the Development Period, members of the Architectural Review Committee are not required to be Members of the Association. Upon termination of the Development Period, all members of the Architectural Review Committee are required to be Members of the Association. Members of the Architectural Review Committee appointed by Declarant may be removed at any time and will serve until resignation or removal

by Declarant. Members of the Architectural Review Committee appointed by the Board may be removed at any time by the Board, and will serve for such term as may be designated by the Board or until resignation or removal by the Board. Notwithstanding any provision in this Declaration to the contrary, if, upon the termination of the Development Period, there are Lots on which a Duplex has not been constructed, the authority to approve or disapprove plans for a Duplex to be constructed on any such Lot will remain vested in Declarant.

SECTION 3.2. APPROVAL OF IMPROVEMENTS REQUIRED. In order to preserve the architectural and aesthetic appearance and the natural setting and beauty of the Community, to establish and preserve a harmonious design for the Community and to protect and promote the value of the Lots, Duplexes, and Improvements thereon, no Improvement of any kind may be commenced, erected, installed, placed, moved onto, altered, replaced, relocated, permitted to remain on or maintained on a Lot by the Owner, other than Declarant, which affect the exterior appearance of the Lot, the Duplex, a Residential Dwelling or other Improvement on the Lot, unless Plans therefor have been submitted to and approved in writing by the Architectural Review Committee in accordance with the terms and provisions of this Article III. Without limiting the foregoing, the construction and installation of a Duplex, sidewalk, driveway, deck, patio, landscaping, wall, fence, exterior lighting, garage, or any other Improvement may not be undertaken, nor may any exterior addition to or change or alteration be made (including, without limitation, painting or staining of any exterior surface) to any Duplex or other Improvement, unless the Plans for the same have been submitted to and approved in writing by the Architectural Review Committee in accordance with the terms and provisions of this Article III. Notwithstanding the foregoing, if an Owner desires to repaint or repair his or her Duplex with the same paint color and materials that were previously used, is not necessary to obtain approval of the Architectural Review Committee in advance of repainting or commencing such repairs.

The Architectural Review Committee is hereby authorized and empowered to approve or disapprove all Plans and the construction of all Duplexes and other Improvements on a Lot other than a Lot owned by Declarant. The Owner must submit to the Architectural Review Committee Plans and other information relating to the proposed Improvements, including material samples, as reasonably required by the Architectural Review Committee.

The Architectural Review Committee will, in its sole discretion, determine whether the Plans and other data submitted by any Owner for approval are acceptable. The Architectural Review Committee may establish and change from time to time, if deemed appropriate, a non-refundable fee sufficient to cover the expense of reviewing Plans and related data and to compensate any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained to review such Plans and to monitor and otherwise enforce the terms hereof (the "**Review Fee**"). The Review Fee shall be determined by the Board of Directors from time to time, and it may vary in amount depending upon the type of Improvement made the subject of the Plans.

The Architectural Review Committee has the right to disapprove Plans on any ground which is consistent with the objectives and purposes of this Declaration, including purely aesthetic considerations; failure to comply with any of the provisions of this Declaration; failure to provide requested information; objection to exterior design, appearance or materials; objection on the ground of incompatibility of any such proposed Improvement with the general plan of

development for the Community; objection to the location of any proposed Improvements on any such Lot, Duplex or Residential Dwelling; objection to the landscaping plan for such Lot; objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any Improvement; or any other matter which, in the sole judgment of the Architectural Review Committee, would render the proposed Improvement inharmonious with the general plan of development for the Community. The Architectural Review Committee has the right to approve Plans with conditions or stipulations by which the Owner of such Lot is obligated to comply and must be incorporated into the Plans for the Duplex, Residential Dwelling, or other Improvement. Approval of Plans by the Architectural Review Committee will not be deemed an approval or otherwise obligate the Architectural Review Committee to approve similar Plans to be constructed on another Lot.

Any revisions, modifications, or changes in or deviation from Plans previously approved by the Architectural Review Committee must be approved by the Architectural Review Committee in the same manner specified above.

If construction of the Duplex or other Improvement has not substantially commenced (e.g., by clearing and grading, pouring of footing and otherwise commencing framing and other related construction work) within one hundred twenty (120) days of the date of approval by the Architectural Review Committee of the Plans for such Duplex, Residential Dwelling or other Improvement (or such longer period if agreed to in writing by the Architectural Review Committee), then no construction may be commenced (or continued) on the Lot and the Owner of the Lot must resubmit all Plans for the Duplex, Residential Dwelling or other Improvement to the Architectural Review Committee for approval in the same manner specified above.

The duties of the Architectural Review Committee may be assigned to an architect or other third party professional as deemed appropriate by the Board of Directors. In the event of such an assignment, the architect or other third party professional may be compensated in the manner the Board of Directors determines to be appropriate which may include the direct payment of the applicable Review Fee to the architect or other third party professional by the Owner submitting Plans for approval or disapproval.

SECTION 3.3. ADDRESS OF COMMITTEE. The address of the Architectural Review Committee will be at the principal office of the Association as set forth in its recorded Management Certificate unless a notice of an alternate address for the Architectural Review Committee is recorded in the Official Public Records of Real Property of Bexar County, Texas.

