

**HIGH VIEW RANCH
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS §

WHEREAS, Hays Estrellita, Ltd. , a Texas limited partnership, Ann Michelle Debes Watkins 1992 Trust, John P. Wolff, Carol Wolff, and Judith R. White (jointly herein referred to as "Declarant"), are the owners of certain real property located in Hays County, Texas ("Property"); and

WHEREAS, Declarant desires to convey the Property subject to certain protective covenants, conditions, restrictions, liens, and charges set forth below; and

WHEREAS, Declarant desires to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future owners of the Property.

NOW, THEREFORE, it is declared (i) that all of the Property shall be held, sold, conveyed, and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof; an (ii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions, and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

**ARTICLE I
DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the following meanings:

1.01 Architectural Committee. "Architectural Committee" shall mean the committee created pursuant to this Declaration to review and approve plans for the constructions of Improvements upon the Property.

1.02 Architectural Committee Rules. "Architectural Committee Rules" shall mean the rules and regulations adopted by the Architectural Committee, as the same may be amended from time to time.

1.03 Articles. "Articles" shall mean the Articles of Incorporation of Driftwood High View Ranch Owners Association, Inc., which shall be filed in the office of the Secretary of State of the State of Texas, as from time to time amended.

1.04 Assessment. "Assessment" or "Assessments" shall mean such assessments as may be levied by the Association under the terms and provisions of this Declaration.

1.05 Association. "Association" shall mean Driftwood High View Ranch Owners Association, Inc., a Texas non-profit corporation.

1.06 Board. "Board" shall mean the Board of Directors of the Association.

1.07 Bylaws. "Bylaws" shall mean the Bylaws of the Association as adopted by the Board, and as from time to time amended.

1.08 Common Area. "Common Area" shall mean all real property, including the improvements thereto, owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association as of the date hereof is described on Exhibit "A," attached to and incorporated into this document by reference.

1.09 Declarant. "Declarant" shall mean Hays Estrellita, Ltd., a Texas limited partnership, Ann Michelle Debes Watkins 1992 Trust, John P. Wolff, Carol Wolff, and Judith R. White, their duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Hays Estrellita, Ltd., a Texas limited partnership, Ann Michelle Debes Watkins 1992 Trust, John P. Wolff, Carol Wolff, and Judith R. White as Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

1.10 Declaration. "Declaration" shall mean this instrument, and as it may be amended from time to time.

1.11 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, Outbuildings, storage sheds, barns, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps, wholes, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.12 Member. "Member" or "Members" shall mean any person, persons, entity, or entities holding membership rights in the Association.

1.13 Mortgage. "Mortgage" shall mean any mortgage or deed of trust covering any portion of the Property given to secure the payment of a debt.

1.14 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.15 Owner. "Owner" or "Owners" shall mean a person or persons, entity or entities, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include a Mortgagee.

1.16 Outbuildings. "Outbuildings" shall mean to include a single garage, either attached or detached, for not less than two cars, an office, barns, guest house, and servants' quarters detached from the building; and such garage and servants quarters may include a laundry room and laundry services to be used for the convenience of the occupants of the dwelling house and not as a public laundry.

1.17 Person. "Person" or "Persons" shall mean any individual, individuals, entity, or entities having the legal right to hold title to real property.

1.18 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control 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, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, sample of exterior colors, plans for utility services, and all other documentation or information relevant to such improvement.

1.19 Plat. "Plat" shall mean that certain subdivision plat recorded in Volume ___, Page ___, Plat Records of Hays County, Texas, as amended from time to time.

1.20 Property. "Property" shall mean that real property which is subject to the terms of this Declaration, which is comprised of the property described on Exhibit "B," attached to and incorporated herein by reference, less any land withdrawn from the Property in accordance with Section 2.02 below.

1.21 High View Ranch Restrictions. "High View Ranch Restrictions" shall mean this Declaration, as the same may be amended from time to time, together with High View Ranch Rules, Committee Rules and the Articles and Bylaws of the Association from time to time in effect, as the same may be amended from time to time.

1.22 High View Ranch Rules. "High View Ranch Rules" shall mean the rules and regulations adopted by the Board as the same may be amended from time to time.

