

La Ventana Ranch Owners' Association, Inc.

Articles of Incorporation



EXHIBIT B

ARTICLES
OF
INCORPORATION

FILED
In the Office of the
Secretary of State of Texas

JUL 21 1999

Corporations Section

ARTICLES OF INCORPORATION
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

The undersigned, being a natural person of the age of eighteen (18) years or more and who is a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is LA VENTANA RANCH OWNERS' ASSOCIATION, INC., hereinafter sometimes referred to as the "Corporation".

ARTICLE II

The Corporation is a non-profit corporation, and shall have all the powers specified in and allowable under the Texas Non-Profit Corporation Act. No part of the assets or net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article IV below.

ARTICLE III

The period of the Corporation's duration is perpetual.

ARTICLE IV

The purpose for which the Corporation is organized is for the cooperation of members of the Corporation for the enhancement, preservation, protection and maintenance of La Ventana, a master-planned residential community located in Hays County, Texas (the "Subdivision"). In order to carry out such general purpose, the Corporation shall have the general power to: (i) fix assessments (or charges) to be levied against lots within the Subdivision and establish services without the obligation to be provided for the benefit of the members of the Corporation; (ii) enforce the Declaration of Covenants, Conditions and Restrictions for the Subdivision (the "Declaration") to be recorded in the Official Public Records of Real Property of Hays County, Texas, and any and all agreements applicable to the Subdivision; (iii) insofar as permitted by law, these Articles of Incorporation, the Bylaws, the Declaration and any other agreements or dedicatory instruments applicable to the Subdivision, to do any other thing of a similar nature that will promote the common benefit and enjoyment of the owners of lots within the Subdivision, as authorized by the Articles of Incorporation, Bylaws, Declaration, any other agreement or dedicatory instrument, or by applicable law; and (iv) enter into a contract with (a) La Ventana Driftwood, LP (acting through its

general partner, FourStar Residential Ranches, LLC), (b) an affiliate of La Ventana Driftwood, LP, or © another third-party (and such party's successors and assigns), for the management, operation, maintenance or other responsibility, either in whole or in part, of the Subdivision and the performance of the powers and duties, either in whole or in part, of the Corporation. The Corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes, and nothing contained in the foregoing statement of purposes shall be construed to authorize the Corporation to carry on any activity for the profit of its members, or to distribute any gains, profits or dividends to its members as such.

ARTICLE V

The mailing address of the initial registered office of the Corporation is c/o FourStar Residential Ranches, LLC, 1501 Elder Hill Road, Driftwood, Texas 78619, and the name of its initial registered agent at such address is Lee P. Wood.

ARTICLE VI

The Corporation shall be a membership corporation without certificates or shares of stock. All owners, by virtue of their ownership of a lot within the Subdivision, are members of the Corporation. The members shall be divided into classes and entitled to vote in accordance with the provisions contained in the Bylaws and in the Declaration.

ARTICLE VII

The business and affairs of the Corporation shall be conducted, managed and controlled by a board of directors. The board may delegate such operating authority to such companies, individuals or committees as it, in its discretion, may determine. The number of directors constituting the initial board of directors is three (3), and the names and addresses of the persons who are to serve as directors are:

1. Michael J. Levenson - 1501 Elder Hill Rd., Driftwood, TX 78619.
2. Benjamin A. Levenson - 1501 Elder Hill Rd., Driftwood, TX 78619.
3. Lee P. Wood - 1501 Elder Hill Rd., Driftwood, TX 78619.

ARTICLE VIII

To the fullest extent permitted by applicable law, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a director of the Corporation

shall not be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director. Any amendment of these Articles of Incorporation shall be prospective only and shall not adversely offset any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or amendment. In addition, the Corporation shall be entitled to indemnify its directors, officers, employees and/or members, the Subdivision manager (and its constituent partners and their respective directors, officers, employees, shareholders and/or members), Declarant and others acting on the ROA's behalf, including, without limitation, members of any architectural review committee or other similar committee and any third-party agents and contractors, to the fullest extent allowed by applicable law.

ARTICLE IX

The Corporation may be dissolved only as provided in the Bylaws and by the laws of the State of Texas.

ARTICLE X

The internal affairs of the Corporation shall be regulated by the Bylaws. The Bylaws of the Corporation shall be adopted by the board of directors of this Corporation and shall thereafter be amended, altered or repealed by a vote of the board of directors of the Corporation as provided in the Bylaws.

ARTICLE XI

The name and address of the incorporator of the Corporation is:

Lee P. Wood
PO Box 250
Driftwood, TX 78619

IN WITNESS WHEREOF, I, the undersigned incorporator of the Corporation, executed these Articles of Incorporation this 20th day of July, 1999.



Lee P. Wood

La Ventana Ranch Owners' Association, Inc.

Budget



La Ventana Ranch Owners' Association, Inc.

2026 Annual Budget

	2025	2026	% Variance
Income			
Income			
4000 - Assessment	481,992.00	529,104.00	9.77 %
4050 - Contribution to Reserves Income	60,000.00	72,922.00	21.54 %
Total Income	541,992.00	602,026.00	11.08 %
Income - Fees			
4100 - Interest Income	480.00	1,380.00	187.50 %
Operating	180.00	780.00	333.33 %
Reserve	300.00	600.00	100.00 %
Total Income - Fees	480.00	1,380.00	187.50 %
Other Income			
4505 - Key Fob Income	300.00	300.00	.00 %
4510 - Livestock Proceeds	1,200.00	4,350.00	262.50 %
4515 - Clubhouse Rental Income	2,400.00	2,400.00	.00 %
Total Other Income	3,900.00	7,050.00	80.77 %
Total Income	546,372.00	610,456.00	11.73 %
Expense			
Administrative Expense			
5000 - Admin Expenses	500.00	12,000.00	2,300.00 %
5010 - Bank Charges	25.00	150.00	500.00 %
5012 - Delinquency Fees	936.00	2,400.00	156.41 %
5030 - Management Fee	17,940.00	19,068.00	6.29 %
5058 - Printing	600.00	400.00	(33.33) %
5059 - Misc Expense	300.00	300.00	.00 %
5060 - Postage & Delivery	720.00	1,200.00	66.67 %
5071 - Website Mgmt	500.00	-	(100.00) %
5075 - Dues/Licenses/Permits	300.00	300.00	.00 %
6112 - Committee-Social	2,400.00	2,400.00	.00 %
6113 - Committee-Welcome	600.00	600.00	.00 %
6130 - Professional Fees: Legal	10,000.00	15,000.00	50.00 %
6137 - Social Events	-	1,000.00	100.00 %
6152 - Professional Fees: Legal Water	30,000.00	-	(100.00) %
Total Administrative Expense	64,821.00	54,818.00	(15.43) %

La Ventana Ranch Owners' Association, Inc.

2026 Proposed Annual Budget

	2025	2026	% Variance
Repairs & Maintenance Expenses			
5200 - General Repairs & Maintenance	64,719.00	71,000.00	9.71 %
5210 - Gate R&M	10,800.00	6,000.00	(44.44) %
5212 - Club/Fitness R & M	26,000.00	30,500.00	17.31 %
5215 - Fence Repairs	23,000.00	15,000.00	(34.78) %
5220 - Electrical R&M	720.00	720.00	.00 %
5222 - Access Ctrl-Maint	1,500.00	8,500.00	466.67 %
5230 - Plumbing R&M	1,000.00	1,000.00	.00 %
5235 - Access Ctrl-Keys/Remotes	3,600.00	4,500.00	25.00 %
5240 - Roofing R&M	5,000.00	5,000.00	.00 %
6133 - Pool Repair	5,000.00	10,000.00	100.00 %
Total Repairs & Maintenance Expenses	141,339.00	152,220.00	7.70 %
Grounds Expense			
5700 - Irrigation Repair	1,800.00	11,800.00	555.56 %
5710 - Landscaping Upgrades Expense	30,000.00	20,000.00	(33.33) %
5730 - Signage	-	500.00	100.00 %
5740 - Tree Trimming	6,000.00	6,000.00	.00 %
5750 - Misc. Grounds Expense	-	500.00	100.00 %
5935 - Holiday Lights	3,200.00	2,500.00	(21.88) %
5937 - Safety & Security	168.00	10,700.00	6,269.05 %
6110 - Committee-Perimeter Path	2,400.00	2,400.00	.00 %
6128 - Livestock Expense	19,000.00	29,750.00	56.58 %
Total Grounds Expense	62,568.00	84,150.00	34.49 %
Contracts			
5910 - Janitorial Contract	9,360.00	9,640.00	2.99 %
5920 - Landscaping Contract	56,700.00	58,400.00	3.00 %
5921 - Pest Control Contract	800.00	824.00	3.00 %
5930 - Security Monitoring	4,800.00	-	(100.00) %
6125 - Pool Cleaning Contract	24,000.00	24,720.00	3.00 %
6126 - Pool Chemicals	6,000.00	17,500.00	191.67 %
6165 - Janitorial-Supplies	1,000.00	1,000.00	.00 %
6187 - Janitorial-Porter	1,760.00	600.00	(65.91) %
6261 - Septic Contracts	265.00	285.00	7.55 %
Total Contracts	104,685.00	112,969.00	7.91 %

La Ventana Ranch Owners' Association, Inc.

2026 Proposed Annual Budget

	2025	2026	% Variance
Utility			
6180 - Natural Gas	2,400.00	2,000.00	(16.67) %
6220 - Electric	11,400.00	11,400.00	.00 %
6230 - Phone/Cell	1,440.00	1,440.00	.00 %
6235 - Internet/Communication	876.00	4,320.00	393.15 %
6250 - Trash	2,400.00	2,500.00	4.17 %
6260 - Water & Sewer	6,000.00	6,000.00	.00 %
6350 - Cable	3,132.00	1,320.00	(57.85) %
Total Utility	27,648.00	28,980.00	4.82 %
Insurance & Taxes			
8000 - General Liability Insurance	3,120.00	22,000.00	605.13 %
8002 - Insurance F&EC or Package	15,072.00	-	(100.00) %
8010 - D&O Insurance	2,944.00	5,000.00	69.84 %
8030 - Property Tax	3,000.00	3,000.00	.00 %
8040 - Audit & Tax Expense	875.00	875.00	.00 %
Total Insurance & Taxes	25,011.00	30,875.00	23.45 %
Reserve			
9050 - Contribution to Reserves	60,000.00	72,922.00	21.54 %
Total Reserve	60,000.00	72,922.00	21.54 %
Total Expense	486,072.00	536,934.00	10.46 %

La Ventana Ranch Owners' Association, Inc.

Bylaws



FIRST AMENDED BYLAWS
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
I Name, Principal Office, and Definitions	
A. Name	1
B. Principal Office.....	1
C. Definitions	1
II ROA: Membership, Meetings, Quorum, Voting, Proxies	
A. Membership	1
B. Place of Meetings	1
C. Annual Meetings	2
D. Special Meetings	2
E. Notice of Meetings	2
F. Waiver of Notice	2
G. Adjournment of Meetings	2
H. Voting	3
I. Joint or Common Ownership	3
J. Majority	3
K. Quorum	3
L. Conduct of Meetings	3
M. Action Without a Meeting	3
N. Proxies	4
III Board of Directors; Number, Powers, Meetings	
A. Composition and Selection	4
1. Governing Body; Composition	4
2. Directors During Class "B" Membership Existence	4
3. Number of Directors	4
4. Nomination and Election of Class "A" Directors	4
5. Term of Office; Removal of Directors and Vacancies	5
B. Meetings	5
1. Organizational Meetings	5
2. Regular Meetings	6
3. Special Meetings	6

4.	Waiver of Notice	6
5.	Quorum of Board of Directors	6
6.	Compensation	7
7.	Conduct of Meetings	7
8.	Action Without a Formal Meeting	7
C.	Powers and Duties	7
1.	Powers	7
2.	Management	10
3.	Accounts and Reports	10
4.	Borrowing	11
5.	Enforcement	11
IV	Officers	
A.	Officers	12
B.	Election, Term of Office and Vacancies	12
C.	Removal	12
D.	Powers and Duties	12
E.	Resignation	13
F.	Agreements, Contracts, Deeds, Leases, Checks, Etc	13
V	Committees	
A.	General	13
VI	Indemnification	13
VII	Miscellaneous	
A.	Fiscal Year	14
B.	Parliamentary Rules	15
C.	Conflicts	15
D.	Books and Records	15
E.	Notices	15
F.	Amendment	15

FIRST AMENDED BYLAWS
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

ARTICLE I

Name, Principal Office, and Definitions

- A. Name. The name of the corporation shall be La Ventana Ranch Owners' Association, Inc. ("ROA").
- B. Principal Office. The principal office of the ROA initially shall be located at 1501 Elder Hill Road, Driftwood, Texas 78619.
- C. Definitions. Capitalized terms used but not defined in these Bylaws shall have the same meanings as set forth in that Declaration of Covenants Conditions and Restrictions for La Ventana recorded in the Official Public Records of Real Property of Hays County, Texas (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"). La Ventana Ranch Owners' Association, Inc. shall be referred to herein as "ROA" or the "Association".

ARTICLE II

ROA: Membership, Meetings, Quorum, Voting, Proxies

- A. Membership. The ROA shall have two (2) classes of membership, Class "A" and Class "B". All Owners of Lots shall be Members of the ROA.
- Section 1. "Class "A" Members" shall be all Members with the exception of the Class "B" Member. Each Class "A" Member shall be entitled to one (1) vote per Lot owned by such Class "A" Member (the "Class "A" Votes").
- Section 2. The sole "Class "B" Member" shall be the Declarant - La Ventana Driftwood, LP (acting through its general partner, FourStar Residential Ranches, LLC) - and its successor and assigns. The Class "B" Member shall be entitled to four (4) votes per Lot owned by the Class "B" Member (the "Class "B" Votes").
- B. Place of Meetings. Meetings of the ROA shall be held at the principal office of the ROA or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

C. Annual Meetings. The first meeting of the Members of the ROA, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the ROA. Subsequent regular annual meetings shall be set by the Board of Directors.

D. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the ROA if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least thirty-three percent (33%) of the total Class "A" Votes. Any such petition shall include a statement as to all items expected to be presented at such special meeting. Such petition shall only be valid if the matter(s) to be presented are matter(s) which Members are entitled to vote on pursuant to Article II, Section H, below. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof.

E. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Such notice shall contain an agenda for such meeting. In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as authorized and as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail first class addressed to the Member at his or her address as it appears on the records of the ROA, with postage thereon prepaid.

F. Waiver of Notice. Waiver of notice of a meeting of the ROA shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the ROA, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised in writing before the business is put to a vote.

G. Adjournment of Meetings. If any meeting of the ROA cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, in person (or by proxy), may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

H. Voting. The voting rights of the Members shall be as set forth herein and in the Declaration. Each Class A Member as of the date of the notice of such meeting shall be entitled to one vote at such meeting, such notice date being the date of record for purposes of these Bylaws. Except as otherwise specifically provided herein or in the Declaration, the votes allocated to each Lot shall be cast only by the Owner of such Lot, or his or her proxy, as more particularly provided herein or in the Declaration. The Members shall have the right to vote only on the following matters: 1) Nomination and election of the Board (requiring a majority) ; 2) Removal of Directors (requiring a majority) ; 3) Amendment of the Declaration in accordance with the terms of the Declaration ; 4) Mergers, dissolution or sale of substantially all of ROA assets (requiring two thirds of the total eligible number of votes) ;and 5) Any other matter(s) authorized by the Declaration. Any Member who is delinquent in the payment of any ROA assessment or is otherwise in violation of any of the terms of the Declaration or of the ROA rules and regulations as of the date of record (for which violation written notice had been delivered by the ROA to such Member prior to the date of record) shall not be entitled to vote at such meeting. Class B Member(s) may vote at such meeting in accordance with Article II, A, Section 2 of these Bylaws.

I. Joint or Common Ownership. Any Property interest entitling Member(s) thereof to vote as herein provided, jointly or in common by more than one Person, shall require Member(s) to designate, in writing, the individual Person or Member who shall be entitled to cast such vote(s) and no other Person shall be authorized to vote on behalf of such Property interest. A copy of such written designation shall be filed with the Secretary of the Board before any such vote may be cast, and upon the failure of Member(s) thereof to file such designation, such votes shall neither be cast nor counted for any purpose whatsoever.

J. Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number of votes.

K. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing ten percent (10%) of the total eligible votes in the ROA (i.e., Class "A" Votes plus Class "B" Votes) shall constitute a quorum at all meetings of the ROA.

L. Conduct of Meetings. The President shall preside over all meetings of the ROA, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting and all transactions occurring at the meeting.

M. Action Without a Meeting. Any action required by law to be taken at a meeting of the ROA or any action that may be taken at a meeting of the ROA, may be taken without a meeting if written consent setting forth the action so taken is signed by the Owners of two thirds of the total eligible number of votes with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

N. Proxies. At all meetings of the ROA, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

ARTICLE III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection

Section 1. Governing Body: Composition. The affairs of the ROA shall be governed by a Board of Directors, each of whom shall have one (1) vote. After Class "B" Membership ceases to exist, all directors must be Members. However, so long as Class "B" Membership exists, directors are not required to be Members. In the case of a Member that is a corporation or partnership, the person designated in writing by either proxy or a resolution to the Secretary of the ROA as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Membership Existence

(a) During the existence of Class "B" Membership, the Class "B" Member shall retain control and authority to appoint all members of the Board of Directors of the ROA. Class "B" Membership ceases on January 1, 2020 or when eighty percent (80%) of all Lots and Undeveloped Lots are sold and closed, whichever occurs later or at any earlier time as may be determined by the Class "B" Member. At such time, the Class "B" Votes of the Class "B" Member shall be converted to Class "A" Votes.

Section 3. Number of Directors. The number of directors of the ROA shall be not less than three (3) nor more than nine (9), as provided in Section 5 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation. After Class "B" Membership ceases to exist, the Board shall consist of not less than seven (7) directors.

Section 4. Nomination and Election of Class "A" Directors After Class "B" Membership Ceases To Exist

(a) Once Class "B" Membership ceases to exist, nominations for election of Directors to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of the Chairman of the Board of Directors, and three (3) or more Class "A" Members of the ROA elected by Class "A" Members. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the ROA to

serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting.

(b) Elections of Directors to the Board of Directors shall be by secret written ballot at annual meetings of the ROA. At such election, the Class "A" Members or their proxies may cast, in respect to each vacancy as many Class "A" Votes as they are entitled to exercise under the provisions of these Bylaws. The person(s) receiving a majority of Class "A" Votes shall be elected. No cumulative voting shall be permitted.

Section 5. Term of Office; Removal of Directors and Vacancies.

(a) The term of the initial three (3) Directors shall expire on June 30, 2003. Any vacancy created during the term of any Director may be filled by appointment by the Class "B" Member.

(b) Thereafter, at each annual meeting of the Members held during the period of Class "B" Membership, the Class "B" Member shall appoint the applicable number of Directors to serve for the following calendar year. All Directors shall serve one (1) year terms from July 1st to June 30th. Directors may be reappointed and/or reelected, as applicable.

(c) Any director appointed by the Class "B" Member may be removed, with or without cause, by the Class "B" Member. Upon removal of a director appointed by the Class "B" Member, the Class "B" Member shall appoint a successor to fill the vacancy for the remainder of the term of such director. After Class "B" Membership ceases to exist, a Director who was elected at large by the votes of Class "A" Members may be removed from office prior to the expiration of his or her term only by the votes of a majority of Class "A" Members. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected within thirty (30) days by the Class "A" Members entitled to elect the Director so removed to fill the vacancy for the remainder of the term of such Director.

(d) At each annual meeting of the ROA, immediately following appointment and/or election of the directors (as applicable), the directors shall elect (by a majority vote of the directors) a Chairman who will preside over all Board of Director meetings held during the following calendar year.

B. Meetings.

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Membership shall be held within sixty (60) days thereafter at such time and place as shall be fixed by the Chairman of the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Chairman of the Board,

but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to the directors not less than three (3) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Board of Director meetings may be conducted by telephone communication provided that all directors are properly notified of such telephonic meeting in accordance with these Bylaws and provided further that all directors who are participating in such telephonic meeting can hear each other for the duration of such telephonic meeting. Alternatively, the Board of Directors may schedule a regular meeting date, place and time and, after forwarding notice of the same, shall not have the obligation to give future notices until a change is made.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice issued at the request of the Chairman of the Board or by any three (3) directors; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting. The notice shall be given to each director by one of the following methods: (I) by personal delivery; (ii) written notice by first class mail, postage prepaid; (iii) by telephone communication, facsimile or other such communication methods, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the ROA. Notices sent by first-class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 4. Waiver of Notice. The transaction of any meeting (regular or special) of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting in writing before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present (or participating, if a telephonic meeting) at a meeting at which a quorum is present (or participating, if a telephonic meeting) shall constitute the decision of the Board of Directors. If any meeting of the Board cannot be held because a quorum is not present (or participating), a majority of the directors who are present (or participating) at such meeting may adjourn the meeting to a time not less than three (3) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present (or

participating), any business that might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the ROA for acting as such; provided, however, that a director may be reimbursed for actual expenses incurred on behalf of the ROA in the performance of his or her duties upon approval of a majority of the other directors.

Section 7. Conduct of Meetings. The Chairman of the Board shall preside over all meetings of the Board of Directors, and a secretary appointed by the Board at such meeting shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 8. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the ROA and shall have all of the powers and duties necessary for the administration of the ROA's affairs. The Board of Directors shall delegate to one or more of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager that might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws, Texas law or by any resolution of the ROA that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, to the extent deemed necessary by the Board, if at all, the following, in way of explanation, but not limitation:

(a) entering into a contract with (a) La Ventana Driftwood, LP (acting through its general partner FourStar Residential Ranches, LLC), (b) an affiliate of La Ventana Driftwood, LP, or (c) another third-party (and such party's successors and assigns), for the management, operation, maintenance or other responsibility, either in whole or in part, of the Property and the performance of the powers and duties, either in whole or in part, of the ROA set forth herein;

(b) preparing and adopting of annual budgets;

(c) establishing periodic ROA dues and assessments, establishing the means and methods of collecting such dues and assessments, and establishing the payment schedule for special assessments, if other than annual;

(d) collecting ROA dues and assessments, depositing and investing the proceeds thereof in a bank depository that it shall approve, and using the proceeds to operate the ROA; provided, any reserve fund may be deposited and invested, in the directors' reasonable business judgment, in accounts, securities and/or investments other than bank depository accounts (the Board shall have no liability, either jointly, personally or individually, for the loss of said sums);

(e) accepting, owning and operating, caring, up keeping and maintaining all Common Area including the Private Roads;

(f) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area, in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(g) designating, hiring, and dismissing the personnel or contractors necessary for the operation of the ROA and the maintenance, operation, repair, and replacement of the Common Area, and, where appropriate, providing for the compensation of such personnel and for the purchase or rental of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(h) making and amending ROA rules and regulations and those imposed by the Declaration;

(i) opening of bank accounts and investment accounts on behalf of the ROA and designating the signatories required;

(j) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by the ROA and bringing or defending any proceedings that may be instituted on behalf of or against the Owners concerning the ROA;

(k) obtaining and carrying insurance, if available, against casualties and liabilities (including, without limitation, directors and officers liability insurance) with policy limits, coverage and deductibles as deemed reasonable by the Board of Directors and paying the premium cost thereof;

(l) paying the cost of all bills, taxes (real and personal property), assessments and services rendered to the ROA;

(m) keeping books with detailed accounts of the receipts and expenditures affecting the ROA and its administration;

(n) maintaining a membership register reflecting, in alphabetical order, the names, property addresses and mailing addresses of all Members;

(o) making available upon request to any prospective purchaser, any Owner, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, for any proper purpose during normal business hours by advance appointment, copies of the Declaration, the Articles of Incorporation, the Bylaws, ROA rules and regulations governing such Lot and all other books, records, and financial statements of the ROA for a reasonable charge;

(p) permitting utility suppliers, the Declarant and others to use portions of the Common Areas as may be reasonably necessary for the ongoing development or operation of the Subdivision;

(q) leasing any Common Area(s) to third-parties, including Declarant, for a) agricultural purposes and the right to occupy and operate any Common Area(s) for agricultural purposes including, without limitation, the following activities: cultivating the soil, producing crops for human food, animal feed or for the production of fibers; floriculture, viticulture, and horticulture; raising or keeping livestock; raising or keeping exotic animals for the production of human food or of fiber, leather, pelts, or other tangible products having a commercial value; and planting cover crops or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure, b) golf driving range, and c) private entertaining and catering of Members and non-members;

(r) establishing and maintaining wildlife management program(s) within any Common Area(s);

(s) providing or causing to be provided services to Members for a fee and the right to contract with third parties to provide such services;

(t) entering upon any Lot at any time in an emergency, involving an immediate threat of serious injury to persons or property, or in a non-emergency after twenty-four hours written notice, without being liable to any Owner, for the purpose of enforcing the Declaration, maintaining or avoiding any injury to persons or property or repairing any area, Improvement or other facility to conform to the Declaration, reasonably calculated to notify the Owner of the ROA's intentions so as to provide the owner an opportunity to address them prior to such entry. The expense incurred by the ROA in connection with the entry made in accordance herewith upon any Lot and the maintenance and repair work conducted thereon shall be the personal obligation of the Owner of the Lot entered upon, shall be secured by a lien upon the Lot entered upon and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VI of the Declaration. The ROA 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 Declaration. The ROA is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Declaration;

(u) Indemnifying and reimbursing and/or advancing expenses and/or purchasing and maintaining insurance, including errors and omission policies of insurance, or any other arrangement on behalf of any Person who is or was a director or officer of the ROA against any liability asserted against such Person and incurred by such person in such a capacity or arising out of his status as such a Person to the maximum extent permitted by Article 1396 S 2.22A of the Texas Non-Profit Corporation Act, as such Act may from time to time be amended (without regard, however, to Section Q of such Article with respect to officers of the ROA who are not directors of the ROA). Further, the ROA, acting through the Board, may indemnify and agree to reimburse/and/or advance expenses and/or purchase and maintain insurance, including errors and omission policies of insurance, or any other arrangement on behalf of any Person, other than any Person who is a director of the ROA, who is or was an officer, employee or agent of the ROA or a member of the Architectural Committee, or is or was serving at the request of the ROA as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trustee, employee benefit plan or other enterprise, against any liability incurred against such Person and incurred by such Person in such a capacity or arising out of his status as such a Person, to such extent (or, in the case of officers of the ROA, to such further extent), consistent with applicable law, as the Board may from time to time determine. The provisions of this Section shall not be deemed exclusive of any other rights to which any such Person may be entitled under any section of the Declaration, agreement, insurance policy, vote of Members or otherwise. All costs and expenses of the insurance and other arrangements described herein shall be covered by Assessments; and

(v) Any other power and duty provided for by the Declaration.

Section 2. Management. The Board of Directors may employ for the ROA a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws. The Members hereby release the ROA, Declarant and the members of the Board both in their official capacities and individually, from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

Section 3. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) Accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed.
- (b) Accounting and controls should conform to generally accepted accounting principles.
- (c) Cash accounts of the ROA shall not be commingled with any other accounts.

(d) No remuneration without full disclosure and prior agreement of the Board of Directors, or as contained in a written management contract, shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the ROA, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the ROA.

(e) Any financial or other interest that any director, Member or the managing agent may have in any firm providing goods or services to the ROA shall be disclosed in advance to the Board of Directors.

(f) Commencing at the end of the quarter in which the first Lot is sold and closed, financial reports shall be prepared for the ROA quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual or cash basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments that remain delinquent.

(g) An annual report consisting of at least the following shall be made available at each meeting of Members to all Members within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant.

Section 4. Borrowing. The ROA shall have the power to borrow money from any Person (and may pledge ROA assets as collateral for any such loan) for the purpose of maintenance, repair, restoration of the Common Area, or for any other proper purpose without the approval of the Members of the ROA.

Section 5. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Lot of the violating Owner, and to suspend an Owner's right to vote or limit any person's right to use the Common Area, if any, for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted by the ROA;

provided, however, nothing herein shall authorize the ROA or the Board of Directors to limit ingress and egress to or from a Lot. In addition, the ROA shall be entitled to suspend any services provided by the ROA to a Lot in the event that the Owner of such Lot is more than thirty (30) days delinquent in paying any assessment due to the ROA. In the event that an occupant, guest or invitee of a Lot violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the ROA. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

As provided in the Declaration, any assessment and/or fine not paid by an Owner to the ROA following notice and within applicable cure period(s) may result in a lien being imposed against the Lot, which can be acted upon and/or foreclosed by the ROA. In addition, the ROA, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the ROA by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations and perform exterior maintenance) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, fines, costs to repair, including reasonable attorneys' fees actually incurred.

ARTICLE IV

Officers

A. Officers. The officers of the ROA shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

B. Election, Term of Office and Vacancies. The officers of the ROA shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the ROA. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

C. Removal. Any officer may be removed, with or without cause, by a majority vote of the Board of Directors whenever in its judgment the best interests of the ROA will be served thereby.

D. Powers and Duties. The officers of the ROA shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time

to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the ROA. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and these Bylaws and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

E. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

F. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the ROA shall be executed by at least two (2) officers or such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V

Committees

A. General. The Board of Directors is hereby authorized to establish committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee and in accordance with such rules as are adopted by the Board of Directors. All committees of the ROA, except the Architectural Committee, shall be vested with advisory powers only and is not authorized to act on behalf of the ROA. Officers of the ROA may also serve as committee members.

ARTICLE VI

Indemnification

To the fullest extent permitted by applicable law, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a Director of the ROA shall not be liable to the ROA for monetary damages, or otherwise, for an act or omission in the Director's capacity as a Director. Any amendment of these Bylaws shall be prospective only and shall not adversely offset any limitation on the personal liability of a Director of the ROA existing at the time of such repeal or amendment. In addition, the ROA shall be entitled to indemnify its Directors, officers, employees and/or Members, the Subdivision Manager (and its constituent partners and their respective directors, officers, employees, shareholders and/or members) and others acting on the ROA's behalf, including, without limitation, members of the Architectural Committee or other similar committees and any third-party agents and contractors, to the fullest extent allowed by applicable law. 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 contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, Architectural Committee Member, or employee of the Association (the "Indemnified Party or Parties") against reasonable expenses to be paid directly and as actually and reasonably incurred (including attorney's fees, judgments, fines and amounts paid in settlement, including interest, costs and expenses) by the Indemnified Party in connection with such action, suit or proceeding if it is found and determined by the Board or a Court of Law that the Indemnified Party 1) acted in good faith and in a manner the Indemnified Party 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 not reasonable cause to believe the Indemnified Party's conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of *Nolo Contendere* or its equivalent, shall not of itself create a presumption that the Indemnified Party did not act in good faith or in a manner which the Indemnified Party 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 the Indemnified Party's conduct was unlawful.