SECTION 3.4. FAILURE OF COMMITTEE TO ACT ON PLANS. Any request for approval of a proposed Improvement on a Lot will be deemed disapproved by the Architectural Review Committee, unless approval is transmitted to the Owner by the Architectural Review Committee within thirty (30) days of the date of actual receipt by the Architectural Review Committee of the request. A written request for additional information or materials will also be deemed to be a disapproval of a request, whether or not so stated in the written request.

SECTION 3.5. PROSECUTION OF WORK AFTER APPROVAL. After approval of a proposed Improvement on a Lot, the proposed Improvement must be prosecuted diligently and continuously and completed within the time frame approved by the Architectural Review

Committee and in strict conformity with the description of the proposed Improvement in the Plans submitted to and approved in writing by the Architectural Review Committee. No building materials may be placed on a Lot until the Owner is ready to commence construction.

SECTION 3.6. INSPECTION OF WORK. The Architectural Review Committee or its duly authorized representative has the right to inspect an Improvement on a Lot before or after completion, provided that the right of inspection will terminate sixty (60) days after the Architectural Review Committee knows or should reasonably know that the Improvement has been substantially completed.

SECTION 3.7. DEEMED COMPLIANCE OF CONSTRUCTION. If, for any reason other than the Owner's act or neglect, the Architectural Review Committee fails to notify the Owner of any noncompliance within sixty (60) days of the date the Architectural Review Committee knows or should reasonably know that the Improvement has been substantially completed, the Improvement on the Lot will be deemed to be in compliance with the approved Plans; provided, however, that no such deemed compliance will permit an Owner to construct or maintain an Improvement on a Lot that violates any provision of this Declaration, the Architectural Review Committee at all times retaining the right to object to any Improvement on a Lot that violates this Declaration.

SECTION 3.8. NO IMPLIED WAIVER OR ESTOPPEL. No action or failure to act by the Architectural Review Committee or by Declarant will constitute a waiver or estoppel with respect to future action by the Architectural Review Committee or Declarant, with respect to any Improvement on a Lot. Specifically, the approval by the Architectural Review Committee or Declarant of an Improvement on a Lot will not be deemed a waiver of any right or an estoppel against withholding approval or consent for a similar Improvement on another Lot or any similar proposals, Plans, specifications, or other materials submitted with respect to any other Improvement on a Lot by such person.

SECTION 3.9. POWER TO GRANT VARIANCES. Declarant, during the Development Period, and thereafter, the Architectural Review Committee, may authorize variances from compliance with any of the provisions of Article II of this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. A variance must be evidenced in writing and will become effective when, during the Development Period, signed on behalf of Declarant, and thereafter, signed by at least a majority of the members of the Architectural Review Committee. If a variance is granted, no violation of the provisions of this Declaration will be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, a variance will not operate to waive any of the provisions of this Declaration for any purpose except as to the particular Lot and the particular provision in this Declaration made the subject of the variance, nor will the granting of any variance affect the jurisdiction of Declarant or the Architectural Review Committee other than with respect to the subject matter of the variance, nor will the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Lot.

SECTION 3.10. COMPENSATION OF ARCHITECTURAL REVIEW COMMITTEE MEMBERS. The members of the Architectural Review Committee are not entitled to be

compensated for their services but are entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties as the Board from time to time may authorize or approve. Provided that, if the duties of the Architectural Review Committee are assigned, in whole or in part, to an architect or other third party professional, the architect or other third party professional may be compensated for his/her services.

SECTION 3.11. ESTOPPEL CERTIFICATES. The Board of Directors, upon the reasonable request of any interested party and after confirming any necessary facts with the Architectural Review Committee, may furnish a certificate with respect to the approval or disapproval of an Improvement on a Lot or with respect to whether an Improvement on a Lot was made in compliance with the provisions of this Declaration. Any person, without actual notice of any falsity or inaccuracy of such a certificate, is entitled to rely on such a certificate with respect to all matters set forth therein.

SECTION 3.12. NONLIABILITY FOR ARCHITECTURAL REVIEW ACTION. None of the members of the Architectural Review Committee, the Association, any member of the Board of Directors, or Declarant is liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties relating to architectural control, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing a matter, neither the Architectural Review Committee nor Declarant inspects, guarantees, or warrants the workmanship of the Improvement, including its design, construction, safety, whether structural or otherwise, conformance with building codes, or other governmental laws or regulations, including, without limitations, applicable regulations or requirements of the City of San Antonio, or whether the Improvement is suitable or fit for its intended purpose. Furthermore, none of the members of the Architectural Review Committee, any member of the Board of Directors, or Declarant are personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association, or for a tort of another of such individuals, whether such other individuals were acting on behalf of the Association, the Architectural Review Committee, the Board of Directors, or otherwise. Finally, neither Declarant, the Association, the Board, the Architectural Review Committee, nor their officers, agents, members, or employees will be liable for any incidental or consequential damages for failure to inspect any Improvement or portion thereof, or for failure to repair or maintain the same.

SECTION 3.13. CONSTRUCTION PERIOD EXCEPTION. During the course of actual construction of any approved Improvement on a Lot, and provided construction is proceeding with due diligence, the Architectural Review Committee may temporarily suspend the provisions of Article II of this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of construction, nothing may be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Community.