1.23 Supplemental Declaration. "Supplemental Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded hereafter in order to withdraw land from the Property.

1.24 Tract. "Tract" shall mean and refer to any one of the plots or tracts of land subdivided within the Property.

ARTICLE II DEVELOPMENT OF THE PROPERTY

2.01 Development. Owners, including Declarant, may divide or subdivide the Property into smaller tracts of no less than twenty-five acres each.

ARTICLE III GENERAL RESTRICTIONS

The Property (and the improvements situated thereon) shall be occupied and used subject to the following covenants and restrictions:

3.01. Residential, Wildlife Habitat and Agricultural Purposes. The Property shall be used exclusively for single family residential purposes (but may include an office for an Owner's personal business), wildlife habitat or agricultural business consistent with containing and maintaining an agricultural tax exemption; whether the occupants are Owners of a Tract or are occupying a Tract pursuant to a rental or leasing arrangement.

3.02. Violation of Laws. No Owner shall permit anything to be done or kept on his Tract which would violate any applicable public law or zoning ordinance.

3.03 Offensive Activities. No noxious or offensive activity shall be conducted on any portion of the

Property that will adversely affect the peace, quiet, comfort or serenity of any other Owners. This prohibition shall include, but not be limited to, noise pollution such as barking dogs, other noisy animals, loud music, music concerts, vehicle racing, industrial manufacturing, junkyards or any other activity that can be construed as out of character in regard to the intent of these Restrictions. No exterior horns, whistles, bells, or sirens (other than security devices used exclusively for security purposes) shall be located, used, or placed on any portion of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants. In order to protect the water quality of the Property, only biodegradable herbicides, pesticides, fertilizers and like material shall be permitted to be placed upon the ground or on vegetation.

3.04. Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property or any Tract and no odors shall be permitted to arise therefrom so as to render the Property or any portion of it unsanitary or unsightly. Refuse, garbage, and trash shall be kept at all times in covered containers appropriately screened from view. The Property nor any part thereof shall be used or maintained as a dumping ground for rubbish. No incinerators or other equipment for the storage or disposal of such material shall be permitted. No junk, repair, or wrecking yard shall be located on the Property or any Tract.

3.05 Antennae. No antenna, tower or other devices designed to receive telecommunication signals shall be permitted that exceed of forty-five feet in height from the ground.

3.06 Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of insurance or cause the cancellation of insurance on any Tract.

3.07 Subdividing. No portion of the Property shall be further divided or subdivided to create a new Tract containing less than twenty-five (25) acres, nor may any easements or other interests in the Property or any Tract less than the whole be conveyed. Any subdividing of any portion of the Property shall be in accordance with all applicable ordinances, rules and regulations of Hays County and other applicable governing bodies.

3.08 Dwelling Size and Style. For any residence located on the Property, (i) the minimum floor area, exclusive of porches (screened or open) and garages, shall be 1,500 square feet, (ii) shall be single family only, and (iii) shall have roofs, exteriors and landscaping that blend favorably with the aesthetics of the High View Ranch and surrounding countryside. No structure shall be taller than 40 feet. It is also contemplated that dwellings be of hill country or southwestern style, or interpretation thereof, and follow good design as to proportions, scale, color-coordination, and be of materials that are compatible with the surroundings (specifically, no reflective materials are to be used for siding or roofing). Porches are encouraged; stone veneer is also encouraged.

3.09. Animals. No commercial breeding, housing or production of large animals, birds, swine, emus, reptiles or ostriches will be permitted on the Property. Horses, llamas, alpacas, sheep, goats and cattle will be permitted on the Property, but no more mature animals than 1 unit per three acres shall be permitted. Further, no commercial breeding, housing or production of small animals, birds, chickens, reptiles, game birds or game animals shall be permitted on the Property.

3.10 Hunting. Commercial hunting shall not be permitted on the Property.

3.11 Repair of Improvements. All Improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted and otherwise maintained.

3.12 Roofing Materials. Roofs shall be constructed of the following materials: (i) wood shingles; (ii) asphalt three (3) tab composition shingles ; (iii) non-reflective metal; or (iv) tile.

