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1.04. Association. "Association" means and refers to Sawmill Ridge Property Owners' Association, Inc. and its successors and assigns.

1.05. Board of Directors. "Board of Directors" means and refers to the Board of Directors of Sawmill Ridge Property Owners' Association, Inc.

1.06. Bylaws. "Bylaws" mean the Bylaws of the Association as from time to time amended.

1.07. Certificate of Formation. "Certificate of Formation" shall mean the Certificate of Formation of Sawmill Ridge Property Owners' Association, Inc., and any amendments thereto, which have been or will be filed in the office of the Secretary of State of the State of Texas.

1.08. Common Area. "Common Area" means the portions of the Subdivision, including any applicable easements, owned by the Association for the common use and enjoyment of the Members including, but not limited to, all Roads, easements, gated entrance, mailbox clusters, together with such other property as the Association may acquire in the future for the common use and enjoyment of the Members.

1.09. Common Area Expense. "Common Area Expense" means all expense necessary to maintain, replace, repair and expand the Common Area as well as all necessary expense to operate the Association including, casualty and liability insurance, directors and officer's liability insurance and all other reasonable and necessary expenses of the Association. Additionally, Common Area Expense shall include, but are not limited to (a) the cost of repair and maintenance of the Roads, (b) mowing of the Common Area, (c) Common Area maintenance and replacement of landscaping, (d) maintenance, repair and replacement of any Common Area, (e) maintenance of any drainage facilities, and (f) as well as such other expense and capital enhancements as may be determined by the Board of Directors to promote the safety, health, recreation and welfare of the Members and maintain the Subdivision in an attractive manner.

1.10. Control Transfer Date. The "Control Transfer Date" shall mean the earlier date of 1.) Developer no longer owns any part of the entire Subdivision, including but not limited to Common Area; 2.) Fifteen (15) years from date of recordation of this Declaration; or 3.) Developer, in its sole discretion, voluntarily relinquishes control of the Association as set forth herein. Notwithstanding this provision, on or before the 120th day after the date seventy five percent (75%) of the Tracts that may be created and made subject to this Declaration are conveyed to owners other than Developer, at least one-third of the board members must be elected by owners other than the Developer.

1.11. Developer. "Developer" means and refers to LSLP San Saba II, LLC, a Delaware Limited Liability Company, its successors and assigns.

1.12. Improvement. "Improvement" means every structure and all appurtenances of every type and kind, including but not limited to buildings, outbuildings, patios, storage buildings, barns, garages, decks, stairs, retaining walls, screening walls, fences, landscaping art or statuary, solar panels, poles, signs, exterior air conditioning units, exterior water softener fixtures or equipment,

pumps, wells, tanks, reservoirs, pipes, utilities, lines, meters, antennas, towers, satellite dishes or any other sound or data receivers or transmitters. The term "Improvement" excludes the interior of each residence, guest quarter, barn or other approved building and the ACC shall have no authority to approve or disapprove improvements made to the interior of such buildings where the exterior of the building is not affected by the interior improvement.

1.13. Member. "Member" means and refers to every current Owner of a Tract of land within the Subdivision.

1.14. Notice. Whenever any "notice" is required by these Restrictions, such notices shall be in writing and shall be deemed received when actually received, or five days after the deposit of such notice in the United States mail, postage prepaid and addressed to the last known address of an Owner appearing on the books of the Association, whether or not such notice is actually received. It shall be the duty of each Tract Owner to keep the Association apprised of its current address.

1.15. Owner or Tract Owner. "Owner" or "Tract Owner" means and refers to the record owner, whether one or more persons or entities of the fee-simple title to any Tract(s) shown on the Plat, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner. The Developer shall not be deemed an Owner.

1.16. Plans and Specifications. "Plans and Specifications" means any and all drawings and documents describing the construction or erection of any Improvement, including, but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, fencing plans, elevation drawings, floor plans, specifications concerning building products and construction techniques, samples of exterior colors and materials, plans for utility services, and all other documentation or information relevant to the construction or installation of any Improvement.

1.17. Plat. "Plat" means and refers to the plat of Sawmill Ridge Subdivision filed under Volume 410, Page 106 of the Plat Records of San Saba County, Texas, and any and all subsequent revisions or amendments thereof recorded with the San Saba County Clerk's Office, San Saba County, Texas.

1.18. Roads. Roads or Road means property or any Road located within the Subdivision which has been dedicated for the purpose of ingress and egress through the Subdivision for the benefit of the property Owners, such dedication shall be in the form of an easement.

1.19. Recreational Vehicle or RV. Recreational Vehicle is defined in Section 3.09 hereof.

1.20. Special Assessment. "Special Assessment" shall have the meaning given to that term in Section 6.03 hereof.

1.21. Tract. "Tract" means the 42 individual tracts of land or lots identified on the Plat or any amendments thereto.

1.22. Vote of the Members. "Vote of the Members" means the affirmative vote of two thirds (2/3) of the Members entitled to vote who are present at a meeting of Members, either in person or by written proxy. In accordance with Section 5.04, only one Member is entitled to vote for each Tract and only one vote shall be counted for each Tract even though a Tract may have several Owners.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.01. Property Subject to Restrictions. The entire Subdivision, including each individual Tract, is bound by the restrictions set forth in this Declaration, which will remain in effect for all parties who currently possess or acquire any rights, titles, or interests in the land, or any portion thereof. The restrictions set forth in this Declaration will also benefit every Owner in the Subdivision.

2.02. Utility Easements. The Subdivision and each Tract shall be subject to the easements reserved herein and in favor of the Association, the Tract Owners and the utility companies. A utility easement measuring fifteen feet (15') in width is reserved along all sides of each Tract and the front yard of a Tract shall have a utility easement of fifty feet (50'). A utility easement twenty feet (20') in width is reserved along the perimeter boundary lines of the Subdivision. The utility easements shall be used for the construction, maintenance and repair of utilities, including but not limited to, electrical systems, telephone, cable, water, gas and any other utilities which the Developer or utility providers may install for the benefit of the Tract Owners. Notwithstanding the foregoing, the Developer has no obligation to provide utilities and all such utilities shall be provided by the local utility companies in accordance with the policies of such utility companies. All utility easements in the Subdivision may also be used for the construction of facilities in order to provide for improved surface drainage of the Tracts. The Developer reserves the right to grant specific utility easements without the joinder of any Tract Owner to public utility providers within the boundaries of any of the easements herein reserved. Any utility company serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installing, repairing, relocating and maintaining their respective facilities. Neither Developer nor any utility company, political Subdivision or other authorized entity using the easements herein reserved shall be liable for any damages done by them or their assigns, agents or employees to fences, shrubbery, trees and lawns or any other property of the Tract Owners located within the easements. The easement rights granted to a utility company may include the privilege of anchoring any support cables or other devices outside the above defined utility easements when deemed necessary by the utility to support equipment within said easement and the right to install wires and/or cables over some portions of said Tracts not within said easement so long as such items do not prevent the construction of buildings on any of the Tracts of the Subdivision. Nothing shall be placed or permitted to remain within the easement areas which may damage or interfere with installation and maintenance of utilities. Utility companies or their employees shall have all the rights and benefits necessary and convenient for the full enjoyment of the utility easement, including but not limited to the free right to ingress to, and egress from said right-of-way and easements, and the right from time to time to cut and trim trees, undergrowth and other obstructions that may injure, endanger or interfere with the operation of said utility installations. The Tract Owner shall be responsible for removal of any or all limbs, debris, branches or brush that must be cut in order to clear the right-of-way for new construction or maintenance of any lines constructed on the property. Drainage Easements are set forth on the Plat, a Tract Owner may not utilize any drainage easement for any purpose detrimental to their intended use. No objects, including but not limited to, buildings,