SECTION 3.14. SUBSURFACE CONDITIONS. The approval of Plans by the Architectural Review Committee or Declarant for a Duplex or other Improvement on a Lot will not be construed in any respect as a representation or warranty by the Architectural Review Committee or Declarant to the Owner submitting such Plans or to any of the successors or assigns of such Owner that the surface or subsurface conditions of the Lot are suitable for the construction

of the Improvement described in the Plans. It is the sole responsibility of each Owner to determine the suitability and adequacy of the surface and subsurface conditions of any Lot for the construction of any contemplated Improvement thereon.

**ARTICLE IV
MANAGEMENT AND OPERATION OF COMMUNITY**

SECTION 4.1. MANAGEMENT BY ASSOCIATION. The affairs of the Community will be administered by the Association. The Association has the right, power, and obligation to provide for the management, administration, and operation of the Community as provided in this Declaration and the Certificate of Formation, Bylaws, and Rules and Regulations. The business and affairs of the Association will be managed by its Board of Directors. Declarant will determine the number of Directors and appoint, dismiss, and reappoint all of the members of the Board during the Development Period, other than Board members elected by Owners other than Declarant as provided in the Bylaws of the Association. The Board may engage the Declarant or any entity, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the management, administration, and operation of the Community. The Association, acting through the Board, is authorized to enter into contracts and agreements concerning the Community as the Board deems reasonably necessary or appropriate, in the Board's sole discretion, to manage and operate the Community in accordance with this Declaration, including without limitation, agreements relating to maintenance, trash pick-up, repair, administration, patrol services, traffic, operation of recreational facilities, or other matters affecting the Community.

SECTION 4.2. MEMBERSHIP IN ASSOCIATION. The Association has mandatory membership. Each Owner of a Lot, whether one or more persons or entities, will, upon and by virtue of becoming such Owner, automatically become and remain a Member of the Association until his ownership ceases for any reason, at which time membership in the Association will automatically cease. Membership in the Association is appurtenant to ownership of a Lot, will automatically follow the ownership of each Lot, and may not be separated from ownership of a Lot.

SECTION 4.3. VOTING OF MEMBERS. Subject to any limitations set forth in this Declaration, each Member other than Declarant is a Class A Member entitled to one (1) vote per Lot owned on each matter submitted to a vote of the Members. Declarant is a Class B Member and has, so long as Class B membership exists, ten (10) votes for each Lot owned by Declarant. No Member is be entitled to vote at any meeting of the Association until the Owner has presented evidence of ownership of a Lot in the Community to the Secretary of the Association. In the event that ownership interests in a Lot are owned by more than one Class A Member of the Association, the Class A Members who co-own the Lot may exercise their right to vote in such manner as they, may among themselves, determine, but in no event may more than one (1) vote be cast for each Lot. Such Class A Members may appoint one of them as the Class A Member who is entitled to exercise the vote of that Lot at any meeting of the Association. Such designation must be made in writing to the Board of Directors and will be revocable at any time by actual written notice to the Board. The Board is entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Class A Member of the Association, and no single Class A Member is designated to vote on behalf of the

Class A Members having an ownership interest in such Lot, then the Class A Member exercising the vote for the Lot is deemed to be designated to vote on behalf of the Class A Members having an ownership interest in the Lot. All Members of the Association may attend meetings of the Association and all Members may exercise their votes at a meeting in accordance with the provisions of the Bylaws. Occupants of Lots who are not Members of the Association may attend meetings of the Association and serve on committees (except the Architectural Review Committee, after Class B membership in the Association ceases to exist). Fractional votes and split votes are not permitted. The decision of the Board of Directors as to the number of votes which any Member is entitled to cast, based upon the number of Lots owned by him, will be conclusive and binding on all parties.

Class B membership in the Association will cease and be converted to Class A membership upon the termination of the Development Period, or on any earlier date selected by Declarant and evidenced by a written notice recorded in the Official Public Records of Real Property of Bexar County, Texas.

SECTION 4.4. MEETINGS OF THE MEMBERS. Annual and special meetings of the Members of the Association will be held at such place and time and on such dates as specified or provided in the Bylaws.

SECTION 4.5. PROFESSIONAL MANAGEMENT. The Board has the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the administration and operation of the Community as provided for in this Declaration and the Bylaws.

SECTION 4.6. BOARD ACTIONS IN GOOD FAITH. Any action, inaction or omission by the Board made or taken in good faith will not subject the Board or any individual member of the Board to any liability to the Association, its Members, or any other party.

SECTION 4.7. STANDARD OF CONDUCT. The Board of Directors, the officers of the Association, and the Association have the duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer, or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Certificate of Formation, Bylaws, and the laws of the State of Texas, will be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing will not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court may not substitute its judgment for that of the Director, officer, or committee member. A court may not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

SECTION 4.8. IMPLIED RIGHTS; BOARD AUTHORITY. The Association may exercise any right or privilege given to it expressly by the provisions of this Declaration, the Certificate of Formation, or the Bylaws, or reasonably implied from or reasonably necessary to

effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board of Directors without a vote of the membership except where any provision in this Declaration, the Certificate of Formation, the Bylaws, or applicable law specifically requires a vote of the membership.