3.13 Septic Systems. Installation of septic tank soil- absorption sewerage disposal system shall be in

accordance with the minimum recommendations by the Division of Sanitary Engineering, Texas State Department of Health, and inspected by a duly authorized agent of Hays County Health Department or other appropriate governing bodies. The drainage of any sewage into any road, ditch, surface easement, or water body, either directly or indirectly is prohibited. Outside toilets, privies and cesspools shall be prohibited on the Property except for temporary chemical toilets placed at an active construction site.

3.14 Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth.

3.15 Unightly Articles; Vehicles. No unsightly articles shall be permitted to remain on any Tract so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the above, trailers, graders, trucks (other than pickups), boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment, shall be kept at all times, except when in actual use, screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Service areas, storage areas, compost piles and facilities for hanging, drying, or airing clothing or household fabrics shall be appropriately screened from public view and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, or refuse of trash shall be kept, stored or allowed to accumulate on any portion of the Property.

3.16 Temporary Structures, Mobile and Manufactured Homes, Travel Trailers and Recreational Vehicles. No garage, trailer, tent, shack, barn, or other outbuilding shall be used for residential purposes on the Property, on a temporary or permanent basis. Temporary contractors' buildings may be used during construction of improvements. No mobile home or manufactured housing shall be parked or placed on the Property or any Tract at any time, and no travel trailers or recreational vehicles shall be parked on the Property or any Tract so as to be visible from adjoining property or public or private thoroughfares. No boat, motor home and/or travel trailer may be parked in view of adjoining property or public or private thoroughfares.

3.17 Unfinished Structures. No structure shall remain unfinished for more than eight (8) months after the same has been commenced.

3.18 Setback Requirements. Setback requirements for Tracts are (i) 200 feet from any road upon which the Property or Tract abuts, (ii) 200 feet from the boundary line of the Property or any Tract unless the Owner of such Tract owns contiguous Tract(s) and in that instance, no setback is applicable to the boundary line between such contiguous Tracts and (iii) any other set back requirements imposed by applicable governmental entity. Notwithstanding anything contained herein to the contrary, Tracts 1 and 2 (as shown on the Plat), shall have a setback requirement of fifty feet (50') from the south boundary line of such Tracts; Tract 5 (as shown on the Plat), shall have a setback requirement of one hundred fifty feet (150') from the east boundary line of such Tract; Tract 8 (as shown on the Plat), shall have a setback requirement of one hundred fifty feet (150') from the west boundary line of such Tract and a setback requirement of three hundred feet (300') from the south boundary line of such Tract.

3.19 Rentals. Nothing in this Declaration shall prevent the rental of any Tract and the Improvements thereon by the Owner thereof for residential purposes.

3.20 Private Roadway. The Owners shall pay for the maintenance of the private roadway that runs through the Property (the "Road") being more fully described on Exhibit "A" attached hereto. Specifically, each Owner shall pay annually a Road assessment of \$15/acre/year per Road entrance basis, with the maximum annual assessment being \$1,000 per Road entrance and the minimum annual assessment being \$500 per Road entrance (by way of example only, if a Tract contains 100 acres, the annual assessment will be \$1,000.00; if a Tract contains 10 acres, the annual assessment will be \$500.00). Circle driveways into a Tract will be considered a

single Road entrance. If a majority of the Owners agree that a lesser annual Road assessment will be adequate to maintain the Road, then the Owners will only be liable for the agreed upon lesser Road assessment amount. Notwithstanding anything contained herein to the contrary, Hays Estrellita, Ltd. shall not be responsible for the payment of any maintenance expenses or assessments of the Road until January 1, 2005.

3.21 Vegetative Diseases. The Association shall have the right to monitor the Tracts for the presence of vegetative diseases, such as Oak Wilt, and if a vegetative disease is found, request that the Owner of such Tract take such curative and preventative action as may be necessary to prevent the spread of such disease. If such Owner does not take such action, the Association is authorized to do so and all expenses of such action will be assessed to such Owner.

3.22 Fencing. All fences shall be properly maintained and be constructed of such material as to be in conformance with the hill country. Specifically, fencing material may be wooden, sheep and goat wire, barbed wire, and smooth wire; posts may be wooden, t-posts, or metal (either natural or painted black or dark green). No chain link type fencing is permitted on the Property. Rock fences and masonry columns will be allowed.