fences or landscaping shall be allowed in a drainage easement except as approved by San Saba County, Texas.

2.03. Construction of Improvements on Utility Easements. No buildings or walls shall be located over, under, upon or across any portion of any utility easement. The Owner of each Tract shall have the right to construct, keep and maintain concrete drives, landscaping, fences and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Tracts, provided, however, any concrete drive, landscaping, fencing or similar improvement placed upon any utility easement shall be constructed, maintained and used at the Owner's risk and each Tract Owner shall be responsible for repairing any damage caused by the utility providers to Improvements constructed within the easements located on his Tract.

2.04. Road Easement. A road easement as shown on Plat and measuring sixty feet (60') in width is reserved in favor of the Association and the Tract Owners (including their guests, invitees and tenants) for the purpose of granting the Tract Owners ingress and egress to and from their Tracts and to the Common Area. No Tract Owner shall be prevented from using the road easement as a result of any failure of a Tract Owner to comply with these Restrictions or pay Assessments. Except as specifically set forth herein, no Improvement shall be constructed on or over the road easement except as authorized by the Association. Tract Owners shall not take any action which would prevent other Tract Owners from using the road easement. The Association reserves the right to make reasonable rules and regulations regarding the use of the road easement. The road easement may also be used for the construction, installation and maintenance of landscaping and utilities.

ALL ROADS IN THE SUBDIVISION WILL BE PRIVATE ROADS TO BE MAINTAINED BY THE ASSOCIATION.

2.05. Exotic Hoof Stock Grazing. The Sawmill Ridge Property Owners' Association, Inc. has or will be leasing the Common Areas of the Subdivision for exotic hoof stock grazing in order to assist with maintaining an ag exemption for the Subdivision. Said grazing lease shall continue so long as the Association deems it to be in the best interest of the Subdivision. So long as the Association continues to lease the Common Areas, it will also offer to lease an individual Owner's Tract for exotic hoof stock grazing. The Sawmill Ridge Property Owners' Association, Inc. will sublease any acreage held under a lease to a rancher. In order to maintain and continue an ag exemption on each Tract, the Tract Owner will be responsible for contacting the San Saba County Appraisal District to comply with all applications and regulations. If a Tract Owner decides to not enter into a grazing lease with the Association, then the Tract Owner shall be responsible for fencing its Tract so that exotic hoof stock will not enter upon his Tract. The Sawmill Ridge Property Owners' Association, Inc. and/or the rancher shall not be liable for any exotic hoof stock that would improperly enter onto Owner's Tract or for any damages caused by said exotic hoof stock due to lack of fencing by the Tract Owner. The Subdivision's perimeter fencing is not to be altered or removed on any Tract. Tract Owner shall be responsible for the proper maintenance of the perimeter fencing and entrance gate on his Tract. **DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE CONTINUATION OF THE CURRENT AD VALOREM TAX VALUATION, OR FUTURE AD VALOREM TAX EXEMPTIONS ON THE PROPERTY OR ANY TRACT, AS THIS IS CONTROLLED BY THE SAN SABA COUNTY APPRAISAL DISTRICT AND STATE LAW.**

ARTICLE III
USE RESTRICTIONS FOR TRACTS

3.01. Single Family. Except as specifically set forth in these Restrictions, all Tracts shall be used for single family residential purposes only. Except as expressly permitted herein for guest quarter, barns, workshops and storage buildings, only one single family residence for each Tract is permitted.

3.02. Minimum Square Footage. Every single-family residence shall contain at least one thousand four hundred (1,400) square feet of living area, excluding porches, garages and storage areas.

3.03. Garages. All single-family residential units, except an approved guest quarter, shall have at least a two-car attached or detached garage or a two-car attached carport. All garages must be constructed out of the same materials as used for the main dwelling. All garages shall be located on the Tract as indicated by the Architectural Control Committee approved site plan. All carports must be constructed in a manner to be harmonious with the main dwelling, and at a minimum must use the same roofing materials used on the main dwelling and all columns must contain three feet (3') of masonry, beginning at the bottom of the column and extending upward.

3.04. Guest Quarter. One guest quarter may be built upon each Tract subject to the condition that the quarter should have a minimum area of five hundred square feet (500 sq.ft.) and its maximum size cannot exceed fifty percent (50%) of the size of the main dwelling. A guest quarter must be built along with or after the construction of the main dwelling and may not be built or occupied prior to the main dwelling unit being occupied. A guest quarter must be constructed with material harmonious with the main dwelling, and located behind main dwelling.

3.05. Barns, Workshops & Storage Buildings. Permanent metal, stucco, rock, and/or hardiplank barns, workshops or storage buildings shall be allowed so long as such building has a masonry wainscoat beginning at the bottom of the building and extending three feet (3') upward on the front and two sides and is constructed with material harmonious with the main dwelling. Detailed Plans and Specifications for barns and workshops must be submitted to the Developer or ACC in order to be considered for approval. Such structures must be located behind the main dwelling site and may be constructed on the Tracts prior to the main dwelling being constructed or occupied. No portable storage buildings shall be allowed.

3.06. Barns as Temporary Living Space. A guest quarter located inside of a barn which is constructed on the Tract shall be allowed so long as the guest quarter is not used as a permanent residence. A guest quarter shall not be rented for income. Such guest quarter may be used as the Owner's temporary residence during the construction of the main dwelling or as a "weekend getaway" for such Owner prior to the construction of the residence.

3.07. Limit on Structures with Living Space. No more than three (3) structures with living area may be constructed on a Tract. This limitation is to restrict the number of living areas to be the main dwelling, a potential living space in a barn and one quest quarter. Specifically, not considered as a major structure, includes, but is not limited to a well house or a dog house.

3.08. No Prefabricated or Mobile Homes. No mobile, manufactured, modular, container or move-in homes are permitted to be located on any Tract. No Improvement of any kind that is built offsite and moved onto a Tract is permitted.