The Board may institute, defend, settle or intervene on behalf of the Association in litigation, administrative proceedings, binding or non-binding arbitration or mediation in matters pertaining to (a) Common Areas or other areas in which the Association has or assumes responsibility pursuant to the provisions of this Declaration, (b) enforcement of this Declaration, the Rules and Regulations, or (c) any other civil claim or action. However, no provision in this Declaration, the Certificate of Formation, or the Bylaws will be construed to create any independent legal duty to institute litigation on behalf of or in the name of the Association.

ARTICLE V.

MAINTENANCE EXPENSE CHARGE AND MAINTENANCE FUND

SECTION 5.1. MAINTENANCE FUND. All Annual Maintenance Charges collected by the Association and all interest, penalties, assessments and other sums and revenues collected by the Association (excluding reserves maintained in a separate reserve account) constitute the Maintenance Fund. The Maintenance Fund will be held, managed, invested, and expended by the Board, in its sole discretion, for the benefit of the Community and the Owners of Lots. The Board may, by way of illustration and not by way of limitation, expend the Maintenance Fund for the administration, management, and operation of the Community; for the maintenance, repair and improvement of the Common Area; for the maintenance of any easements granted to the Association; for the enforcement of the provisions of this Declaration by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the discretion of the Board, desirable to enhance the character and desirability of the Community and the Lots. The Board and its individual members will not be liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful neglect or intentional wrongdoings.

SECTION 5.2. COVENANTS FOR ANNUAL MAINTENANCE CHARGES AND ASSESSMENTS. Subject to Article V., Section 5.7., below, each and every Lot in the Community is hereby severally subjected to and impressed with an Annual Maintenance Charge in an amount to be determined annually by the Board, which Annual Maintenance Charge will run with the land. Each Owner of a Lot, by accepting a deed to the Lot, whether or not it is so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the Annual Maintenance Charges levied against his Lot and/or assessed against him by virtue of his ownership thereof, as the same become due and payable, without demand. The Annual Maintenance Charges herein provided for is a charge and a continuing lien upon each Lot, together with all Improvements thereon, as hereinafter more particularly provided. Each Annual Maintenance Charge, together with late charges, interest, costs, and reasonable attorney's fees, is also the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such Annual Maintenance Charge accrued, but no Owner is personally liable for the payment of any Annual Maintenance Charge made or becoming due and payable after his ownership ceases. No Owner is exempt or excused from paying an Annual Maintenance Charge by waiver of the use or

enjoyment of the Common Areas, or any part thereof, or by abandonment of his Lot or his interest therein.

SECTION 5.3. BASIS AND MAXIMUM ANNUAL MAINTENANCE CHARGE. Until January 1 of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the maximum Annual Maintenance Charge will be Seven Hundred Fifty and No/100 Dollars \$750.00 per Lot. From and after January 1 of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the Annual Maintenance Charge may (subject to the maximum) be adjusted (increased or decreased) effective January 1 of each year as deemed necessary by the Board of Directors to pay the anticipated operating costs of the Association, including contributions, if any, to a reserve fund. The amount of the Annual Maintenance Charge for a particular year will be determined by the Board of Directors based upon the budget for that year adopted by the Board of Directors; provided that, in no event may the amount of the Annual Maintenance Charge in a particular year be in excess of the maximum Annual Maintenance Charge applicable for that year. Except as provided in Section 5.7., the Annual Maintenance Charge levied against each Lot must be uniform.

SECTION 5.4. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL MAINTENANCE CHARGE. The initial maximum Annual Maintenance Charge established in Section 5.3. will be applicable to all Lots on the date this Declaration is recorded in the Official Public Records of Bexar County, Texas. However, the Annual Maintenance Charge (at the rate determined by the Board, subject to the maximum) will commence as to each Lot on the date of the conveyance of the Lot by the Declarant and will be prorated according to the number of days remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association must fix the amount of the Annual Maintenance Charge to be levied against each Lot in the next calendar year based upon the budget adopted by the Board for that calendar year. Written notice of the figure at which the Board of Directors of the Association has set the Annual Maintenance Charge for Lots must be sent to every Lot Owner. Provided that, the failure to fix the amount of the Annual Maintenance Charge or to send written notice thereof to all Owners will not affect the authority of the Association to levy Annual Maintenance Charges or to increase Annual Maintenance Charges as provided in this Declaration. The Association is not required to send a copy of the applicable budget to all Owners with written notice of the amount of the Annual Maintenance Charge; however, the budget must be made available for review upon proper request in accordance with the Association's open records or documents production policy.

SECTION 5.5. SPECIAL ASSESSMENTS. If the Board at any time, or from time to time, determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for the continued operation of the Community or any other purposes contemplated by the provisions of this Declaration, the Board may propose a Special Assessment ("**Special Assessment**") in an amount deemed necessary to provide for such continued maintenance and operation of the Community. No Special Assessment will be effective until it is approved either (a) in writing by not less than a majority of the Members without a meeting, or (b) by the vote of not less than two-thirds (2/3) of the Members present and voting, in person or by proxy or absentee ballot, at meeting of the Members called for that purpose at which a quorum is present. A Special Assessment approved by the Members will be payable in the manner determined by

the Board and the payment thereof will be secured by the lien created in Section 5.6. and may be enforced in the manner herein specified for the payment of the Annual Maintenance Charges. The amount of any Special Assessment levied against Lots must be uniform.