3.23 Fires. Brush burning and fireworks shall only be permitted in wet weather conditions and with prior notice given by the Owner to the other Owners. Fireworks shall not be used in anyway that will startle livestock or persons on other Tracts. All campfires or cooking fires shall be in enclosed areas or pits.

3.24. Outdoor Lighting. Due to the rural nature of the Property, and the desire of Declarant to maintain "dark skies", all Owners shall abide by the lighting provisions of the Dripping Springs Lighting Ordinance, as amended from time to time. All outdoor lighting shall be shielded in such a manner as not to interfere with other Owners enjoyment of the nighttime sky.

3.25 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article III or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Tract in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Tract, agrees to hold Declarant harmless therefrom.

ARTICLE IV

DRIFTWOOD HIGH VIEW RANCH OWNERS ASSOCIATION, INC.

4.01 Organization. The Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association. The Association shall be a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Articles and Bylaws and in this Declaration. Neither the Articles nor the Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

4.02 Membership. Any Person, upon becoming an Owner, shall automatically become a Member of the Association. Membership shall be appurtenant to and shall run with the property interest which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated, except together with the title to the said property interest.

4.03 Voting Rights. The right to cast votes, and the number of votes which may be cast, for election of members to the Board of Directors of the Association, and on all other matters to be voted on by the Members, shall be calculated as provided below.

(a) The Owner of each Tract within the Property shall have one vote for each acre contained in each Tract so owned.

4.04 Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration. Without in any way limiting the generality of the two preceding sentences, the Association and the Board, acting on behalf of the Association, shall have the power and authority at all times as follows:

(a) High View Ranch Rules and Bylaws. To make, establish, and promulgate, and in its discretion to amend or repeal and re-enact, such High View Ranch Rules and Bylaws, not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions.

(b) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association functions.

(c) Records. To keep books and records of the Association's affairs.

(d) Assessments. To levy assessments as provided in Article VI below. An assessment is defined as that sum which must be levied in the manner and against the property set forth in Article VII in order to raise the total amount for which the levy in question is being made.

(e) Right of Entry and Enforcement. To enter at any time in an emergency (or in the case of a non-emergency, after twenty-four (24) hours written notice), without being liable to any Owner, upon any Tract for the purpose of enforcing the High View Ranch Restrictions or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to the High View Ranch Restrictions, and the expense incurred by the Association in connection with the entry upon any Tract and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Tract entered upon, shall be a lien upon the Tract entered upon and Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VII hereof for regular and special assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the High View Ranch Restrictions. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the High View Ranch Restrictions.

(f) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.

(g) Conveyances. To grant and convey to any person or entity the real property and/or other interest therein including fee title, leasehold estates, easements, rights-of-way, or mortgages out of, in, on, over, or under any Association property for the purpose of constructing, erecting, operating, or maintaining the following:

- (1) Parks, parkways or other recreational facilities or structures;
- (2) Roads, streets, walks, driveways, trails and paths;
- (3) Lines, cables, wires, conduits, pipelines or other vices for utility purposes;
- (4) Sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines; and/or

(5) Any similar public, quasi-public or private improvements or facilities.

Nothing above, however, shall be construed to permit use or occupancy of any Improvement or other facility in a way which would violate applicable use and occupancy restrictions imposed by other provisions of this Declaration.

(h) Manager. To retain and pay for the services of a person or firm (the Manager") to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the Association and the Board may delegate any other duties, powers and functions to the Manager. The members of the Association hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power, or function so delegated.

(i) Association of Property Services. To pay for water, sewer, garbage removal, landscaping, gardening and all other utilities, services and maintenance for the property of the Association; to maintain and repair easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes and other areas of the Property, as appropriate; and to own and operate any and all types of facilities for both active and passive recreation.

(j) Other Services and Properties. To obtain and pay for any other property and services, and to pay for other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, or the Articles or Bylaws of the Association.

(k) Construction on Association Property. To construct new improvements or additions to Association properties, subject to the approval of the Architectural Committee as required by this Declaration.

(l) Contracts. To enter into contracts with Declarant and other persons on such terms and provisions as the Board shall determine, to operate and maintain any Common Area or to provide any service or perform any function on behalf of Declarant or other person.