3.09. Temporary Structures & Use of RVs. No structure of a temporary character, whether trailer, motor home, recreational vehicle, tent, basement, shack, garage, barn or other outbuilding shall be maintained or used on any Tract at any time as a residence, either temporarily or permanently, except as provided below.

Prior to the construction of a main dwelling on a Tract, an Owner may use a recreational vehicle camper or motor home (Recreation Vehicle or "RV") for camping purposes no more than thirty (30) days at a time and no more than a total of ninety (90) days per calendar year. TEMPORARY CAMPING OR USING ANY TYPE OF RECREATIONAL VEHICLE, WILL NO LONGER BE PERMITTED, ONCE FIFTY PERCENT (50%) OR MORE OF THE TRACTS IN THE SUBDIVISION HAVE RESIDENCES BUILT ON THEM. With written approval from the ACC, an RV may be used as a temporary residence during construction, not to exceed twelve (12) months, provided an approved septic system has been installed for the RV and the RV is placed at the rear of the construction site.

Temporary structures, including a business office, portable restroom facilities, or construction storage facilities may be located on a Tract while the main dwelling for a Tract is actively under construction, provided that such are removed upon substantial completion of construction and are not located on a Tract for longer than the time allowed for construction of a main dwelling pursuant to Section 3.12 hereunder.

The Developer reserves the exclusive right to install and make use of a temporary office or temporary storage facilities within Subdivision while the Developer is selling Tracts or building homes in the Subdivision.

3.10. Storage of Trailers, RVs, Boats and other Vehicles and Equipment. All trailers, RVs, trucks (other than pickups with a rated capacity of one (1) ton or less), boats, personal watercraft, tractors, wagons, buses, motorcycles, motor scooters, all-terrain vehicles, golf carts and other recreational vehicles, lawn or garden equipment, farm or ranch equipment, construction equipment and other similar items shall be stored in enclosed structures or reasonably screened from view from the Road.

3.11. Construction Sites. All construction sites shall have sufficient portable restroom facilities or other adequate restroom facilities as determined by the Architectural Control Committee or Developer prior to Control Transfer Date. Construction Sites shall be kept neat and clean at all times and comply with such construction site guidelines as may be established by the Architectural Control Committee from time to time.

3.12. Construction Time. Any construction of any Improvement shall be completed, as to the exterior, within twelve (12) months from the construction commencement date.

3.13. Height Restrictions. No Improvement shall be erected, altered or placed on any Tract

which exceeds the lesser of thirty-five feet (35') in height (measured from the ground to the topmost part of the roof) or 2 - 1/2 stories in height.

3.14. Construction Materials. All Improvements must be built with new construction materials and must be built in place on the Tract. All construction materials used shall be of materials such as wood, rock, brick, hardiplank or stucco. The use of aluminum siding or vinyl siding is prohibited. The Architectural Control Committee or the Developer prior to Control Transfer Date may authorize the use of other materials on a case-by-case basis. Barns and other outbuildings may be constructed of metal or materials listed above, subject to the masonry requirements. Log cabins may be built as long as they comply with building requirements and are approved by the Architectural Control Committee. Log cabins will not be subject to the masonry requirements set forth herein.

3.15. Roofing Materials. Only the following roofing materials may be used for the main dwelling, guest quarter and garages: slate, stone, concrete tile, clay tile, or other tile of ceramic nature, metal or composition shingles with a thirty (30) year or more warranty. Colors of roofing material are subject to the approval of the Architectural Control Committee or the Developer (prior to the Control Transfer Date). The Architectural Control Committee or the Developer (prior to the Control Transfer Date) shall have the authority and sole discretion to approve other roof treatments and materials which are harmonious with the surrounding homes and the Subdivision as a whole. The materials and colors of Roofs on all other structures must be approved by the Architectural Control Committee or Developer (prior to the Control Transfer Date). Owners may install roof shingles that are wind and hail resistant, energy efficient or solar generating, if the quality and appearance are comparable to the Subdivision standard. All such materials will need approval from the Architectural Control Committee or Developer (prior to the Control Transfer Date).

3.16. Color. All exterior color schemes for Improvements are subject to the prior written approval of the Architectural Control Committee or Developer (prior to the Control Transfer Date).

3.17. Masonry. Any residence, guest quarter or garage shall be constructed with a masonry wainscoat beginning at the bottom of the building and extending three feet (3') upward on the front and two sides. Masonry materials includes masonry veneer, stucco, brick, rock, hardiboard and all other materials commonly referred to in the San Saba County, Texas, area as masonry, and specifically excludes any synthetic material other than hardiboard. Notwithstanding the foregoing, log houses are not required to meet the masonry requirements if otherwise approved by the Architectural Control Committee or Developer (prior to the Control Transfer Date), which approval may be withheld at the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) sole discretion.

3.18. Construction Equipment Damage. Tract Owners shall be responsible for any damage caused to the Roads by construction equipment or trucks making deliveries to their Tracts.

3.19. Propane Fuel Storage. Propane fuel storage for residential use may be located on the Tracts and may be placed above ground or below ground. The exact location and quantity of said fuel storage tanks are subject to written approval of the Architectural Control Committee or Developer (prior to the Control Transfer Date). All above ground tanks, pumps, vent pipes and other equipment must be concealed or attractively screened.

3.20. Consolidated Building Site. Any Owner of one or more adjoining Tracts may, with the prior written approval of the Declarant or the Board of Directors and with the approval of the San Saba County Commissioners Court, if required, consolidate two or more Tracts into one Tract or building site, in which case the common boundary line between any combined Tract shall be eliminated and the setback lines shall be measured from the remaining exterior boundary lines. Any portion of any utility easement located within the common boundary lines of any combined Tract shall be eliminated if such utility easements are not being used at the time any Tracts are combined. No Tract shall be deemed to be combined with another Tract until such time as all necessary approvals, if required, of the San Saba County Commissioner's Court have been obtained. Any assessments are applicable on each individual Tract as originally platted by Declarant regardless of whether two or more Tracts are combined by an Owner to form one. Declarant shall not be liable for any fees associated with Tract consolidation.

3.21. Setback Lines. Except for fencing, light posts, driveways, walkways and landscaping, no improvements shall be located nearer than: a) fifty feet (50') from the front and rear property line and b) twenty-five feet (25') from the side property lines of the Tract. Any exterior lighting, including but not limited to light post, must be approved by the Architectural Control Committee or Developer (prior to the Control Transfer Date). The Architectural Control Committee or Developer (prior to the Control Transfer Date) has the sole discretion to reject any exterior lighting, as it is the intent of these restrictions that exterior lighting be installed so that there is down lighting as detailed below in Section 3.38. If Owner fences more than one acre surrounding its main dwelling site, then in order to maintain a uniform appearance of fences along the Roads, all fencing must be located at the property lines. The Architectural Control Committee or Developer (prior to the Control Transfer Date) may waive or alter any setback line, if in the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) sole discretion, such waiver or alteration is necessary to permit effective utilization of a Tract due solely to drainage or land contour related concerns.