SECTION 5.6. ENFORCEMENT OF ANNUAL MAINTENANCE CHARGE/ SUBORDINATION OF LIEN. The Annual Maintenance Charge assessed against each Lot is due and payable, in advance, on the date of the sale of such Lot by Declarant for that portion of the calendar year remaining, and on the first (1st) day of each January thereafter. Any Annual Maintenance Charge which is not paid and received by the Association by the thirty-first (31st) day of each January thereafter will be deemed delinquent, and, without notice, will bear interest at the rate of twelve percent (12%) per annum or the maximum, non-usurious rate, whichever is less, from the date originally due until paid. Notwithstanding the foregoing, the Board of Directors shall have the option to allow the Annual Maintenance Charge to be paid in twelve (12) equal monthly installments each year. In such case, each monthly installment shall be due and payable on the first (1st) day of each month. Any monthly installment which is not paid and received by the Association by the tenth (10th) day of the month in which it is due will be deemed delinquent, and, without notice, will bear interest at the rate of twelve percent (12%) per annum or the maximum, non-usurious rate, whichever is less, from the date originally due until paid. If an Owner is delinquent in monthly installment payments for any three (3) months, the Board of Directors may rescind such Owner's option to pay monthly installments and notify the Owner that the full remaining balance of the Annual Maintenance Charge for that year is then due and payable.

Further, the Board of Directors of the Association is authorized to impose a monthly late charge on any delinquent Annual Maintenance Charge or monthly installment thereof, Special Assessment or Capital Assessment. The monthly late charge, if imposed, will be in addition to, not in lieu of, interest. To secure the payment of the Annual Maintenance Charge, Special Assessments and Capital Assessments levied hereunder and any other sums due hereunder (including, without limitation, interest, late fees, costs, attorney's fees or delinquency charges), there is hereby created and fixed a separate and valid and subsisting lien upon and against each Lot and all Improvements thereon for the benefit of the Association, and superior title to each Lot is hereby reserved in and to the Association. The lien described in this Section 5.6. and the superior title herein reserved is deemed subordinate to any Mortgage for the purchase of a Lot and any renewal, extension, rearrangements or refinancing thereof. Notice of the lien referred to in the preceding paragraph may, but is not required to, be given by recording an affidavit, duly executed, and acknowledged by an authorized representative of the Association, setting forth the name of the Owner or Owners of the affected Lot according to the records of the Association, and the legal description of such Lot in the Official Public Records of Real Property of Bexar County, Texas. The affidavit may, but is not required to, set forth the amount owed as of the date of execution. Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Association the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge, Special Assessment, Capital Assessment and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure; in addition to and in connection therewith, by acceptance of the deed to a Lot, each

Owner expressly grants, bargains, sells and conveys to the President of the Association from time to time serving as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing Annual Maintenance Charges, Special Assessments, Capital Assessments and other sums due hereunder remaining unpaid hereunder by such Owner from time to time and grants to such trustee a power of sale. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and filed in the Official Public Records of Real Property of Bexar County, Texas. At any foreclosure, the Association is entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of the Lot are required to pay a reasonable rent for the use of the Lot and such occupancy will constitute a tenancy-at-sufferance. The purchaser at such foreclosure sale is entitled to the appointment of a receiver to collect rents and to sue for recovery of possession of the Lot by forcible detainer without further notice, except as may otherwise be provided by law. The collection of Annual Maintenance Charges, Special Assessments, Capital Assessments, and other sums due hereunder may also be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, late charges, costs and attorney's fees, will be chargeable to and be a personal obligation of the defaulting Owner.

SECTION 5.7. PAYMENT OF ASSESSMENTS BY DECLARANT. Lots owned by Declarant are exempt from Annual Maintenance Charges and Special Assessments levied by the Association during the Development Period. Provided that, during the Development Period, Declarant will pay any deficiency in the operating budget, less sums deposited in any reserve account established by the Association or otherwise set aside for reserves.

SECTION 5.8. CAPITAL ASSESSMENT. Upon the conveyance of a Lot after the substantial completion of a Duplex thereon and upon each subsequent conveyance of the Lot, the purchaser of the Lot is required to pay to the Association a "Capital Assessment," which shall be an amount equal to forty percent (40%) of the then-current Annual Maintenance Charge. The Capital Assessment is due and payable on the date the deed conveying the Lot to the purchaser is recorded or, if a contract for deed or similar instrument, the date the contract for deed is executed. Payment of the Capital Assessment is in default if the Capital Assessment is not paid on or before the due date for such payment. A Capital Assessment in default will bear interest at the rate of twelve percent (12%) per annum or the maximum, non-usurious rate, whichever is less, from the due date until paid and will incur late charges at the same rate applicable to the Annual Maintenance Charge. No Capital Assessment paid by an Owner will be refunded to the Owner by the Association. The Association may enforce payment of the Capital Assessment in the same manner which the Association may enforce payment of Annual Maintenance Charges and Special Assessments pursuant to this Article V. Capital Assessments may be used by the Association for any purposes for which Annual Maintenance Charges may be used.