Furthermore, without limiting the foregoing in any way, the Association does hereby agree to IDEMNIFY AND HOLD HARMLESS and does hereby INDEMNIFY AND HOLD HARMLESS the Indemnified Parties, jointly and severally, from any and all claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgements and causes of action, whether in contract, tort or equity, of whatever nature or character, both known and unknown, whether held or accrued in the past, present or to accrue in the future, including reasonable attorneys fees and expenses incurred, which may hereafter be asserted by any Person, firm, corporation or other entity, arising out of or in any way related to or connected with, directly or indirectly, any act or omission committed by the Indemnified Party in such Indemnified Party's official capacity as a director, officer, Architectural Committee Member, employee. This indemnity provision applies even if such claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgements and causes of action were caused in whole or in part by any obligation, act, omission, negligence, breach of contract, misconduct, violation of statutory or common law, breach of warranty, product defect, or conduct of any type by such Indemnified Parties.

ARTICLE VII

Miscellaneous

A. Fiscal Year. The fiscal year of the ROA shall be January 1st to December 31st of each year.

B. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of ROA proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Bylaws.

C. Conflicts. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and/or these Bylaws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

D. Books and Records.

Section 1. Inspection by Members and Mortgagees. The Declaration, Bylaws, and Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the ROA, books of account, and the minutes of meetings of the ROA shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, a Member of the ROA, or by the duly appointed representative of any of the foregoing at any reasonable time and for a proper purpose during normal business hours at the office of the ROA or at such other place within the subdivision as the Board shall prescribe, by appointment.

Section 2. Rules for Inspection. The Board shall establish reasonable rules with respect to: (i) notice to be given to the custodian of records; (ii) hours and days of the week when such an inspection may be made by appointment for a proper purpose; and (iii) payment of the cost of reproducing copies of documents requested.

Section 3. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the ROA and the physical property owned or controlled by the ROA. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the ROA.

E. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class postage prepaid:

(a) if to a Member, at the address that the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the ROA, the Board of Directors, or the managing agent, at the principal office of the ROA or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

F. Amendment. These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of a majority of the Board of Directors and the consent of the

Class "B" Member, so long as such membership exists. Notwithstanding the above, the percentage of votes or other approval necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment may remove, revoke, or modify any right or privilege of the Class "B" Member without the written consent of Declarant or the assignee of such right or privilege.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of La Ventana Ranch Owners' Association, Inc., a Texas non-profit corporation;

That the foregoing First Amended Bylaws constitute the first amended Bylaws of said ROA, as duly adopted at a meeting of the Board of Directors thereof held on the 11th day of October, 2001.

IN WITNESS WHEREOF, I have executed these First Amended Bylaws on behalf of the ROA on this 11th day of October, 2001.

Secretary

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Sep 26, 2002 at 01:49P
Document Number: 02026515
Amount 133.00
Lee Carlisle
County Clerk
By
Rose Robinson, Deputy
Hays County

THIRD AMENDED BYLAWS
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

ARTICLE I

Name, Principal Office and Definitions

A. **Name.** The name of the corporation shall be La Ventana Ranch Owners' Association, Inc. ("ROA").

B. **Principal Office.** The principal office of the ROA initially shall be located at 1501 Elder Hill Road, Driftwood, Texas 78619.

C. **Definitions.** Capitalized terms used but not defined in these Bylaws shall have the same meanings as set forth in that Declaration of Covenants Conditions and Restrictions for La Ventana recorded in the Official Public Records of Real Property of Hays County, Texas (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "**Declaration**"). La Ventana Ranch Owners' Association, Inc. shall be referred to herein as "ROA" or the "Association."

ARTICLE II

ROA: Membership, Meeting, Quorum, Voting, Proxies

A. **Membership.** The ROA shall have two (2) classes of membership, Class "A" and Class "B." All Owners of Lots shall be Members of the ROA.

Section 1. "**Class "A" Members**" shall be all Members with the exception of the Class "B" Member. Each Class "A" Member shall be entitled to one (1) vote per Lot owned by such Class "A" Member (the "**Class "A" Votes**").

Section 2. The sole "**Class "B" Member**" shall be the Declarant – La Ventana Driftwood, LP (acting through its general partner, FourStar Residential Ranches, LLC) – and its successor and assigns. The Class "B" Member shall be entitled to four (4) votes per Lot owned by the Class "B" Member (the "**Class "B" Votes**").

B. **Place of Meetings.** Meetings of the ROA shall be held at the principal office of the ROA or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

C. Annual Meetings. The first meeting of the Members of the ROA, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the ROA. Subsequent regular annual meetings shall be set by the Board of Directors.

D. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the ROA if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least thirty-three percent (33%) of the total Class "A" Votes. Any such petition shall include a statement as to all items expected to be presented at such special meeting. Such petition shall only be valid if the matter(s) to be presented are matter(s) which Members are entitled to vote on pursuant to Article II, Section H. below. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof.

E. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Such notice shall contain an agenda for such meeting. In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as authorized and as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail first class addressed to the Member at his or her address as it appears on the records of the ROA, with postage thereon prepaid.

F. Waiver of Notice. Waiver of notice of a meeting of the ROA shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the ROA, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised in writing before the business is put to a vote.

G. Adjournment of Meetings. If any meeting of the ROA cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, in person (or by proxy), may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to members in the manner prescribed for regular meetings.

H. Voting. The voting rights of the Members shall be as set forth herein and in the Declaration. Each Class A Member as of the date of the notice of such meeting shall be entitled to one vote at such meeting, such notice date being the date of record for purposes of these

Bylaws. Except as otherwise specifically provided herein or in the Declaration, the votes allocated to each Lot shall be cast only by the Owner of such Lot, or his or her proxy, as more particularly provided herein or in the Declaration. The Members shall have the right to vote only on the following matters: 1) Nomination and election of the Board (requiring a majority); 2) Removal of Directors (requiring a majority); 3) amendment of the Declaration in accordance with the terms of the Declaration; 4) Mergers, dissolution or sale of substantially all of ROA assets (requiring two thirds of the total eligible number of votes); and 5) Any other matter(s) authorized by the Declaration. Any Member who is delinquent in the payment of any ROA assessment or is otherwise in violation of any of the terms of the Declaration or of the ROA rules and regulations as of the date of record (for which violation written notice had been delivered by the ROA to such Member prior to the date of record) shall not be entitled to vote at such meeting. Class B Member(s) may vote at such meeting in accordance with Article II, A, Section 2 of these Bylaws.

I. Joint or Common Ownership. Any Property interest entitling Member(s) thereof to vote as herein provided, jointly or in common by more than one Person, shall require Member(s) to designate, in writing, the individual Person or Member who shall be entitled to cast such vote(s) and no other Person shall be authorized to vote on behalf of such Property interest. A copy of such written designation shall be filed with the Secretary of the Board before any such vote may be cast, and upon the failure of Member(s) thereof to file such designation, such votes shall neither be cast nor counted for any purpose whatsoever.

J. Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number of votes.

K. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing ten percent (10%) of the eligible votes in the ROA (i.e., Class "A" Votes plus Class "B" Votes) shall constitute a quorum at all meetings of the ROA.

L. Conduct of Meetings. The President shall preside over all meetings of the ROA, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting and all transactions occurring at the meeting.

M. Action Without a Meeting. Any action required by law to be taken at a meeting of the ROA or any action that may be taken at a meeting of the ROA, may be taken without a meeting if written consent setting forth the action so taken is signed by the Owners of two thirds of the total eligible number of votes with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

N. Proxies. At all meetings of the ROA, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

ARTICLE III

Board of Directors; Number, Powers, Meetings

A. Composition and Selection

Section 1. Governing Body; Composition. The affairs of the ROA shall be governed by a Board of Directors, each of whom shall have one (1) vote. After Class "B" Membership ceases to exist, all directors must be Members. However, so long as Class "B" Membership exists, directors are not required to be Members. In the case of a Member that is a corporation or partnership, the person designated in writing by either proxy or a resolution to the Secretary of the ROA as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Membership Existence.

- (a) Notwithstanding the provisions of Article III A. Section 3, during the existence of Class "B" Membership, there shall be five members of the Board of Directors of the ROA and the Class "B" Member shall retain control and authority to appoint three of those five members (those three directors being the "Class "B" Directors"). Class "B" Membership ceases on January 1, 2020 or when eighty percent (80%) of all Lots and Undeveloped Lots are sold and closed, whichever occurs later or at any earlier time as may be determined by the Class "B" Member. At such time, the Class "B" Votes of the Class "B" Member shall be converted to Class "A" Votes.
- (b) Notwithstanding anything in these Bylaws to the contrary, during the existence of Class "B" Membership, the Class "A" Members shall retain control and authority to appoint two of the five members of the Board of Directors of the ROA (those two directors being the "Class "A" Directors"); provided, however, that the nominees for Class A directors shall be determined by unanimous vote of the then existing Class B directors and the then existing Class A directors. Only nominees so approved may be elected. The initial Class A directors shall be Brian Fenske and Glenn Rosilier and, notwithstanding the provisions of Article III. A. Section 5 or anything else in these Bylaws to the contrary, these Class A directors shall serve one year terms ending on the later of September 30, 2007 or when their successors shall be duly elected and qualified, subject to their earlier resignation or removal.
- (c) If, pursuant to the preceding subsection, the Class "B" Member designates any number of positions on the Board of Directors to be nominated and elected by Class "A" Members, said election shall take place in conformity with the provisions set forth below in Section 4 of this Article. The designation of Class "A" Member positions on Board shall not be

deemed a waiver of any right, privilege, or power afforded to the Class "B" Member under these Bylaws.

Section 3. Number of Directors. As provided in Article III. A. Section 2, the number of directors of the ROA shall be five (5). After Class "B" Membership ceases to exist, the Board shall consist of not less than seven (7) directors.

Section 4. Nomination and Election of Class "A" Directors After Class "B" Membership Ceases to Exist.

- (a) Once Class "B" Membership ceases to exist, nominations for election of Directors to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of the Chairman of the Board of Directors, and three (3) or more Class "A" Members of the ROA elected by Class "A" Members. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the ROA to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting.
- (b) Elections of Directors to the Board of Directors shall be by secret written ballot at annual meetings of the ROA. At such election, the Class "A" Members or their proxies may cast, in respect to each vacancy as many Class "A" Votes as they are entitled to exercise under the provisions of these Bylaws. The person(s) receiving a majority of Class "A" Votes shall be elected. No cumulative voting shall be permitted.

Section 5. Term of Office; Removal of Directors and Vacancies

- (a) Any vacancy created during the term of any Class "B" Director may be filled by appointment by the Class "B" Member and any vacancy created during the term of any Class "A" Director may be filled by election of the Class "A" Members.
- (b) Thereafter, at each annual meeting of the Members held during the period of Class "B" Membership, the Class "B" Member shall appoint the applicable number of Class "B" Directors to serve for the following term and the Class "A" Members shall elect the applicable number of Class "A" Directors to serve the following term. All Directors shall serve one (1) year terms from October 1st to September 30th. Directors may be reappointed and/or reelected, as applicable.
- (c) Any director appointed by the Class "B" Member may be removed, with or without cause, by the Class "B" Member. Upon removal of a director appointed by the Class "B" Member, the Class "B" Member shall appoint a successor to fill the vacancy for the remainder of the term of such director. Any Director who was elected at large by the votes of Class "A" Members may be removed from office prior to the expiration of his or her

term only by the votes of a majority of Class "A" Members. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected within thirty (30) days by the Class "A" Members entitled to elect the Director so removed to fill the vacancy for the remainder of the term of such Director.

- (d) At each annual meeting of the ROA, immediately following appointment and/or election of the directors (as applicable), the directors shall elect (by a majority vote of the directors) a Chairman who will preside over all Board of Director meetings held during the following calendar year.

B. Meetings.

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Membership shall be held within sixty (60) days thereafter at such time and place as shall be fixed by the Chairman of the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Chairman of the Board, but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to the directors not less than three (3) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Board of Director meetings may be conducted by telephone communication provided that all directors are properly notified of such telephonic meeting in accordance with these Bylaws and provided further that all directors who are participating in such telephonic meeting can hear each other for the duration of such telephonic meeting. Alternatively, the Board of Directors may schedule a regular meeting date, place and time and, after forwarding notice of the same, shall not have the obligation to give future notices until a change is made.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice issued at the request of the Chairman of the Board or by any three (3) directors; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting. The notice shall be given to each director by one of the following methods: (i) by personal delivery; (ii) written notice by first class mail, postage prepaid; (iii) by telephone communication, facsimile or other such communication methods, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the ROA. Notices sent by first-class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 4. Waiver of Notice. The transaction of any meeting (regular or special) of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting in writing before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present (or participating, if a telephonic meeting) at a meeting at which a quorum is present (or participating, if a telephonic meeting) shall constitute the decision of the Board of Directors. If any meeting of the Board cannot be held because a quorum is not present (or participating), a majority of the directors who are present (or participating) at such meeting may adjourn the meeting to a time not less than three (3) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present (or participating), any business that might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the ROA for acting as such; provided, however, that a director may be reimbursed for actual expenses incurred on behalf of the ROA in the performance of his or her duties upon approval of a majority of the other directors.

Section 7. Conduct of Meetings. The Chairman of the Board shall preside over all meetings of the Board of Directors, and a secretary appointed by the Board at such meeting shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 8. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the ROA and shall have all of the powers and duties necessary for the administration of the ROA's affairs. The Board of Directors shall delegate to one or more of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager that might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws, Texas law or by any resolution of the ROA that may hereafter be adopted, the Board of Directors shall, subject to the provisions of Article IV. G., have the power to establish policies relating to, and shall be responsible for performing or

causing to be performed, to the extent deemed necessary by the Board, if at all, the following, in way of explanation, but not limitations:

- (a) entering into a contract with (a) La Ventana Driftwood, LP (acting through its general partner FourStar Residential Ranches, LLC), (b) an affiliate of La Ventana Driftwood, LP, or (c) another third-party (and such party's successors and assigns), for the management, operation, maintenance or other responsibility, either in whole or in part, of the Property and the performance of the powers and duties, either in whole or in part, of the ROA set forth herein;
- (b) preparing and adopting of annual budgets;
- (c) establishing periodic ROA dues and assessments, establishing the means and methods of collecting such dues and assessments, and establishing the payment schedule for special assessments, of other than annual;
- (d) collecting ROA dues and assessments, depositing and investing the proceeds thereof in a bank depository that it shall approve, and using the proceeds to operate the ROA; provided, any reserve fund may be deposited and invested, in the directors' reasonable business judgment, in accounts, securities and/or investments other than bank depository accounts (the Board shall have no liability, either joint, personally or individually, for the loss of said sums);
- (e) accepting, owning and operating, caring, up keeping and maintaining all Common Area including the Private Roads;
- (f) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area, in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;
- (g) designating, hiring and dismissing the personnel or contractors necessary for the operation of the ROA and the maintenance, operation, repair, and replacement of the common Area, and, where appropriate, providing for the compensation of such personnel and for the purchase or rental of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (h) making and amending ROA rules and regulations and those imposed by the Declaration;
- (i) opening of bank accounts and investment accounts on behalf of the ROA and designating the signatories required;
- (j) enforcing by legal means the provisions of the Declaration, these bylaws, and the rules and regulations adopted by the ROA and bringing or

defending any proceedings that may be instituted on behalf of or against the Owners concerning the ROA;

- (k) obtaining and carrying insurance, if available, against casualties and liabilities (including, without limitation, directors and officers liability insurance) with policy limits, coverage and deductibles as deemed reasonable by the Board of Directors and paying the premium cost thereof;
- (l) paying the cost of all bills, taxes (real and personal property), assessments and services rendered to the ROA;
- (m) keeping books with detailed accounts of the receipts and expenditures affecting the ROA and its administration;
- (n) maintaining a membership register reflecting, in alphabetical order, the names, property addresses and mailing addresses of all Members;
- (o) making available upon request to any prospective purchaser, any Owner, any first Mortgagee, and the holders insurers, and guarantors of a first Mortgage on any Lot, for any proper purpose during normal business hours by advance appointment, copies of the Declaration, the Articles of Incorporation, the Bylaws, ROA rules and regulations governing such Lot and all other books, records, and financial statements of the ROA for a reasonable charge;
- (p) permitting utility suppliers, the Declarant and others to use portions of the Common Areas as may be reasonably necessary for the ongoing development or operation of the Subdivision;
- (q) leasing any Common Area(s) to third-parties, including Declarant, for
a) agricultural purposes and the right to occupy and operate any Common Area(s) for agricultural purposes including, without limitation, the following activities: cultivating the soil, producing crops for human food, animal feed or for the production of fibers, floriculture, viticulture, and horticulture, raising or keeping livestock; raising or keeping exotic animals for the production of human food or of fiber, leather, pelts, or other tangible products having a commercial value; and planting cover crops or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure,
b) golf driving range, and c) private entertaining and catering of Members and non-members;
- (r) establishing and maintaining wildlife management program(s) within any Common Area(s);
- (s) providing or causing to be provided services to Members for a fee and the right to contract with third parties to provide such services;

- (t) entering upon any Lot at any time in an emergency, involving an immediate threat of serious injury to persons or property, or in a non-emergency after twenty-four hours written notice, without being liable to any Owner, for the purpose of enforcing the Declaration, maintaining or avoiding any injury to persons or property or repairing any area, Improvement or other facility to conform to the Declaration, reasonably calculated to notify the Owner of the ROA's intention so as to provide the owner an opportunity to address them prior to such entry. The expense incurred by the ROA in connection with the entry made in accordance herewith upon any Lot and the maintenance and repair work conducted thereon shall be the personal obligation of the Owner of the Lot entered upon, shall be secured by a lien upon the Lot entered upon and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VI of the Declaration.
- (u) Indemnifying and reimbursing and/or advancing expenses and/or purchasing and maintaining insurance, including errors and omission policies of insurance, or any other arrangement on behalf of any Person who s or was a director or officer of the ROA against any liability asserted against such Person and incurred by such person in such a capacity or arising out of his status as such a Person to the maximum m extent permitted by Article 1396 S 2.22A of the Texas Non-Profit Corporation Act, as such Act may from time to time be amended (without regard, however, to Section Q of such Article with respect to officers of the ROA who are not directors of the ROA). Further, the ROA, acting through the Board, may indemnify and agree to reimburse/and/or advance expenses and/or purchase and maintain insurance, including errors and omission policies of insurance, or any other, arrangement on behalf of any Person, other than any Person who is a director of the ROA, who is or was an officer, employee or agent of the ROA or a member of the Architectural Committee, or is or was serving at the request of the ROA as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trustee, employee benefit plan or other enterprise, against any liability incurred against such Person and incurred by such Person in such a capacity or arising out of his status as such a Person, to such extent (or, in the case of officers of the ROA, to such further extent), consistent with applicable law, as the Board may from time to time determine. The provisions of these Sections not be deemed exclusive of any other rights to which any such Person may be entitled under any section of the Declaration, agreement, insurance policy, vote of Members or otherwise. All costs and expenses of the insurance and other arrangements described herein shall be covered by Assessments; and
- (v) Any other power and duty provided for by the Declaration.

Section 2. Management. The Board of Directors may employ for the ROA a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws. The Members hereby release the ROA, Declarant and the members of the Board both in their official Capacities and individually, from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

Section 3. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed.

(b) Accounting and controls should conform to generally accepted accounting principles.

(c) Cash accounts of the ROA shall not be commingled with any other accounts.

(d) No remuneration without full disclosure and prior agreement of the Board of Directors, or as contained in a written management contract, shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the ROA, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the ROA.

(e) Any financial or other interest that any director, Member or the managing agent may have in any firm providing goods or services to the ROA shall be disclosed in advance to the Board of Directors.

(f) Commencing at the end of the quarter in which the first Lot is sold and closed, financial reports shall be prepared for the ROA quarterly containing:

- (i) an income statement reflecting all income and expense activity for the preceding period on an accrual or cash basis;
- (ii) a statement reflecting all cash receipts and disbursements for the preceding period;
- (iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- (iv) a balance sheet as of the last day of the preceding period; and
- (v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments that remain delinquent.

(g) An annual report consisting of at least the following shall be made available at each meeting of Members to all Members thin one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant.

Section 4. Borrowing. The ROA shall have the power to borrow money from any Person (and may pledge ROA assets as collateral for any such loan) for the purpose of maintenance, repair, restoration of the Common Area, or for any other proper purpose without the approval of the Members of the ROA.

Section 5. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the t of the violating Owner, and to suspend an Owner's right to vote or limit any person's right to use the Common Area, if any, for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted by the ROA; provided, however, nothing herein shall authorize the ROA or the Board of Directors to limit ingress and egress to or from a Lot. In addition, the ROA shall be entitled to suspend any services provided by the ROA to a Lot in the event that the Owner of such Lot is more than thirty (30) days delinquent in paying any assessment due to the ROA. In the event that an occupant, guest or invitee of a Lot violated the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the ROA. The failure of the Board to enforce any provision pf the Declaration, Bylaws, or any rules or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

As provided in the Declaration, any assessment and/or fine not paid by an Owner to the ROA following notice and within applicable cure period(s) may result in a lien being imposed against the Lot, which can be acted upon and/or foreclosed by the ROA. In addition, the ROA, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the ROA by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations and perform exterior maintenance) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, fines, costs to repair, including reasonable attorneys' fees actually incurred.

ARTICLE IV

Officers

A. Officers. The officers of the ROA shall consist of a President, Secretary and Treasurer, which shall be elected from among the Class "A" Directors, and such other officers as the Class "A" Directors may deem necessary or desirable from time to time. Such officers shall have such duties and authority as is normally accorded the holders of such offices as such may be modified or amended from time to time by the Class "A" Directors. Any two (2) or more

offices may be held by the same person, except the offices of President and Secretary. The officers of the ROA will run the day to day operations of the ROA under the supervision of the Board of Directors for material matters.

B. Election, Term of Office and Vacancies. The officers of the ROA shall be elected annually by the Class "A" Members to serve a term from October 1 to September 30; provided, however, that the nominees for officers shall be determined by unanimous vote of the then existing Class B directors and the then existing Class A directors. Only nominees so approved may be elected. The following officers shall serve until the later of September 30, 2007 or until their successors are duly elected and qualified, subject to their earlier resignation or removal: President: Brian Fenske; Secretary & Treasurer: Glenn Rosilier; Manager – Operations & Assistant Secretary: Richard Kidd; Manager – Planning – Rudy Villarreal; Manager Contracts & Assistant Treasurer: Greg Carter; and Manager – Utilities and Regulatory Issues: Scott Fisher. The holders of the offices described in the prior sentence, as well as the Class "A" Directors, shall comprise and be the sole members of the Finance Committee. Additional officers may be appointed by the Class "A" Directors, subject to the consent of the Class "B" Directors, between elections or to fill any vacancy.

C. Removal. Any officer may be removed, with or without cause, at any time by a majority vote of the Class "A" Members or unanimous vote of the Directors, including the two Class "A" Directors.

D. Powers and Duties. The officers of the ROA shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the ROA. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and these Bylaws and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

E. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

F. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the ROA shall be executed by at least two (2) officers or such other person or persons as may be designated by resolution of the Board of Directors.

G. Control of ROA Funds. Notwithstanding anything in these Bylaws to the contrary, control of the funds of the ROA are completely within the control of the Class A Directors and the Class "A" elected officers and they likewise have complete control to choose vendors and negotiate contracts; provided, however that any change in law firms (initially Jackson Walker LLP) or management company (initially Alliance Association Management, Inc.) requires unanimous consent of the Board of Directors, including the Class B Directors. The Class "B" Directors do not have any authority to incur costs or expenses on behalf of the ROA

without consent of the Class "A" Directors, except that no approval of the Class "A" Directors shall be required for legal fees incurred by the Class "B" Directors in connection with the indemnification provisions of these Bylaws. In addition, the Class "B" Directors have no power or authority to sell or encumber any assets of the ROA.

The Finance Committee shall submit a twelve-month budget (October 1 to September 30) to the ROA Board for consideration and comment by July 1 of each year. Such budget shall be unanimously agreed by the ROA Board no later than September 30 of each year. Any expenditures more than the greater of (i) 10% or (ii) \$500 greater than the agreed upon budget for such expenditure requires consent of the Class "B" Directors.

ARTICLE V

Committees

A. General. The Board of Directors is hereby authorized to establish committees to perform such tasks to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with such rules as are adopted by the Board of Directors. All committees of the ROA, except the Architectural Committee, shall be vested with advisory powers only and is not authorized to act on behalf of the ROA. Officers of the ROA may also serve as committee members.

ARTICLE VI

Indemnification

To the fullest extent permitted by applicable law, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a Director of the ROA shall not be liable to the ROA for monetary damages, or otherwise, for an act or omission in the Director's capacity as a Director. Any amendment of these Bylaws shall be prospective only and shall not adversely offset any limitation on the personal liability of a Director of the ROA existing at the time of such repeal or amendment. In addition, the ROA shall be entitled to indemnify its Directors, officers, employees and/or Members, the Subdivision Manager (and its constituent partners and their respective directors, officers, employees, shareholders and/or members) and others acting on the ROA's behalf, including, without limitation, members of the Architectural Committee or other similar committees and any third-party agents and contractors, to the fullest extent allowed by applicable law. 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 contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, Architectural Committee Member, or employee of the Association (the "Indemnified Party or Parties") against reasonable expenses to be paid directly and as actually and reasonably incurred (including attorney's fees, judgments, fine and amounts paid in settlement, including interest, costs and expenses) by the Indemnified Party in connection with such action, suit or proceeding if it is found and determined by the Board or a Court of Law that the Indemnified

Party's conduct was unlawful. The termination of any action, suite or proceeding by settlement, or upon a plea of *Nolo Contendere* or its equivalent, shall not of itself create a presumption that the Indemnified Party did not act in good faith or in a manner which the Indemnified Party 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 the Indemnified Party's conduct was unlawful.

Furthermore, without limiting the foregoing in any way, the Association does hereby agree to INDEMNIFY AND HOLD HARMLESS and does hereby INDEMNIFY AND HOLD HARMLESS the Indemnified Parties, jointly and severally, from any and all claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgments and causes of action, whether in contract, tort or equity, of whatever nature or character, both known and unknown, whether held or accrued in the past, present or to accrue in the future, including reasonable attorneys fees and expenses incurred, which may hereafter be asserted by any Person, firm, corporation or other entity, arising out of or in any way related to or connected with, directly or indirectly, any act or omission committed by the Indemnified Party in such Indemnified Party's official capacity as a director, officer, Architectural Committee Member, employee. This indemnity provision applies even if such claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgments and causes of action were caused in whole or in part by any obligation act, omission, negligence, breach of contract, misconduct, violation of statutory or common law, breach of warranty, produce defect, or conduct of any type by such Indemnified Parties.

ARTICLE VII

Miscellaneous

A. Fiscal Year. The fiscal year of the ROA shall be January 1st to December 31st of each year.

B. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of ROA proceedings when not in conflict with Texas law, the Article of Incorporation, the Declaration, or these Bylaws.

C. Conflicts. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and/or these Bylaws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

D. Books and Records.

Section 1. Inspection by Members and Mortgagees. The Declaration, Bylaws, and Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, a Member of the ROA, or by the duly appointed representative of any of the foregoing at any reasonable time and for a proper purpose during normal business hours at the office of the ROA or at such other place within the subdivision as the Board shall prescribe, by appointment.

Section 2. Rules for Inspection. The Board shall establish reasonable rules with respect to: (i) notice to be given to the custodian of records, (ii) hours and days of the week when such an inspection may be made by appointment for a proper purpose, and (iii) payment of the cost of reproducing copies of documents requested.

Section 3. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the ROA and the physical property owned or controlled by the ROA. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the ROA.

E. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class postage pre-paid.

(a) if to a Member, at the address that the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member, or

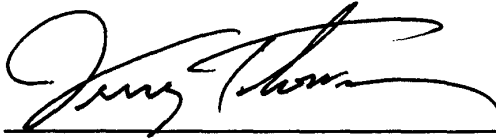
(b) if to the ROA, the Board of Directors, or the managing agent, at the principal office of the ROA or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

F. Amendment. These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of a majority of the Board of Directors and the consent of the Class "B" Member, so long as such membership exists. Notwithstanding the above, the percentage of votes or other approval necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment may remove, revoke, or modify any right or privilege of the Class "B" Member without the written consent of Declarant or the assignee of such right or privilege. Notwithstanding anything in these Bylaws to the contrary, the following provisions may not be amended without the express written consent of the Class "A" Directors and the Class "B" Directors: (i) Article III. A. Section 2., (ii) Article IV. A, B, C and G, and (iii) this sentence.

CERTIFICATION

I, the undersigned, do hereby certify.

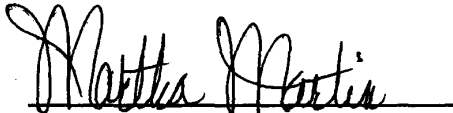
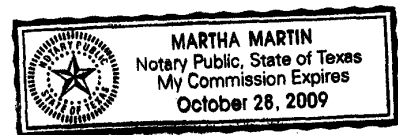
That the foregoing Third Amended Bylaws have been duly adopted by the Declarant and the Class B Directors and as such constitute the Bylaws of said ROA effective as of September 21, 2006.



Jerry Thompson
Manager, Driftwood Development, LP, and
Class "B" Director and Chairman of the Board of
the ROA

THE STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me on the 5th day of December, 2006 by Jerry Thompson, Manager of Driftwood Development, L.P., who was proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument. WITNESS my hand and official seal.


Notary Public, State of Texas

AFTER RECORDING RETURN TO:
Winstead PC
401 Congress Ave., Suite 2100
Austin, Texas 78701
Email: avaldes@winstead.com



LA VENTANA

Hays County, Texas

La Ventana Ranch Owners' Association, Inc.

[BYLAWS]

FOURTH AMENDED AND RESTATED BYLAWS

Reference the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana recorded under Document No. 2026515, Official Public Records of Hays County, Texas, as amended from time to time; the Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana, Phase III recorded under Document No. 19003010, Official Public Records of Hays County, Texas, as amended from time to time, and the Third Amended Bylaws, recorded as Document No. 06037259, Official Public Records of Hays County, Texas.

INTRODUCTION

These Fourth Amended and Restated Bylaws are made by La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation, as follows:

A. La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation, is the homeowners' association responsible for governance of the La Ventana subdivision under the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana recorded under Document No. 2026515, Official Public Records of Hays County, Texas, (as amended, the "Declaration") and the Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana, Phase III, recorded under Document No. 19003010, Official Public Records of Hays County, Texas (as amended, the "Phase III Declaration").