3.22. Maintenance. The Owner shall keep its Improvements in good condition and repair at all times and ensure that all Improvements are adequately painted and otherwise maintained by the Owner.

3.23. Alteration or Removal of Improvements. No exterior Improvements shall be altered, modified or removed without the prior written approval of the Architectural Control Committee or Developer (prior to the Control Transfer Date). Improvements may be repainted the same color without approval of the Architectural Control Committee or Developer (prior to the Control Transfer Date).

3.24. Walls and Fences. Walls, fences and light posts, if any, must be approved prior to Construction by the Architectural Control Committee or Developer (prior to the Control Transfer Date) and must be constructed of new material, and unless otherwise permitted by the Architectural Control Committee or Developer (prior to the Control Transfer Date), constructed of masonry, wrought iron, wood, metal, pipe, or ranch fencing with t-posts. Chain link fencing is prohibited, except if used as a dog run and only if such fencing is not visible from any Road. If pipe fencing is used, such fences must have a minimum of three (3) horizontal pipes along the front of the Tract and otherwise conform with the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) specifications. The community's perimeter fencing is not to be altered or removed on

any Tract.

3.25. Mailboxes. All mailboxes located within the Subdivision will be erected at the designated location on an easement held by the Association. The construction of mailboxes will be coordinated with the United States Postal Service. The Association or the Developer (prior to the Control Transfer Date) shall have the right to make such other rules and regulations regarding the location and construction of mailboxes as may be reasonable and necessary.

3.26. Driveways. The first fifty linear feet (50') of any driveway which is connected to any Road shall be constructed of concrete, asphalt, or brick paving. All driveways shall begin where the paved portion of any Road ends. All driveways must be shown on the plans submitted to the Architectural Control Committee or Developer (prior to the Control Transfer Date), completed no later than thirty (30) days after the completion of the main dwelling and approved by the Architectural Control Committee or Developer (prior to the Control Transfer Date) prior to construction.

3.27. Antennas, Towers and Satellite Dishes. Antennas, towers, satellite dishes or other sound or data receivers or transmitters of any kind shall not exceed ten feet (10') above the roof of the residence or accessory building upon which they are attached. Any antenna, tower or satellite dishes or other sound or data receivers or transmitters must be located to the side or the rear of the residence or accessory building. The Architectural Control Committee or Developer (prior to the Control Transfer Date) must approve all exterior antennas, towers, satellite dishes or other sound or data receivers or transmitters, including but not limited to the location of the placement of the same.

3.28. Prohibited Activities and Nuisance. No activity (including the operation of a bed and breakfast or similar activity) whether for profit or not, shall be conducted on any Tract which is not related to the occupation of a Tract for single family residential purposes, unless said activity meets the following criteria: (a) no exterior sign of the activity is present, (b) no additional traffic is created as a result of the activity, and (c) no toxic substances (as determined at the sole discretion of the Association) are stored on the Tract. Nothing herein shall prohibit the use of home offices in compliance with the preceding subsections (a), (b) and (c). This restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision. No activity which constitutes a nuisance or annoyance shall occur on any Tract. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance. All exterior lighting must be approved by the Developer or, after the Control Transfer Date, the ACC. The Developer or ACC has the sole discretion to reject any exterior lighting, as it is the intent of these restrictions that exterior lighting be installed so that there is down lighting.

3.29. Prohibition on Short Term Rentals and/or Partial Rentals. There shall be no leasing or short term rentals of the main dwelling and/or any guest quarter permitted. All rentals and leases must be under a written lease agreement that has a duration of at least thirty (30) consecutive days and such agreement must cover the entirety of any Tract to be leased.

3.30. Garbage and Trash Disposal. No Tract shall be used to maintain as a dumping ground for rubbish, landscape trimmings, or other debris. All Tracts shall be kept in a neat and orderly condition. No refrigerators, freezers, washing machines, dryers, furniture, tools, equipment, toys, or other such items shall be stored outside of a building on any Tract. No junk of any kind or character

shall be kept on any Tract. Trash, garbage, landscape trimmings, or other debris shall not be allowed to accumulate on any Tract. Any such items shall be kept in sanitary containers and shall be disposed of regularly in accordance with all applicable laws, rules and regulations. All equipment for the storage or disposal of trash and other debris shall be kept in a clean and sanitary condition. Except on established garbage collection days and in connection solely with that collection process, all trash containers shall be stored in enclosed structures or screened from view from the Road. Controlled burn piles which are concealed from public view are permitted in accordance with applicable laws, rules, and regulations.

3.31. Junk and Debris. No Tract shall be used to store abandoned, junked, or unregistered motor vehicles, boats, airplanes, trailers, or similar items. Additionally, no scrap materials, trash, landscaping debris, or other refuse shall be placed or allowed to accumulate on any Tract. The determination of whether an item constitutes a violation under this section shall be at the sole and absolute discretion of the Association.

3.32. Signs. No signs, advertising, billboards, or advertising structure of any kind may be erected or maintained on any Tract without the consent in writing of the Architectural Control Committee or Developer (prior to the Control Transfer Date). Political signs for a political candidate or ballot item for election, as set forth in the Texas Election Code §259.002, may be displayed on a Tract but can only be displayed on or after the 90th day before the date of the election to which the sign relates and must be removed 11 days after the election. The sign must be ground mounted, 2'x 3' in size and a Tract Owner may only display one sign for each candidate or ballot item. In addition to other signs which may be allowed by the Architectural Control Committee or Developer (prior to the Control Transfer Date), the Architectural Control Committee or Developer (prior to the Control Transfer Date) shall allow one (1) professionally made sign not more than twenty-four inches (24") by thirty inches (30") advertising Owner's Tract for sale or rent and one (1) professionally made sign, not more than twelve inches (12") by twenty-four inches (24") identifying the name of the Tract Owner. The term "professionally made sign" does not include plastic or metal pre-made "for sale" signs. No signs shall be nailed to a tree. Signs erected on any Tract advertising Tracts for sale shall not be permitted during the Developer's control of the Subdivision. However, a Builder can place one professional sign on a Tract advertising his services or residence for sale.