(m) Property Ownership. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease gift, or otherwise.

4.05 Maintenance. The Association shall (i) maintain all streets which have been completed but not accepted by the appropriate governmental entity for maintenance, (ii) maintain all Common Area dedicated to the Association for maintenance, by or with the consent of Declarant, and (iii) maintain the landscaping and entry sign located at the entrance of the Property, and all median strips which have not been accepted by any governmental entity for maintenance.

4.06 Common Area. Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have the following duties:

(a) To accept, own, operate, and maintain all Common Area which may be conveyed or leased to it by Declarant, together with all improvements of whatever kind and for whatever purpose which may be located in said areas; and to accept, own operate, and maintain all other property, real and personal, conveyed or leased to the Association by Declarant and to maintain in good repair and condition all lands, improvements, and other Association property owned by, or leased to, the Association. Such maintenance shall include but not be limited to mowing and removal of rubbish or debris of any kind.

(b) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not

levied directly upon the members of the Association. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(c) To execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Association. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second, or other junior lien as shall be deemed appropriate by the Association, on the improvement or other facility to be constructed, together with such underlying and surrounding lands as the Association deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees, assessment of the members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by the Association, but subject to the limitations imposed by this Declaration.

(d) To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment in the Common Area. Such insurance shall be in an amount as the Board shall deem appropriate.

4.07 Indemnification. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, committee member, employee, servant or agent of the Association against expenses, including attorney's fees, reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, or (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of Nolo Contendere, of its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, servant, or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

ARTICLE V ARCHITECTURAL COMMITTEE

5.01 Membership of Architectural Committee. The Architectural Committee shall consist of not more than three (3) voting members ("Voting Members"). The initial voting members of the Architectural Committee shall be David Culver, John Wolff and Ann Michelle Debes Watkins.

5.02 Action by Architectural Committee. Items presented to the Architectural Committee shall be decided by a majority vote of the Voting Members.

5.03 Advisory Members. The Voting Members may from time to time designate Advisory Members.

5.04 Term. Each member of the Architectural Committee shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein.

5.05 Adoption of Rules. The Architectural Committee may adopt such procedural and substantive rules, not

in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to a building code, a fire code, a housing code, and other similar codes as it may deem necessary and desirable. Each Owner shall comply with said rules as the same may be amended from time to time, and failure to comply with said rules shall constitute a default of this Declaration, and any Owner, including Declarant, at its sole expense and/or the Board may seek any of the remedies set forth herein for default of this Declaration.

5.06 Review of Proposed Construction. Whenever in this Declaration, or in any Supplemental Declaration, the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which, in its sole discretion, are relevant. Prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefor shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Committee. The Architectural Committee may review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Architectural Committee of any information or document deemed necessary by the Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. No Improvement shall be allowed on any Tract which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes and materials and similar features as to be incompatible with high quality, restricted residential development within the Property. The Architectural Committee based upon the restrictions set forth in the preceding sentence and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. The Architectural Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

5.07 Variance. The Architectural Committee may grant variances from compliance with any of the provisions of this Declaration, or any Supplemental Declaration, when, in the opinion of the Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from high quality development of the Property, and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and must be signed by a majority of the voting members of the Architectural Committee. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Tracts for any purpose except as to the particular property and in a particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification, or amendment of the terms and provisions hereof.

5.08 Actions of the Architectural Committee. The Architectural Committee may, by resolution, unanimously adopted in writing, designate one or two of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Committee. In the absence of such designation, the vote of a majority of all of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

5.09 No Waiver of Future Approvals. The approval or consent of the Architectural Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Architectural Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

5.10 Work in Progress. The Architectural Committee, at its option, may inspect all work in progress to insure compliance with approved Plans and Specifications.

5.11 Nonliability of Architectural Committee Members. Neither the Architectural Committee, nor any member thereof, nor the Board, nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Architectural Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Committee or its member or the Board or its member, as the case may be. Neither the Architectural Committee, nor the members thereof, shall be liable to any Owner due to the construction of any Improvement within the Property.