B. Pursuant to *Article VII* of the Third Amended Bylaws (the "Bylaws"), the Board of Directors may amend the Bylaws.

C. These Fourth Amended and Restated Bylaws have been approved and adopted by the Board of Directors of the Association.

D. Capitalized terms used but not defined herein shall have the meanings provided for such terms in the Declaration.

**AMENDED AND RESTATED BYLAWS
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.**

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE 1 INTRODUCTION	1
ARTICLE 2 DEFINITIONS	1
Section 2.1. Articles	1
Section 2.2. Assessment.....	1
Section 2.3. Association.....	1
Section 2.4. Association Property	1
Section 2.5. Association Rules.....	1
Section 2.6. Board.....	1
Section 2.7. Bylaws.....	1
Section 2.8. Declaration	2
Section 2.9. Majority.....	2
Section 2.10. Manager	2
Section 2.11. Member	2
Section 2.12. Mortgage	2
Section 2.13. Mortgagee.....	2
Section 2.14. Owner.....	2
Section 2.15. Property.....	2
Section 2.16. Restrictions	2
ARTICLE 3 ASSOCIATION MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES	2
Section 3.1. Membership	2
Section 3.2. Place of Meetings.....	2
Section 3.3. Annual Meetings	2
Section 3.4. Special Meetings.....	2
Section 3.5. Notice of Meetings	3
Section 3.6. Waiver of Notice	3
Section 3.7. Quorum	3
Section 3.8. Conduct of Meetings	3
Section 3.9. Voting	3
Section 3.10. Methods of Voting: In Person; Proxies; Absentee Ballots; Electronically	4
Section 3.11. Tabulation of and Access to Ballots	5
Section 3.12. Recount of Votes.....	5
ARTICLE 4 BOARD OF DIRECTORS	6
Section 4.1. Authority; Number of Directors	6
Section 4.2. Compensation	7
Section 4.3. Nominations to Board of Directors	7
Section 4.4. Vacancies on Board of Directors.....	7
Section 4.5. Removal of a Director by Members.....	7
Section 4.6. Removal of a Director by the Board	8
Section 4.7. Solicitation of Candidate for Election to the Board	8
ARTICLE 5 MEETINGS OF DIRECTORS.....	8
Section 5.1. Definition of Board Meetings	8

Section 5.2. Regular Meetings	8
Section 5.3. Special Meetings	8
Section 5.4. Quorum	8
Section 5.5. Open Board Meetings	8
Section 5.6. Location	8
Section 5.7. Record; Minutes	9
Section 5.8. Notices	9
Section 5.9. Meeting without Prior Notice	9
Section 5.10. Telephone and Electronic Meetings	9
ARTICLE 6 POWERS AND DUTIES OF THE BOARD	10
Section 6.1. Powers and Duties	10
ARTICLE 7 OFFICERS AND THEIR DUTIES	12
Section 7.1. Enumeration of Offices	12
Section 7.2. Election of Officers	12
Section 7.3. Term	12
Section 7.4. Special Appointments	12
Section 7.5. Removal	12
Section 7.6. Resignation	12
Section 7.7. Vacancies	12
Section 7.8. Multiple Offices	12
Section 7.9. Duties	12
Section 7.10. Execution of Instruments	13
ARTICLE 8 OTHER COMMITTEES OF THE BOARD OF DIRECTORS	13
ARTICLE 9 BOOKS AND RECORDS	13
ARTICLE 10 ASSESSMENTS	13
ARTICLE 11 AMENDMENTS	14
ARTICLE 12 INDEMNIFICATION OF DIRECTORS AND OFFICERS	14
ARTICLE 13 MISCELLANEOUS	14
Section 13.1. Fiscal Year	14
Section 13.2. Review of Statutes and Court Rulings	14
Section 13.3. Conflict	14
Section 13.4. Interpretation	14
Section 13.5. No Waiver	14

AMENDED AND RESTATED BYLAWS
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

ARTICLE 1
INTRODUCTION

The name of the corporation is La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation, hereinafter referred to as the "Association." The Association is located in Hays County, Texas. Meetings of Members and Directors may be held at such places within the State of Texas, County of Hays, as may be designated by the Board of Directors as provided in these Bylaws.

ARTICLE 2
DEFINITIONS

Unless the context otherwise specifies or requires it, the following words and phrases, when used in these Bylaws, shall have the meanings hereinafter specified:

Section 2.1. Articles. "Articles" shall mean the Articles of Incorporation of the Association, filed in the office of the Secretary of State of the State of Texas, as the same may be amended from time to time.

Section 2.2. Assessment. "Assessment" or "Assessments" shall mean a monetary amount imposed by the Association under the terms and provisions of the Declaration, as defined herein.

Section 2.3. Association. "Association" shall mean and refer to La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation.

Section 2.4. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including, without limitation, all easement estates, licenses, leasehold estates, and other interests of any kind in and to real or personal property, which are now or hereafter owned or held by the Association.

Section 2.5. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Declaration, as the same may be amended from time to time.

Section 2.6. Board. "Board" shall mean the Board of Directors of the Association.

Section 2.7. Bylaws. "Bylaws" shall mean the bylaws of the Association as Recorded by the Board of the Association in the Official Public Records of Hays County, Texas, for the benefit of the Association. The Bylaws may be amended from time to time by a vote of a Majority of the Board.

Section 2.8. Declaration. "Declaration" shall mean Third Amended Declaration of Covenants, Conditions & Restrictions for La Ventana, recorded on September 26, 2002, as Document No. 02026515, in the Official Public Records of Hays County, Texas.

Section 2.9. Majority. "Majority" shall mean more than half.

Section 2.10. Manager. "Manager" shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Declaration and delegated the duties, powers, or functions of the Association, as may be applicable.

Section 2.11. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership privileges in the Association by virtue of their ownership of a Lot within the subdivision, as provided in the Declaration and so defined in the Articles.

Section 2.12. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.13. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.14. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage prior to its acquisition of fee simple interest in such Lot pursuant to foreclosure of the lien of its Mortgage.

Section 2.15. Property. "Property" shall mean and refer to the property subject to the terms and provisions of the Declaration.

Section 2.16. Restrictions. "Restrictions" shall mean, singularly or collectively as the case may be, the Declaration, Articles, and Bylaws. "Restrictions" also include any rules, policies, guidelines, and regulations promulgated or established by the Association pursuant to the Declaration. An appendix, exhibit, schedule, or certification accompanying a Restriction is part of the Restriction.

ARTICLE 3

ASSOCIATION MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 3.1. Membership. Each Owner of a Lot is a mandatory Member of the Association, as more fully set forth in the Declaration.

Section 3.2. Place of Meetings. Meetings of the Association shall be held where designated by the Board, either within the Property or as convenient as possible and practical.

Section 3.3. Annual Meetings. There shall be an annual meeting of the Members of the Association for the purposes of Association-wide elections or votes and for such other Association business at such reasonable place, date and time as set by the Board.

Section 3.4. Special Meetings. Special meetings of Members may be called in accordance with Section 22.155 of the Texas Business Organizations Code or any successor statute, or by the Board.

Section 3.5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered to each Member in accordance with Chapter 209 of the *Texas Property Code* (or any successor law(s) thereto). In the case of a special meeting, or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears in the records of the Association, with postage prepaid. If an election or vote of the Members will occur outside of a meeting of the Members (i.e., absentee or electronic ballot), then the Association shall provide notice in accordance with Chapter 209 of the *Texas Property Code* (or any successor law(s) thereto).

Section 3.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting by a Member shall be deemed a waiver of notice of all business transacted at such meeting unless an objection by a Member on the basis of lack of proper notice is raised before the business is put to a vote.

Section 3.7. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence of the Members representing at least ten percent (10%) of the total votes in the Association shall constitute a quorum at all Association meetings. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Members to leave less than a quorum, provided that Members representing at least five percent (5%) of the total votes in the Association remain in attendance, and provided that any action taken is approved by at least a Majority of the votes present at such adjourned meeting, unless otherwise provided in the Declaration.

Section 3.8. Conduct of Meetings. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of the Association's proceedings when not in conflict with Texas law, the Article of Incorporation, the Declaration, or these Bylaws. The President or any other person appointed by the Board shall preside over all Association meetings, and the Secretary, or the Secretary's designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The minutes and any other record of all transactions of Association meetings shall be published on the Association website not later than seven (7) days following adjournment.

Section 3.9. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically and expressly incorporated by reference herein. Except as otherwise provided in the Declaration, action may be taken at any legally convened meeting of the Members, at which a quorum of eligible voting members is present, upon the affirmative vote of the Members having a Majority of the total votes present at such meeting in person or by absentee ballot or electronic voting, if such votes are considered present at the meeting as further set forth herein. Cumulative voting, which permits voters in an election for more than one seat to put more than one vote on a preferred candidate, shall not be allowed. The owner of fee title to a Lot shall be entitled to cast the vote allocated to such Lot. If the owner is an entity or trust, the entity or trust shall cast the vote by its proxy, signed by an

officer of the entity or the trustee of the trust, granted to an individual. The proxy shall be filed with the Secretary of the Association, and remain valid until revoked, or by sale of the property. Any provision in the Association's governing documents that would disqualify an Owner from voting in an Association election of Board Members or on any matter concerning the rights or responsibilities of the Owner is void. In a Board election, each candidate is allowed to name one person to observe the counting of the ballots, provided that the designated observer (i) is prohibited from seeing the name of the Member who cast any ballot, and (ii) shall not be disruptive, and if found to be disruptive, shall be removed.

Section 3.10. Methods of Voting: In Person; Proxies; Absentee Ballots: Electronically. The voting rights of an Owner may be cast or given: (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot; (c) by electronic ballot (if an electronic voting option is provided for a voting matter) or (d) using any method(s) approved by the Board for a specific vote and/or election to the extent such voting method is authorized under applicable law. At the board's discretion, absentee ballots may also be cast or given at an election in which electronic voting is the primary method of voting. The Board is not required to provide an Owner with more than one (1) voting method, except that an owner must be permitted to vote by absentee ballot or by proxy. Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the Member. Electronic votes constitute written and signed ballots. In an Association election, written and signed ballots are not required for uncontested races. Votes shall be cast as provided in this Section:

(A) **Proxies.** Any Member may give a revocable written proxy in the form as prescribed by the Board from time to time to any person authorizing such person to cast the Member's vote on any matter. A Member's vote by proxy is subject to any limitations of Texas law relating to the use of general proxies and subject to any specific provision to the contrary in the Declaration or these Bylaws. No proxy shall be valid unless signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than eleven (11) months after the effective date of the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Lot for which it was given. If an Owner who has given a Proxy attends any meeting to vote in person, the vote of the Owner supersedes any vote submitted by Proxy.

(B) **Absentee and Electronic Ballots.** An absentee or electronic ballot: (1) May be counted as an Owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (2) shall not be counted, even if properly delivered, if the Owner attends any meeting to vote in person, so that any vote cast at a meeting by an Owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (3) may not be counted on the final vote of a proposal if the proposal was amended at the meeting to be different from the exact language on the absentee or electronic ballot. For the purposes of this Section, a nomination taken from the floor in a Board member election is not considered an amendment to the proposal for the election.

- i. **Absentee Ballots.** No absentee ballot shall be valid unless it is in writing, signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such

meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the Lot for which it was given. Any solicitation for votes by absentee ballot must include:

- a. an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action;
 - b. instructions for delivery of the completed absentee ballot, including the delivery location; and
 - c. the following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."
- ii. **Electronic Ballots.** "Electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of Owner submitting the ballot can be confirmed; and (c) for which the Owner may receive a receipt of the electronic transmission and receipt of the Owner's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each Owner that contains instructions on obtaining access to the posting on the website.

Section 3.11. Tabulation of and Access to Ballots. A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election or vote except such person may be given access to the ballots cast in the election or vote as part of a recount process. A person tabulating votes in an Association election or vote or who performs a recount pursuant to *Section 3.12* may not disclose to any other person how an individual voted. Notwithstanding any provision of these Bylaws to the contrary, only a person who tabulates votes pursuant to this Section or performs a recount pursuant to *Section 3.12* shall be given access to any Association ballots.

Section 3.12. Recount of Votes. Any Member (the "**Recount Requesting Member**") may, not later than the fifteenth (15th) day after the later of the date of any meeting of Members at which an election or vote was held, or the date of the announcement of the results of the election or vote, require a recount of the votes (the "**Recount Request**"). A Recount Request must be submitted in writing either: (i) by any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier, with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or (ii) in person to the Association's managing agent as reflected on the latest management certificate or to the address to which absentee ballots are mailed. The Recount Requesting Member shall be required to pay, in advance, expenses associated with the recount as estimated by the Association, pursuant to subsection (a) below.

(a) Cost of Recount. The Association shall estimate the costs for performing the recount by a person qualified to tabulate votes under subsection (b), and no later than the 20th day after the date the Association receives the Recount Request, shall send an invoice for the estimated costs (the "**Initial Recount Invoice**") to the Recount Requesting Member at the Recount Requesting Member's last known address according to the Association's records. The Recount Requesting Member must pay the Initial Recount Invoice in full to the Association on or before the 30th day after the date the Initial Recount Invoice was delivered to the Recount Requesting Member (the "**Deadline**"). If the Initial Recount Invoice is not paid by the Recount Requesting Member by the Deadline, the Recount Requesting Member's Recount Request shall be considered withdrawn and the Association shall not be required to perform a recount. If the Initial Recount Invoice is paid by the Recount Requesting Member by the Deadline, then on or before the 30th day after the date of receipt of payment of the Invoice, the recount must be completed and the Association must provide each Recount Requesting Member with notice of the results of the recount. If the recount changes the results of the election, the Association shall reimburse the Recount Requesting Member for the cost of the recount not later than the 30th day after the date the results of the recount are provided. If the recount does not change the results of the election, and the estimated costs included on the Initial Recount Invoice are either lesser or greater than the actual costs of the recount, the Association shall send a final invoice (the "**Final Recount Invoice**") to the Recount Requesting Member on or before the 30th business day after the date the results of the recount are provided. If the Final Recount Invoice reflects that additional amounts are owed by the Recount Requesting Member, the Recount Requesting Member shall remit such additional amounts to the Association immediately. Any additional amounts not paid to the Association by the Recount Requesting Member before the 30th business day after the date the Final Recount Invoice is sent may be charged as an Individual Assessment against the Recount Requesting Member. If the costs estimated in the Initial Recount Invoice costs exceed the amount reflected in the Final Recount Invoice, then the Recount Requesting Member shall be entitled to a refund, which such refund shall be paid at the time the Final Recount Invoice is delivered pursuant to this Section.

(b) Vote Tabulator. Following receipt of payment of the Initial Recount Invoice, the Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who: (i) is not a Member of the Association or related to a Member of the Association Board within the third degree by consanguinity or affinity; and (ii) is either a person agreed on by the Association and each person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.

(c) Board Action. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

ARTICLE 4 BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors ("the Board"). In accordance with the Declaration, the Board will consist of no less than seven (7) Directors.

(b) The Directors, Officers, managers, committee members, and other Association representatives ("Governing Persons"), shall abide by the La Ventana Ranch Owners' Association

Code of Conduct Policy, appended as Attachment A to these Amended Bylaws and expressly incorporated by reference thereto.

(c) Upon approval of these Amended and Restated Bylaws and at the first annual meeting of the Board, each Director shall affirm their agreement with the terms stated within the Code of Conduct Policy and their intention to abide thereto. Failure to affirm agreement will be grounds for removal.

(d) The Owners shall have the sole right to elect members of the Board who shall each serve two (2) year terms, except for those Directors elected at the Annual Meeting of the Members to take place in 2023. At such Annual Meeting of the Members, all seven (7) Directorships shall be up for election. The four (4) candidates who are ranked 1-4 in the total number of votes received shall serve two (2) year terms and the three (3) candidates who are ranked 5-7 in the total number of votes received shall serve one (1) year terms. Thereafter, all Directors will be elected for two (2) year terms.

(e) A Director takes office when the Director is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until a successor is properly elected or appointed.

(f) Each Director shall be a Member. In the case of corporate, partnership, or other entity ownership of a Lot, the Director must be a duly authorized agent or representative of the corporation, the partnership, or other entity, which owns the Lot. Other than as set forth in these Bylaws, the Association may not restrict an Owner's right to run for a position on the Board.

Section 4.2. Compensation. The Directors shall serve without compensation for such service. As determined by the Board, Directors may be reimbursed for any reasonable and necessary out-of-pocket expenses.

Section 4.3. Nominations to Board of Directors. Eligible Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election by signifying his intention to seek election in a writing addressed to the Board of Directors; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek re-election in a writing addressed to the Board of Directors.

Section 4.4. Vacancies on Board of Directors. Should the office of any Director become vacant by reason of death, resignation, removal, or disability, the remaining Directors, at a regular or special meeting of the Board, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of this position on the Board of Directors, the successor Director shall be re-elected, or his successor shall be elected, in accordance with these Bylaws.

Section 4.5. Removal of a Director by Members. A Director may be removed, with or without cause, by the vote of Members holding fifty-one percent (51%) of the votes of eligible voting members in the Association.

Section 4.6. Removal of a Director by the Board. A Director may be removed, with or without cause, from office by the unanimous vote of all Directors on the Board, excluding the Director who is the subject of the removal vote. The remaining Directors shall choose a successor to fill the unexpired term in accordance with these Bylaws.

Section 4.7. Solicitation of Candidate for Election to the Board. At least twenty (20) days before the date the Association disseminates absentee ballots or other ballots to Members for the purpose of voting in a Board election, the Association shall provide notice (the "**Solicitation Notice**") of the election to the Members. The Solicitation Notice shall: (a) solicit candidates that are eligible and interested in running for a position on the Board; (b) state the deadline to respond to the Solicitation Notice to be placed on the ballot; and (c) must be: (1) mailed to each Member; (2) emailed to each Member that has registered their e-mail address with the Association; or (3) posted in a conspicuous manner reasonably designed to provide notice to Members, such as: (i) within the Common Area or, with the Member's consent, on other conspicuously located privately owned property within the subdivision; or (ii) on any website maintained by the Association or other internet media.

ARTICLE 5 MEETINGS OF DIRECTORS

Section 5.1. Definition of Board Meetings. A meeting of the Board means a deliberation between a quorum of the Board, or between a quorum of the Board and another person, during which Association business is considered and the Board takes formal action.

Section 5.2. Regular Meetings. Regular meetings of the Board shall be held annually, or such other frequency as determined by the Board, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.3. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.4. Quorum. A Majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a Majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.5. Open Board Meetings. All regular and special Board meetings must be open to Owners. However, the Board has the right to adjourn a meeting and reconvene in closed executive session to consider actions involving: (a) personnel; (b) pending or threatened litigation; (c) contract negotiations; (d) enforcement actions; (e) confidential communications with the Association's attorney(s); (f) matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made by the Board in the executive session must be summarized orally in general terms and placed in the written minutes within seven (7) days. The oral summary must include a general explanation of expenditures approved in the executive session.

Section 5.6. Location. Except if otherwise held by electronic or telephonic means, a Board meeting must be held in the county in which all or a part of the property in the subdivision is located, as determined in the discretion of the Board.

Section 5.7. Record: Minutes. The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Association will endeavor to post minutes of Board meetings on the Association website not later than seven (7) days following adjournment of the meeting. The Board shall also make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Board.

Section 5.8. Notices. Members shall be given notice of the date, hour, place, agenda, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (a) mailed to each Member not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; or (b) provided at least one hundred and forty-four (144) hours before the start of the meeting or seventy-two (72) hours before the start of a special meeting by: (i) posting the notice in a conspicuous manner reasonably designed to provide notice to Members in a place located on the Association's common area or on any website maintained by the Association; and (ii) sending the notice by e-mail to each Member who has registered an e-mail address with the Association. It is the Member's duty to keep an updated e-mail address registered with the Association. The Board may establish a procedure for registration of email addresses, which procedure may be required for the purpose of receiving notice of Board meetings. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board shall give notice of the continuation by e-mail to each Member who has registered an e-mail address with the Association within twelve (12) hours after adjourning the meeting being continued. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner as set forth above within twelve (12) hours after adjourning the meeting being continued.

Section 5.9. Meeting without Prior Notice. The Board may take action outside a meeting, including voting by electronic or telephonic means, without prior notice to the Members if each Board member is given a reasonable opportunity (i) to express his or her opinions to all other Board members and (ii) to vote. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, unless done in an open meeting for which prior notice was given to the Members pursuant to *Section 5-8* above, consider or vote on: (a) fines; (b) damage assessments; (c) the initiation of foreclosure actions; (d) the initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety; (e) increases in assessments; (f) levying of special assessments; (g) appeals from a denial of architectural control approval; (h) a suspension of a right of a particular Member before the Member has an opportunity to attend a Board meeting to present the Member's position, including any defense, on the issue; (i) the lending or borrowing of money; (j) the adoption of any amendment of a dedicatory instrument; (k) the approval of an annual budget or the approval of an amendment of an annual budget; (l) the sale or purchase of real property; (m) the filling of a vacancy on the Board; (n) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; (o) the election of an officer; or (p) adopting or amending rules and regulations.

Section 5.10. Telephone and Electronic Meetings. Any action permitted to be taken by the Board may be taken by telephone or electronic methods provided that: (1) each Board

member may hear and be heard by every other Board member; (2) except for any portion of the meeting conducted in executive session: (i) all Members in attendance at the meeting may hear all Board members; and (ii) any Members are allowed to listen using any electronic or telephonic communication method used or expected to be used by a participating Board member at the same meeting; and (3) the notice of the Board meeting provides instructions to the Members on how to access the electronic or telephonic communication method used in the meeting. Participation in such a meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened, in which case, the minutes will document the member's lack of physical presence and the objection for the record.

ARTICLE 6 POWERS AND DUTIES OF THE BOARD

Section 6.1. Powers and Duties. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs. The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Association is authorized to take in accordance with the Declaration, or as limited by the Declaration:

(a) Adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

(c) Exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Restrictions;

(d) To enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;

(e) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(f) Employ such employees as they deem necessary, and to prescribe their duties. Enter into an enforceable contract with an association board member, a relative of an association board member, within the 3rd degree of consanguinity or affinity, a company in which either an association board member or relative of an association board member who has a financial interest in at least 51 percent of profits only if all of the following provisions have been met:

(1) the board member, relative, or company bids on the proposed contract and the association has received at least two other bids for the contract from persons not associated with the board member, relative, or company, if reasonably available in the community;

(2) the association board member is not given access to the other bids, does not participate in any board discussion regarding the contract; and does not vote on the award of the contract;

(3) the material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the association board and the board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection; and

(4) the association board certifies that the other requirements of this subsection have been satisfied by a resolution approved by an affirmative vote of the majority of the board members who do not have an interest governed by this subsection of Texas Property Code Section 209.0052 have been met.

Association members may however volunteer their services without expectation of remuneration;

(g) As more fully provided in the Declaration, to:

(1) Fix the amount of the Assessments against each Lot in advance of each annual assessment period and any other assessments provided by the Declaration; and

(2) Foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(h) Issue, or to cause an appropriate officer or Manager to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) Procure and maintain adequate liability and hazard insurance on Association Property;

(j) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) Exercise such other and further powers or duties as provided in the Declaration, these Bylaws, or as provided for in Applicable Law.

(l) Develop and update a professional reserve study to forecast expenses for the annual budget.

(m) Control of Association's funds. The Treasurer shall submit a 12-month budget (January 1 - December 31), to the Association Board for consideration and comment by November 1st of each year. Such budget shall be unanimously agreed by the Association Board no later than December 15th of each year. Any expenditures more than the greater of (i) 10% or (ii) \$1,000 more than the agreed upon budget for such expenditure requires a majority approval of the Association Board.

(n) Accrual basis accounting, as defined by generally accepted accounting principles, shall be employed.

(o) Accounting and controls should confirm to generally accepted accounting principles.

ARTICLE 7 OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Association shall be a President, Secretary, and a Treasurer who shall at all times be members of the Board, and such other officers as the Board may from time to time create by resolution.

Section 7.2. Election of Officers. Election of officers shall be by the vote of the Board. At the first regular meeting of the new board, which shall be held not later than November 1st, the outgoing President shall conduct voting by the Directors for each Officer position, in order of President, Treasurer, and then Secretary. Voting by Members shall be by show of hands or secret ballot at the sole discretion of the President.

Section 7.3. Term. The officers of the Association shall be elected for the shorter of: (a) a two-year term; or (b) the remaining period of time left for the directorship the Director occupies.

Section 7.4. Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine. Such other Officers shall not be voting members of the Board.

Section 7.5. Removal. Any officer may be removed, with or without cause, at any time by a majority vote of the Members or Directors.

Section 7.6. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.7. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.8. Multiple Offices. No person shall simultaneously hold more than one of any of the offices, except in the case of special offices created pursuant to *Section 7.4*

Section 7.9. Duties. The officers will run the day-to-day operations of the Association under the supervision of the Board of Directors for material matters. The duties of the officers are as follows:

(a) **President.** The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records in coordination with the Manager

showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(c) Treasurer. The Treasurer shall verify the receipt and deposit in appropriate bank accounts all monies of the Association that are received by the Manager, and shall disburse such funds as directed by resolution of the Association Board; shall approve all checks and promissory notes of the Association; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Association Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and shall post financial records monthly on the Association website (necessarily one month behind). The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and these Bylaws, and may delegate all or part of the preparation and notification duties to a Finance Committee, management agent, or both.

Section 7.10. Execution of Instruments. Except when the Restrictions require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association, including without limitation checks from the Association's bank account. In the absence of Board designation, and unless otherwise provided herein, the President and the Secretary are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 8 OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a Majority of the number of Directors fixed by these Bylaws, designate two or more Directors or Members (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board.

ARTICLE 9 BOOKS AND RECORDS

The books, records, financial statements, and papers of the Association shall be made available for inspection during reasonable business hours and after a proper request has been submitted in accordance with applicable law. The Restrictions shall be published electronically on the Association website and shall also be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 10 ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments, which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Declaration.

**ARTICLE 11
AMENDMENTS**

These Bylaws may be amended by a Majority vote of the Board of Directors.

**ARTICLE 12
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Association shall indemnify every Director, Officer or Committee Member against, and reimburse and advance to every Director, Officer and Committee Member for all liabilities, costs and expenses incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Business Organizations Code and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director, Officer or Committee Member shall be indemnified for: (a) a breach of duty of loyalty to the Association or its Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director, Officer or Committee Member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director, Officer or Committee Member is expressly provided for by statute.

**ARTICLE 13
MISCELLANEOUS**

Section 13.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 13.2. Review of Statutes and Court Rulings. Users of these Bylaws should also review statutes and court rulings that may modify or nullify provisions of this document or its enforcement or may create rights or duties not anticipated by these Bylaws.

Section 13.3. Conflict. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and/or these Bylaws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 13.4. Interpretation. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions or articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

Section 13.5. No Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof, which may occur.

ATTACHMENT A - CODE OF CONDUCT POLICY

1. **Background.** The Association adopts this policy to establish standards for conduct that will apply to its Directors, Officers, managers, committee members, and other Association representatives ("Governing Persons").
2. **Purpose of Code of Conduct Policy.** The Board of Directors (the "Board") is committed to earning and maintaining the trust of all owners within the community by abiding to high ethical standards, adhering to the Association's governing documents and applicable provisions of Texas law, applying the principles of financial solvency, communicating openly, seeking consensus, and acting in the best interest of the Association and its members. This Code of Conduct Policy ("Policy") describes the basic conduct and responsibilities expected from all Governing Persons. Each Governing Person should carefully read and understand this Policy. The Board may require that every Governing Person sign an acknowledgment document agreeing to comply with this Policy as a condition of continuation of service on behalf of the Association.
3. **Professionalism: No Abusive Conduct.** Each Governing Person must act professionally while conducting business on behalf of the Association. No abusive, derogatory, offensive or insulting language or argumentative tone will be allowed. Additionally, each Governing Person shall avoid any conduct that can reasonably be deemed to constitute sexual harassment or discrimination based upon a person's race, religion, national origin, ancestry, age, medical condition, marital status, physical or mental disability, sexual orientation, or other status as a member of a protected class under applicable federal and/or state law.
4. **Acceptance of Gifts.** No Governing Person shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan, or any other thing of monetary value made with the intent of influencing a decision or action on any official matter. An award presented in recognition of a Governing Person's service is not a prohibited gift.
5. **Conflicts of Interest.** A "Conflict of Interest" exists where a Governing Person will receive a direct monetary benefit from a third party in exchange for the Governing Person's decision or action on any official matter. A Governing Person who is offered a direct monetary benefit from a third party in exchange for the Governing Person's decision or action on any official matter must immediately disclose all facts and information regarding such offer to the Board and recusal is required. Otherwise, a conflict of interest exists if a Governing Person is in a position to approve a contract or transaction involving the Association and: (a) the Governing Person; or (b) an entity or organization in/for which the Governing Person has a financial interest or serves as a managerial official. In such case, the material facts as to the relationship or interest and as to the contract or transaction must be disclosed to the Board as soon as practicable and the Board shall determine whether recusal is necessary.
6. **Association Records.** Governing Persons will, at all times, respect the privacy of the membership, and may not abuse their official positions to acquire individual personal membership information for their personal use. All inquiries must strictly be related to Association business. Governing Persons shall be obligated to promptly restore all Association records to their original file(s) and order after each use, and in no event shall remove any Association records from the custody of the Association.