3.33. Animal Husbandry. Domestic livestock and exotic animals shall be allowed only on Tracts ten (10) acres or larger, so long as such animals do not exceed one (1) animal for every two (2) fenced acres and do not become a nuisance or threat to other Owners. The Association shall have the sole discretion in determining if any animal is a nuisance and make regulations on banning such animal. Pigs, hogs and peacocks are not allowed on any Tract. Chickens, turkeys and other birds shall only be allowed so long as such birds are kept in a coop and do not exceed twenty (20) birds per Tract. Regardless of Tract size, coops must be preapproved by the ACC in writing to ensure they are screened from view. All animals being raised by the individual Tract Owners must be kept in a fenced area on the Owner's Tract. No overgrazing is permitted on any portion of the Tract as determined by the sole discretion of the Association. Dogs, cats or other common household pets may be kept on a Tract. Dogs will not be permitted to run loose in the Subdivision. Dogs and cats must be vaccinated for rabies and other diseases required by applicable laws, rules and regulations and shall be licensed or registered as may be required by applicable laws, rules and regulations. No feedlots of any type shall be permitted.

3.34. Mineral Development. No Owner shall be allowed to permit on their own behalf, commercial drilling, mineral development operations, mineral refining, quarrying, mining or water operation of any kind in, on or under any Tract owned by such Tract Owner. Developments of water sources for an individual Owner's use, including the construction of windmills for individual water extraction are permitted provided that advance written approval of the Architectural Control Committee or Developer (prior to the Control Transfer Date) is obtained.

3.35. Drainage. Natural established drainage patterns for drainage shall not be impaired by any Tract Owner. Driveway culverts must be installed and shall be of sufficient size to afford proper drainage of ditches without allowing water to pool, back up or be diverted from its natural course. Drainage culvert installation is subject to the inspection and approval of the Architectural Control Committee or Developer (prior to the Control Transfer Date) and shall comply with any applicable governmental rules and regulations, including approval from San Saba County, Texas. All water retainage structures (ponds, dams and other facilities) not already existing within the Subdivision must be reviewed and approved by the Architectural Control Committee or Developer (prior to the Control Transfer Date) and prior to construction and must comply with all governmental rules and regulations.

3.36. Subdividing. After the original sale of a tract of land within the Subdivision by Developer, no further subdividing may take place.

3.37. Maintenance and Landscaping of Tracts. It shall be the responsibility of each Tract Owner to prevent the development of any unclean, unsightly, or unkempt condition of any Improvement or grounds on such Tract which would tend to substantially decrease the beauty of the Subdivision as a whole or the specific area. Each Tract Owner shall be required to landscape the area around their main dwelling, barn, workshop and/or storage building on any side that faces any Road in the Subdivision. Occupancy or use of any such structure prior to completion of landscaping shall require the written approval of the Developer or ACC, shall be for good cause only, and shall be no earlier than one hundred twenty days prior to completion of landscaping.

3.38. "Dark Sky" Outdoor Lighting/Down Lighting. Any light fixture used for exterior illumination must be fully shielded, pointed downward, and placed in a manner so that the light source is not directly visible from any other properties or public roadways. In Rules and Regulations to reduce glare and light trespass into neighboring lands and to reduce negative impacts to wildlife, exterior illumination shall be restricted to light sources with a Correlated Color Temperature of 3,000K or less. As used herein, "Fully Shielded" means no direct up light (i.e., no light emitted above the horizontal plane running through the lowest point on the fixture where light is emitted). The use of streetlights should be held to a minimum. The use of reflective surfaces should always be considered as an alternative to streetlights.

3.39. 18-Wheelers. No Owner shall be allowed to drive an 18-wheeler into the Subdivision on a regular basis, 18 wheelers are only allowed during construction or for deliveries.

3.40. Prohibition on Hunting or Harming Exotic Hoof Stock. The Association and other Owners will lease the Common Areas of the Subdivision and their Tracts for exotic hoof stock grazing to help maintain the Subdivision's agricultural exemption. The killing or harming of any exotic hoof

stock is strictly prohibited. Any individual responsible for such an act, as well as the Tract Owner who allowed their access to the Property, may face a fine of up to \$5,000 per animal and any further legal action the Association deems appropriate.

ARTICLE IV
ARCHITECTURAL CONTROL COMMITTEE

4.01. Basic Control & Applications.

- (a) No Improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made to the exterior design or appearance of any Improvement, without first obtaining the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) written approval. No demolition or destruction of any Improvement by voluntary action shall be made without first obtaining the Architectural Control Committee's or Developer's (prior to the Control Transfer Date) written approval. The Architectural Control Committee (ACC) shall have exclusive jurisdiction over all construction on any portion of the Properties, including but not limited to the authority to review and approve all proposed Site plans showing where improvements are to be erected.
- (b) Each application made to the Architectural Control Committee or Developer (prior to the Control Transfer Date) for approval, shall contain an application in the form specified by the Architectural Control Committee or Developer (prior to the Control Transfer Date), two sets of professionally drawn Plans and Specifications for all proposed Improvements, showing the location of all Improvements on the Tract, and any applicable fees or deposits together with such other reasonable necessary information as the Architectural Control Committee or Developer (prior to the Control Transfer Date) shall request. These plans must be submitted in PDF format to the Developer, or after the Control Transfer Date, to the ACC. A non-refundable fee of \$250.00 is required at time of plan submittal to cover administrative costs involving the home plan approval process.
- (c) After the Control Transfer Date, members of the Architectural Control Committee may not include a board member, a board member's spouse, or anyone living in a board member's household.

4.02. Architectural Control Committee.

- (a) All ACC authority is initially vested in the Developer. The ACC authority of the Developer shall cease upon the Control Transfer Date. The Developer shall continue to have ACC authority as to any Plans and Specifications or Construction projects submitted to the Developer prior to the initial appointment of the ACC members.
- (b) After the Control Transfer Date, the Developer shall cause an instrument

transferring ACC authority to the Association to be recorded in the Official Public Records of Real Property in San Saba County, Texas. Subsequent appointments of the ACC members shall be by the Board of Directors. After the Control Transfer Date, each Member of the ACC must be a Tract Owner in the Subdivision.

- (c) After the Control Transfer Date, the Board shall provide notice to all Owners in the Subdivision of the Association's solicitation of persons interested in serving on the ACC. The notice must be provided at least 10 days before the Association appoints a person to serve on the ACC and it must contain instructions for a person to notify the Association of that person's interest in serving, including the date by which the person's notification must be received by the Association.

4.03. Effect of Inaction. All approvals or disapprovals issued by the ACC shall be in writing. In the event the ACC fails to approve or disapprove any request received by it in compliance with Article IV within thirty (30) days following the submission of a completed application and full compliance with the declarations set out herein, such request shall be deemed approved and the construction of any Improvements may commence in accordance with the Plans and Specifications submitted for approval. Any ACC approval obtained as a result of inaction by the ACC shall not authorize the construction of any Improvement in violation of these Restrictions.

4.04. Effect of Approval. The granting of an ACC approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the ACC that the proposed Improvement to be erected complies with these Restrictions; and such approval shall not prevent the Association from requiring removal of any Improvement which fails to comply with these Restrictions. Further, no ACC member shall incur any liability by reason of the good faith exercise of the authority granted hereunder.