5.12 Address. Plans and Specifications shall be submitted to the Architectural Committee, c/o David Culver at 114 Oak Park Drive, Boerne, Texas 78006, or such other address as may be designated by Declarant, its successors and assigns, from time to time.

5.13 Fees. The Architectural Committee shall have the right to require a reasonable submission fee for each set of Plans and Specifications submitted for its review.

5.14 Certificate of Compliance. Upon completion of any Improvement approved by the Architectural Committee and upon written request by the Owner of the Tract, the Architectural Committee shall issue a Certificate of Compliance in a form suitable for recordation. The Certificate shall indemnify the Tract and the Improvement, the use or uses to be conducted thereon, and the Plans and Specifications on file with the Architectural Committee pursuant to which the Improvements were made and shall specify that the Improvements comply with the approved Plans and Specifications. The Certificate shall not be construed to certify the acceptability, sufficiency, or approval by the Architectural Committee of the actual construction of the Improvements or of the workmanship or materials thereof. The Owner is hereby notified that the Certificate in no way warrants, except as set forth above, the sufficiency, acceptability, or approval by the Architectural Committee of the construction, workmanship, materials, or equipment of the Improvements. Preparation and recordation of such a Certificate shall be at the expense of the Owner of the improved Tract.

ARTICLE VI FUNDS AND ASSESSMENTS

6.01 Assessments.

(a) Assessments established by the Board pursuant to the provisions of this Article VI shall be levied on a uniform basis against each Tract within the Property. The amount of the Assessment shall be determined by dividing the total amount determined by the Board to be necessary pursuant to Section 6.03 and/or 6.04 hereof by the total number of acres within the Property at the time the Assessment is levied, as determined by reference to each Plat of a portion of the Property which is of record at the time the Assessment is levied.

(b) Each unpaid assessment, together with interest and costs of collection, as provided below, shall be the personal obligation of the Owner of the Property against which the Assessment fell due, and shall become a vendor's lien against each such Tract and all its Improvements. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

6.02 Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by

this Declaration, as it may from time to time be amended.

6.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the High View Ranch Restrictions, including but not limited to, the cost of all maintenance, the cost of providing street lighting, the cost of enforcing the High View Ranch Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as provided herein, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including non payment of any individual Assessment, the Association may at any time, and from time to time, levy further Assessments in the same manner as provided above. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion. In no event shall the regular annual assessment per acre for the year 2003 exceed the sum of \$2.00. Thereafter, at the Board's sole and absolute discretion, the maximum regular annual assessment permitted hereunder may be increased by no more than five percent (5%) per year. The maximum regular annual assessment may be increased by more than five per cent (5%) during a year only by affirmative vote of two-thirds (2/3) of each class of Members, voting in person or by proxy, at a meeting duly called for such purpose.

6.04 Special Assessments. In addition to the regular annual Assessments provided for above, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the High View Ranch Restrictions. The amount of any special Assessments shall be at the reasonable discretion of the Board. In no event shall the total special assessment per acre during the year 2003 exceed the sum of \$1.00. Thereafter, the maximum special assessment permitted hereunder may increase by no more than five percent (5%) per year. In addition to the special assessments authorized above, the Association may, in an assessment year, levy a special assessment applicable to that assessment year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, provided that any such special assessment shall have the assent of two-thirds (2/3) of the votes for each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

6.05 Owner's Personal Obligation for Payment of Assessments. The regular and special Assessments provided for herein shall be the personal and individual debt of the Owner of the Tract covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Tract shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof, together with all costs and expenses of collection, including reasonable attorneys' fees.

6.06 Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, shall, together with interest as provided in Section 6.05, and the cost of collection, including reasonable attorneys' fees, thereupon become a continuing lien and charge on the Tract covered by such Assessment, which shall bind such Tract in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors, or assigns. This lien shall be superior to all other liens and charges against the said Tract, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust liens of record, securing in either instance sums borrowed for the acquisition or improvement of the Tract in question. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association to evidence the aforesaid Assessment lien, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Tract covered by such lien, and a description of the Tract. Such notice shall be signed by one of the officers of the Association and shall be recorded in the

office of the County Clerk of Hays County, Texas. Such lien for payment of Assessments shall attach with the priority set forth above from the date that such payment become delinquent and may be enforced by the foreclosure of the defaulting Owner's Tract by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of Assessment lien as provided above, or the Association may institute suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorneys' fees incurred. The Association shall have the power to bid on the property at foreclosure, or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee, the Association shall report to said Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

ARTICLE VII EASEMENTS

7.01 Reserved Easements. All dedications, limitation, restrictions, and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights, made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed, or conveyance executed, or to be executed, by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner, or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, cable television, electricity, telephone and drainage), in favor of any person or entity, along and on either or both sides of any Tract line, which said easement shall have a maximum width of 7.5 feet on each side of such Tract line.