7. **Loans, Reimbursements & Handling of Funds.** Governing Persons shall not make or accept any personal loans from the Association. Each Governing Person shall submit for reimbursement only legitimate and authorized expenses incurred in connection with Association business. Occasionally, Governing Persons are required to handle funds in connection with their duties. Governing Persons shall always handle and dispose of such funds in a manner that is documented by receipts, and shall take other reasonable precautions to safeguard the Association's funds.
8. **Duty of Loyalty and Duty of Care.** Each Board member is subject to two primary obligations to the Association: (1) a duty of loyalty; and (2) a duty of care. Directors should discharge their duties in good faith and in the best interests of the Association, rather than in their own interest or the interests of another entity or person. The second duty involving the duty of care requires all Board members to be informed and exercise independent judgment and exercise the same care as an ordinary prudent person would under similar circumstances; in other words, Board members are required to use good business judgment. Each Board member shall recognize that the Board is a democratic body with all members having equal voting power regardless of position held. All Board members shall be bound by majority vote, unless otherwise required by applicable law or duly adopted policies of the Board, and shall not engage in undermining Board decisions, regardless of whether certain decisions were not unanimously made.
9. **Use of the Association's Name (Email or Mail – Letterhead).** No Governing Person may utilize Association letterhead for personal use. Association letterhead shall be reserved for use in the transaction of official Association business. Governing Persons may utilize Association letterhead in their official capacities. Any correspondence on Association letterhead which purports to represent the opinions or recommendations of the Board is authorized only if signed or otherwise approved by a majority of the Board in accordance with the Bylaws of the Association.
10. **Press Inquiries.** A Governing Person shall promptly notify the Board of any inquiries received by or statements made to the press or other third-party media outlets, and a majority of the Board shall determine the response, if any, to such inquiries or statements.
11. **Statement Regarding the Use of Social Media.** The Board has determined that the Association may benefit by utilizing social media such as Facebook, Twitter, LinkedIn, Nextdoor, Meetup, various community blogs and other similar media for the purpose of providing information concerning community events, governance, meetings, discussion forums, community advertisement, and other similar information ("Social Media"), which is further defined as certain forms of electronic communication (such as web pages for social networking and blogging) through which users create online communities to share information, ideas, personal messages and other electronic content, including audio and video files. The Board has also determined that Social Media is a powerful communications tool that may have a significant impact on the Association and its members - both positively and negatively - if not properly utilized.
12. **Social Media – Rules of Conduct.** Basic rules of conduct must be adhered to by each Governing Person utilizing any Social Media while serving as a Governing Person in order to protect the Association's reputation and individual Association's representatives' or members' reputations, to disseminate accurate information and to foster community by moderating the tone and civility of the interactions on Social Media regarding any issue affecting or purporting to be an official position of the Association.

a. Official Capacity Social Media Use. No Governing Person may participate in any Social Media in which such individual purports to act in their capacity as a Governing Person or to communicate an official position of the Association without first receiving permission to do so from the Board. If ever authorized to speak in one's capacity as a Governing Person of the Association on an issue affecting the Association in any manner or on an official position of the Association, such communications must be the approved statements of or substantially the same content as the approved statements of the Association. The Board may, by resolution, appoint a person or persons, including a member of the Manager's team, a Director or Officer, or a committee, to post on Social Media on the Association's behalf.

b. Conduct Requirements. Official communications from the Association and communications made on any platform that is approved or sponsored by the Association shall not include:

- Vulgar, coarse or other inappropriate language communicated to shock, attack, denigrate, or offend;
- Inappropriate images, such as, but not limited to, pornographic or obscene photographs, videos or images;
- Personal attacks of any kind;
- Comments that promote or constitute discrimination;
- Support or encouragement of illegal activity;
- Infringements on copyrights or trademarks;
- Identifiable personal medical or financial information that is to be maintained as confidential;
- Malicious or false statements damaging to a person's reputation; or
- Information that may compromise the safety, security, or proceedings of any legal action pertaining to the Association.

13. **Enforcement.** The Association reserves the right to delete and/or respond to any content that the Board deems inappropriate or harmful to the Association and/or to direct a Governing Person to delete or correct any prohibited, inaccurate or inappropriate communications, as determined in the sole discretion of the Board and further be subject to the consequences set forth herein as a result of any violation of this Policy. A violation of this Policy may be enforced in the same manner as any other rule, covenant, or policy.

14. **Amendment of Code of Conduct Policy.** This Policy may be amended by a Majority vote of the Board of Directors.

DIRECTOR ACKNOWLEDGEMENT

I have reviewed the foregoing Code of Conduct Policy of the La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation. I agree I am a Governing Person, as that term is defined in the Code of Conduct Policy. I further agree to be bound by the Code of Conduct Policy during the period of time I am a Governing Person.

Printed Name: _____

Date: _____

ACKNOWLEDGEMENT FOR RECORDING

The undersigned is the duly elected and qualified PRESIDENT of the La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation (the "Association").

The undersigned hereby certifies that this is a true and correct copy of the Fourth Amended Bylaws adopted by the Association's Board of Directors.

IN WITNESS WHEREOF, the undersigned has executed this certificate on the 10th day of AUGUST, 2023

Robert K. Asay
Printed Name: ROBERT K. ASAY

THE STATE OF TEXAS

§

COUNTY OF HAYS

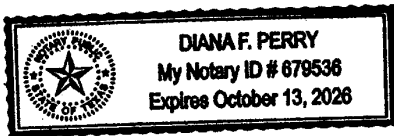
§

§

This instrument was acknowledged before me this 10th day of AUGUST, 2023 by Robert K. Asay, on behalf of La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation.

(SEAL)

Diana F. Perry
Notary Public Signature



THE STATE OF TEXAS

COUNTY OF HAYS

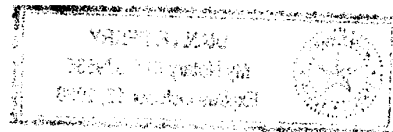
I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

23031436 DECLARATION

08/25/2023 11:30:28 AM Total Fees: \$114.00

 Elaine H. Cardenas

Elaine H. Cardenas, MBA, PhD, County Clerk
Hays County, Texas



La Ventana Ranch Owners' Association, Inc.

Certificate of Insurance - Liability





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/17/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Agency LLC 8144 Walnut Hill Lane, 16th Floor Dallas TX 75231		CONTACT NAME: Terri Burke PHONE (A/C, No, Ext): 469-905-5682 FAX (A/C, No): 972-770-1600 E-MAIL ADDRESS: Terri.Burke@MarshMMA.com		
INSURED La Ventana Ranch Owners Association, Inc. c/o PS Management 8701 Menchaca Rd Bld 2 STE 203 Austin TX 78748		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Ohio Casualty Insurance Company		24074
		INSURER B: Philadelphia Indemnity Insurance Co.		18058
		INSURER C: Ohio Security Insurance Company		24082
		INSURER D:		
		INSURER E:		
INSURER F:				

COVERAGES

CERTIFICATE NUMBER: 536458966

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ BI/PD Ded: \$500 GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			BKS2666013200	4/1/2025	4/1/2026	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
C	☐ AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY			BAS2666013200	4/1/2025	4/1/2026	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$10,000			USO2666013200	4/1/2025	4/1/2026	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐	N / A				PER STATUTE E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	D&O Liability			PCAP0040970818	4/1/2025	4/1/2026	Aggregate Retention \$1,000,000 \$1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Additional Insured form #CG8810 edition 04/13 applies to the General Liability policy.
Waiver of Subrogation form # CG8810 edition 04/13 applies to the General Liability policy.
Primary Non Contributory General Liability form #CG8810 edition 04/13

The General Liability policy includes blanket additional insured endorsement to the certificate holder only when there is a written contract between the named insured and the certificate holder that requires such status

The General Liability policy contains an endorsement with "Primary and Non - Contributory" wording that may apply only when there is a written contract
See Attached...

CERTIFICATE HOLDER

CANCELLATION

Reference Only	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

AGENCY CUSTOMER ID: LAVENTA

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY Marsh & McLennan Agency LLC		NAMED INSURED La Ventana Ranch Owners Association, Inc. c/o PS Management 8701 Menchaca Rd Bld 2 STE 203 Austin TX 78748	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

between the named insured and the certificate requires such wording.

The General Liability policy contains a blanket waiver of subrogation endorsement wording that may apply only when there is a written contract between the named insured and the certificate requires such wording.

La Ventana Ranch Owners' Association, Inc.

Current Balance Sheet



La Ventana Ranch Owners' Association, Inc.

Balance Sheet For March 2026

Cash & Cash Equivalent

First Citizens Operating - x6075	\$150,171.04
First Citizens Reserve - x6083	\$541,110.67

Total Cash & Cash Equivalent **\$691,281.71**

Accounts Receivable

Accounts Receivable	(\$4,785.98)
---------------------	--------------

Total Accounts Receivable **(\$4,785.98)**

Total Assets **\$686,495.73**

Liabilities

Prepaid Assessments	\$40,622.16
Owner Refund	(\$220.00)

Total Liabilities **\$40,402.16**

Total Liabilities **\$40,402.16**

General Fund

Retained Earnings	\$608,999.28
Operating	\$86,733.40
Reserve	\$522,265.88
Net Income (Loss)	\$37,094.29
Operating	\$18,249.50
Reserve	\$18,844.79

Total General Fund **\$646,093.57**

Total Equity **\$646,093.57**

Total Liabilities / Equity **\$686,495.73**

La Ventana Ranch Owners' Association, Inc.

Declaration/CC&Rs



**THIRD AMENDED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
LA VENTANA**

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

THAT WHEREAS, LA VENTANA DRIFTWOOD, L.P., a Texas limited partnership, (the "Declarant"), is the owner of certain real property located in Hays County, Texas (the "Property"), as defined in Article I, Section 1.44 below, which Declarant proposes to develop and subdivide for residential purposes;

WHEREAS, that certain Second Amended Declaration of Covenants, Conditions and Restrictions For La Ventana dated April 11, 2000 was recorded as Document Number 00007993 with the Official Public Records of Hays County, Texas at Volume 1653, Pages 282 - 341B. Pursuant to Section 10.3 of the Second Amended Declaration, Declarant hereby amends the Original Declaration, as amended from time to time, to incorporate revisions deemed necessary or desirable for the Subdivision.

WHEREAS, that certain Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana dated January 8, 2001 was recorded as Document Number 01000670 with the Official Public Records of Hays County, Texas at Volume 1757, Pages 800-802, which added La Ventana West, as defined therein, to the Subdivision and imposed all of the terms and provisions of the Declaration to La Ventana West;

WHEREAS, the purpose of this Declaration is to preserve so far as possible the natural beauty of the Property; to avoid harsh contrasts between structures and landscape; to protect against the erection of poorly designed or disproportional structures or use of unsuitable materials; to encourage and secure the erection of attractive improvements which are harmonious with their sites; and in general, to enhance the environmental quality and economic value of the Property; and

WHEREAS, La Ventana Ranch Owners Association, Inc., has been incorporated under the laws of the State of Texas as a nonprofit corporation, and has been granted powers of administering and enforcing said covenants, restrictions, charges, and liens and disbursing the assessments and charges created in this Declaration; and

WHEREAS, Declarant desires to convey the Property subject to certain protective covenants, conditions, restrictions, lines, 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, and in connection therewith, Declarant hereby adopts and establishes the following declarations, reservations, restrictions, covenants, conditions, liens, charges and easements to apply uniformly to the use, improvement, occupancy and conveyance of all of the Property, including the roads, avenues, streets, alleys and waterways therein.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That it is hereby 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; and (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 meanings hereinafter specified:

1.1 Architectural Committee. "Architectural Committee" (hereinafter sometimes called "Committee") shall mean the committee created pursuant to this Declaration to review and approve Plans and Specifications for the construction of Improvements upon the Property and having the authority and responsibility delegated thereto by this Declaration.

1.2 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.

1.3 Articles. "Articles" shall mean the Articles of Incorporation of La Ventana Ranch Owners Association, Inc., which have been filed in the office of the Secretary of State of the State of Texas, and as amended from time to time.

1.4 Assessments(s). "Assessments(s)" shall mean assessment(s) levied by the Association and includes both regular and special assessment(s) as provided under the terms and provisions of this Declaration.

1.5 Association. "Association" shall mean La Ventana Ranch Owners Association, Inc., (sometimes referred to as "ROA"), as created and empowered under and in accordance with this Declaration.

1.6 Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by or leased to the Association.

1.7 Beneficiary. "Beneficiary" shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust.

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

1.9 Builder. "Builder" shall mean any professional homebuilder engaged in the business of constructing new homes for sale in the Subdivision. A Builder is also an Owner as defined herein.

1.10 Building. "Building" shall mean a structure, including a residence, having a roof supported by columns or walls.

1.11 Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board, as the Bylaws may from time to time be amended, and which is attached hereto as Exhibit "C".

1.12 Commercial Lot 1. "Commercial Lot 1" shall mean that parcel of land within the Subdivision designated on the Plat as Lot "C-1", comprising approximately 16.0 acres.

1.13 Common Area. "Common Area" (also known as "Greenbelt") shall mean (a) all portions of the Subdivision designated as common area on the Plat, (b) any and all sites, tracts or parcels of land within the Property (including Ponds and the Corral) designated by Declarant as common areas and conveyed to the Association for the common benefit of the Owners, (c) the Private Roads and dedicated rights of way, (d) any drainage facilities (such as culverts), which require maintenance, repair or management by the Owners or the Association, and (e) all Improvements, equipment, and other facilities located on any of the above described properties which are owned, operated, maintained, and/or repaired by the Association.

1.14 Compost Area. "Compost Area" shall mean that specific area designated by Declarant in the Subdivision as the Compost Area.

1.15 Corral. "Corral" shall mean that specified portion of the Common Area surrounded by Lots E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11 and E12, which is fenced and owned by the Association for the common use and enjoyment of the Owners and is subject to the rules and regulations which apply to the use and enjoyment of the Corral.

1.16 Creek Bed. "Creek Bed" shall mean any portion of the Property where water would collect and flow in times of rainfall.

1.17 Declarant. "Declarant" shall mean La Ventana Driftwood, L.P. a Texas Limited Partnership, its parent, subsidiaries and affiliates, and their duly authorized representatives, or their respective successors, or assigns; provided, however, that any assignment of the rights of La Ventana Driftwood, L.P., a Texas Limited Partnership, by 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.

1.18 Declaration. "Declaration" shall mean this instrument, as the instrument may from time to time be amended or supplemented.

1.19 Development. "Development" shall mean any construction undertaken by Declarant in the Subdivision.

1.20 Equestrian Activity. "Equestrian Activity" shall mean activity of any kind involving horses, including but not limited to riding, training, boarding, feeding, cleaning, caring for, jumping, breaking, stabling, grazing, roping, etc.

1.21 Equestrian Lot(s). "Equestrian Lot(s)" shall mean Lots E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, vacate and re-plat Lots 26 and 27 to 26R, vacate and re-plat of Lots 28 and 29 to 28R, as well as any other Lots so designated by Declarant, whether now or in the future, in the Subdivision.

1.22 Flat Creek. "Flat Creek" shall mean that portion of Flat Creek which runs through the southeast portion of the Subdivision.

1.23 Front Fields. "Front Fields" shall mean that portion (approximately 109 acres) of the Common Area located on the northern most portion of the Subdivision.

1.24 Governmental Authority. "Governmental Authority" shall mean the United States of America, the State of Texas, Hays County, and any other political or governmental subdivision in which the Property is located, in whole or part, and any other political subdivision, agency or instrumentality exercising jurisdiction over the Property.

1.25 Governmental Requirements. "Governmental Requirements" shall mean all laws, statutes, codes, ordinances, rules and regulations of any government authority applicable to the Property and/or the use, enjoyment, operation, maintenance or ownership of the Property.

1.26 Guest House. "Guest House" shall mean any Improvement located on a Lot which is smaller than the Main House and accommodates habitation for people on a temporary basis. Guest House shall also include any Improvements located on a Lot which serves as a studio or office.

1.27 Improvement(s). "Improvement(s)", as used interchangeably in this Agreement, shall include buildings, dwellings, roads and other structures and all appurtenances thereto of every type and kind, including but not limited to outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, playscapes, tree houses, swing sets, fences, screening walls, retaining walls, stairs, steps, porches, mailboxes, walkways, driveways, decks, landscaping, poles, signs, exterior air conditioning, water softener reservoirs, pumps, wells, tanks, pipes, lines, meters, antennae, aerials, satellite dishes, wind generators, solar collectors, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television and other utilities.

1.28 La Ventana Restriction(s)/Restriction(s). "La Ventana Restriction(s)" or "Restriction(s)" shall mean this Declaration and the deed restriction(s) contained herein, as the same may be amended from time to time, together with the La Ventana Rules, any 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.

1.29 La Ventana Rule(s). "La Ventana Rule(s)" shall mean the rule(s) and regulations adopted by the Board, including, but not limited to, the Articles, Bylaws, Ranchers Club Rules, Pool and Spa Rules, Clubhouse Rules, Exercise Room Rules, Corral Rules, Stable Rules and Common Area Rules as the same may be amended from time to time.

1.30 Lot(s). "Lot(s)" (sometimes referred to as "Homesite(s)") shall mean any parcel or parcels or land within the Property shown as a subdivided lot or homesite on a recorded plat of any portion of the Property, together with all Improvements located thereon.

1.31 Main House. "Main House" shall mean any Improvement located on a Lot which constitutes and serves as the primary single family residence.

1.32 Manager. "Manager" shall mean the person(s), firm or corporation, if any, employed by the Association for management responsibilities pursuant to this Declaration and/or delegated by the Board any duty, power or function of the Association.

1.33 Member. "Member" shall mean any person or entity holding membership rights in the Association and shall have the same meaning as "Owner" defined herein.

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

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

1.36 Owner. "Owner" shall mean a person or entity including Declarant, holding a fee simple interest in any Lot or Undeveloped Lot, but shall not mean a Mortgagee until and unless any such Mortgagee acquires and owns a fee simple interest in a Lot.

1.37 Ranchers Club. "Ranchers Club" shall mean that portion of the Common Area located on the southeast portion of the Subdivision and designated as Ranchers Club by Declarant where the Clubhouse, community pool, tennis center, golf range and other amenities are located.

1.38 Perimeter Path. "Perimeter Path" shall mean that portion (approximately 25-foot strip/path) of the Common Area which is designated as a horse/hike/bike trail by Declarant and which substantially borders the perimeter of the Subdivision, not including La Ventana West.

1.39 Person. "Person" shall mean any individual, corporation, partnership (general or limited), joint venture, trust (or trustee), executor, administrator, guardian, association, estate or other entity having the legal right to hold title to real property.

1.40 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction, erection, removal or material alteration of any Improvement on any Lot, 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, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.

1.41 Plat. "Plat(s)" shall mean the map(s) or plat(s) recorded in the Plat Records of Hays County, Texas, evidencing and providing for the subdivision of the Property known as La Ventana and La Ventana, a subdivision formed in accordance with applicable Governmental Requirements relating to the subdivision of property in Hays County, Texas.

1.42 Pond(s). "Pond(s)" shall mean any tank, pond, reservoir, or body of water located on the Common Area.

1.43 Private Road(s). "Private Road(s)" shall mean the private roads located on the Common Area and providing access to the Lots and ingress to and egress from the Subdivision, as more fully shown and provided for on the Plat.

1.44 Property. "Property" shall mean and refer to all real property located in the Subdivision subject to this Declaration, according to, and as set forth on, the Plat and more fully described by metes and bounds on Exhibit "A" attached hereto, and for all purposes made a part of, this Declaration, including the real property added to the Subdivision known as La Ventana West and any other real property added to the Subdivision which may be added to the Subdivision in the future by Declarant.

1.45 Street Side Right(s)-of-Way. "Street Side Right(s)-of-Way" shall mean that part of the right-of-way situated between the edge of pavement of the Private Road and a Lot line.

1.46 Subdivision. "Subdivision" shall mean La Ventana, the subdivision formed by Declarant pursuant to this Declaration, as shown in the Real Property Records of Hays County, Texas and any

property added to the Subdivision in accordance with the terms herein, including, but not necessarily limited to La Ventana West.

1.47 Undeveloped Lot(s). "Undeveloped Lot(s)" shall mean any parcel(s) of land in the Subdivision owned by Declarant which is not a Lot.

ARTICLE II DEVELOPMENT OF THE PROPERTY

2.1 Development by Declarant. Declarant or its transferee may divide or subdivide the Property, designate any portion of the Property to be a separate Area, develop all or any portion of the Property and, at Declarant's option, dedicate parts of the Property as Common Areas and/or Greenbelt or for other purposes for the benefit of the developed areas, in accordance with the Declarant's master plan for the Property. It is contemplated that the Property will be developed pursuant to a master conceptual plan, which may, from time to time be amended or modified, in the sole discretion of Declarant.

2.2 Addition of Land. Declarant, and other persons with Declarant's written consent, may develop certain real property now owned or hereafter acquired by Declarant. Declarant may, at any time and from time to time, add additional lands to the Property and upon the filing of a Notice of Addition of Land as hereinafter described, this Declaration and the covenants, conditions, restrictions and obligations set forth herein, shall apply to the added lands and the rights, privileges, duties and liabilities of the Persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration. Permission from the Association and/or the Owners is not required for the addition of land. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Real Property Records of Hays County, Texas, a notice of Addition of Land (which notice may be contained within any Supplemental Declaration affecting such land) containing the following provisions:

- (a) A reference to this Declaration, which reference shall state the book and page numbers of the Hays County Real Property Records wherein this Declaration is recorded;
- (b) A statement that all of the provisions of this Declaration shall apply to the added land;
- (c) A legal description of the added land; and
- (d) A legal description of all Common Area to be owned by the Association within the added land.

2.3 Withdrawal of Land. Declarant, and others with Declarant's written consent, may, at any time and from time to time, reduce or withdraw areas from the Property, and upon such withdrawal, this Declaration and the covenants, conditions, restrictions, obligations and liens set forth herein shall no longer apply to those lands withdrawn. The procedure for withdrawal of land shall be substantially the same as set forth above in Section 2.2 for the addition of land except that the instrument shall be designated as a Notice of Withdrawal of Land and the provisions of such Notice shall be modified as necessary to provide for the withdrawal of land rather than the addition of land.

**ARTICLE III
RESTRICTIONS**

All of the Property (except for Commercial Lot 1) shall be owned, encumbered, mortgaged, leased, used, occupied, enjoyed, sold and conveyed subject to the following terms, conditions, covenants, and restrictions in this Article III:

3.1 Antennas. Exterior radio or television antennas, or aerial or satellite dish receivers, or other devices designed to receive telecommunication signals, including, but not limited to, radio, television or microwave signals which are intended for cable television, network television reception, internet, cellular telephones or entertainment or business purposes may be erected or maintained only with the prior written approval of the Architectural Committee.

3.2 Main House/Guest House. No more than one (1) Main House and one (1) Guest House shall be constructed or placed on any Lot. The restrictions and limitations in this Section 3.2 shall not prohibit, restrict or limit the number of other Improvements on a Lot which are appurtenant to any dwelling on a Lot or which are placed on a Lot for any other lawful and permitted purpose, including, without limitation, greenhouses, outbuildings (so long as constructed to match the exterior of the Main House), patios, tennis courts, swimming pools, garages, cabanas, playscapes, tree houses, swing sets, fences, screening walls, retaining walls, porches, driveways, decks, air conditioning equipment, water softening fixtures or equipment, exterior lighting fixtures and equipment, and meters. Unless the prior written approval of the Architectural Committee is obtained, no Improvement constructed or placed on any Lot shall exceed the height of the Main House on such Lot.

3.3 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 Lot or any of the Improvements located upon any Lot of the Common Area without the prior written approval of the Board. For purposes of this paragraph, the construction, maintenance and use of a swimming pool upon any Lot which complies with the provisions of Section 3.31 hereof and is ancillary to and connected with the construction and use of a single-family dwelling upon such Lot is deemed to be an acceptable and permitted use under the terms of this paragraph.

3.4 Compliance with and Violation of Provisions of Restrictions. Each Owner shall comply with the provisions of La Ventana Restrictions, as the same may be amended from time to time. Failure to comply with any of the La Ventana Restrictions shall constitute a violation of this Declaration and shall give rise to the following rights and remedies:

(a) A violation by an Owner, his or her family, guests, lessees or licensees, of the La Ventana Restrictions shall authorize the Board to avail itself of any one or more of the following remedies:

(1) The imposition of a "special charge" not to exceed One Hundred Dollars (\$100.00) per violation, to the extent permitted by applicable law;

(2) The suspension of such Owner's rights to use any Association Property for a period not to exceed thirty (30) days per violation;

(3) The rights to enter the Property and Improvements, after forty-eight (48) hours notice of the violation, and cure or abate such violation and to charge the expenses thereof, if any, to such Owner; or

(4) The right to seek injunctive or any other relief provided or allowed by law against such violation and to recover from such Owner all its expenses and costs in connection therewith, including but not limited to, attorney's fees and court costs.

Each day a violation continues shall be deemed a separate violation.

(b) The voting rights of an Owner who fails to pay any Assessment authorized or permitted by this Declaration, or a special charge authorized in this Section 3.4, shall automatically be suspended and shall remain suspended until any such Assessment or special charge, including penalty, interest and attorney's fees added to such Assessment as authorized in Article VII hereof, is paid in full.

3.5 Subdividing. No Lot shall be further divided or subdivided nor may any easements or other interests herein less than the whole conveyed by the Owner thereof; provided, however, that if the Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey any easement or other interest less than the whole, all without the approval of the Architectural Committee..

3.6 Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights, and obligations may, by operation of law, be transferred to the surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association, and the surviving or consolidated association shall possess such properties, rights and obligations in the same manner as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restriction established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided. No merger or consolidation of the Association shall be effective without the written consent of Declarant.

3.7 Signs. Declarant and any other person or entity engaged in the construction and/or sale of a residence within the Subdivision shall be permitted to place, during the period of development, construction, sale and resale of houses in the Subdivision, one (1) "For Sale/Builder/Etc." sign of less than four (4) square feet in size. Subcontractors' signs are not allowed. Notwithstanding the foregoing, the appearance and location of all signs must be acceptable to the Architectural Committee. Security related signs are permitted. Plaques and/or monuments naming the Lot are allowed. Declarant and the Association may erect signs for any purpose, including marketing, on the Property. The foregoing specifically prohibits Lot Re-Sale signs unless approved by the Committee.

3.8 Rubbish and Debris. No rubbish or debris of any kind (including weeds, brush or material of any nature deemed to be rubbish or debris by the Committee) shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other Property or to its occupants. No horse manure shall be allowed to accumulate on the Equestrian Lots. Horse manure shall be disposed of regularly and kept at a minimum at all times. The Architectural Control Committee shall determine what constitutes rubbish, debris or odors and what conditions render any portion of the Property unsanitary, unsightly, offensive or detrimental to any other Property or to its occupants; and the decision of the Architectural Control Committee shall be final and binding on the parties. Refuse, garbage and trash shall be kept at all times in covered containers, and such containers shall be kept within enclosed structures or appropriately screened from view except for designated trash collection days. In the event that the Owner or permitted occupants of any Lot shall fail to keep, or cause to be kept such Lot or Improvements thereon free from rubbish or debris of any kind, and such failure or refusal shall continue for fifteen (15) days after delivery of written notice thereof, then the Association may, but shall not be obligated to, enter upon the

Property and remove or correct the same at the expense of the Owner of such Lot and such entry shall not be deemed to be a trespass. Owners may dispose of yard rubbish, clippings, and other organic debris at the Compost Area. Compost may be used by Declarant, the Association and Owners. No burning of any kind is allowed on any Lot except that Declarant is allowed to burn during any Development Activity and the Association is allowed to burn at the Compost Area.

3.9 Garbage Containers. The Association may contract with a licensed trash removal service to serve the garbage collection needs of the Property, with each Owner paying for the service to his or her Lot.

3.10 Nuisances. No noise, light pollution or other nuisance shall be permitted to exist or operate upon any of the Lots so as to be offensive or detrimental to any other of the Lots or to its occupants (other than security devices used exclusively for security purposes).

3.11 Construction of Improvements. No Improvements shall hereafter be constructed upon any portion of the Property without the prior written approval of the Plans and Specifications for the Improvement(s) by the Architectural Committee. The positioning of all Improvements upon Lots within the Property is also hereby expressly made subject to Architectural Committee review and approval. The Architectural Committee may, but shall not be required to, prevent or allow the construction of a proposed Improvement based upon the effect it will have upon the view from any other Lot. The Architectural Committee may consider the effect the Improvement will have on the Subdivision as a whole, it being expressly understood that neither Declarant, the Board or the Architectural Committee, in its sole judgement, nor the members thereof, shall be liable to any Owner in monetary damages or otherwise due to the construction of any Improvement within the Property or the creating thereby of an obstruction to the view from an Owner's Lot or Lots.

3.12 Repair of Buildings. All Improvements upon any of the Lots shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof. The opinion of the Architectural Control Committee as to condition shall be final. The Owner shall repair any Improvement if required to do so by the Architectural Committee.

3.13 Alteration or Removal of Improvements. The construction or material alteration of any Improvement on any Lot other than normal maintenance, which in any way materially alters the exterior appearance of any Improvement, and/or the removal of any material portion of any Improvement on any Lot shall be performed only with the prior written approval of the Architectural Committee.

3.14 Roofing Materials. No reflective, white or bright colored roofing materials shall be permitted on any Improvement. The minimum standards for roof shingles shall be dimensional, 300 pounds per square, 25 year shingles or better. Non-glistening metal or tile roofs, including drain gutters, shall be permitted. The Committee shall have the sole discretion and right to approve or reject in writing all roofing materials to be used on any Improvement and a failure or refusal to approve is a rejection.

3.15 Liability of Owners for Damage to Common Area and Facilities. No Owner shall in any way alter, modify, add to or otherwise perform any work upon the Common Area, including, but not limited to, trees and landscaping, without the prior written approval of the Board, except that each Owner shall be responsible for upkeep and maintenance of their Street Side Right-of-Way adjacent to their Lot. Each Owner shall be liable to the Association for any and all damages to (i) the Common Area, or (ii) any Improvements constructed on any Lot, the maintenance of which has been assumed by the Association, which damage is caused by the neglect, misuse or negligence of such Owner any tenant or other occupant of such Owner's Lot, or any guest or invitee of such Owner. The full cost of all repairs of such damage shall be an Assessment against such Owner's Lot, secured by a lien against such Owner's Lot and collectible in the same manner as provided in Article VI hereof, including but not limited to foreclosure of such lien.

3.16 Underground Utility Lines. No utility lines, including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained any where in or upon any portion of the Property unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the Committee; provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements which have been previously approved in writing by the Committee. Notwithstanding any provision herein to the contrary, Declarant and the Association are hereby exempt from compliance with this Section 3.16.

3.17 Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural Committee. All drainage structures under private driveways shall be constructed out of concrete or rock and have a net drainage opening area of sufficient size to permit the free flow of water without backwater. Metal drainage structures or culverts under driveways are not permitted. All drainage structures shall be subject to the approval of the Architectural Committee. Owners are responsible for the construction, upkeep and repair of drainage structures or culverts under their driveways, regardless if such structure is located in a Street Side Right-of-Way.

3.18 Creek and Tributary Obstructions. No obstructions of any type, including, but not limited to, fences, dams, and concrete walkways, shall be placed in, on, or across any Creek Bed adjoining or running through any Lot in the Subdivision, except by Declarant or Association.

3.19 Filling, Cutting and Slope Control. The Architectural Committee shall carefully review all proposed Improvements which will be placed on Lots with slopes exceeding twenty (20%) percent, and all filling and cutting of the terrain on such Lots shall be kept at a minimum. The Architectural Committee may require "pier and beam" type foundations for the Improvements on such Lots in lieu of standard "slab on grade" foundations if, in its sole discretion, the Architectural Committee so elects.

3.20 Solar Equipment. All usage of solar equipment must be approved in writing by the Architectural Committee. Solar collectors shall not be permitted to be installed upon any Improvements on any Lot in a fashion that would cause a glare to adjoining Lots or detract from the design of the structure.