4.05. Variance. The Developer may on a case by case basis, authorize variances from the requirements of these Restrictions at its sole discretion. The ACC may grant a variance from the requirements of these Restrictions on the reasonable opinion of the ACC, if the Restrictions unreasonably restrain the development of a Tract in accordance with the general scheme of the Subdivision. The Developer will retain the right to grant variances after the Control Transfer Date so long as the Developer continues to own a Tract or Common Area in the Subdivision. All variances shall be in writing and signed by the Developer or if granted by the ACC then it must be signed by at least two (2) members of the ACC. No violation of these Restrictions shall be deemed to have occurred with respect to any matter for which a variance is granted. The granting of such a variance shall not operate to waive any of the terms and provisions of these Restrictions for any purpose except as to the particular Tract and improvements and the particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the use of the Owner's Tract.

4.06. Construction Deposit. A deposit of \$1,000.00 must be paid at the time Plans and Specifications are submitted for the construction of a new residence, barn, workshop or storage building. This deposit will be held for the purpose of securing a Tract Owner's performance, during the construction process, of the obligations imposed by these Restrictions, for wear and tear on the Subdivision Roads by construction equipment and construction traffic, and for damage to the

Common Area. Tract Owners shall be responsible for any damage caused to the Roads or Common Area by construction equipment or trucks making deliveries to their Tract. Upon completion of construction, the Tract Owner will be refunded the deposit less any obligations incurred as a result of any uncured violation of these Restrictions, any damage to the Roads of the Subdivision and any damage to the Common Area.

ARTICLE V
SAWMILL RIDGE
PROPERTY OWNERS' ASSOCIATION, INC.

5.01. Non-Profit Corporation. Sawmill Ridge Property Owners' Association, Inc., a non-profit corporation, has been (or will be) organized and it shall be governed by the Certificate of Formation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

5.02. Bylaws. The Association has adopted, or may adopt, whatever Bylaws it may choose to govern the organization and operation of the Association, provided that the same are not in conflict with the terms and provisions hereof.

5.03. Membership. Every person or entity who is a record Owner of any Tract shall be a "Member" of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation or those only having an interest in the mineral estate. Memberships shall be appurtenant to and may not be separated from the Tracts. Regardless of the number of persons who may own a Tract, there shall be but one membership for each Tract and one (1) vote for each Tract. Ownership of a Tract shall be the sole qualification for Membership.

5.04. Voting Rights. The Association shall have two classes of voting memberships. Developer shall be entitled to ten (10) votes for each Tract owned. Each Tract, other than those owned by the Developer, shall have only one vote regardless of the number of Owners of the Tract. In the event that more than one person owns a Tract and the group of Owners do not have a unified vote for purposes hereunder, then the Association shall not recognize the vote for that Tract and such vote shall not be counted when the calculating membership votes. Notwithstanding the foregoing, the presence of any Tract Owner at a meeting of Members permits the inclusion of the Tract represented when calculating any necessary quorum.

ARTICLE VI
ASSESSMENTS

6.01. Assessments. Each Tract Owner by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association the Assessments provided herein. The Assessments shall be a charge on the Tracts and shall be a continuing lien upon the Tract against which each such Assessment is made. Both Annual and Special Assessments must be fixed at a uniform rate for all Tracts subject to assessment and may be collected on a monthly basis or on an annual basis at the discretion of the Board of Directors.

6.02. Annual Assessment.

- (a) An Annual Assessment shall be paid by each of the Owners and the Annual Assessment shall be used to pay all reasonable and necessary operating expenses and reserve requirements of the Association as herein provided and the Common Area Expenses. The Annual Assessment for the year of purchase shall be pro-rated as of the purchase date and then shall be paid annually.
- (b) The initial amount of the Annual Assessment applicable to each Tract within the Sawmill Ridge Subdivision shall be six hundred dollars (\$600.00). The Annual Assessment is payable in advance and is due on the thirty first (31) day of January during each calendar year. All other matters relating to the collection, expenditure and administration of the Annual Assessment shall be determined by the Board of Directors of the Association, subject to the provisions hereof.
- (c) The Board of Directors of the Association, from and after control is transferred from the Developer, shall have the further right at any time to adjust, alter, increase or decrease the Annual Assessment from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association and to enable the Association to carry out its duties hereunder. However, the Board of Directors shall not increase the Annual Assessment by more than ten percent (10%) from the previous year without approval of a majority of the members voting at a meeting called for the purpose of approving the increase.

6.03. Special Assessments. In addition to the Annual Assessment, the Association, upon the Vote of the Members, may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted.

6.04. Interest of Assessment. Any Assessment which is not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law.

6.05. Creation of Lien and Personal Obligation. In order to secure the payment of the Assessments, each Tract Owner hereby grants the Association a contractual lien on such Tract which may be foreclosed by non-judicial foreclosure, pursuant to the provisions of Chapter 51 of the Texas Property Code (and any successor statute); and each such Tract Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said section 51.002 of the Texas Property Code, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the association by means of written instrument executed by the President or any Vice-President of the Association and filed for record in the Official Public Records of Real Property of San Saba County, Texas. In the event the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Chapter 51 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, or the Association's agent, shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended. Upon request

by the Association, the Trustee shall give any further notice of foreclosure sale as may be required by the Texas Property Code as then amended and shall convey such Tract to the highest bidder for cash by Trustee's Deed. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with collecting the Assessments and foreclosing on the Tract, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount of the Assessment in default; and third, the remaining balance shall be paid to the Tract Owner or Lien Holder for the benefit of the Tract Owner. Following any such foreclosure, each occupant of a Tract which is foreclosed upon shall be deemed a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action for forcible detainer.

In the event of non-payment by any Tract Owner of any Assessment or other charge, fee, assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, exercise all other rights and remedies available at law or in equity, including but not limited to bringing an action at law against the Tract Owner personally obligated to pay the same.

It is the intent of the Provisions of this Article to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale. In the event of the amendment of Section 51.002 of the Texas Property Code, the Association, acting without joinder of any Tract Owner or Mortgagee, may, by amendment to these Restrictions, file any required amendments to these Restrictions so as to comply with said amendments to Section 51.002 of the Texas Property Code or any other statute applicable to foreclosures.

Notwithstanding anything contained this Article, all notices and procedures relating to foreclosures shall comply with Chapter 209 of the Texas Property Code.

6.06. Notice of Lien. In addition to the right of the Association to enforce the Assessment, the Association may file a claim of lien against the Tract of the delinquent Tract Owner by recording a Notice ("Notice of Lien" or "Affidavit of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest thereon, (c) the costs of collection which have been accrued thereon, (d) the legal description and street address of the Tract against which the lien is claimed, and (e) the name of the Tract Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Tract Owner of a reasonable fee as fixed by the Association to cover the preparation and recordation of such release of lien instrument.