SECTION 5.9. NOTICE OF SUMS OWING. Upon the written request of an Owner, the Association may provide to such Owner a written statement setting out the then current total of all Annual Maintenance Charges, Special Assessments, Capital Assessments, and other sums, if

any, owed by such Owner with respect to the Owner's Lot. In addition to the Owner, the written statement from the Association may also be addressed to and be for the benefit of a prospective lender or purchaser of the Lot, as same may be identified by the Owner to the Association in the written request for such information. The Association is entitled to charge the Owner a reasonable fee for the issuance of such a statement.

SECTION 5.10. FORECLOSURE OF MORTGAGE. In the event of a foreclosure of a Mortgage on a Lot that is superior to the lien created by this Declaration for the benefit of the Association, the purchaser at the foreclosure sale is not responsible for Annual Maintenance Charges, Special Assessments, Capital Assessments, or other sums, if any, which accrued and were payable to the Association by the prior Owner of the Lot, but said purchaser and its successors are responsible for Annual Maintenance Charges, Special Assessments, Capital Assessments, and other sums, if any, which become due and owing to the Association on that Lot after the date of foreclosure.

SECTION 5.11. ADMINISTRATIVE FEES AND RESALE CERTIFICATES. The Board of Directors of the Association may establish and change from time to time, if deemed appropriate, a reasonable fee sufficient to cover the expense associated with providing information in connection with the sale of a Lot in the Community and changing the ownership records of the Association ("**Administrative Fee**"). An Administrative Fee will be paid to the Association or the managing agent of the Association, if agreed upon by the Association, upon each transfer of title to a Lot. The Administrative Fee must be paid by the purchaser of the Lot, unless otherwise agreed by the seller and purchaser of the Lot. The Association is also authorized to establish and change from time to time, if deemed appropriate, a reasonable fee sufficient to cover the expense associated with providing a Resale Certificate in connection with the sale of a Lot. The fee for a Resale Certificate will be paid to the Association or the managing agent of the Association, if agreed to by the Association. The fee for a Resale Certificate is in addition to, not in lieu of, the Administrative Fee.

ARTICLE VI. INSURANCE; SECURITY

SECTION 6.1. GENERAL PROVISIONS. The Board is authorized to determine whether or not to obtain insurance for the Association and, if insurance is obtained, the types and amounts thereof. In the event that insurance is obtained, the premiums for such insurance will be an expense of the Association paid out of the Maintenance Fund. Provided that, the Association must at all times maintain directors' and officers' liability insurance.

SECTION 6.2. INDIVIDUAL INSURANCE. Each Owner, tenant or other person occupying a Duplex or Residential Dwelling is responsible for insuring his/her Lot, Duplex, and Residential Dwelling, its contents, and furnishings. Each Owner, tenant or other person occupying a Duplex or Residential Dwelling is also responsible for insuring against the liability of such Owner, tenant or occupant at his own cost and expense.

SECTION 6.3. INDEMNITY OF ASSOCIATION. Each Owner is responsible for any costs incurred as a result of such Owner's negligence or misuse or the negligence or misuse of his family, tenants, guests, invitees, agents, employees, or any resident or occupant of his Duplex or

Residential Dwelling, and, by acceptance of a deed to a Lot, does hereby indemnify the Association, its officers, directors and agents, and all other Owners against any such costs.

SECTION 6.4. SECURITY. DECLARANT, THE ASSOCIATION, THEIR RESPECTIVE DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS AND ATTORNEYS, ("ASSOCIATION RELATED PARTIES") WILL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. THE ASSOCIATION RELATED PARTIES ARE NOT LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. OWNERS, LESSEE AND OCCUPANTS OF ALL LOTS, ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE THAT THE ASSOCIATION RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. OWNERS, LESSEES, AND OCCUPANTS OF LOTS ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION RELATED PARTIES ARE NOT AN INSURER AND THAT EACH OWNER, LESSEE AND OCCUPANT OF ANY LOT AND ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO RESIDENTIAL DWELLINGS AND TO THE CONTENTS OF THEIR RESIDENTIAL DWELLING AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR LESSEE ON BEHALF OF THEMSELVES AND THEIR GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

**ARTICLE VII.
FIRE OR CASUALTY: REBUILDING**

SECTION 7.1. REBUILDING. In the event of a fire or other casualty causing damage or destruction to the Duplex or other Improvement on a Lot, the Owner of such damaged or destroyed Duplex or other Improvement must within ninety (90) days after such fire or casualty contract to repair or reconstruct the damaged portion of the Duplex or other Improvement and cause such Duplex or other Improvement to be fully repaired or reconstructed in accordance with the original Plans therefor, or in accordance with new Plans presented to and approved by the Architectural Review Committee, and must promptly commence repairing or reconstructing

such Duplex or other Improvement, to the end that the Duplex or other Improvement does not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Alternatively, such damaged or destroyed Duplex or other Improvement must be razed and the Lot restored as nearly as possible to its original condition within ninety (90) days of its damage or destruction. In the event that the repair and reconstruction of the Duplex or other Improvement has not been commenced within ninety (90) days after such fire or casualty and the damaged or destroyed Duplex or other Improvement has not been razed and the Lot restored to its original condition, the Association and/or any contractor engaged by the Association is authorized, but not obligated, upon thirty (30) days written notice to the Owner at the Owner's last known mailing address according to the records of the Association, to enter upon the Lot, raze the Duplex, or other Improvement and restore the Lot as nearly as possible to its original condition. Any costs incurred by the Association to raze the Duplex, or other Improvement and to restore the Lot to its original condition, plus fifty percent (50%) of such costs for overhead and supervision and interest thereon (from the date an invoice is submitted to Owner) at the rate of twelve percent (12%) per annum, or the maximum, non-usurious rate, whichever is less, will be charged to the Owner, added to the Owner's assessment account, secured by the lien and collected in the manner provided in Article V. of this Declaration.