3.21 Hazardous Activities. No activities shall be conducted or allowed to exist on any Lots and no Improvements shall be constructed on any Lot that are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, activities that are expressly prohibited include (1) any activities which may be offensive or hazardous by reason of odor, fumes, dust, smoke, noise, vibration or pollution, or which are hazardous by reason of excessive danger, fire or explosion, or (2) the discharge or leakage of any type of hazardous or toxic chemical or material, provided, however, materials and activities that are customarily used for residential and agricultural purposes, including construction shall be allowed on the Lots. Additionally, no firearms or fireworks shall be discharged upon the Property, no open fires shall be lighted or permitted except in a contained barbecue unit (while attended and in use for cooking purposes), within a safe and well-designed interior fireplace, or such campfires or picnic fires in the Common Areas designed for such use by Declarant or by the Association.

3.22 Temporary Structures. No tent, shack, mobile home, trailer, or other temporary building, improvement, or structure shall be placed upon the Property, without the prior written approval of the Architectural Committee; provided, however, that temporary structures necessary (i) for the storage of tools and equipment and (ii) for office space for architects, builders, and foremen during actual construction or a residence and temporary structures necessary for providing office space for builders and their

representatives to market residences to prospective purchasers may be maintained with the prior approval of the Architectural Committee, such approval to include the nature, size, duration, and location of each structure.

3.23 Mining and Drilling. No portion of any Lot 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, water, rocks, stones, sand, gravel, aggregate, or earth, or for any mineral development or production activities at any time. This restriction shall not apply to the removal or deposit of rocks, stones, sand, gravel, aggregate, or earth as necessary in connection with the construction of any Subdivision improvements such as streets, sidewalks, curbs, gutters, drainage systems or utilities or as may otherwise be required in connection with the construction of any Improvements approved by the Architectural Committee. Declarant, and/or any water utility company owned or controlled by Declarant, shall have the exclusive right to drill a water well or wells on any Common Area or sanitary easement of record within the Subdivision (including the placement of surface equipment) to any depth and capture any quantity of water it deems necessary for the operation of its business. This right is assignable by the foregoing entities and the Association shall acknowledge any such assignment when presented. Lot number 50 shall be entitled to use the existing water well located thereon for its own landscaping/irrigation purposes only. Commercial Lot 1 shall be entitled to use the existing water well located thereon for any purpose or additional water wells for any legal use may be drilled.

3.24 Unightly Articles; Vehicles. The intent of this section is to prohibit the view of unsightly articles and unsightly vehicles (as deemed such by the Committee) located on any Lot. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any Lot so as to be visible from adjoining Property or public or private thoroughfares. Without limiting the generality of the foregoing, 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 use, in enclosed structures or completely screened from view and no repair or maintenance shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Each single-family residential structure constructed within the Property shall have garage space sufficient to house at least two (2) vehicles. Lot owners shall not keep more than two (2) automobiles in such manner as to be visible from any other portion of the Property for any period in excess of seventy-two (72) hours. No automobiles or other vehicles may be parked after dark or overnight on any roadway within the Property. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from any view, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse trash shall be kept, stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view. Equestrian Lot Owners may park one (1) horse trailer next to each stable provided such parking space is covered in accordance with this Declaration.

3.25 Mobile Homes, Travel Trailers, Cattle Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot at any time, and no travel trailers, cattle trailers, or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining Property or public or private thoroughfare for more than forty-eight (48) hours.

3.26 Fences. No fence, of any sort, shall be constructed on any Lot without the Architectural Control Committee's prior written approval. In order to obtain such approval, complete plans and specifications for any proposed fence must be submitted to and approved in writing by the Architectural Control Committee. The Architectural Committee may, in its discretion, prohibit the construction of any fence, or specify the materials of which any fence must be constructed, or require that any other proposed fence be screened by vegetation or otherwise so as not to be visible from other portions of the Property. In any case, the following types of fences are not permitted: chain link, barbed wire, game fences, and fences over seven (7) feet high. Wooden Privacy Fences are not favored by the Committee and shall only be

approved on a showing of good cause by Owner. This Restriction does not apply to Declarant, the Association, nor any existing fences on the Property.

3.27 Restrictions Against Unlicensed Vehicles. No unlicensed vehicles, including, but not limited to, 3-wheelers, 4-wheelers, or go-karts, shall be allowed to be driven upon the Property, including the Private Roads. Golf carts with tall caution flags are permitted. No motorized vehicles, licensed or unlicensed, shall be allowed to be driven or parked on any Undeveloped Lot(s) or the Common Area except paved roads or designated parking area(s). Declarant, its contractors, maintenance vehicles, and emergency vehicles are exempt from this Section.

3.28 Animals-Household Pets. No animals, including pigs, poultry, fowl, wild animals, cattle, sheep, goats or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property, except for the animals, including horses, subject to Section 3.54, longhorn cattle, llamas and other livestock and wildlife that Declarant or the Association determines to own and raise and/or manage on the Common Area. No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance, through noise or otherwise, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash. No animal shall be allowed to run at large, and all animals shall be kept within enclosed areas which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Architectural Committee, shall be reasonably designed and constructed to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property. In no event shall Pit bulls or other vicious or dangerous animals be allowed on the Property. The Front Fields are the "leash free" zone for pets belonging Owners so long as the pet Owner is present to supervise their pet(s) and the pet(s) are trained and obedient. Equestrian Lots are allowed the full time boarding of no more than two (2) horses each.

3.29 Landscaping. It is the intent of this Declaration to recognize, utilize and supplement the existing landscape and visual resources by retaining the natural character of the site with its rolling terrain and clusters of trees. It is the further intent to structure a viable introduced landscape, ensuring consistent quality and providing for visual harmony through color and textural variety. No fences, wall, hedge, shrub or tree planting which obstructs sight lines at elevations between three (3) and six (6) feet above the surface of any street or roadway shall be planted or permitted to remain on any corner Lot within the triangular area formed by the curb lines of such intersection streets and a line connecting such curb lines at points twenty-five (25) feet from their intersection, or, in the case of a rounded corner, from the intersection of the curb lines as extended. The same sight line limitations shall apply on any Lot within ten (10) feet of the intersection of a street curb line and the edge of a driveway or alley. No trees shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at a height of more than six (6) feet above ground level. Anything herein to the contrary notwithstanding, the Committee may allow a ten (10) foot setback from a side street if the Committee, in its sole discretion, so elects. No tree (other than mountain juniper, commonly known as cedar) having a trunk with a diameter of six (6) inches or larger shall be removed from any Lot without the consent of the Committee.

The tree disease caused by the fungus *Ceratocystis fagacearum*, commonly known as Oak Wilt, is present on the Property and the Texas Hill County. Both red oaks and live oaks are susceptible to Oak Wilt and the disease has been diagnosed in more than sixty (60) Texas counties. The fungus spreads through the common root system of oaks. Existing trees shall be pruned and treated for diseases and insects in keeping with good arboricultural practice as deemed by the Committee. Owners must cooperate with the Association to control any tree disease present on Owner's Lot. In the event a tree larger than a ten (10) inch caliper, but smaller than sixty (60) inches in circumference, is removed or destroyed, the Owner of the Lot from which such tree was removed or destroyed will replace that tree with at least three (3) hardwood trees of a minimum

three (3) inch caliper or seven (7) inch circumference. This Restriction does not apply to Declarant or the Association.

3.30 Maintenance of Lawns, Plantings and Improvements and Street Side Rights-of-Way.

(a) In the event the Owner of any Lot shall fail to maintain such Lot, that portion of the Street Side Right-of-Way along the Lot, and the Improvements situated thereon in a neat and orderly manner, the Association, acting on its own or through the Architectural Committee, its agents and employees, shall have the right to enter upon said Lot and to repair, maintain, and restore the Lot and exterior of any and all buildings and other Improvements erected thereon, all at the expense of the Owner.

(b) The Owner of a Lot which includes a Creek Bed shall maintain the Creek Bed and banks free of weeds and debris and, if the Owner shall fail to do so, the Association shall have said area maintained at the expense of the Owner. Anything to the contrary contained in this paragraph notwithstanding, all Creek Bed maintenance performed by an Owner, or by the Association, shall be performed in accordance with all pertinent and specifically applicable regulations and the ordinance of the appropriate governmental entity.

(c) All plants, shrubs, trees, grass, and landscaping on a Lot shall be maintained in a trimmed and neat condition at all times. Declarant, the Association and the Architectural Committee shall have the right, at any reasonable time, to enter upon any Lot to replace, maintain and cultivate shrubs, trees, grass or other plantings located thereon, and to charge the cost thereof to the Owner of the Lot as provided herein.

(d) The Association shall have the sole authority to make a determination as to the acceptability of the maintenance and appearance of any Lot, and the Association shall have the absolute discretion and authority to determine the necessity for required maintenance of Lots within the Subdivision. No unsightly Lots shall be permitted at anytime.

3.31 Swimming Pools. Moveable aboveground swimming pools are strictly prohibited, excluding small "kiddy pools". All swimming pools must be in a fenced enclosure surrounding the swimming pool or access to that portion of the Lot upon which the swimming pool is located must be restricted with lockable access by fencing of adequate height. Such fence is to be approved by the Architectural Control Committee.

3.32 Main House Sites. Unless requirement is expressly waived in writing by the Committee, any Main House constructed on a Lot must have an enclosed living space of not less than two thousand eight hundred (2,800) square feet, exclusive of open and closed porches, decks, terraces, patios, balconies, driveways and garages. This requirement will only be waived by the Committee in circumstances where the Property or other characteristics of a Lot do not reasonably enable compliance with this requirement. This shall not apply to any residence or Building existing prior to the date of the original Declaration. The Committee may grant variances on this requirement on only those Lots which were contracted for prior to the date of filing this Declaration, but in no event shall the minimum enclosed living space requirement be less than 2,250 square feet.

3.33 Guest House Sites. Unless requirement is expressly waived in writing by the Committee, any Guest House constructed on a Lot must have an enclosed living space of not less than four hundred (400) square feet, exclusive of open and closed porches, decks, terraces, patios, balconies, driveways and garages. This requirement will only be waived by the Committee in circumstances where the Property or other characteristics of a Lot do not reasonably enable compliance with this requirement. This shall not apply to any residence or Building existing prior to the date of the original Declaration.

3.34 Masonry Construction. Without the prior written consent of the Architectural Committee, no structure or Improvement (if applicable) may be constructed of more than ten percent (10%) exterior wood, with the remaining portion being of masonry construction. Brick, natural stone and stucco shall be considered to be masonry for purposes of this Section. In computing these percentages 1) all gables shall be excluded from the total area of exterior walls; 2) all windows and door openings shall be excluded from the total area of the exterior walls; 3) all underpinnings shall be excluded from the total area of the exterior walls; and 4) stone and masonry used on fireplaces, chimneys and walls of an attached garage may be included in the computation as stone, masonry or stucco is used. The decision of the Architectural Committee as to the percentage of exterior wood used, or shown on a construction plan, shall be final and binding on all parties. Hardy plank or hardy board shall not be considered a masonry product.

3.35 New Materials. Only new materials shall be utilized in constructing any structures situated upon a Lot, unless approved by the Committee.

3.36 Construction in Place. All dwellings constructed on the Property shall be built in place on the Lot. No pre-constructed, prefabricated or existing building or structure may be moved onto any portion of the Property without the prior written approval of the Architectural Committee.

3.37 Construction Standards. All construction must conform to plans and specifications approved in writing by the Architectural Committee. The criteria considered by the Architectural Committee may include, but shall not be limited to, whether the Plans and Specifications demonstrate that the improvement proposed would preserve the quality and atmosphere of the Property and not materially detract from the view or value of adjacent Lots. Once commenced, construction shall be diligently pursued to completion in order that Improvements not be left in a partially finished condition any longer than is reasonably necessary.

3.38 Unfinished Improvements. No Improvements shall remain unfinished for more than one (1) year after the same has been commenced, unless prior written approval from the Architectural Committee has been received.

3.39 Improvement Location: Minimum Yards. Notwithstanding the general setback requirements set forth herein as to location of Improvements upon any Lot, it is the intention of Declarant to establish the importance of locating such Improvements in order to preserve existing natural trees, vegetation and topography to the greatest extent possible and practicable. The Architectural Committee shall be specifically empowered to require or grant variances with respect to such setback requirements in accordance with the review procedure set forth herein, so long as the resulting location of the Improvements will not encroach upon any other Lot, utility easement or public right-of-way. In connection therewith, minimum yard and set-back requirements may be set by the Architectural Committee or Declarant in excess of those set forth above or those shown on any plat of the Subdivision through a Supplemental Declaration in order to maximize open areas, pedestrian, and vehicular movement, to preserve views from other Lots and to benefit the overall appearance of the Subdivision.

3.40 Setback Requirements. No Building shall be located on any of the Lots nearer to the front lot line or nearer to the side street line than the minimum setback lines shown on the recorded plat of the Subdivision as it pertains to such Lot or Lots. In any event, no Building shall be located nearer than fifty (50) feet from the front line, or nearer than fifteen (15) feet from any side Lot line, or nearer than thirty (30) feet from any rear Lot line, on interior Lots and fifteen (15) feet on corner Lots along the street side. The Committee shall have the right to impose such additional setback requirements as it deems necessary to preserve lines of sight from neighboring properties and Lots. The Committee shall be entitled to review and

modify the setback requirements for cul-de-sac Lots and/or any other Lots designated at any time by Declarant for which compliance with the foregoing setback requirements might be difficult or impossible.

3.41 Rentals. Nothing in this Declaration shall prevent the rental of an entire Lot and the Improvements thereon by the Owner thereof for residential purposes, on either a short or long-term basis. In such event, both Owner and tenant shall be responsible for compliance with this Declaration and all La Ventana Rules. No Lot, including Improvements on a Lot, may be leased to more than four (4) adults at any one time.

3.42 Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, or posting of signs or similar activities; provided, however, that such construction is to be pursued to completion with reasonable diligence. Any mud, rocks or other debris which are tracked onto the Private Roads and Street Side Rights-of-Way from a Lot where Improvements are under construction shall be immediately cleaned up by the responsible Owner. Any damage to the Private Roads caused by construction activities shall be repaired by the Owner responsible for such damage. In the event of any dispute regarding such matters, a temporary waiver of the applicable provisions may be granted by the Architectural Committee; provided, however, that such waiver shall be only for a reasonable period of such construction.

3.43 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 to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability or lack of enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Lot 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 Lot, agrees to hold Declarant harmless therefrom.

3.44 Identification of Lots. Each Owner shall post the street address number for each single-family residence located on a Lot in the manner and location approved by the Committee.

3.45 Fuel Tanks. No butane or fuel tank (other than small tanks used for outdoor cooking) or other structure or facility for the storage of combustible fuel shall be placed or maintained on any Lot unless expressly authorized in writing by the Committee. Declarant and Association may store fuel for the operation and management of the Property.

3.46 Prohibited Activities. No professional, commercial, or trade venture or activity shall be conducted on any of the Lots; provided, however, that model homes and/or sales offices may be constructed and maintained by the Declarant, its successors and assigns, or Builders, in connection with the development of and the construction and sale of houses and Lots in the Subdivision. Subject to the prior written consent of the Committee, home offices to which the general public is invited, incidental to an Owner's business, may be maintained within such Owner's residence so long as, in the sole and absolute discretion of the Committee, activities conducted in connection with such home offices do not become an annoyance or nuisance to the neighborhood.

3.47 Driveways and Garages. All driveways shall be constructed of concrete, asphalt, pavers or masonry and shall be subject to written approval by the Committee. All garages shall be physically attached to the residence. All garages shall have functional automatic garage door openers installed. Front entry garages are prohibited, unless the topography, front building width, or tree location on a particular lot

dictates that a front loaded or front-swing loaded garage be employed, in which case, the Architectural Committee shall be free to grant a variance to the Owner of such Lot allowing for the construction of a front-loaded or front swing loaded garage. In all such cases, front-swing loaded garages shall be preferable over front entry garages. Under no circumstances, however, shall a variance be granted to allow a garage door to face La Ventana Parkway.

3.48 Window Materials. All windows on all Improvements in the subdivision shall utilize only clear or lightly tinted, non-reflective glass.

3.49 Hunting. No hunting shall be permitted or firearms discharged on the Property.

3.50 Septic Systems. All septic tank and soil absorption sewage disposal systems shall be constructed in accordance with the minimum requirements of the division of Sanitary Engineering of the Texas State Department of Health in conformity with the restrictions outlined on the recorded plat of the Subdivision and the La Ventana Rules, and shall be inspected by a duly authorized agent of the Hays County Health Department, and, if required by the ordinances, by any pertinent and specifically applicable governmental or quasi-governmental entity. Written certification by the inspecting authority that the system complies with applicable requirements shall be presented to the Committee by the Owner of a Lot prior to occupancy of the premises.

3.51 Mailbox. Owner shall construct a mailbox on each Lot as determined by the Committee and in cooperation with the U.S. Postal Service and any other applicable regulatory authority.

3.52 General Use Restrictions. The Property (except for Commercial Lot 1) shall be improved and used solely for single-family residential use, for Common Area, and for other permitted uses. (See Article IV.) Common Area may, subject to the approval of Declarant or the Association, in their sole and absolute discretion, be improved or landscaped and used for active and passive recreational and entertainment purposes as well as any other authorized purpose. However, in no circumstances, may any improvements be constructed on that portion of the Front Fields which lies to the east of La Ventana Parkway. Declarant may, in his sole and absolute discretion, permit other Improvements and uses. Declarant has the right to dedicate Common Area and Sanitary easements in connection with any utility serving the Subdivision. Notwithstanding anything contained in this Declaration to the contrary, Declarant reserves the right to continue to use any Undeveloped Lot and maintain the use of any existing Improvements thereon as is currently being used, or otherwise.

3.53 Building Height. No Improvement greater than thirty-five (35) feet in height may be constructed on the Property or any Lot within the Property without the prior written approval of the Architectural Committee. For purposes of this paragraph, height shall be measured from the highest point of the foundation to the highest point of the ridge line of the roof of the proposed Improvement. Notwithstanding any provision herein to the contrary, Declarant, may, but shall not be obligated to, establish separate and more restrictive height restrictions and requirements applicable to one or more Lots within the Property to preserve and maintain overall aesthetic appearances of the Subdivision and Improvements therein, and such height restrictions and requirements shall control over the height restrictions set forth in the body of this Declaration, provided the height restrictions to such Property or Lots is filed of record prior to or as part of the conveyance of the Property or Lots by Declarant.

3.54 Equestrian Activity. Owners of Equestrian Lots are allowed to board up to two (2) horses full time on each Equestrian Lot. A stable(s) must be constructed on an Equestrian Lot if horses are boarded thereon. The stable(s) shall conform to construction standards set forth by the Architectural Committee. Such stable(s) shall be located on an Equestrian Lot with the following setback requirements and size requirements:

(a) Each stable shall be constructed parallel to and six (6) feet from the Corral fence and shall be located at the center point of the rear Lot line of each Equestrian Lot. No part of a stable shall exceed a distance greater than thirty-six (36) feet from the Corral fence. Stables on Equestrian Lots which do not back up to the Central Corral must receive approval from the Committee before constructed.

(b) Each stable shall be a minimum of five hundred seventy-five (575) square feet but not larger than nine hundred (900) square feet with a height of not less than sixteen (16) feet or greater than twenty-two (22) feet from the stable floor to the highest point in the stable roof.

(c) Equestrian Lot Owners may park one (1) horse trailer next to each stable provided such parking space is covered.

(d) Each stable must be kept clean and neat at all times. Equestrian Lot Owners shall keep the stable area clean and free of debris through frequent clean up and regular removal of horse manure. Organic debris may be disposed of in the Compost Area. Equestrian Lot Owners shall control and minimize insects and flies resulting from Equestrian Activity.

3.55 Corral. Every Owner is allowed to use the Corral at designated times to ride, train, or graze horses. Horses which are not owned by an Owner are not allowed in the Corral. Overnight boarding of any horse in the Corral is limited to three (3) nights per week. Equestrian Lot Owners shall clean up after the horses on a frequent basis and remove horse manure from Equestrian Lots and the Corral and dispose of same in the Compost Area. Owners who use the Corral shall control and minimize insects and flies resulting from Equestrian Activity.

3.56 Designated Horse Riding Areas. Horses may be ridden only in the following authorized areas:

- (1) Perimeter Path
- (2) Front Fields;
- (3) Undeveloped Lots (excluding Commercial Lot 1);
- (4) Designated horse right-of-ways and crossovers;
- (5) Corral; and
- (6) Equestrian Lots.

ARTICLE IV COMMERCIAL LOT 1

4.1 Commercial Lot 1. Commercial Lot 1 is hereby expressly exempt from the La Ventana Restrictions and La Ventana Rules. Declarant or any owner or lessee of all or part of Commercial Lot 1 is authorized to conduct commercial, agricultural, office, administrative, or any other legal activities, on Commercial Lot 1. In the event Declarant determines to re-plat any or all of Commercial Lot 1 into Lot(s), then this Declaration shall be amended and provide covenants, conditions and restrictions which would apply and pertain to such Lots, if any.

ARTICLE V
ARCHITECTURAL COMMITTEE

5.1 Membership of Architectural Committee.

(a) The Architectural Committee shall consist of not less than one (1) and not more than four (4) voting Members ("Voting Members"), and such additional non-voting Members serving in an advisory capacity ("Advisory Members") as Declarant, its successor or assigns deems appropriate.

(b) The Architectural Committee shall consider and is authorized to 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. The Architectural Committee shall review Plans and Specifications submitted for its review and such other information as it may require relating to the provisions of this Declaration or to the question of whether any proposed Improvement would unreasonably obstruct the view from other portions of the Property. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set forth herein and the decision of the Architectural Committee shall be final and binding so long as it is not in conflict with these Restrictions and is made in good faith. The Architectural Committee may hire consultants, including engineers and architects, to assist it in its duties hereunder. The Architectural Committee, and its agents and employees, shall not be responsible for inspecting any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval of any Improvement as to structural safety, engineering soundness or conformance with any building or other codes, regardless of the hiring by the Architectural Committee of any consultants to assist it in its duties hereunder.

5.2 Action by Architectural Committee. Items presented to the Architectural Committee shall be decided by majority vote of the Voting Members. The Architectural Control Committee's approval shall not be unreasonably withheld or delayed. If the Committee fails to respond in writing to a request for approval specifying its objections within thirty (30) business days from the date of its receipt by the Committee, such approval shall be deemed to have been given.

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

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

5.5 Declarant's Rights of Appointment. Declarant, its successors or assigns, shall have the right to appoint and remove all members of the Architectural Committee. Declarant may delegate this right to the Board by written instrument. Thereafter, the Board shall have the right to appoint and remove all members of the Architectural Committee.

5.6 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 it's sole expense and/or the Board may seek any of the remedies set forth herein for default of this Declaration.

5.7 Review of Construction, Alteration or Removal of Improvements.

(a) Whenever in this 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 considered to be relevant. Except as otherwise specifically provided herein, prior to the commencement of any Improvement on the Property or any portion thereof, the Plans and Specifications therefor shall be submitted to the Architectural Committee, and such 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 the 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, including any information it may require relating to the question whether any proposed Improvement upon a Lot would unreasonably obstruct the view from other portions of the Property. 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 upon any Lot which would unreasonably obstruct the view from any other portion of the Property and no Improvement shall be allowed on any Lot which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes and materials and similar features so as to be incompatible with residential development within the Property. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set forth in the preceding sentence and the decision of the Architectural Committee shall not be 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, with respect to structural safety, engineering soundness, or conformance with building or other codes.

(b) Any Plans and Specifications which are not acted upon within thirty (30) calendar days after they have been submitted to the Architectural Committee shall be deemed to have been approved by the Architectural Committee. This approval shall not apply to any situation in which the Architectural Committee notifies the submitting party that its submission is somehow incomplete or in cases where the Architectural Committee make a request for additional information with respect to those Plans and Specifications.

(c) Any party requesting approval of a set of Plans and Specifications for use with a particular Lot shall submit a site plan showing the position of all improvements on the Lot, a tree survey, and brick, mortar and exterior trim colors or samples as a part of those Plans and Specifications. The party submitting such plans shall be required to point out to the Architectural Committee, and the Architectural Committee shall have the right to review and approve, any material changes to or deviations from any previously approved set of Plans and Specifications. The Architectural Committee shall have the right to prevent the construction of any improvements which have, in the Architectural Committee's sole opinion, material changes to or deviations from any previously approved set of Plans and Specifications.

(d) The Architectural Committee may grant variances from compliance with any of the provisions of this Declaration or any Supplemental Declaration, including, but not limited to, restrictions upon height, bulk, size, shape, floor areas, land area, placement of structures, set-backs, building envelopes, colors, materials, or land use, when in the opinion of the Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property and such variance is justified due to unusual or aesthetic considerations, topographic or septic considerations,

or unusual circumstances. All variances must be evidenced in writing, in recordable form, and must be signed by at least a majority of the Voting Members of the Architectural Committee. If a variance is granted, no violation of the covenants, conditions, or restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or of any Supplemental Declaration for any purpose except as to the particular Property and in the particular instance covered by the variance.

5.8 Nonconforming or Unapproved Developments. The Architectural Committee, at its option, may review all work in progress to ensure compliance with approved Plans and Specifications. The Architectural Committee may, with the prior approval of the Board, require any Owner, at Owner's sole expense, to restore such Owner's Lot to the condition existing prior to construction, alteration or removal of any Improvement or landscaping thereon, including without limitation the demolition and removal of any unapproved or nonconforming Improvement or landscaping, if such Improvement or landscaping was constructed or altered in violation of this Declaration. In addition, the Architectural Committee may, with the prior approval of the Board, but has no obligation to, cause such restoration, demolition and removal of any such Improvement or landscaping, and levy the amount of the cost thereof as a special individual assessment against the Lot upon which such unapproved or nonconforming Improvement or landscaping was constructed or altered.

5.9 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 the members of the Architectural Committee, taken with or without a meeting, shall constitute an act of the Architectural Committee.

5.10 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 whatsoever, subsequently or additionally submitted for approval or consent by the same or a different person.

5.11 Guidelines for Building at La Ventana. The Architectural Committee may promulgate a set of guidelines not in conflict with this Declaration for building and developing in the Subdivision which shall be general in nature and may be amended from time to time by the Architectural Committee.

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

5.13 Non-liability of Architectural Committee and Declarant. Neither the Architectural Committee, nor any Member thereof, nor the Board, nor any Member thereof, nor the Declarant and its officers, directors and partners, shall be liable to the Association or to any Owner or any other person for any loss, damage, or injury arising out of their being in any way connected with the performance of the duties of the Architectural Committee, the Board or Declarant, respectively, under this Declaration, unless due to the willful misconduct of the Architectural Committee or its Members, the Board or its Members, or the Declarant or its officers, directors and partners, as the case may be. Neither the Architectural Committee, nor any Member thereof, nor the Board, nor any Member thereof, nor the Declarant and its officers, directors and partners, shall be liable to any Owner, or to any other Person, due to the construction of any Improvement within the Property or the

resultant obstruction of the view from such Owner's Lot or Lots, or any other result of such construction or Improvement.

5.14 Submission of Final Plans and Specifications. The final Plans and Specifications shall be submitted in duplicate to the Architectural Committee in care of Lee P. Wood, 1501 Elder Hill Road, P. O. Box 250, Driftwood, Texas 78619, or such other address as may be designated from time to time by the Architectural Committee.

5.15 Fees. The Architectural Committee shall have the right to establish and collect a reasonable fee for each set of Plans and Specifications submitted for review. The initial fee shall be \$150.00 per submission. In addition, a fee may be charged to consider requests for variances, the amount of which shall be determined by the Architectural Committee.

ARTICLE VI THE ASSOCIATION

6.1 Organization. The Association is a Texas non-profit corporation created, or to be created, by Declarant for the purposes, and charged with the duties and vested with the powers, prescribed by law and as set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaw shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration; if an inconsistency exists, this Declaration shall control. The Articles and Bylaws are attached hereto as Exhibits "B" and "C" respectively, and are incorporated herein for all purposes as if set out in their entirety.

6.2 Powers and Authority of the Association. Subject to such limitation and restrictions as are set forth in this Declaration, the Articles and Bylaws, the Association shall have the powers of a Texas non-profit corporation, including, but not limited to, all powers provided under the provisions of the Texas Non-Profit Corporation Act, as amended from time to time, or any successor act or statute. 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.

6.3 Indemnification.

(a) Indemnification. To the fullest extent permitted by applicable law, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a Director of the ROA shall not be liable to the ROA for monetary damages, or otherwise, for an act or omission in the Director's capacity as a Director. Any amendment of these Bylaws shall be prospective only and shall not adversely offset any limitation on the personal liability of a Director of the ROA existing at the time of such repeal or amendment. In addition, the ROA shall be entitled to indemnify its Directors, officers, employees and/or Members, the Subdivision Manager (and its constituent partners and their respective directors, officers, employees, shareholders and/or members) and others acting on the ROA's behalf, including, without limitation, members of the Architectural Committee or other similar committees and any third-party agents and contractors, to the fullest extent allowed by applicable law. 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 contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, Architectural Committee Member, or employee of the Association (the "Indemnified Party or Parties") against reasonable expenses to be paid directly and as actually and reasonably incurred (including attorney's fees, judgments, fines and amounts paid in settlement, including interest, costs and expenses) by the Indemnified Party in connection with such action, suit or proceeding if it is found and determined by the Board or a Court of Law that the Indemnified Party 1) acted in good faith and in a

manner the Indemnified Party 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 not reasonable cause to believe the Indemnified Party's conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of *Nolo Contendere* or its equivalent, shall not of itself create a presumption that the Indemnified Party did not act in good faith or in a manner which the Indemnified Party 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 the Indemnified Party's conduct was unlawful.

Furthermore, without limiting the foregoing in any way, the Association does hereby agree to INDEMNIFY AND HOLD HARMLESS and does hereby INDEMNIFY AND HOLD HARMLESS the Indemnified Parties, jointly and severally, from any and all claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgements and causes of action, whether in contract, tort or equity, of whatever nature or character, both known and unknown, whether held or accrued in the past, present or to accrue in the future, including reasonable attorneys fees and expenses incurred, which may hereafter be asserted by any Person, firm, corporation or other entity, arising out of or in any way related to or connected with, directly or indirectly, any act or omission committed by the Indemnified Party in such Indemnified Party's official capacity as a director, officer, Architectural Committee Member, employee. This indemnity provision applies even if such claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgements and causes of action were caused in whole or in part by any obligation, act, omission, negligence, breach of contract, misconduct, violation of statutory or common law, breach of warranty, product defect, or conduct of any type by such Indemnified Parties.

(b) Not Covered Owner and Member Obligations. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a general obligation of the Association; provided, however, that nothing contained in this Article VI shall be deemed to obligate the Association to indemnify any Member or Owner, who is not the Declarant, who is or has been director, officer, committee Member or non-compensated agent of the Association, with respect to any duties or obligations assumed or liabilities incurred by him or her under and by virtue of the restrictive covenants as a Member of the Association or Owner of a Lot covered thereby.