6.07. Liens Subordinate to Mortgages. The lien described in this Article VI shall be deemed subordinate to any lien in favor of any bank, mortgage company, real estate lending establishment, financial institution, insurance company, savings and loan association, or any other third party lender, including the Developer, who may have advanced funds, in good faith, to any Tract Owner for the purchase, improvement, equity lending, renewal, extension, rearrangement or refinancing of any lien

secured by a Tract, provided that any such lien holder has made due inquiry as to the payment of any required assessments at the time the lien is recorded. Any consensual lien holder who obtains title to any Tract pursuant to the remedies provided in a deed of trust or mortgage or by judicial foreclosure shall take title of the Tract free and clear of any claims for unpaid assessments or other charges against said Tract which accrued prior to the time such holder acquired title to such Tract. No such sale or transfer shall relieve such holder from liability for any Assessments or other charges or assessments thereafter becoming due. Any other sale or transfer of a Tract shall not affect the Association's lien for Assessments or other charges or assessments. The Association shall make a good faith effort to give each such mortgage sixty (60) days advance written notice of the Association's foreclosure of an Assessment lien, which notice shall be sent to the nearest office of such mortgage by prepaid United State registered or certified mail, return receipt requested, and shall contain a statement of delinquent Assessment or other charges or assessments upon which the said action is based, provided however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VI.

6.08. Purpose of the Assessments. The Annual Assessments and Special Assessments shall be used exclusively for the purpose of promoting the health, safety, security and welfare of the Subdivision and the maintenance of the Common Area. In particular, the Assessments shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described herein, including the maintenance of any Subdivision Roads, Subdivision drainage easements, Common Area, Common Area Expense, the enforcement of these Restrictions and the establishment and maintenance of reserve funds. Any questions regarding whether an item is a Common Area or a Common Area Expense shall be determined by the Board. The Assessments may be used by the Association for any purpose which, in the judgment of the Association's Board of Directors, is necessary or desirable to maintain the property value of the Subdivision, including but not limited to, providing funds to pay all taxes, insurance, repairs, utilities and any other expense incurred by the Association. Except for the Association's use of the Assessments to perform its duties as described in these Restrictions, the use of the Assessments for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Board of Directors as to the expenditure of Assessments shall be final and conclusive so long as such judgment is exercised in good faith.

6.09. Handling of Assessments. The collection and management of the Assessment shall be performed by the Developer until the Control Transfer Date, at which time the Developer shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Developer, and upon transfer, the Association, shall maintain a separate account for these funds.

6.10. Developer Exemption. In consideration of the Subdivision infrastructure, the Developer shall be exempt from the payment of all Assessments.

ARTICLE VII

DEVELOPER'S RIGHTS AND RESERVATIONS

7.01. Period of Developer's Rights and Reservations. Developer shall have, retain and reserve certain rights as set forth in these Restrictions with respect to the Association from the date hereof, until the earlier of the date the Developer gives written notice to the Association of

Developer's termination of the rights described in this Article or the Control Transfer Date. The Developer rights, those being the same as Declarant Rights, set forth in these Restrictions shall not be released until such time as a document relinquishing said rights is filed of record or the Developer no longer holds record title to any Common Area or a Tract in the Subdivision. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance by the Developer whether or not specifically stated therein. The rights, reservations and easements set forth herein shall be prior and superior to any other provisions of this Declaration and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment to this Declaration. Developer's consent to any amendment shall not be construed as consent to any other amendment.

7.02. Developer's Rights to Grant and Create Easements. Developer shall have and hereby reserves the right, without the consent of any Owner or the Association, to grant or create temporary or permanent easements throughout the Subdivision, for ingress, egress, utilities, cable and satellite television systems, communication and security systems, drainage, water and other purposes incidental to the development, sale, operation and maintenance of the Subdivision.

7.03. Developer's Rights to Convey Common Area to the Association. Developer shall have and hereby reserves the right, but shall not be obligated to, convey real property and improvements thereon, if any, to the Association for use as Common Area at any time without the consent of any Owner or the Association. This conveyance shall be As-Is and with all faults, without any warranty or representations.

7.04. Annexation of Additional Areas. Developer may cause additional real property to be annexed into Subdivision, by causing a written Annexation Declaration confirming the annexation thereof, to be recorded in the Official Public Records of Real Property of San Saba County, Texas. No consent shall be required of the Association or any Member thereof, each Owner being deemed to have appointed the Developer as his agent and attorney-in fact to affect this Annexation, which power hereby granted to the Developer is and shall be a power coupled with any interest. Thereafter, the Association shall be the Association for the entirety of the Development, including the annexed property.

ARTICLE XIII

DUTIES AND POWERS OF THE PROPERTY OWNERS' ASSOCIATION

8.01. General Duties and Powers of the Association. The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has designated such powers (and subject to the provisions of the bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the Members and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Board of Directors shall minimally be composed of three individuals serving three-year staggered terms, with the titles of President, Vice-President, and Secretary/Treasurer, being assigned annually by the board of Directors.

8.02. Duty to Accept the Property and Facilities Transferred by Developer. The Association shall accept title to any real property, improvements to real property, personal property and any related

equipment which the Developer transfers to the Association, together with the responsibility to perform any all maintenance and administrative functions associated therewith, provided that such property and responsibilities are not inconsistent with the terms of these Restrictions. Property interest transferred to the Association by the Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by the Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable) but shall be subject to the terms of any declaration of covenants, conditions and restriction or easements set forth in the transfer instrument. Except as otherwise specifically approved by resolution of the board of Directors, no property or instrument transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to the Developer or any affiliate of the Developer including, but not limited to, any purchase price, rent charge or fee. Any conveyance shall be As-Is and with all faults, without any warranty or representations.

8.03. Other Insurance Bonds. The Association shall obtain such insurance as may be deemed necessary or desirable by the Board or by law, including but not limited to, comprehensive liability and casualty insurance, worker's compensation insurance, fidelity and indemnity insurance, officers and director's liability insurance, as well as such other insurances or bonds as the Association shall deem necessary or desirable.

8.04. Duty to Prepare Annual Budgets. The Association shall prepare an annual budget for the Association and deliver a copy of the annual budget to the Members along with, or prior to, the delivery of the invoice sent to each Tract Owner for the Annual Assessment. The Association shall strive to deliver the annual budget and the Annual Assessment invoice at least thirty (30) days before the start of each calendar year.

8.05. Duty to Levy and Collect Assessments. The Association shall levy, collect and enforce the Assessments as provided in these Restrictions.

8.06. Duty to Provide Annual Financial Statement. The Association shall prepare an annual financial statement, including a balance sheet, for review by the Members.

8.07. Duties with Respect to Architectural Approvals. The Association, through the ACC, shall perform the ACC duties described in these Restrictions.