**ARTICLE VIII.
AMENDMENT, DURATION, ANNEXATION AND MERGER**

SECTION 8.1. AMENDMENT. During the Development Period, Declarant has the authority to amend this Declaration, without the joinder or consent of any other party, so long as an amendment does not materially and adversely affect any substantive rights of the Lot Owners. After the expiration of the Development Period, Declarant has the authority to amend this Declaration, without the joinder or consent of any other party, for the purpose of clarifying or resolving any ambiguities or conflicts herein, correcting any inadvertent misstatements, errors, or omissions, or modifying a provision to comply with a change in applicable law; provided, however, any such amendment must be consistent with and in furtherance of the general plan and scheme of development for the Community. In addition, the provisions of this Declaration may be amended at any time by an instrument in writing signed by the Secretary of the Association certifying that Owners representing not less than sixty-seven percent (67%) of the total votes allocated to Owners in the Association approved such amendment, setting forth the amendments and duly recorded in the Official Public Records of Real Property of Bexar County, Texas; provided that, during the Development Period, an amendment of this Declaration must also be approved in writing by Declarant as evidenced by the execution of the amendment document by Declarant. Provided further that, without the joinder of Declarant, no amendment may diminish the rights or increase the liability of Declarant under this Declaration. In the event that there are multiple Owners of a Lot, the written approval of an amendment to this Declaration may be reflected by the signature of a single co-Owner. Any legal challenge to the validity of an amendment to this Declaration must be initiated by filing a suit not later than one (1) year after the date the amendment document is recorded in the Official Public Records of Real Property of Bexar County, Texas.

SECTION 8.2. DURATION. The provisions of this Declaration will remain in full force and effect until January 1, 2041, and be extended automatically for successive ten (10) year periods

each; provided, however, that the provisions of this Declaration may be terminated on January 1, 2041, or on the commencement of any successive ten year period by filing for record in the Official Public Records of Bexar County, Texas, an instrument in writing signed by Owners representing not less than seventy-five percent (75%) of the Lots.

SECTION 8.3. ANNEXATION. Additional land may be annexed and subjected to the provisions of this Declaration by Declarant, without the consent of the Members, within twenty (20) years of the date that this Declaration is recorded in the Official Public Records of Real Property of Bexar County, Texas. Further, additional land may be annexed and subjected to the provisions of this Declaration with the consent of not less than two-thirds (2/3) of the Members of the Association present and voting, in person or by proxy or absentee ballot, at a meeting of the Members called for that purpose at which a quorum is present. Provided that, during the Development Period, the annexation of additional land also requires the written consent of Declarant. The annexation of additional land will be effective upon filing of record an annexation instrument in the Official Public Records of Real Property of Bexar County, Texas.

SECTION 8.4. DEANNEXATION OF LAND. During the Development Period, land made subject to this Declaration may be deannexed by an instrument signed by Declarant and the Owner(s) of the land to be deannexed and recorded in the Official Public Records of Real Property of Bexar County, Texas. Thereafter, land made subject to this Declaration may be deannexed by an instrument signed by Owners representing not less than two-thirds (2/3) of the Lots and filed of record in the Official Public Records of Real Property of Bexar County, Texas.

SECTION 8.5. MERGER. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association will administer the covenants and restrictions applicable to the properties of the merging or consolidating associations as one scheme. No such merger or consolidation will affect any revocation, change or addition to the provisions of this Declaration.

ARTICLE IX. MISCELLANEOUS

SECTION 9.1. SEVERABILITY. In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration will remain in full force and effect.

SECTION 9.2. NUMBER AND GENDER. Pronouns, whenever used herein, and of whatever gender, include natural persons and corporations, entities and associations of every kind and character, and the singular includes the plural, and vice versa, whenever and as often as may be appropriate.

SECTION 9.3. ARTICLES AND SECTIONS. Article and section headings in this Declaration are for convenience of reference and will not affect the construction or interpretation

of this Declaration. Unless the context otherwise requires, references herein to articles and sections are to articles and sections of this Declaration.

SECTION 9.4. DELAY IN ENFORCEMENT. No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof will impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

SECTION 9.5. ENFORCEABILITY. The provisions of this Declaration will run with the Property and be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each Owner and occupant of a Lot in the Community, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. Provided that, only the Association is authorized to enforce the lien established in Section 5.6. of this Declaration. If notice and an opportunity to be heard are given as provided by law, the Association is authorized to impose reasonable fines for violations of the provisions of this Declaration and the Rules and Regulations adopted by the Association, and to collect reimbursement of actual attorney's fees and other reasonable costs incurred by it relating to violations of the provisions of such documents. Such fines, fees, and costs will be added to the Owner's assessment account, secured by the lien, and collected in the manner provided in Article V. of this Declaration.