(c) Insurance. 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 or incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability hereunder or otherwise.

ARTICLE VII ASSESSMENTS

7.1 Assessments. Assessments may be established by the Declarant up to one (1) year after recording of any final plat of the Subdivision, or by the Board of the Association upon the establishment of the Association, pursuant to the provisions of this Article VII and shall be levied on a uniform basis against each Lot within the Property, subject to the limitations and exceptions as contained herein. The amount of the Assessments shall be determined in accordance with the provisions of this Declaration.

Notwithstanding the foregoing, the Assessments provided for herein shall not, without the consent of the Declarant, apply to Lot(s) or Undeveloped Lot(s) owned by Declarant, as long as owned by Declarant;

however, upon any sale of such Lot(s) by Declarant, to a third party, then such Assessments thereafter shall thereupon be applicable to such Lot(s).

Each unpaid Assessment(s), together with such interest thereon and costs of collection thereof, as hereinafter provided, is the personal obligation of the Owner of the Lot(s) against which the Assessment(s) is due, and is secured by a continuing lien against the Lot(s) and all Improvements thereon. The Association may enforce payment of such Assessment(s) in accordance with the provisions of this Article.

7.2 Funds. The Board shall establish one or more funds into which all monies paid to the Association shall be deposited and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association shall be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

7.3 Regular Annual Assessment. Prior to the beginning of each fiscal year, the Board or the Declarant, initially, shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Restrictions, including but not limited to, the cost of taxes, insurance, maintenance of roadways, rights-of-way, easements, median strips, sidewalks, paths and trails, the cost of maintaining, operating, lighting, watering, landscaping, providing underground utilities, and repairing all Common Area, and any Improvements thereon, the cost of enforcing this Declaration, the cost of management of the Subdivision and any contractual obligations related to such management, the cost of providing a fund for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior years' fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of the Assessment set by the Board or, initially, Declarant, shall be final and binding, so long as it is made in good faith. If the sums collected pursuant to such levy prove inadequate for any reason, including non-payment of any individual Assessments, the Association may, at any time and from time to time, levy further Assessments in the same manner as aforesaid. 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, or in such other manner as the Board may designate in its sole and absolute discretion. Notwithstanding the foregoing, each Owner, excluding Declarant, shall pay an Assessment to the Association at the rate of Forty-nine Dollars (\$49.00) per calendar month per Lot, prorated, beginning on the first day following such Owner's acquisition of title to his Lot or Lots, which rate shall continue until changed by the Association as herein provided. At the closing of the acquisition of any Lot from the Declarant, any other developer thereof, or any Builder, the party acquiring such Lot shall pay a one-time processing fee of One Hundred Fifty Dollars (\$150.00). In no event shall the regular annual Assessment per Lot for year 2000 exceed the sum of Five Hundred Eighty-eight Dollars (\$588.00). Thereafter, the regular annual Assessment hereunder shall not be increased by more than ten percent (10%) above the maximum annual Assessment for the preceding calendar year without an affirmative vote of two-thirds (2/3's) of the Owners of the Association who are voting in person or by proxy, at a meeting duly called for such purposes.

7.4 Builders Assessment. Whenever any Lot is initially conveyed by Declarant to a Builder for the purpose of constructing a spec home, the Builder shall pay the Association a Builders Assessment of Five Hundred Dollars (\$500.00)/Lot. Such Builders Assessment shall relieve the Builder from paying Regular Annual Assessments as described herein for a period of twelve (12) months from the date the Builder acquires the Lot. In the event the Builder continues to own such Lot after said twelve (12) month period, then the Builder shall be responsible for paying Regular Annual Assessments as set forth above. Builders shall remain responsible for the Assessments set forth in Section 7.5 and 7.6, below.

7.5 Assessment Benefiting Specific Areas. The Association shall also have authority to levy Assessments against Lots located in specific local areas (e.g. Equestrian Lots) and Improvements to be expanded for the benefit of such Lots so assessed. The Assessments levied under this Section shall be levied

in proportion to the benefits conferred or to be conferred, as determined by the Board, and therefore the amount levied against each parcel of land or Improvement need not be equal.

7.6 Special Assessments. In addition to the Regular Annual Assessments provided for above, the Declarant or the Board, as the case may be, may levy Special Assessments whenever in the Declarant's/Board's opinion such Special Assessments are necessary to enable the Declarant/Board to carry out the functions of the Association under the La Ventana Restrictions. The amount of any Special Assessments shall be at the reasonable discretion of the Declarant/Board. Notwithstanding the foregoing, any Special Assessment in excess of One Thousand Dollars (\$1,000.00) per calendar year per Lot shall be approved by the affirmative vote of two-third's (2/3's) of Owners who are voting at a meeting duly called for such purpose, who are entitled to vote in accordance with the Bylaws.

7.7 Owner's Personal Obligation for Payment of Assessments. All Assessments provided for herein shall be the personal and individual debt owing to the Association by the Owner of the Lot covered by such Assessment(s). In the event of joint ownership or ownership as tenants-in-common by more than one (1) Person of any Lot covered by such Assessments, such personal obligations shall be joint and several for each of said Owners. No Owner, except Declarant, may exempt himself/herself from liability for such Assessments, and in the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest at a rate per annum equal to the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof (or if there is no such highest lawful rate, at the rate per annum of eighteen percent (18%)), together with all costs and expenses of collection, including reasonable attorney's fees and court costs.

7.8 Assessment Lien and Foreclosure.

(a) To the extent permitted by applicable Governmental Requirements, the payment of the Assessments levied in accordance with this Declaration against each Lot, together with interest thereon as provided in Section 7.7 above and the costs and expenses of collection, including reasonable attorneys' fees, as provided below, is secured by, and there is hereby reserved, created and granted, a continuing lien and charge on and against each Lot to secure payment of the Assessments levied against the subject Lot in accordance with this Declaration, and any interest thereon as provided in Section 7.7 above and the costs and expenses of collections, including reasonable attorneys' fees as provided below. Such lien or payment of Assessments shall attach with the priority above set forth from the date that the Lot is purchased by Owner, which lien shall be further evidenced by a Vendor's Lien reserved by the Declarant in the Deed from Declarant to each Owner and such lien shall run with the land. The lien reserved, granted and created by this Declaration against a Lot for payment of Assessments shall bind and attach to the Lot and shall be valid and subsisting against the Lot, the Owner of such Lot and such Owner's heirs, devisees, personal representatives, successors or assigns, and shall be superior to all other liens and charges against such Lot, except only for (i) tax liens, and (ii) all sums unpaid on any obligations evidencing sums owing or borrowed for the purchase of such Lot and secured by a valid and enforceable first Mortgage lien or first deed of trust lien of record covering the subject Lot, provided that the lien of any such Mortgage shall be superior to the lien created above only with respect to Assessments becoming due after the date the subject Mortgage was recorded in the Official Public Records of Hays County, Texas. The Association shall have the power, in the Board's sole and absolute discretion, to subordinate the lien created by this Section 7.8 against any Lot to any other lien. Any such subordination shall be signed by an officer of the Association and recorded in the Official Records of Hays County, Texas. Upon the written request of any Beneficiary holding a lien on any Lot that is superior to the lien for payment of Assessments as provided herein, the Association shall report to said Beneficiary the amount of any Assessments levied against such Lot remaining unpaid for a period of more than thirty (30) days after the same are due.

(b) To evidence the aforesaid lien for payment of Assessments, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, a description of the Lot encumbered by the lien and the name of the Owner of such Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the Official Public Records of Hays County, Texas. The aforesaid lien for payment of Assessments shall attach with the priority set forth above from the date the payment of such Assessments becomes due. The Association may enforce such lien by the foreclosure sale of the defaulting Owner's Lot in like manner as a foreclosure of a mortgage or contractual lien on real property as provided in Section 51.002 of the Texas Property Code, as the same may be amended or modified, or the Association may institute suit against the Owner personally obligated to pay the Assessment for monetary damages and/or for the judicial foreclosure of the aforesaid lien. The Owner of the affected Lot shall be required to pay all costs and expenses, including without limitation reasonable attorneys' fees, incurred by the Association in connection with any foreclosure proceeding, whether judicial or non-judicial, and in connection with any collection proceeding the Association or Declarant shall have the power to bid on any Lot at any foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

(c) The liens for payment of Assessments provided for herein shall not be affected or extinguished by the sale or transfer of any Lot, whether by judicial or non-judicial foreclosure sale or otherwise; provided, however, that in the event of foreclosure of lien of any Mortgage superior to the lien for the delinquent Assessment, the lien for the delinquent Assessment will be extinguished, and the delinquent Assessment shall be paid out of the proceeds of such foreclosure sale only to the extent that funds are available after the satisfaction of the first lien Mortgage. The extinguishing of any lien for payment of Assessments as herein provided will not relieve any Owner from the obligation to pay Assessments subsequently becoming due and payable or affect or impair the lien created and reserved under this Declaration to secure payment of any such Assessments.

ARTICLE VIII
COMMON AREAS AND EASEMENTS

8.1 Common Areas. No land within any Common Area shall be improved, used or occupied, except in such manner as shall have been approved by Declarant, or the Association, as applicable. The use of Common Areas is restricted to Owners, Owners' guests and prospective owners. Further, Declarant has certain agriculture lease rights for the Common Area. Any Owner may reserve, for a fee, the Common Area and Improvements thereon for their private use with the permission of the Association and in accordance with La Ventana Rules.

Declarant and any water utility company owned or controlled by Declarant, shall have the exclusive right to drill a water well or wells on any Common Area or sanitary easement of record within the Subdivision to any depth and capture any quantity of water it deems necessary for the operation of its business (including the placement of surplus equipment). This right is assignable by the foregoing entities and the Association shall acknowledge any such assignment when presented.

8.2 Recreational Improvements. Any proposed construction of recreational Improvements within a Common Area shall be subject to approval by the Architectural Committee.

8.3 Privacy Gate. The Association shall pay for all costs and expenses necessary to operate and maintain the private gated entrance located on La Ventana Parkway. Such gated entrance shall not be relied on by the Owners and others for the security of property and person. Notwithstanding anything to the contrary contained herein, the Association retains the right to charge Owners a fee or deposit for the issuance of or replacement of privacy gate remote access cards and/or units. Each Main House shall be wired to access and operate the remote functions of such privacy gate.

8.4 Utility Easements in Common Areas. Declarant reserves the right to locate, construct, own and operate, erect and maintain or cause to be located, constructed, owned and operated, erected and maintained in and on any areas conveyed to the Association or reserved as Common Areas water, sewer and other pipelines, water wells, surface equipment, water tanks, conduits, wires and any public utility function beneath or above the surface of the ground, and with the right of access to the same at any time for the purpose of construction, drilling, operation, repair and maintenance. In connection herewith the rights granted herein are in addition to those rights granted in Section 8.1, herein. Such rights are transferable by Declarant.

8.5 Reserved Easements. All dedications, limitations, restrictions and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions and related rights made by Declarant for all purposes as if fully set forth herein, and shall be constructed 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, sewer and drainage), in favor of any person or entity, along and on either or both sides of any Lot line, which said easement shall have a maximum width of seven and one-half (7.5) feet on each side of such Lot line. See Plat for easements particular to any Lot.

8.6 Installation and Maintenance of Public Utilities. Declarant reserves, creates, grants and dedicates (without warranty) for Declarant and any and all public utility companies providing any public utilities to all or any portion of the Subdivision a perpetual, non-exclusive easement upon, across, over and under all portions of the Property designated on the Plat as public utility easements (the "PUE Tracts") for ingress and egress and for constructing, installing, replacing, repairing, operating, and maintaining all utility and service lines and service systems, public and private which are necessary as to provide public utilities to the Subdivision, including, but not limited to, telephone, cable television, gas, electric power, water distribution and wastewater collection, together with all lines, pipes, cables, conduits and other equipment, facilities, improvements and appurtenances installed in, under, along and across the PUE Tracts. By virtue of this easement, it shall be expressly permissible for Declarant and the public utility providers and companies supplying or providing public utility services to the Subdivision to install and maintain pipes, wires, conduits, service lines or other utility equipment, facilities, improvements or appurtenances thereto, on, above, across and under the PUE Tracts. 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. Subject to compliance with applicable Governmental Requirements, the public utility providers and companies furnishing public utility services to the Subdivision shall have the right to remove all trees and fences situated within the PUE Tracts, and to trim overhanging trees and shrubs located on portions of the Property abutting the PUE Tracts. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. Neither the Declarant nor any supplier of any utility service using any easement area, however, 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. Declarant reserves the right to make changes in and additions to said easements and rights-of-way for the purpose of most efficiently and economically developing the Property.

8.7 Title to Easement and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways or Common Area or any drainage, water, gas, sewer, storm sewer, electrical light, electrical power, telegraph or telephone way, or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Property, and the right to maintain, repair, sell, convey or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant. All Common Area shall be owned by the Association, unless further conveyed in accordance with this Declaration.

8.8 Drainage Easements and Patterns. Except for (i) alterations, changes, and/or interference in connection with or resulting from Development by Declarant and (ii) alterations, changes and/or interference by an Owner on the Owner's Lot which do not affect drainage patterns on, or the flow of surface water over, any other Lot or any other portion of the Property, there shall be no alteration of, change in, or interference with the established drainage patterns over any Lot or other portion of the Property unless adequate provision is made for proper drainage in a manner approved by the Owner of each Lot affected by the subject alteration, change or interference and by the Association. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and/or shown on the Plat without the prior written approval of the Association. There shall be no construction of Improvements, temporary or permanent, in any drainage easement except as may be approved in writing by the Association. Easements for installation and maintenance of utilities and/or drainage easements are reserved and dedicated as are shown on the Plat. Within these easement areas, no Improvements, Landscaping, or other materials shall be placed or permitted to remain which may damage or interfere with the installation, maintenance and/or operation of these utilities and/or drainage easements and/or which may

hinder or change the direction or flow of surface water within the Property and/or along the existing drainage patterns, channels or slopes within the Property.

8.9 Entry Easement. Declarant reserves, creates, grants and dedicates (without warranty) for the Association and Declarant a non-exclusive easement upon, over and across each Lot for ingress and egress for any and all of the purposes stated in this Declaration and to exercise, enjoy and carry out any and all of the rights and powers granted herein, on and subject to the terms and conditions of this Declaration. Entry upon any Lot as provided in this Section 8.9 shall not be deemed to trespass, and the Association and Declarant shall not be liable for any damage so created unless damage is caused by the willful misconduct or gross negligence of the party against whom damages are sought to be collected.

8.10 Maintenance of Surface Area of Easements. Each Owner shall maintain the surface area of all easements located within his or her Lot and all Improvements located therein except for (a) such Improvements for which a public authority or utility company is responsible and (b) all detention ponds and water quality easement areas (with the Association being responsible for maintenance of all detention pond facilities and water quality easement areas). The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers, or any other Improvement authorized by the Committee. Trees with extremely large root systems shall not be planted directly over utility lines. However, neither Declarant nor any supplier of any utility or 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.

8.11 Temporary Completion Easement. Declarant reserves, creates, grants and dedicates (without warranty) for the benefit of Declarant and any Person building or constructing any Improvements on any Lot, and their respective employees, subcontractors, successors and assigns, a non-exclusive easement of ingress and egress over, along, within and upon the front side and rear yards of each Lot, any and all Common Area and any and all easements located within the Subdivision as may be expediently necessary for the construction, servicing, and completion of Improvements and Landscaping upon any Lot, any and all Common Area and any and all easements located within the Subdivision.

8.12 Owners' Easements of Enjoyment. Each and every Owner shall have a non-exclusive right and easement in and to the Common Area and a non-exclusive right and easement of ingress and egress to, from and through the Common Areas, which non-exclusive rights and easements shall be appurtenant to and shall pass with title to each and every Lot, subject to the following provisions:

(a) the right of the Association to establish and publish rules and regulations governing the use of the Common Area affecting the health, safety and welfare of Owners and authorized guests, as well as good stewardship of the Common Area and its Improvements;

(b) the right of the Association to suspend the right of use of the Common Area and the voting rights of any Owner for any period during which any Assessment against the subject Owner's Lot remains unpaid beyond the period in which such Assessment is due and for any period during which the Owner is in violation of this Declaration and/or any La Ventana Rules;

(c) the right of the Association, subject to the provisions of this Declaration or any of the Restrictions, to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by a majority of the votes of the Owners as any vote of the Owners has been recorded according to such dedication or transfer;

(d) the right of the Association to borrow money from any Person for the purpose of improving the Common Area and, in furtherance thereof, mortgage the Common Area, and in accordance with the Articles and Bylaws;

(e) the right of the Association to contract for services or use of Common Area with Declarant or third parties, directly or indirectly, on such terms as the Association may determine; and

(f) all of the rights of the easements granted and provided under this Section 8.12 are easements appurtenant to and running with each Lot; and any such easement shall at all times inure to the benefit of and be binding upon Declarant, each Owner and all their respective grantees, heirs, successors, personal representatives or assigns, perpetually and in full force.

8.13 Title to Common Area. All Common Area shall be dedicated and conveyed to the Association, which shall thereafter be responsible for its operation and maintenance. The Common Area shall be conveyed to and accepted by the Association on or before the completion of all construction with respect thereto or at such other times and from time to time as the Declarant may determine to be appropriate. Declarant reserves the right to amend the boundaries of all Common Area in accordance with Paragraph 10.1 herein. Further, in the event additional land is added to the Subdivision in accordance with Paragraph 2.2 herein, Declarant shall, in fact, amend the boundaries of the Common Areas in order to accommodate such addition.

8.14 Damages. Each Owner and each lessee of any Owner shall be liable to the Association for any damage to Association Property which may be sustained by reason of the negligent or intentional misconduct of such persons of his family, guests or invitees. If the property, the ownership or leasing of which entitles the member or lessee thereof to use Association property, is owned or leased jointly or in common, all of such joint or common owners or lessees shall be jointly and severally liable hereunder. The amount of such damage may be assessed against such person's or entity's real and personal property on or within the Property, including the leasehold property on or within the Property, including the leasehold estate of any lessee or the lessor of such lessee, and may be collected as provided herein for the collection of Assessments.

8.15 Damage and Destruction. In case of destruction of or damage to Association Property by fire or casualty, the available insurance proceeds, if any, shall be paid to the Association, which shall contract to repair or rebuild the Association Property so damaged. Should insurance proceeds be insufficient to pay all of the costs of repairing or rebuilding the damaged property, the Association may levy a special assessment to recover any deficiency. If the Board determines not to rebuild any property so destroyed or damaged, or to build facilities substantially different from those which were destroyed or damaged, it shall call a special meeting of the Members to consider such decision. If the Members of the Association, by seventy-five percent (75%) of the votes cast at such meeting, elect to ratify such decision, the Board shall act accordingly, but if the Members do not by such percentage elect to ratify such decision, the Board shall proceed to repair or rebuild the damaged facility with payment therefor to be made as set forth in this Section. Owners should be aware of the risk that flood insurance for certain Improvements in the Common Area may not be obtainable and the costs associated with such possible loss.

8.16 The Private Roads. Declarant reserves for itself, the Association, each Owner, and the respective employees, agents, representatives, guests, contractors, and other invitees of the Association and the Owners (hereinafter collectively called the "Private Roads Users" and individually called a "Private Roads User") the right of access to the Private Roads, and a nonexclusive easement on, over, across and with respect to the Private Roads for the use and enjoyment of the Private roads for vehicular and pedestrian access to the Lots, the other Common Areas, and the remainder of the Property. Notwithstanding anything in this Declaration to the contrary, in no event shall any Private Roads User be permitted to use or enjoy the Private

Roads in any manner which is prohibited by or which would violate a Governmental Requirement or any Rules. Additionally, no Private Roads User may in any way or manner remove, alter, damage or destroy any portion of the Private Roads. The Association shall have the power and authority to promulgate rules regarding the use and enjoyment of the Private Roads by the Private Roads Users and shall have the power and authority to enforce such rules regarding the use and enjoyment of the Private Roads. Subject to the terms and provisions of this Declaration and to the Rules promulgated by the Association with respect to the use and enjoyment of the Private Roads, all Private Road Users shall have access to the Private Roads and shall have ingress and egress to the Private Roads for the purposes provided above. Declarant reserves for itself and the Association (and the respective employees, agents contractors, and representatives of Declarant and the Association) an easement on, over, across and under the Private Roads for the purpose of constructing, installing, maintaining, repairing, and replacing any Private roads and maintaining, policing and protecting the Private Roads. No Owner or other Private Roads User shall be permitted to place any Improvements on any portion of the Private Roads. Neither Declarant nor the Association shall be liable for any damage done by either them or their assigns, agents, employees, contractors or servants to any landscaping, Improvements or other property of any Owner or Person in connection with the construction, installation, repair, maintenance, replacement, policing and protecting of the Private Roads. Declarant will convey the Private Roads to the Association as part of the Common Areas, subject to the conditions, covenants, restrictions, easements, terms and conditions of this Declaration and to any and all easements, restrictions, and other encumbrances of record in the Official Public Records of Hays County, Texas, to the extent in force and effect and binding on the Private Roads.

8.17 Maintenance, Operation and Repairs of Private Roads. Following substantial completion and conveyance to the Association by Declarant of the Private Roads, the utilities and improvements required to be constructed in connection with the approval of the Plat by Governmental Authority, and the other Common Area and Facilities, the Association (a) shall be solely and exclusively responsible for the maintenance, repair, replacement management, operation and condition of the Private Roads, (b) shall at all times maintain, repair and replace the Private Roads in good repair and order, (c) shall manage, operate and oversee the Private Roads in a manner complying with the provisions of this Declaration, all applicable Rules, and Governmental Requirements which may be imposed at any time, from time to time, by any Governmental Authority, and (d) is and shall be authorized to promulgate and adopt Rules concerning the use, enjoyment, operation, management, maintenance, repair, replacement and improvement of the Private Roads, subject to the terms and conditions of this Declaration. The Association may establish a Private Roads maintenance reserve fund as deemed necessary by the Board.

ARTICLE IX CENTRAL PROPANE GAS SYSTEM

9.1 Gas System. The Southern Union Gas Company ("SUG") and Declarant have entered into that certain Propane System Installation Agreement ("Propane Agreement") dated July 2, 1999 (including any amendments thereto) to provide propane gas from a centrally installed propane gas system (the "Gas System") to at least the Lots initially developed by Declarant. Declarant believes that as a whole, it is economic and convenient to use gas and that the economic feasibility of the construction and operation of the Gas System requires that all dwellings constructed within the Property use propane gas for space heating, water heating, and cooking. The Declarant may participate in profits, if any, with SUG.

9.2 Propane Use Requirement. All Main Houses must install or use only gas-fired water heaters and furnaces ("Propane Appliances"). Additionally, all Builders and Owners shall install gas hook-ups for ranges that are installed in all Main Houses. Such gas plumbing shall meet the specifications required by applicable building codes and all other applicable governmental requirements for natural gas and propane at the time of installation. All Propane Appliances installed in new homes on the Property shall be installed in accordance with the requirements of the Gas Services Division of the Texas Railroad Commission and all

other applicable governmental requirements and regulations. Upon the purchase of each Lot, each Owner shall pay to SUG a fee in accordance with the Propane Agreement ("System Fee").

9.3 Waiver of Propane Use Requirement. Any Owner of any Lot located on the Property shall be released from the propane use requirements designated above upon payment to the in the amount as specified in the Propane Agreement (Propane Use Requirement Waiver Fee). Such Propane Use Requirement Waiver Fee is in addition to the System Fee described in Section 9.2.

9.4 Community Pool. Any heated pool constructed on the Property for community use must be constructed with and use Gas Appliances to heat the pool's water.

9.5 Gas Tanks. No above ground propane gas tank may be maintained on the Property except (i) the central propane storage tank to be maintained by SUG pursuant to the Propane Agreement and (ii) outdoor barbecue grill portable propane tanks.

ARTICLE X MISCELLANEOUS

10.1 Powers of Declarant. Notwithstanding anything in this Declaration to the contrary, so long as Declarant owns any Lot and/or Undeveloped Lot, each Owner, by acceptance of record title conveying a Lot to such Owner, does hereby irrevocably constitute and appoint Declarant, its true and lawful attorney-in-fact and agent to execute, acknowledge, verify, swear to, deliver, record and file in that Owner's name, Place and stead all instruments, documents and certificates which may from time to time be required in order to affect any amendment, correction, vacating, replatting or other modification of the Plat, provided that (i) the boundaries and contours of such Owner's Lot are not in any way changed, altered or modified; (ii) access to such Owner's Lot from a public street or from Private Roads is not changed or altered in any material respect; (iii) the public utility services to such Owner's Lot are not materially and adversely altered; and (iv) no costs or expenses are imposed on such Owner. In furtherance of this appointment, each Owner agrees to join in the execution, upon request of Declarant, of any instrument required to acknowledge such authorization and/or affect any such amendment, vacating, replatting or other modification of the Plat.

10.2 Term. This Declaration, including, all of the covenants, conditions, and restrictions hereof, shall continue in force and effect until December 31, 2025, unless amended as herein provided. After December 31, 2025, this Declaration, including all such covenants, conditions and restrictions, shall be automatically extended for successive periods of ten (10) years each, unless extinguished by a written instrument executed by Owners entitled to cast at least eighty percent (80%) of the number of votes entitled to be cast pursuant to the Bylaws (Exhibit "C" attached hereto). Any and all rights granted to Declarant or any utility provider shall continue in effect after the extinguishment of this Declaration.

10.3 Amendment.

(a) By Declarant. This Declaration may be amended by Declarant acting alone until such time as Declarant has conveyed by deed four hundred (400) Lots; thereafter, Declarant shall be entitled to amend this Declaration only with the written approval of a majority of the Class A Votes, described in the Bylaws (Exhibit "C" attached hereto). No amendment by Declarant shall be effective until there has been recorded in the Real Property Records of Hays County, Texas, an instrument executed and acknowledged by Declarant and setting forth the Amendment. An amendment made by Declarant pursuant to this Section 10.3 shall not adversely affect the value of the Lots and shall maintain the quality of the Subdivision. No Amendment may place additional restrictions on a Lot already sold or remove variances previously granted without the express written consent of the Owner of the affected Lot.

(b) By Owners. After Declarant has conveyed by deed four hundred (400) Lots, this Declaration may be amended by recording in the Hays County, Texas Real Property Records 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 eighty percent (80%) of the number of votes entitled to be cast pursuant to the Bylaws (Exhibit "C" hereto).

10.4 Notice. 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, certified mail, return receipt requested, addressed to the person at the address given by such person to the Association for the purposes of service of notices, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such person to the Association.

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

10.6 Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of Improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Property; provided, however, the construction of sales and leasing offices and the posting of signs advertising the sale and leasing of Lots by Declarant shall be limited to Lots, other Property owned by Declarant and Common Area.

10.7 Assignment by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

10.8 Enforcement and Non-Waiver.

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

(b) Non-Waiver. The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right hereafter to enforce any such provision or any other provision of said Declaration.

(c) Liens. The Association shall have the right, when appropriate in its judgement, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance in this Declaration.

10.9 Construction.

(a) Restrictions Severable. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.

(b) Singular Includes Plural. Unless the context requires 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 otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.

(d) No Oral Representations. This Declaration shall govern and supercede any and all oral/verbal representations made concerning the matters contained herein.

26 IN WITNESS WHEREOF, Declarant has executed this Declaration as of this
day of Sept., 2002.

DECLARANT:
LA VENTANA DRIFTWOOD, L.P.
A Texas Limited Partnership

By: FOURSTAR RESIDENTIAL RANCHES, L.L.C., its general partner



Lee P. Wood, President



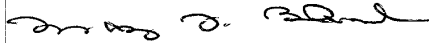
Michael J. Levenson, Vice President

STATE OF TEXAS)

COUNTY OF HAYS)

This instrument was acknowledged before me this 26 day of
Sept., 2002, by Lee P. Wood and Michael J. Levenson, President and Vice
President of FourStar Residential Ranches, L.L.C., a Texas Limited Liability Corporation,
General Partner of La Ventana Driftwood, L.P., a Texas Limited Partnership, on behalf of said
partnership.