8.08. Power to Acquire Property and Construct Improvements. The Association may acquire property or an interest in property (including leases and easements) for the common benefit of Owners including any improvements and personal property. The Association may construct improvements on the Subdivision property and may demolish any existing improvements.

8.09. Power to Adopt Rules and Regulation. The Association shall have the power to make reasonable rules and regulations regarding the use of the Common Area. The Association shall also have the right to promulgate such rules and regulations with respect to the Subdivision so long as the Board of the Association deems such rules and regulations necessary to promote the recreation, health, safety and welfare of the Members of the Association, or may be necessary or desirable to

further the common interest of the Members and to improve and enhance the attractiveness, desirability and safety of the Subdivision all in accordance with the provisions of these Restrictions. The rules and regulations may be enforced in the same manner as any other provision of these Restrictions.

8.10. Enforcement of Restrictions. The Association (or any Owner if the Association fails to do so after reasonable written notice) shall enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of these Restrictions. Failure by the Association or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. If it becomes necessary for any Owner or the Association to file a Court action to enforce these Restrictions, the defaulting Owner shall be liable for all reasonable attorney's fees and costs incurred by the enforcing Owner or the Association to obtain compliance by the defaulting Owner. The defaulting Owner shall be liable for all damages suffered by the enforcing Owner or the Association which shall be in an amount established by the Court.

8.11. Remedies. In the event a Tract Owner fails to remedy any violation of these Restrictions, after written notice by the Association, the Association, or its authorized representatives, may take any one or more of the following actions:

- (a) Enter upon the Tract Owner's property and remove the violating condition, document the violating condition and/or cure the violation, at the expense of the Tract Owner, and the violating Tract Owner shall pay on demand all costs and expenses, including reasonable attorney's fees, incurred by the Association in removing such violating condition;
- (b) Assess a charge of \$50.00 per day against any Tract Owner and/or his Tract until the violating condition is corrected. The Violation charge may be increased by the Association in accordance with increases in the National Consumer Price Index using 2025 as a base year and can be increased at the Board's discretion for repeat offenses. Failure to pay such assessment by the violating Tract Owner within ten (10) days from receipt of assessment will result in a lien against the Tract with the same force and effect as the lien for Annual or Special Assessments;
- (c) Impose charges for late payment of assessments;
- (d) After notice and an opportunity to be heard as provided in The Texas Property Code, levying reasonable fines for violations of this Declaration, and the Bylaws and any rules and regulations of the Association;
- (e) File suit in order to enforce the above remedies and/or pursue any other remedy which may be available at law or in equity;
- (f) Suspend an Owner's right to use the Common Area; and/or
- (g) Take any action allowed by the Texas Property Code.

After a Tract Owner receives a written notice of a violation of these Restrictions, the violating Tract Owner shall not be entitled to any further notice of the same violation if it occurs within a six (6) month period. The Association reserves the easement across each Owner's Tract for the purpose of correcting or removing conditions in violation of these Restrictions, and in doing so, shall have no liability for trespass or other tort in connection therewith, or arising from such correction or removal of a violating condition. The Association shall further have the right to have any vehicle or other property stored or used in violation of these Restrictions removed from the Owner's Tract at the expense of the Owner and stored at the expense of the Owner.

ARTICLE IX GENERAL PROVISIONS

9.01. Term. The provisions hereof shall run with the land and shall be binding upon all Owners, their guests and invitees and all other persons claiming under them for a period of forty (40) years from the date these Restrictions are recorded. These Restrictions shall be automatically extended for successive periods of twenty (20) years each time unless these Restrictions are cancelled by a two-thirds (2/3) affirmative vote of every Member of the Association and an appropriate document is recorded evidencing the cancellation of these Restrictions.

9.02. Amendments. Unless an amendment affects existing improvements, these Restrictions may be amended or changed in whole or in part by a two-thirds (2/3) affirmative vote of every Member of the Association. The Association must keep copies of all records related to such amendments permanently.

9.03. Amendment by the Developer. The Developer shall have and reserve the right at any time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend these Restrictions by an instrument in writing duly signed, acknowledged, and filed for record so long as the Developer owns any land in the Subdivision and provided that any such amendment shall be consistent with and is furtherance of the general plan and scheme of development of the Subdivision and evidenced by these Restrictions or if needed to comply with state law.

9.04. Severability. Each of these provisions of these Restrictions shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partially unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

9.05. Liberal Interpretation. The provisions of these Restrictions shall be liberally construed as a whole to effectuate the purpose of these Restrictions.

9.06. Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Developer and the Association, and their respective guests, invitees, heirs, legal representatives, executors, administrators, successors and assigns.

9.07. Effect of Violation on Mortgages. No violation of the provisions herein contained or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgage under any such mortgage, the holder of any

such lien or beneficiary of any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

9.08. Terminology. All personal pronouns used in these Restrictions, whether used in the masculine, feminine or neutral gender, shall include all other genders, the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limits nor amplifies the provisions of these Restrictions. The terms “herein”, “hereof” and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, Section or Article which such terms appear.

IN WITNESS WHEREOF, the undersigned, being the Developer, herein, has hereunto set its hand on this the 22nd day of April 2025.

[Signature follows on next page]

LSLP San Saba II, LLC, a Delaware limited liability company

By: American Land Partners, LLC, a Delaware limited liability company, Manager

By: *Bradley Price Keever*
Bradley Price Keever, Authorized Agent

STATE OF TEXAS

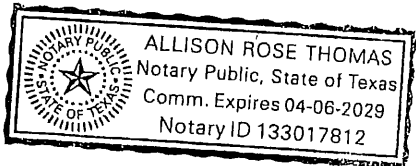
COUNTY OF Burnet

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CERTIFICATE OF ACKNOWLEDGEMENT

Before me, the undersigned Notary Public, on this day personally appeared Bradley Price Keever who is personally known to me (or proved to me through a federal or state issued ID with photo and signature of person identified) to be the person whose name is subscribed to the foregoing instrument, and who has acknowledged to me that he executed the instrument for the purposes and consideration therein expressed and in the capacity stated herein.

Given under my hand and seal of office on the 22 day of April 2025.



Allison Rose Thomas
NOTARY PUBLIC, State of Texas

FILED

AT 10:06 O'CLOCK A M
ON THE 23 DAY OF April
A.D., 20 25
INS. NO. 020547

I hereby certify that this instrument was FILED
on the date and at the time stamped hereon by
me and was duly RECORDED in the Volume and
Page of the named RECORDS of San Saba
County, Texas, as stamped hereon by me.



Cumtury
COUNTY CLERK, SAN SABA COUNTY, TEXAS

OFFICIAL PUBLIC RECORDS

COUNTY CLERK, SAN SABA COUNTY, TEXAS
BY *Yvonnei Austin* DEPUTY
VOL. 410 PAGE 243
RECORDED 04-23-2025

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