SECTION 9.6. REMEDIES. In the event any one or more persons, firms, corporations or other entities violate or attempt to violate any of the provisions of this Declaration or the Rules and Regulations, Declarant, the Association, each Owner or occupant of a Lot within the Community, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

SECTION 9.7. INTERPRETATION. The provisions of this Declaration are to be liberally construed to give full effect to their intent and purposes. If this Declaration or any word, clause, sentence, paragraph, or other part thereof is susceptible to more than one conflicting interpretation, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration and the general plan of development established by this Declaration will govern.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this Declaration on this the 17th day of December, 2021, to become effective upon recording in the Official Public Records of Bexar County, Texas.

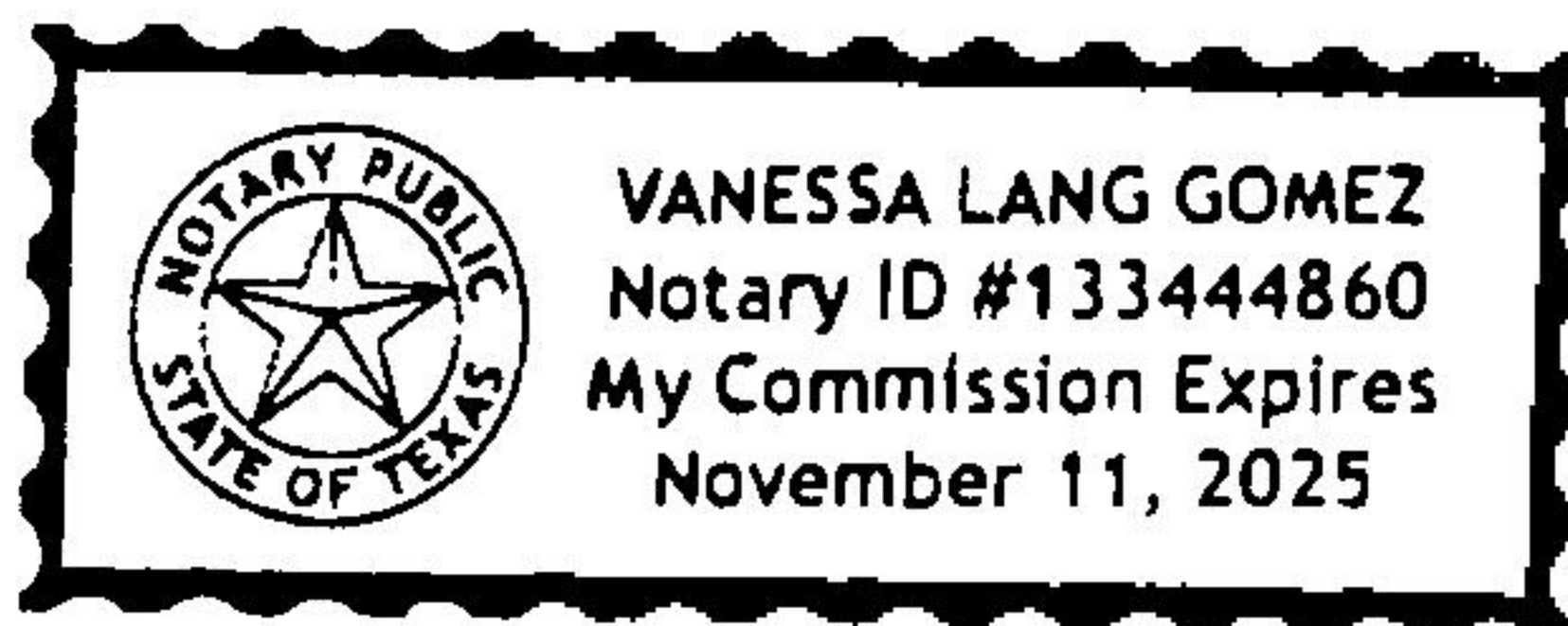
Gramercy Village, LLC
a Texas limited liability company

By: 
Martin Rico, Manager

THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §

Before me, the undersigned authority, on this day personally appeared Martin Rico, Manager of Gramercy Village, LLC, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in capacity herein stated, and as the act and deed of said entity.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of December, 2021.




Notary Public in and for the State of Texas

File Information

**eFILED IN THE OFFICIAL PUBLIC eRECORDS OF BEXAR COUNTY
LUCY ADAME-CLARK, BEXAR COUNTY CLERK**

Document Number: 20210354026
Recorded Date: December 21, 2021
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Total Fees: \$186.00

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Any provision herein which restricts the sale or use of the described real property because of race is invalid and unenforceable under Federal law

STATE OF TEXAS, COUNTY OF BEXAR

I hereby Certify that this instrument was eFILED in File Number Sequence on this date and at the time stamped hereon by me and was duly eRECORDED in the Official Public Record of Bexar County, Texas on: 12/21/2021 2:58 PM



Lucy Adame-Clark
Lucy Adame-Clark
Bexar County Clerk