Notary Public, in and for
The State of Texas

Notary's Printed Name, Seal and
Commission Expiration Date

EXHIBIT A
PROPERTY DESCRIPTION

33

A DESCRIPTION OF A 586.38 ACRE TRACT OF LAND WHICH COMPRISES PORTIONS OF THE FOLLOWING SURVEYS SITUATED IN HAYS COUNTY, TEXAS:

PETER TURNER SURVEY NO. 206, ABSTRACT NO. 469, AND

ISAAC PEARSON SURVEY NO. 80, ABSTRACT NO. 370;

BEING THAT CERTAIN 109.473 ACRE TRACT OF LAND CONVEYED FROM SYDNEY HALL, ET UX TO GEORGE S. HINKLE, JR. BY A WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN VOLUME 615, PAGE 463 ET SEQ. OF THE DEED RECORDS OF SAID COUNTY, THAT CERTAIN 75 ACRE TRACT CONVEYED FROM PAT H. ROBERTSON TO THE SAID GEORGE S. HINKLE, JR. BY A WARRANTY DEED RECORDED IN VOLUME 371, PAGE 109 ET SEQ. OF THE SAID DEED RECORDS AND THAT CERTAIN 476.73 ACRE TRACT (GROSS ACREAGE) CONVEYED FROM THE SAID PAT H. ROBERTSON, ET UX TO THE SAID GEORGE S. HINKLE, JR. BY A WARRANTY DEED RECORDED IN SAID VOLUME 371, PAGE 112 ET SEQ. OF THE SAID DEED RECORDS; SAID 586.38 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at a 1/2 inch iron rod found at the northeast corner of the said 109.473 acre tract, being at the northwest corner of that certain tract described in Volume 212, Page 369 et seq. of the said Deed Records and being on the south line of County Road 170, for the northeast corner hereof;

THENCE with the west line of the said 109.473 acre tract, the following four (4) courses:

1. S 02° 39' 42" E, a distance of 2161.40 feet along a fenceline to a 60d nail found in a fence post,
2. S 06° 45' 29" E, a distance of 317.21 feet to a 60d nail set at a fence post, being at the southwest corner of the said tract in Volume 212, Page 369 and northwest corner of that certain 1653.65 acre tract described in Volume 153, Page 138 et seq. of the said Deed Records,
3. S 03° 30' 29" W, a distance of 34.69 feet to a 1/2 inch iron rod found, and
4. S 00° 03' 43" W, a distance of 117.33 feet to an 8 inch diameter Cedar fence post found at the southeast corner of the said 109.473 acre tract and northeast corner of the said 476.73 acre tract, for a corner on the east line hereof;

THENCE with the east line of the said 476.73 acre tract, S 00° 23' 54" E, a distance of 6770.15 feet along a fenceline to a 1/2 inch iron rod found at the base of a fence post at the southeast corner thereof, being at the northeast corner of that certain 489.90 acre tract described in Volume 222, Page 22 et seq. of the said Deed Records, for the southeast corner hereof;

THENCE with the south line of the said 476.73 acre tract, the following seven (7) courses:

1. S 86° 11' 20" W, a distance of 218.33 feet along a fenceline to an 8 inch diameter Cedar fence post found,
2. S 54° 09' 46" W, across a bluff, a distance of 96.34 feet to a 36 inch diameter Elm tree found,
3. N 32° 20' 38" W, a distance of 29.50 feet to a 12 inch diameter Cedar fence post found,
4. N 89° 38' 53" W, a distance of 560.02 feet along a fenceline to a 15 inch diameter Liveoak tree found,
5. S 89° 43' 16" W, crossing Flat Creek, a distance of 692.84 feet along a fenceline to a 6 inch diameter Cedar fence post found,
6. S 78° 36' 04" W, a distance of 200.33 feet along a fenceline to an 8 inch diameter Cedar fence post found,
7. S 89° 23' 39" W, a distance of 40.87 feet along a fenceline to a 1/2 inch iron rod set at the base of a fence post at the northwest corner of the said 489.90 acre tract, being on the east line of Tract 75 in the Rainbow Ranch Subdivision, an unrecorded plat in said County, for a corner on the south line of the said 476.73 acre tract and hereof;

THENCE with a lower west line of the said 476.73 acre tract, $N 01^{\circ} 48' 44'' W$, a distance of 41.46 feet along a fenceline to a 1/2 inch iron rod found at the base of a fence post at a reentrant corner thereof, being at the northeast corner of said Tract 75, for a reentrant corner hereof;

THENCE with the westerly south line of the said 476.73 acre tract, $S 89^{\circ} 39' 52'' W$, a distance of 1349.68 feet along a fenceline to a 1/2 inch iron rod found at the base of a fence post at the southwest corner thereof, being at the southeast corner of Tract 11 in the Panther Creek Subdivision, a plat of record in Volume 7, Page 361 of the Plat Records of said County, for the southwest corner hereof;

THENCE with the west line of the said 476.73 acre tract and east line of the said Panther Creek Subdivision, $N 00^{\circ} 36' 36'' W$, at a distance of 1532.17 feet the northeast corner of said Tract 11 and southeast corner of Tract 12 in said Panther Creek, continuing for a total distance of 2881.73 feet to a 1/2 inch iron rod found at a fence post at the northeast corner of said Tract 12 and southeast corner of that certain 169.99 acre tract described in Volume 1261, Page 262 et seq. of the Official Public Records of said County, for a corner on the west line hereof;

THENCE continuing with the said west line of the 476.73 acre tract and east line of the said 169.99 acre tract, as fenced, the following two (2) courses:

1. $N 00^{\circ} 31' 33'' W$, a distance of 467.86 feet along a fenceline to a 6 inch diameter Cedar fence post found, and
2. $N 00^{\circ} 50' 05'' W$, a distance of 2504.15 feet along a fenceline to a 3/8 inch iron rod found at a fence post at the westerly northwest corner of the said 476.73 acre tract, being at the northeast corner of the said 169.99 acre tract and being at the southeast corner of that certain 25.00 acre tract described in Volume 320, Page 709 et seq. of the said Deed Records and at the south corner of that certain 11.47 acre tract described in Volume 288, Page 69 et seq. of the said Deed Records, for the westerly northwest corner hereof;

THENCE with the northwesterly line of the said 476.73 acre tract, $N 47^{\circ} 05' 00'' E$, a distance of 1953.47 feet along a fenceline to a 1/2 inch iron rod found at a fence post at a reentrant corner of the said 476.73 acre tract, being at the east corner of the said 11.47 acre tract and at the southeast corner of that certain 25.00 acre tract described in Volume 320, Page 713 et seq. of the said Deed Records, for a reentrant corner hereof;

THENCE with the upper west line of the said 476.73 acre tract, $N 09^{\circ} 27' 57'' W$, a distance of 2515.37 feet along a fenceline to a 1/2 inch iron rod set at the northwest corner thereof, being at the northeast corner of the said 25.00 acre tract described in Volume 320, Page 713 and being on the said south line of County Road 170, for the northwest corner hereof;

THENCE with the north line of the said 476.73 acre tract, and continuing with the north line of the said 109.473 acre tract, being along the said south line of County Road 170, the following two (2) courses:

1. $N 79^{\circ} 51' 57'' E$, at a distance of 50.01 feet passing the northeast corner of the said 476.73 acre tract and northwest corner of the said 109.473 acre tract, continuing for a total distance of 223.42 feet to a 1/2 inch iron rod set, and
2. $N 87^{\circ} 37' 56'' E$, a distance of 1802.90 feet to the POINT OF BEGINNING, containing 586.38 acres of land, more or less.

I, Dale Allen Sultemeier, a Registered Professional Land Surveyor, do hereby certify that this description and accompanying plat were prepared from an on the ground survey made under my direction and supervision.

SULTEMEIER SURVEYING
304 East Main
Johnson City, TX 78636
(830) 858-7308



Dale Allen Sultemeier
Registered Professional Land
Surveyor
No. 4542 - State of Texas

Doc Bk Vol Pg
02026515 OPR 2072 822

Doc Bk Vol Pg
02026515 OPR 2072 822

32.11 ACRES
HAYS COUNTY, TEXAS

FN 2774C
APRIL 21, 2000

LA VENTANA WEST

A DESCRIPTION OF A 32.11 ACRE TRACT OF LAND OUT OF THE ISAAC PEARSON SURVEY NO. 80, ABSTRACT NO. 370, SITUATED IN HAYS COUNTY, TEXAS; BEING PART OF THAT CERTAIN 169.99 ACRE (DEED/CALLED ACREAGE) TRACT DESCRIBED IN A EXCHANGE GENERAL WARRANTY DEED RECORDED IN VOLUME 1261, PAGE 257 ET SEQ. OF THE OFFICIAL PUBLIC RECORDS OF SAID COUNTY; SAID 32.11 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at a 1/4 inch iron rod found at the southeast corner of the said 169.99 acre tract, being at the northeast corner of tract 12 in the Panther Creek Subdivision, a plat of record in Book 7, Page 361 et seq. of the Hays County Plat Records and being on the west line of La Ventana, a plat of record in Book 9, Page 71 et seq. of the said Hays County Plat Records, for the southeast corner hereof;

THENCE with the east line of the said 169.99 acre tract, N 00° 43' 22" W, a distance of 1626.30 feet along a fenceline to a 3/8 inch iron rod set for the northeast corner hereof;

THENCE departing from said east line and passing over and across the said 169.99 acre tract with the following three (3) courses:

1. S 89° 43' 58" W, a distance of 860.19 feet to a 3/8 inch iron rod set for the northwest corner hereof,
2. S 00° 00' 00" W, a distance of 903.07 feet to a 3/8 inch iron rod set, and
3. S 00° 58' 54" E, a distance of 694.89 feet to a 1/4 inch iron rod found on the south line of the said 169.99 acre tract, being at the common north corner of Tract 12 and Tract 13 in said Panther Creek, for the southwest corner hereof;

THENCE with the said south line of the 169.99 acre tract, S 88° 23' 49" E, a distance of 869.13 feet to the POINT OF BEGINNING, containing 32.11 acres of land, more or less.

Recorder's Note:
ORIGINAL DOCUMENT ILLEGIBLE

I, Dale Allen Sultemeier, a Registered Professional Land Surveyor, do hereby certify that this description and accompanying plat was prepared from an on the ground survey made under my direction and supervision.

SULTEMEIER SURVEYING
304 East Main
Johnson City, TX 78636
(830) 868-7308



Dale Allen Sultemeier
Dale Allen Sultemeier
Registered Professional Land
Surveyor
No. 4542 - State of Texas

Doc Bk Vol Pg
02026515 OPR 2072 823

Doc Bk Vol Pg
01001638 OPR 1762 442

15.82 ACRES
HAYS COUNTY, TEXAS

FN 2774B
APRIL 21, 2000

LA VERGANA WEST

A DESCRIPTION OF A 15.82 ACRE TRACT OF LAND OUT OF THE ISAAC PEARSON SURVEY NO. 80, ABSTRACT NO. 370, SITUATED IN HAYS COUNTY, TEXAS; BEING PART OF THAT CERTAIN 169.99 ACRE (DEED/CALLED ACREAGE) TRACT DESCRIBED IN AN EXCHANGE GENERAL WARRANTY DEED RECORDED IN VOLUME 1261, PAGE 257 ET SEQ. OF THE OFFICIAL PUBLIC RECORDS OF SAID COUNTY; SAID 15.82 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING FOR REFERENCE at a 1/2 inch iron rod found on the west line of the said 169.99 acre tract at the southeast corner of a 118.02 acre (deed/called acreage) tract of land described in Volume 1261, Page 288 et seq., being at the northeast corner of Tract 14 in the Panther Creek Subdivision, a plat of record in Book 7, Page 361 et seq. of the Hays County Plat Records;

THENCE passing over the said 169.99 acre tract, S 88° 20' 32" E, a distance of 388.95 feet to a 3/8 inch iron rod set for the west corner and POINT OF BEGINNING hereof;

THENCE continuing over the said 169.99 acre tract with the following seven (7) courses:

1. S 88° 20' 32" E, a distance of 1253.94 feet to a 3/8 inch iron rod set for the southeast corner hereof,
2. N 00° 00' 00" W, a distance of 903.07 feet to a 3/8 inch iron rod set for the northeast corner hereof,
3. S 89° 43' 57" W, a distance of 465.79 feet to a 3/8 inch iron rod set for the northwest corner hereof,
4. S 09° 16' 03" W, a distance of 383.77 feet to a 3/8 inch iron rod set,
5. S 70° 59' 21" W, a distance of 324.19 feet to a 3/8 inch iron rod set,
6. S 53° 37' 41" W, a distance of 305.43 feet to a 3/8 inch iron rod set, and
7. S 41° 02' 56" W, a distance of 264.05 feet to the POINT OF BEGINNING, containing 15.82 acres of land, more or less.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Jan 19, 2001 at 01:40P

Document Number: 01001638

Amount 21.00

Lee Carlisle
County Clerk
By
Bobbie Coley, Deputy
Hays County

Recorder's Note:
ORIGINAL DOCUMENT ILLEGIBLE

I, Dale Allen Sultemeier, a Registered Professional Land Surveyor, do hereby certify that this description was prepared from an on the ground survey made under my direction and supervision.

SULTEMEIER SURVEYING
304 East Main
Johnson City, TX 78636
(830) 868-7308



Dale Allen Sultemeier
Dale Allen Sultemeier
Registered Professional Land
Surveyor
No. 4542 - State of Texas
Legal & plat prepared

EXHIBIT B

ARTICLES
OF
INCORPORATION

FILED
In the Office of the
Secretary of State of Texas

JUL 21 1999

Corporations Section

ARTICLES OF INCORPORATION
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

The undersigned, being a natural person of the age of eighteen (18) years or more and who is a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is LA VENTANA RANCH OWNERS' ASSOCIATION, INC., hereinafter sometimes referred to as the "Corporation".

ARTICLE II

The Corporation is a non-profit corporation, and shall have all the powers specified in and allowable under the Texas Non-Profit Corporation Act. No part of the assets or net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth in Article IV below.

ARTICLE III

The period of the Corporation's duration is perpetual.

ARTICLE IV

The purpose for which the Corporation is organized is for the cooperation of members of the Corporation for the enhancement, preservation, protection and maintenance of La Ventana, a master-planned residential community located in Hays County, Texas (the "Subdivision"). In order to carry out such general purpose, the Corporation shall have the general power to: (i) fix assessments (or charges) to be levied against lots within the Subdivision and establish services without the obligation to be provided for the benefit of the members of the Corporation; (ii) enforce the Declaration of Covenants, Conditions and Restrictions for the Subdivision (the "Declaration") to be recorded in the Official Public Records of Real Property of Hays County, Texas, and any and all agreements applicable to the Subdivision; (iii) insofar as permitted by law, these Articles of Incorporation, the Bylaws, the Declaration and any other agreements or dedicatory instruments applicable to the Subdivision, to do any other thing of a similar nature that will promote the common benefit and enjoyment of the owners of lots within the Subdivision, as authorized by the Articles of Incorporation, Bylaws, Declaration, any other agreement or dedicatory instrument, or by applicable law; and (iv) enter into a contract with (a) La Ventana Driftwood, LP (acting through its

general partner, FourStar Residential Ranches, LLC), (b) an affiliate of La Ventana Driftwood, LP, or © another third-party (and such party's successors and assigns), for the management, operation, maintenance or other responsibility, either in whole or in part, of the Subdivision and the performance of the powers and duties, either in whole or in part, of the Corporation. The Corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes, and nothing contained in the foregoing statement of purposes shall be construed to authorize the Corporation to carry on any activity for the profit of its members, or to distribute any gains, profits or dividends to its members as such.

ARTICLE V

The mailing address of the initial registered office of the Corporation is c/o FourStar Residential Ranches, LLC, 1501 Elder Hill Road, Driftwood, Texas 78619, and the name of its initial registered agent at such address is Lee P. Wood.

ARTICLE VI

The Corporation shall be a membership corporation without certificates or shares of stock. All owners, by virtue of their ownership of a lot within the Subdivision, are members of the Corporation. The members shall be divided into classes and entitled to vote in accordance with the provisions contained in the Bylaws and in the Declaration.

ARTICLE VII

The business and affairs of the Corporation shall be conducted, managed and controlled by a board of directors. The board may delegate such operating authority to such companies, individuals or committees as it, in its discretion, may determine. The number of directors constituting the initial board of directors is three (3), and the names and addresses of the persons who are to serve as directors are:

1. Michael J. Levenson - 1501 Elder Hill Rd., Driftwood, TX 78619.
2. Benjamin A. Levenson - 1501 Elder Hill Rd., Driftwood, TX 78619.
3. Lee P. Wood - 1501 Elder Hill Rd., Driftwood, TX 78619.

ARTICLE VIII

To the fullest extent permitted by applicable law, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a director of the Corporation

shall not be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director. Any amendment of these Articles of Incorporation shall be prospective only and shall not adversely offset any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or amendment. In addition, the Corporation shall be entitled to indemnify its directors, officers, employees and/or members, the Subdivision manager (and its constituent partners and their respective directors, officers, employees, shareholders and/or members), Declarant and others acting on the ROA's behalf, including, without limitation, members of any architectural review committee or other similar committee and any third-party agents and contractors, to the fullest extent allowed by applicable law.

ARTICLE IX

The Corporation may be dissolved only as provided in the Bylaws and by the laws of the State of Texas.

ARTICLE X

The internal affairs of the Corporation shall be regulated by the Bylaws. The Bylaws of the Corporation shall be adopted by the board of directors of this Corporation and shall thereafter be amended, altered or repealed by a vote of the board of directors of the Corporation as provided in the Bylaws.

ARTICLE XI

The name and address of the incorporator of the Corporation is:

Lee P. Wood
PO Box 250
Driftwood, TX 78619

IN WITNESS WHEREOF, I, the undersigned incorporator of the Corporation, executed these Articles of Incorporation this 20th day of July, 1999.



Lee P. Wood

EXHIBIT C

**BYLAWS
OF**

LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

FIRST AMENDED BYLAWS
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
I Name, Principal Office, and Definitions	
A. Name	1
B. Principal Office.....	1
C. Definitions	1
II ROA: Membership, Meetings, Quorum, Voting, Proxies	
A. Membership	1
B. Place of Meetings.....	1
C. Annual Meetings	2
D. Special Meetings	2
E. Notice of Meetings.....	2
F. Waiver of Notice.....	2
G. Adjournment of Meetings.....	2
H. Voting	3
I. Joint or Common Ownership.....	3
J. Majority	3
K. Quorum.....	3
L. Conduct of Meetings.....	3
M. Action Without a Meeting	3
N. Proxies	4
III Board of Directors; Number, Powers, Meetings	
A. Composition and Selection.....	4
1. Governing Body; Composition	4
2. Directors During Class "B" Membership Existence	4
3. Number of Directors.....	4
4. Nomination and Election of Class "A" Directors	4
5. Term of Office; Removal of Directors and Vacancies	5
B. Meetings	5
1. Organizational Meetings.....	5
2. Regular Meetings	6
3. Special Meetings	6

4.	Waiver of Notice	6
5.	Quorum of Board of Directors	6
6.	Compensation	7
7.	Conduct of Meetings	7
8.	Action Without a Formal Meeting	7
C.	Powers and Duties	7
1.	Powers	7
2.	Management	10
3.	Accounts and Reports	10
4.	Borrowing	11
5.	Enforcement	11
IV	Officers	
A.	Officers	12
B.	Election, Term of Office and Vacancies	12
C.	Removal	12
D.	Powers and Duties	12
E.	Resignation	13
F.	Agreements, Contracts, Deeds, Leases, Checks, Etc	13
V	Committees	
A.	General	13
VI	Indemnification	13
VII	Miscellaneous	
A.	Fiscal Year	14
B.	Parliamentary Rules	15
C.	Conflicts	15
D.	Books and Records	15
E.	Notices	15
F.	Amendment	15

FIRST AMENDED BYLAWS
OF
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

ARTICLE I

Name, Principal Office, and Definitions

- A. Name. The name of the corporation shall be La Ventana Ranch Owners' Association, Inc. ("ROA").
- B. Principal Office. The principal office of the ROA initially shall be located at 1501 Elder Hill Road, Driftwood, Texas 78619.
- C. Definitions. Capitalized terms used but not defined in these Bylaws shall have the same meanings as set forth in that Declaration of Covenants Conditions and Restrictions for La Ventana recorded in the Official Public Records of Real Property of Hays County, Texas (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"). La Ventana Ranch Owners' Association, Inc. shall be referred to herein as "ROA" or the "Association".

ARTICLE II

ROA: Membership, Meetings, Quorum, Voting, Proxies

- A. Membership. The ROA shall have two (2) classes of membership, Class "A" and Class "B". All Owners of Lots shall be Members of the ROA.
- Section 1. "Class "A" Members" shall be all Members with the exception of the Class "B" Member. Each Class "A" Member shall be entitled to one (1) vote per Lot owned by such Class "A" Member (the "Class "A" Votes").
- Section 2. The sole "Class "B" Member" shall be the Declarant - La Ventana Driftwood, LP (acting through its general partner, FourStar Residential Ranches, LLC) - and its successor and assigns. The Class "B" Member shall be entitled to four (4) votes per Lot owned by the Class "B" Member (the "Class "B" Votes").
- B. Place of Meetings. Meetings of the ROA shall be held at the principal office of the ROA or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

C. Annual Meetings. The first meeting of the Members of the ROA, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the ROA. Subsequent regular annual meetings shall be set by the Board of Directors.

D. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the ROA if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least thirty-three percent (33%) of the total Class "A" Votes. Any such petition shall include a statement as to all items expected to be presented at such special meeting. Such petition shall only be valid if the matter(s) to be presented are matter(s) which Members are entitled to vote on pursuant to Article II, Section H, below. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof.

E. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Such notice shall contain an agenda for such meeting. In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as authorized and as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail first class addressed to the Member at his or her address as it appears on the records of the ROA, with postage thereon prepaid.

F. Waiver of Notice. Waiver of notice of a meeting of the ROA shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the ROA, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised in writing before the business is put to a vote.

G. Adjournment of Meetings. If any meeting of the ROA cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, in person (or by proxy), may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

H. Voting. The voting rights of the Members shall be as set forth herein and in the Declaration. Each Class A Member as of the date of the notice of such meeting shall be entitled to one vote at such meeting, such notice date being the date of record for purposes of these Bylaws. Except as otherwise specifically provided herein or in the Declaration, the votes allocated to each Lot shall be cast only by the Owner of such Lot, or his or her proxy, as more particularly provided herein or in the Declaration. The Members shall have the right to vote only on the following matters: 1) Nomination and election of the Board (requiring a majority) ; 2) Removal of Directors (requiring a majority) ; 3) Amendment of the Declaration in accordance with the terms of the Declaration ; 4) Mergers, dissolution or sale of substantially all of ROA assets (requiring two thirds of the total eligible number of votes) ;and 5) Any other matter(s) authorized by the Declaration. Any Member who is delinquent in the payment of any ROA assessment or is otherwise in violation of any of the terms of the Declaration or of the ROA rules and regulations as of the date of record (for which violation written notice had been delivered by the ROA to such Member prior to the date of record) shall not be entitled to vote at such meeting. Class B Member(s) may vote at such meeting in accordance with Article II, A, Section 2 of these Bylaws.

I. Joint or Common Ownership. Any Property interest entitling Member(s) thereof to vote as herein provided, jointly or in common by more than one Person, shall require Member(s) to designate, in writing, the individual Person or Member who shall be entitled to cast such vote(s) and no other Person shall be authorized to vote on behalf of such Property interest. A copy of such written designation shall be filed with the Secretary of the Board before any such vote may be cast, and upon the failure of Member(s) thereof to file such designation, such votes shall neither be cast nor counted for any purpose whatsoever.

J. Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number of votes.

K. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing ten percent (10%) of the total eligible votes in the ROA (i.e., Class "A" Votes plus Class "B" Votes) shall constitute a quorum at all meetings of the ROA.

L. Conduct of Meetings. The President shall preside over all meetings of the ROA, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting and all transactions occurring at the meeting.

M. Action Without a Meeting. Any action required by law to be taken at a meeting of the ROA or any action that may be taken at a meeting of the ROA, may be taken without a meeting if written consent setting forth the action so taken is signed by the Owners of two thirds of the total eligible number of votes with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

N. Proxies. At all meetings of the ROA, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot.

ARTICLE III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection

Section 1. Governing Body: Composition. The affairs of the ROA shall be governed by a Board of Directors, each of whom shall have one (1) vote. After Class "B" Membership ceases to exist, all directors must be Members. However, so long as Class "B" Membership exists, directors are not required to be Members. In the case of a Member that is a corporation or partnership, the person designated in writing by either proxy or a resolution to the Secretary of the ROA as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Membership Existence

(a) During the existence of Class "B" Membership, the Class "B" Member shall retain control and authority to appoint all members of the Board of Directors of the ROA. Class "B" Membership ceases on January 1, 2020 or when eighty percent (80%) of all Lots and Undeveloped Lots are sold and closed, whichever occurs later or at any earlier time as may be determined by the Class "B" Member. At such time, the Class "B" Votes of the Class "B" Member shall be converted to Class "A" Votes.

Section 3. Number of Directors. The number of directors of the ROA shall be not less than three (3) nor more than nine (9), as provided in Section 5 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation. After Class "B" Membership ceases to exist, the Board shall consist of not less than seven (7) directors.

Section 4. Nomination and Election of Class "A" Directors After Class "B" Membership Ceases To Exist

(a) Once Class "B" Membership ceases to exist, nominations for election of Directors to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of the Chairman of the Board of Directors, and three (3) or more Class "A" Members of the ROA elected by Class "A" Members. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the ROA to

serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting.

(b) Elections of Directors to the Board of Directors shall be by secret written ballot at annual meetings of the ROA. At such election, the Class "A" Members or their proxies may cast, in respect to each vacancy as many Class "A" Votes as they are entitled to exercise under the provisions of these Bylaws. The person(s) receiving a majority of Class "A" Votes shall be elected. No cumulative voting shall be permitted.

Section 5. Term of Office; Removal of Directors and Vacancies.

(a) The term of the initial three (3) Directors shall expire on June 30, 2003. Any vacancy created during the term of any Director may be filled by appointment by the Class "B" Member.

(b) Thereafter, at each annual meeting of the Members held during the period of Class "B" Membership, the Class "B" Member shall appoint the applicable number of Directors to serve for the following calendar year. All Directors shall serve one (1) year terms from July 1st to June 30th. Directors may be reappointed and/or reelected, as applicable.

(c) Any director appointed by the Class "B" Member may be removed, with or without cause, by the Class "B" Member. Upon removal of a director appointed by the Class "B" Member, the Class "B" Member shall appoint a successor to fill the vacancy for the remainder of the term of such director. After Class "B" Membership ceases to exist, a Director who was elected at large by the votes of Class "A" Members may be removed from office prior to the expiration of his or her term only by the votes of a majority of Class "A" Members. Any Director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall be elected within thirty (30) days by the Class "A" Members entitled to elect the Director so removed to fill the vacancy for the remainder of the term of such Director.

(d) At each annual meeting of the ROA, immediately following appointment and/or election of the directors (as applicable), the directors shall elect (by a majority vote of the directors) a Chairman who will preside over all Board of Director meetings held during the following calendar year.

B. Meetings.

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Membership shall be held within sixty (60) days thereafter at such time and place as shall be fixed by the Chairman of the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Chairman of the Board,

but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to the directors not less than three (3) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Board of Director meetings may be conducted by telephone communication provided that all directors are properly notified of such telephonic meeting in accordance with these Bylaws and provided further that all directors who are participating in such telephonic meeting can hear each other for the duration of such telephonic meeting. Alternatively, the Board of Directors may schedule a regular meeting date, place and time and, after forwarding notice of the same, shall not have the obligation to give future notices until a change is made.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice issued at the request of the Chairman of the Board or by any three (3) directors; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting. The notice shall be given to each director by one of the following methods: (I) by personal delivery; (ii) written notice by first class mail, postage prepaid; (iii) by telephone communication, facsimile or other such communication methods, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the ROA. Notices sent by first-class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 4. Waiver of Notice. The transaction of any meeting (regular or special) of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting in writing before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present (or participating, if a telephonic meeting) at a meeting at which a quorum is present (or participating, if a telephonic meeting) shall constitute the decision of the Board of Directors. If any meeting of the Board cannot be held because a quorum is not present (or participating), a majority of the directors who are present (or participating) at such meeting may adjourn the meeting to a time not less than three (3) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present (or

participating), any business that might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the ROA for acting as such; provided, however, that a director may be reimbursed for actual expenses incurred on behalf of the ROA in the performance of his or her duties upon approval of a majority of the other directors.

Section 7. Conduct of Meetings. The Chairman of the Board shall preside over all meetings of the Board of Directors, and a secretary appointed by the Board at such meeting shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 8. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the ROA and shall have all of the powers and duties necessary for the administration of the ROA's affairs. The Board of Directors shall delegate to one or more of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager that might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws, Texas law or by any resolution of the ROA that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, to the extent deemed necessary by the Board, if at all, the following, in way of explanation, but not limitation:

(a) entering into a contract with (a) La Ventana Driftwood, LP (acting through its general partner FourStar Residential Ranches, LLC), (b) an affiliate of La Ventana Driftwood, LP, or (c) another third-party (and such party's successors and assigns), for the management, operation, maintenance or other responsibility, either in whole or in part, of the Property and the performance of the powers and duties, either in whole or in part, of the ROA set forth herein;

(b) preparing and adopting of annual budgets;

(c) establishing periodic ROA dues and assessments, establishing the means and methods of collecting such dues and assessments, and establishing the payment schedule for special assessments, if other than annual;

(d) collecting ROA dues and assessments, depositing and investing the proceeds thereof in a bank depository that it shall approve, and using the proceeds to operate the ROA; provided, any reserve fund may be deposited and invested, in the directors' reasonable business judgment, in accounts, securities and/or investments other than bank depository accounts (the Board shall have no liability, either jointly, personally or individually, for the loss of said sums);

(e) accepting, owning and operating, caring, up keeping and maintaining all Common Area including the Private Roads;

(f) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area, in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(g) designating, hiring, and dismissing the personnel or contractors necessary for the operation of the ROA and the maintenance, operation, repair, and replacement of the Common Area, and, where appropriate, providing for the compensation of such personnel and for the purchase or rental of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(h) making and amending ROA rules and regulations and those imposed by the Declaration;

(i) opening of bank accounts and investment accounts on behalf of the ROA and designating the signatories required;

(j) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by the ROA and bringing or defending any proceedings that may be instituted on behalf of or against the Owners concerning the ROA;

(k) obtaining and carrying insurance, if available, against casualties and liabilities (including, without limitation, directors and officers liability insurance) with policy limits, coverage and deductibles as deemed reasonable by the Board of Directors and paying the premium cost thereof;

(l) paying the cost of all bills, taxes (real and personal property), assessments and services rendered to the ROA;

(m) keeping books with detailed accounts of the receipts and expenditures affecting the ROA and its administration;

(n) maintaining a membership register reflecting, in alphabetical order, the names, property addresses and mailing addresses of all Members;

(o) making available upon request to any prospective purchaser, any Owner, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, for any proper purpose during normal business hours by advance appointment, copies of the Declaration, the Articles of Incorporation, the Bylaws, ROA rules and regulations governing such Lot and all other books, records, and financial statements of the ROA for a reasonable charge;

(p) permitting utility suppliers, the Declarant and others to use portions of the Common Areas as may be reasonably necessary for the ongoing development or operation of the Subdivision;

(q) leasing any Common Area(s) to third-parties, including Declarant, for a) agricultural purposes and the right to occupy and operate any Common Area(s) for agricultural purposes including, without limitation, the following activities: cultivating the soil, producing crops for human food, animal feed or for the production of fibers; floriculture, viticulture, and horticulture; raising or keeping livestock; raising or keeping exotic animals for the production of human food or of fiber, leather, pelts, or other tangible products having a commercial value; and planting cover crops or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure, b) golf driving range, and c) private entertaining and catering of Members and non-members;

(r) establishing and maintaining wildlife management program(s) within any Common Area(s);

(s) providing or causing to be provided services to Members for a fee and the right to contract with third parties to provide such services;

(t) entering upon any Lot at any time in an emergency, involving an immediate threat of serious injury to persons or property, or in a non-emergency after twenty-four hours written notice, without being liable to any Owner, for the purpose of enforcing the Declaration, maintaining or avoiding any injury to persons or property or repairing any area, Improvement or other facility to conform to the Declaration, reasonably calculated to notify the Owner of the ROA's intentions so as to provide the owner an opportunity to address them prior to such entry. The expense incurred by the ROA in connection with the entry made in accordance herewith upon any Lot and the maintenance and repair work conducted thereon shall be the personal obligation of the Owner of the Lot entered upon, shall be secured by a lien upon the Lot entered upon and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VI of the Declaration. The ROA 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 Declaration. The ROA is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Declaration;

(u) Indemnifying and reimbursing and/or advancing expenses and/or purchasing and maintaining insurance, including errors and omission policies of insurance, or any other arrangement on behalf of any Person who is or was a director or officer of the ROA against any liability asserted against such Person and incurred by such person in such a capacity or arising out of his status as such a Person to the maximum extent permitted by Article 1396 S 2.22A of the Texas Non-Profit Corporation Act, as such Act may from time to time be amended (without regard, however, to Section Q of such Article with respect to officers of the ROA who are not directors of the ROA). Further, the ROA, acting through the Board, may indemnify and agree to reimburse/and/or advance expenses and/or purchase and maintain insurance, including errors and omission policies of insurance, or any other arrangement on behalf of any Person, other than any Person who is a director of the ROA, who is or was an officer, employee or agent of the ROA or a member of the Architectural Committee, or is or was serving at the request of the ROA as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trustee, employee benefit plan or other enterprise, against any liability incurred against such Person and incurred by such Person in such a capacity or arising out of his status as such a Person, to such extent (or, in the case of officers of the ROA, to such further extent), consistent with applicable law, as the Board may from time to time determine. The provisions of this Section shall not be deemed exclusive of any other rights to which any such Person may be entitled under any section of the Declaration, agreement, insurance policy, vote of Members or otherwise. All costs and expenses of the insurance and other arrangements described herein shall be covered by Assessments; and

(v) Any other power and duty provided for by the Declaration.