7.02 Installation and maintenance. There is hereby created an easement upon, across, over and under all of the Property for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, gas, telephones, electricity and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wire, conduits, service lines, or other utility facilities or appurtenances thereto, on above, across and under the property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement. Notwithstanding any provision contained in this section, no electrical lines, water lines or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Committee. The utility companies furnishing service shall have the right to remove all trees situated within the utilities easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

7.03 Drainage Easements. Each owner covenants to provide easements for drainage and water flow, as contours of land the arrangement of Improvements approved by the Architectural committee thereon, require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat. There shall be no construction of Improvements, temporary or permanent, in any drainage easement, except as approved in writing by the Architectural Committee.

7.04 Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility

service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation, or repair of any facility in any such easement area.

7.05 Common Area. Each Owner shall have an easement of use and enjoyment in and to all Common Area which shall be appurtenant to and shall pass with title to such Owner's Tract, subject to the following provisions:

(a) The right of the Association to suspend the Owner's voting rights and right to use the Common Area for any period during which any Assessment against such Owner's Tract remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association;

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a majority vote of the Members;

(c) The right of the Association to borrow money for the purpose of improving the Common Area and, in furtherance thereof, mortgage the Common Area, all in accordance with the Articles and Bylaws;

(d) The right of the Association to make reasonable rules and regulations regarding the use of the Common Area and any facilities thereon; and

(e) The right of the Association to contract for services with third parties on such terms as the Association may determine.

ARTICLE VIII MISCELLANEOUS

8.01 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2023, unless amended as herein provided. After December 31, 2023, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least three-fourths (3/4) of the Tracts within the Property then subject to this Declaration.

8.02 Amendment. This Declaration may be amended by the recording in the Hays County Official Public Records of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least seventy-five percent (75%) of the number of votes entitled to be cast pursuant to Section 4.03 hereof.

8.03 Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

8.04 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the fundamental concepts of the Property set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

8.05 Compliance with Provisions of High View Ranch Restrictions. Each Owner shall comply strictly with the provisions of the High View Ranch Restrictions as the same may be amended from time to time. Failure to comply with any of the High View Ranch Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Association or by an aggrieved Owner.

8.06 Enforcement and Nonwaiver.

(a) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board shall have the right to enforce all of the provisions of High View Ranch Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.

(b) Nonwaiver. The failure to enforce any provision of the High View Ranch Restrictions at any time shall not constitute a waiver of the right there-after to enforce any such provision or any other provision of said restrictions.

8.07 Construction.

(a) Restrictions Severable. The provisions of the High View Ranch Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforce-ability of any other provision or portion thereof.

(b) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

(c) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or other-wise effect that which is set forth in any of the paragraphs, sections or articles hereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the ____ day of _____, 2003.

DECLARANT

Hays Estrellita, Ltd.
a Texas limited partnership
by its general partner:
Parmano GP, Inc.
a Texas corporation

By:_____
E. F. Romano, III, President

Ann Michelle Debes Watkins 1992 Trust

By:_____
Trustee

John P. Wolff

Carol Wolff

Judith R. White

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2003, by E. F. Romano, III, President of Parmano GP, Inc., a Texas corporation which is the general partner of Hays Estrellita, Ltd., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2003, by _____, Trustee of Ann Michelle Debes Watkins 1992 Trust, on behalf of said trust.

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2003, by John P. Wolff.

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2003, by Carol Wolff.

Notary Public, State of Texas

STATE OF TEXAS §

 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2003, by Judith R. White.

Notary Public, State of Texas

EXHIBIT “A”

COMMON AREA/ROADWAY

EXHIBIT “B”

THE PROPERTY