Section 2. Management. The Board of Directors may employ for the ROA a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws. The Members hereby release the ROA, Declarant and the members of the Board both in their official capacities and individually, from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

Section 3. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) Accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed.
- (b) Accounting and controls should conform to generally accepted accounting principles.
- (c) Cash accounts of the ROA shall not be commingled with any other accounts.

(d) No remuneration without full disclosure and prior agreement of the Board of Directors, or as contained in a written management contract, shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the ROA, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the ROA.

(e) Any financial or other interest that any director, Member or the managing agent may have in any firm providing goods or services to the ROA shall be disclosed in advance to the Board of Directors.

(f) Commencing at the end of the quarter in which the first Lot is sold and closed, financial reports shall be prepared for the ROA quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual or cash basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments that remain delinquent.

(g) An annual report consisting of at least the following shall be made available at each meeting of Members to all Members within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant.

Section 4. Borrowing. The ROA shall have the power to borrow money from any Person (and may pledge ROA assets as collateral for any such loan) for the purpose of maintenance, repair, restoration of the Common Area, or for any other proper purpose without the approval of the Members of the ROA.

Section 5. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Lot of the violating Owner, and to suspend an Owner's right to vote or limit any person's right to use the Common Area, if any, for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted by the ROA;

provided, however, nothing herein shall authorize the ROA or the Board of Directors to limit ingress and egress to or from a Lot. In addition, the ROA shall be entitled to suspend any services provided by the ROA to a Lot in the event that the Owner of such Lot is more than thirty (30) days delinquent in paying any assessment due to the ROA. In the event that an occupant, guest or invitee of a Lot violates the Declaration, Bylaws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the ROA. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

As provided in the Declaration, any assessment and/or fine not paid by an Owner to the ROA following notice and within applicable cure period(s) may result in a lien being imposed against the Lot, which can be acted upon and/or foreclosed by the ROA. In addition, the ROA, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws, or the rules and regulations of the ROA by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations and perform exterior maintenance) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, fines, costs to repair, including reasonable attorneys' fees actually incurred.

ARTICLE IV

Officers

A. Officers. The officers of the ROA shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

B. Election, Term of Office and Vacancies. The officers of the ROA shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the ROA. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

C. Removal. Any officer may be removed, with or without cause, by a majority vote of the Board of Directors whenever in its judgment the best interests of the ROA will be served thereby.

D. Powers and Duties. The officers of the ROA shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time

to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the ROA. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and these Bylaws and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

E. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

F. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the ROA shall be executed by at least two (2) officers or such other person or persons as may be designated by resolution of the Board of Directors.

ARTICLE V

Committees

A. General. The Board of Directors is hereby authorized to establish committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee and in accordance with such rules as are adopted by the Board of Directors. All committees of the ROA, except the Architectural Committee, shall be vested with advisory powers only and is not authorized to act on behalf of the ROA. Officers of the ROA may also serve as committee members.

ARTICLE VI

Indemnification

To the fullest extent permitted by applicable law, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a Director of the ROA shall not be liable to the ROA for monetary damages, or otherwise, for an act or omission in the Director's capacity as a Director. Any amendment of these Bylaws shall be prospective only and shall not adversely offset any limitation on the personal liability of a Director of the ROA existing at the time of such repeal or amendment. In addition, the ROA shall be entitled to indemnify its Directors, officers, employees and/or Members, the Subdivision Manager (and its constituent partners and their respective directors, officers, employees, shareholders and/or members) and others acting on the ROA's behalf, including, without limitation, members of the Architectural Committee or other similar committees and any third-party agents and contractors, to the fullest extent allowed by applicable law. 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 contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director, officer, Architectural Committee Member, or employee of the Association (the "Indemnified Party or Parties") against reasonable expenses to be paid directly and as actually and reasonably incurred (including attorney's fees, judgments, fines and amounts paid in settlement, including interest, costs and expenses) by the Indemnified Party in connection with such action, suit or proceeding if it is found and determined by the Board or a Court of Law that the Indemnified Party 1) acted in good faith and in a manner the Indemnified Party 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 not reasonable cause to believe the Indemnified Party's conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of *Nolo Contendere* or its equivalent, shall not of itself create a presumption that the Indemnified Party did not act in good faith or in a manner which the Indemnified Party 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 the Indemnified Party's conduct was unlawful.

Furthermore, without limiting the foregoing in any way, the Association does hereby agree to IDEMNIFY AND HOLD HARMLESS and does hereby INDEMNIFY AND HOLD HARMLESS the Indemnified Parties, jointly and severally, from any and all claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgements and causes of action, whether in contract, tort or equity, of whatever nature or character, both known and unknown, whether held or accrued in the past, present or to accrue in the future, including reasonable attorneys fees and expenses incurred, which may hereafter be asserted by any Person, firm, corporation or other entity, arising out of or in any way related to or connected with, directly or indirectly, any act or omission committed by the Indemnified Party in such Indemnified Party's official capacity as a director, officer, Architectural Committee Member, employee. This indemnity provision applies even if such claims, debts, demands, liabilities, damages, defenses, counter-claims, cross-claims, third party actions, offsets, actions, judgements and causes of action were caused in whole or in part by any obligation, act, omission, negligence, breach of contract, misconduct, violation of statutory or common law, breach of warranty, product defect, or conduct of any type by such Indemnified Parties.

ARTICLE VII

Miscellaneous

A. Fiscal Year. The fiscal year of the ROA shall be January 1st to December 31st of each year.

B. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of ROA proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Bylaws.

C. Conflicts. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and/or these Bylaws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

D. Books and Records.

Section 1. Inspection by Members and Mortgagees. The Declaration, Bylaws, and Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the ROA, books of account, and the minutes of meetings of the ROA shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, a Member of the ROA, or by the duly appointed representative of any of the foregoing at any reasonable time and for a proper purpose during normal business hours at the office of the ROA or at such other place within the subdivision as the Board shall prescribe, by appointment.

Section 2. Rules for Inspection. The Board shall establish reasonable rules with respect to: (i) notice to be given to the custodian of records; (ii) hours and days of the week when such an inspection may be made by appointment for a proper purpose; and (iii) payment of the cost of reproducing copies of documents requested.

Section 3. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the ROA and the physical property owned or controlled by the ROA. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the ROA.

E. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class postage pre-paid:

(a) if to a Member, at the address that the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the ROA, the Board of Directors, or the managing agent, at the principal office of the ROA or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

F. Amendment. These Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of a majority of the Board of Directors and the consent of the

Class "B" Member, so long as such membership exists. Notwithstanding the above, the percentage of votes or other approval necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment may remove, revoke, or modify any right or privilege of the Class "B" Member without the written consent of Declarant or the assignee of such right or privilege.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of La Ventana Ranch Owners' Association, Inc., a Texas non-profit corporation;

That the foregoing First Amended Bylaws constitute the first amended Bylaws of said ROA, as duly adopted at a meeting of the Board of Directors thereof held on the 11th day of October, 2001.

IN WITNESS WHEREOF, I have executed these First Amended Bylaws on behalf of the ROA on this 11th day of October, 2001.

Secretary

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Sep 26, 2002 at 01:49P
Document Number: 02026515
Amount 133.00
Lee Carlisle
County Clerk
By
Rose Robinson, Deputy
Hays County

**SUPPLEMENTAL DECLARATION TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR LA VENTANA**

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

THAT WHEREAS, LA VENTANA DRIFTWOOD, L.P., a Texas limited partnership, ("Declarant"), has developed certain phases, and continues to develop additional phases, of that certain subdivision located in Hays County, Texas known as La Ventana (referred to herein as the "Subdivision") and as shown in the plat records of Hays County, Texas at Volume 9, pp.71-82; pp.243-245; and

WHEREAS, The Declaration of Covenants, Conditions and Restrictions For La Ventana recorded as Document 9928686 of the official public records of Hays County, Texas and amended by Documents 00003576 and 00007993 of the official public records of Hays County, Texas (referred to herein as the "Declaration" as it may be amended from time to time including the foregoing amendments) authorize Declarant to add additional land to the Subdivision and to bring such additional lands within the scheme and authority of the Declaration; and

WHEREAS, Declarant recently acquired that certain 47.93 acre tract in Hays County, Texas platted as La Ventana West and as recorded at Volume 9, pp. 339-340 of the plat records of Hays County, Texas (referred to herein as "La Ventana West") and Declarant desires to (i) apply the Declaration to La Ventana West thereby making La Ventana West subject to all covenants, conditions and restrictions of the Declaration, and (ii) impose all of the terms and provisions of this Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana (the "Supplemental Declaration").

NOW, THEREFORE, it is hereby declared that (i) La Ventana West is hereby added to and brought within the scheme of the Declaration and is hereby made a part of the Subdivision subject to all covenants, conditions and restrictions of the Declaration; (ii) La Ventana West shall be held, sold, conveyed and occupied subject to all of the terms and provisions of this Supplemental Declaration and the Declaration which are for the purpose of protecting the value and desirability of, and which shall run with La Ventana West and shall be binding on all persons having any right title and interest to La Ventana West or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof; (iii) each contract or deed which may hereafter be executed with regard to La Ventana West or any part thereof shall be conclusively held to have been executed, delivered and accepted subject to the Declaration and Supplemental Declaration regardless of whether or not the same are set out or referred to in said contract or deed, and (iv) this Supplemental Declaration shall constitute a notice of addition of land pursuant to Section 2.2 of Article II of the Declaration.

The Declaration is hereby ratified and confirmed as to La Ventana West, except as it may be inconsistent herewith, in which case this Supplemental Declaration will control.

1. **DEFINITIONS.** Any capitalized terms used in this Supplemental Declaration and not otherwise defined herein shall have the meaning assigned thereto in the Declaration.

2. SUPPLEMENTAL RESTRICTIONS

All of the Lots within La Ventana West shall be owned, encumbered, mortgaged, leased, used, occupied, enjoyed, sold and conveyed subject to the terms, conditions, covenants and restrictions set forth in the Declaration and to the restrictions stated below in this Supplemental Declaration. To the extent that any of the following restrictions are more restrictive than any similar restrictions in the Declaration, the restrictions in this Supplemental Declaration shall control.

- 2.1 Natural Vegetation Preserve.** Lots DS 1, DS 2, DS 3, DS 18 and DS 19 shall have an area 40 feet from the eastern most lot line of such lots which shall be designated as a Natural Vegetation Preserve. The Natural Vegetation Preserve must exist in its existing natural state and no living vegetation of any kind including trees, shrubs, grasses, or any other plants shall be removed, cut or damaged in any way unless such removal is necessary for the construction of utilities across the Natural Vegetation Preserve. Any areas in the Natural Preservation Preserve which are damaged during the construction process shall be replanted by the Owner with vegetation sufficient to offer a protective buffer equivalent to the native vegetation which was damaged.
- 2.2 Specific Additional Setback Requirements.** In addition to those setback requirements set forth in Section 3.40 Of the Declaration, no Building shall be located nearer than 50 feet from the eastern most lot line of Lots DS 1, DS 2, DS 3, DS 18 and DS 19.
- 2.3 Specific Driveway Lots.** The Owner(s) of Lot DS 10 and Lot DS 17 shall be permitted to construct a driveway on such Lots (in accordance with Section 3.47 of the Declaration) which provides access to an adjacent homesite which is not in the Subdivision.
- 2.4 Perimeter Fence Removal.** The fence which surrounds the perimeter of La Ventana West shall not be removed by any person or Owner unless such fence is replaced by a fence which is of equal quality and height as the existing fence as deemed by the Architectural Control Committee.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration as or
this 8th day of JAN., 2001.

DECLARANT:

La Ventana Driftwood, LP

A Texas Limited Partnership

By: FourStar Residential Ranches, LLC, its general partner

Lee P. Wood
Lee P. Wood, President

Michael J. Levenson
Michael J. Levenson

FILED AND RECEIVED
OFFICIAL PUBLIC RECORDS
On: Jan 08, 2001 at 12:40P

Document Number: 01000670

Amount: 13.00

Lee Carlisle

County Clerk

Terry Kline, Deputy
Hays County

STATE OF TEXAS §

COUNTY OF HAYS §

This instrument was acknowledged before me this 8th day of January,
2001, by Lee P. Wood, President and Michael J. Levenson, Vice-President of FourStar
Residential Ranches, LLC, a Texas limited liability company, General Partner of La
Ventana Driftwood, LP a Texas limited partnership, on behalf of said entity.



Karen L. Bell
Notary Public, in and for
The State of Texas

**SECOND SUPPLEMENTAL DECLARATION TO THE DECLARATION OF,
COVENANTS, CONDITIONS AND RESTRICTIONS FOR LA VENTANA**

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

KNOW ALL MEN BY THESE PRESENTS:

Ex Vol Pg
04006687 DPR 2421 597

THAT WHEREAS, LA VENTANA DRIFTWOOD, L.P., a Texas limited partnership, ("Declarant"), has developed certain phases, and continues to develop additional phases, of that certain subdivision located in Hays County, Texas known as La Ventana (referred to herein as the "Subdivision") and as shown in the plat records of Hays County, Texas at Volume 9, pp.71-82; pp.243-245; pp. 339-340; and Volume 11, pp. 37-41; and

WHEREAS, The Declaration of Covenants, Conditions and Restrictions For La Ventana recorded as Document 9928686 of the official public records of Hays County, Texas and as amended by Documents 00003576, 00007993, and 02026515 and as supplemented by Document 01000670 of the official public records of Hays County, Texas (referred to herein as the "Declaration" as it may be amended from time to time including the foregoing amendments and supplement) authorize Declarant to add additional land to the Subdivision and to bring such additional lands within the scheme and authority of the Declaration; and

WHEREAS, Declarant acquired that certain 489.39 acre tract in Hays County, Texas platted as The Preserve at La Ventana as further described on Exhibit "A" hereto with Phase 1 thereto being recorded at Volume 11, pp. 290-291 of the plat records of Hays County, Texas (referred to herein as "The Preserve") and Declarant desires to (i) apply the Declaration to The Preserve thereby making The Preserve subject to all covenants, conditions and restrictions of the Declaration, and (ii) impose all of the terms and provisions of this Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana (the "Supplemental Declaration") upon The Preserve.

NOW, THEREFORE, it is hereby declared that (i) The Preserve is added to and brought within the scheme of the Declaration and is hereby made a part of the Subdivision subject to all covenants, conditions and restrictions of the Declaration; (ii) The Preserve shall be held, sold, conveyed and occupied subject to all of the terms and provisions of this Supplemental Declaration and the Declaration which are for the purpose of protecting the value and desirability of, and which shall run with The Preserve and shall be binding on all persons having any right title and interest to The Preserve or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof; (iii) each contract or deed which may hereafter be executed with regard to The Preserve or any part thereof shall be conclusively held to have been executed, delivered and accepted subject to the Declaration and Supplemental Declaration regardless of whether or not the same are set out or referred to in said contract or deed, and (iv) this Supplemental Declaration shall constitute a notice of addition of land pursuant to Section 2.2 of Article II of the Declaration.

The Declaration is hereby ratified and confirmed as to The Preserve, except as it may be inconsistent herewith, in which case this Supplemental Declaration will control.

1. **DEFINITIONS.** Any capitalized terms used in this Supplemental Declaration and not otherwise defined herein shall have the meaning assigned thereto in the Declaration.

2. **SUPPLEMENTAL RESTRICTIONS**

All of the Lots within La Ventana West shall be owned, encumbered, mortgaged, leased, used, occupied, enjoyed, sold and conveyed subject to the terms, conditions, covenants and restrictions set forth in the Declaration and to the restrictions stated below in this Supplemental Declaration. To the extent that any of the following restrictions are more restrictive than any similar restrictions in the Declaration, the restrictions in this Supplemental Declaration shall control.

2.1 **Fence Removal.** The fence which surrounds the perimeter of The Preserve as well as any other fence in place at the Preserve shall not be removed by any person or Owner unless such fence is replaced by a fence which is of equal quality and height as the existing fence as deemed by the Architectural Control Committee.

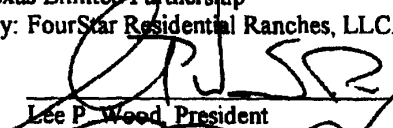
IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration as or this 11th day of March, 2004.

DECLARANT:

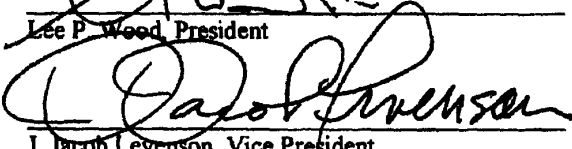
La Ventana Driftwood, LP

A Texas Limited Partnership

By: FourStar Residential Ranches, LLC, its general partner



Lee P. Wood, President

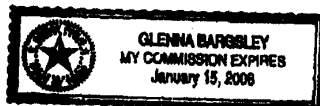


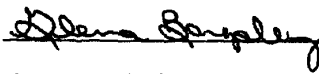
J. Jacob Levenson, Vice President

STATE OF TEXAS §

COUNTY OF HAYS §

This instrument was acknowledged before me this 11th day of March, 2004, by Lee P. Wood, President and J. Jacob Levenson, Vice-President of FourStar Residential Ranches, LLC, a Texas limited liability company, General Partner of La Ventana Driftwood, LP a Texas limited partnership, on behalf of said entity.





Notary Public, in and for
The State of Texas

1 JUN 29 2006

Bk Vol Pg
06018526 0PR 2950 852

**THIRD SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
LA VENTANA**

STATE OF TEXAS §
 §
COUNTY OF HAYS §

KNOW BY ALL THESE PRESENTS:

WHEREAS, DRIFTWOOD DEVELOPMENT, L.P., a Texas limited partnership, (the "Declarant"), is the owner of certain real property located in Hays County, Texas (the "Property"), as defined in Article I, Section 1.44 below, which Declarant is developing and has subdivided for residential purposes; and

WHEREAS, that certain Original Declaration of Covenants, Conditions, and Restrictions for La Ventana (the "Original Declaration") dated August 31, 1999 was recorded as Document Number 9928686 with the Official Public Records of Hays County, Texas.

WHEREAS, that certain First Amended Declaration of Covenants, Conditions and Restrictions for La Ventana (the "First Amendment") dated February 18, 2000 was recorded as Document Number 00003576 with the Official Public Records of Hays County, Texas at Volume 1634, Pages 177-237.

WHEREAS, that certain Second Amended Declaration of Covenants, Conditions and Restrictions for La Ventana (the "Second Amendment") dated April 11, 2000 was recorded as Document Number 00007993 with the Official Public Records of Hays County, Texas at Volume 1653, Pages 282-341B.

WHEREAS, that certain Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana (the "Supplemental Declaration") dated January 8, 2001 was recorded as Document Number 010000670 with the Official Public Records of Hays County, Texas at Volume 1757, Pages 800-802, which added La Ventana West, as defined therein, to the Subdivision and imposed all of the terms and provisions of the Original Declaration, as amended, to La Ventana West.

WHEREAS, that certain Second Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana (the "Second Supplemental Declaration") dated March 11, 2005 was recorded as Document Number 04006687 with the Official Public Records of Hays County, Texas at Volume 2421, Pages 597-602, which added the Preserve, as defined therein, to the Subdivision and imposed all of the terms and provisions of the Original Declaration, as amended, to the Preserve.

WHEREAS, that certain Third Amended Declaration of Covenants, Conditions, and Restrictions for La Ventana (the "Third Amendment") dated September 26, 2002 was recorded

JUN 29 2006

06018526 Bk Vol Pg
0PR 2950 853

as Document Number 2026515 with the Official Public Records of Hays County, Texas at Volume 2072, Pages 785-847.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That it is hereby declared that (i) all of the Property shall be held, sold, conveyed, and occupied subject to the Original Declaration and all easements, restrictions, covenants, and conditions set forth therein, as modified by the First Amendment, the Second Amendment, the Supplemental Declaration, the Second Supplemental Declaration, the Third Amendment, Fourth Amendment, and this Third Supplemental Declaration, 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; and (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.

The Declarant does hereby make the following amendments:

1. **Membership of Architectural Committee.** The first sentence of Section 5.1(c) of the Declaration is hereby amended and restated as follows and is hereby incorporated in the Declaration:

- (a) The Architectural Committee shall consist of not less than one (1) and not more than seven (7) voting Members ("Voting Members") and such additional non-voting Members serving in an advisory capacity ("Advisory Members") as Declarant, its successor or assigns deem appropriate.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of this 12 day of ~~March~~ 2006.

DECLARANT

DRIFTWOOD DEVELOPMENT, L.P.
A Texas Limited Partnership

By:

its

Printed Name

Title

JUN 29 2006

Bk Vol Pg
06018526 OPR 2950 854

THE STATE OF TEXAS

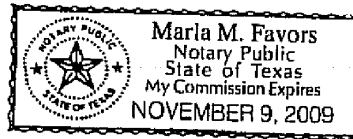
§
§
§
§

COUNTY OF HAYS

This instrument was acknowledged before me on the 12 day of March, 2006, by
Jerry Thompson, as manager of La Ventana Driftwood, L.P.

**Please Return Recorded Copy To
Alliance Association Management
3355 Bee Caves Rd., Suite 518
Austin, Texas 78748
Attn: Barbara Taylor**

Maria M. Favors
Notary Public - State of Texas



Filed for Record in:
Hays County
On: Jun 27, 2006 at 02:31P
Document Number: 06018526
Amount: 96.00
Receipt Number - 150512
By:
Olga Martinez, Deputy
Lee Carlisle, County Clerk
Hays County

**FOURTH SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LA VENTANA**

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

WHEREAS, DRIFTWOOD DEVELOPMENT, L.P., a Texas limited partnership (the "Declarant"), is the owner of certain real property located in Hays County, Texas (the "Property"), as defined in Article I, Section 1.44 below, which Declarant is developing and has subdivided for residential purposes; and

WHEREAS, that certain Original Declaration of Covenants, Conditions, and Restrictions for La Ventana dated August 31, 1999 was recorded as Document Number 9928686 with the Official Public Records of Hays County, Texas.

WHEREAS, that certain First Amended Declaration of Covenants, Conditions and Restrictions for La Ventana dated February 18, 2000 was recorded as Document Number 00003576 with the Official Public Records of Hays County, Texas at Volume 1634, Pages 177-237.

WHEREAS, that certain Second Amended Declaration of Covenants, Conditions and Restrictions for La Ventana dated April 11, 2000 was recorded as Document Number 00007993 with the Official Public Records of Hays County, Texas at Volume 1653, Pages 282-341B.

WHEREAS, that certain Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana dated January 8, 2001 was recorded as Document Number 010000670 with the Official Public Records of Hays County, Texas at Volume 1757, Pages 800-802, which added La Ventana West, as defined therein, to the Subdivision and imposed all of the terms and provisions of the Original Declaration, as amended, to La Ventana West.

WHEREAS, that certain Second Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana dated March 11, 2005 was recorded as Document Number 04006687 with the Official Public Records of Hays County, Texas at Volume 2421, Pages 597-602, which added the Preserve, as defined therein, to the Subdivision and imposed all of the terms and provisions of the Original Declaration, as amended, to the Preserve.

WHEREAS, that certain Third Amended Declaration of Covenants, Conditions, and Restrictions for La Ventana dated September 26, 2002 (as may be amended and supplemented, the "CCRs") was recorded as Document Number 2026515 with the Official Public Records of Hays County, Texas at Volume 2072, Pages 785-847.

WHEREAS, that certain Notice of Addition of Land dated May 10, 2005 was recorded as Document Number 05012954 with the Official Public Records of Hays County, Texas at Volume 2683, Pages 773-775.

WHEREAS, that certain Resolutions of the Board of Directors Adopting Rules for La Ventana Ranch Owners Association dated August 1, 2005 was recorded as Document Number 05033128 with the Official Public Records of Hays County, Texas at Volume 2806, Page 465.

WHEREAS, that certain Third Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for La Ventana dated April 12, 2006 was recorded as Document Number 06018526 with the Official Public Records of Hays County, Texas at Volume 2950, Pages 852-854.

WHEREAS, that certain Resolution of the Board of Directors Adopting Rules for La Ventana Ranch Owners Association July 19, 2006 was recorded as Document Number 06022992 with the Official Public Records of Hays County, Texas at Volume 2979, Page 166-168.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the Declarant and the Association hereby declares as follows (capitalized terms used, but not defined herein, shall have the meanings ascribed thereto in the CCRs):

1. **Additional Assessment on Lot Owners.** Each Lot (other than those owned by the Declarant or its affiliates) has been assessed a one-time special Assessment (the "Special Assessment") as of October 1, 2006, which may be paid at the option of the Lot owner in twelve equal installments of \$55 each on the first of each month or one payment of \$600. With respect to any Lot sold after September 30, 2006, the owner of that Lot shall pay the Special Assessment on a pro rated basis for each full calendar month in which they own a Lot (for example, if someone purchased a Lot on December 15, 2006, they would owe 9/12 of the Special Assessment or \$450 or \$55 a month for 9 months). No late fees will accrue on such amounts if they are paid by the 30th of each applicable month.

2. **Additional Contributions by Declarant.** Declarant will contribute to the ROA \$3,000 per month for 12 months on the first day of each month beginning October 1, 2006 which may be offset in whole or in part by Declarant assuming and paying an equivalent dollar value of ROA liabilities such as those for D&O insurance and Severn Trent and such others as may be agreed unanimously by the Class A Directors. Notwithstanding the provisions of the prior sentence, the Declarant shall not be considered in breach if payment for a month is received by the 16th day of that month. The Declarant has also agreed to pay certain existing liabilities of the ROA and undertake certain improvements for the benefit of the ROA as set forth in that certain Funding Agreement between the ROA and the Declarant dated as of September 14, 2006.

3. **Amended Admittance Fee into the ROA.** Effective November 1, 2006, the second to last sentence of Section 7.3 of the CCRs which presently reads as follows: "At the closing of the acquisition of any Lot from the Declarant, any other developer thereof, or any Builder, the party acquiring such Lot shall pay a one-time processing fee of One Hundred Fifty Dollars (\$150.00)." is hereby amended to read in its entirety as follows: "At the closing of the acquisition of any Lot from the Declarant or any other developer thereof after November 1, 2006, the party acquiring such Lot shall pay a one-time processing fee of One Thousand Dollars (\$1,000.00); provided, however, that if the party acquiring the Lot is a Builder that is acquiring the Lot for resale in connection with the construction of a spec home, such \$1,000 fee shall not be payable until the

earlier of (i) resale of the Lot by the Builder or (ii) the one year anniversary of the acquisition of the Lot from the Declarant or other developer."

4. **Amended Fees for Submission of Plans to the CCRs.** Effective November 1, 2006, the second sentence of Section 5.15 of the CCRs which presently reads as follows: "The initial fee shall be \$150.00 per submission." Is hereby amended to read in its entirety as follows: "With respect to any Lot sold after November 1, 2006, the fee for submission of plans to build a house on that Lot shall initially be One Thousand Dollars (\$1,000.00) and the fee for the submission of any other plans for Improvements submitted separate from the submission of the plans for a house (such as for a fence or patio) shall initially be One Hundred Fifty Dollars (\$150.00)."

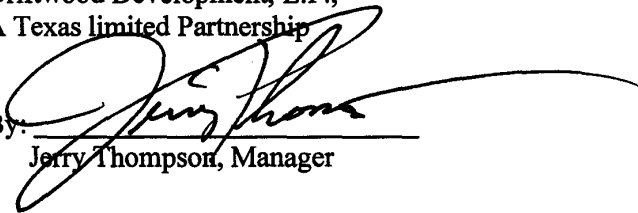
5. **Platting of the Preserve.** The CCRs are hereby amended to add a new section 5.16 that reads in its entirety as follows: "5.16 **Platting of the Preserve.** For the avoidance of doubt, the Declarant shall have no obligation to submit any plans for the platting or replatting of Lots or Common Areas in the Preserve to the Architectural Committee prior to those Lots being sold to third parties or to the Common Areas being dedicated to the Association."

6. **Noncontravention.** Notwithstanding anything in the CCRs or elsewhere to the contrary, so long as the Class "B" Member owns any Lots, the Declarant agrees and covenants that none of the above items may be amended or rescinded or otherwise contravened without the express unanimous written consent of the Class "A" Board Members and Class "B" Board Members.

7. **Designation of Additional Equestrian Lots.** The following Lots are hereby designated as additional Equestrian Lots as defined in Section 1.21 of the CCRs: 301, 302, 303, 304, 305, 306, 307, 401, 402, 403, 404, 405, 406 and 407.

IN WITNESS WHEREOF, Declarant has executed this declaration as of this 5 day of December ~~November~~ 2006.

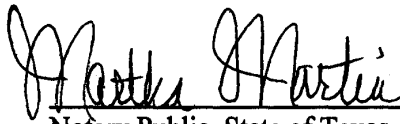
Driftwood Development, L.P.,
A Texas limited Partnership

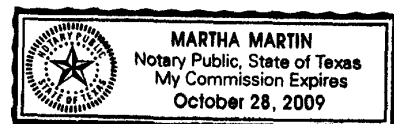
By: 

Jerry Thompson, Manager

THE STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me on the 5th day of December, 2006 by Jerry Thompson, Manager of Driftwood Development, L.P., who was proved to me on the basis of satisfactory evidence to be the persons who executed the foregoing instrument. WITNESS my hand and official seal.


Notary Public, State of Texas



La Ventana Ranch Owners' Association, Inc.

Declaration/CC&Rs Amendment



AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR THE PRESERVE AT LA VENTANA, PHASE III

This Amended and Restated Declaration of Covenants, Conditions, and Restrictions for the Preserve at La Ventana, Phase III (the “**Preserve Declaration**”) is made by **PACESETTER HOMES, LLC**, a Texas limited liability company (the “**Declarant**”), and is as follows:

RECITALS:

A. La Ventana Driftwood, L.P., a Texas limited partnership (the “**Original Declarant**”) previously executed and recorded that certain Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. 9928686, Official Public Records of Hays County, Texas, as amended and supplemented by: (i) that certain First Amended Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. 00003576, Official Public Records of Hays County, Texas; (ii) that certain Second Amended Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. 00007993, Official Public Records of Hays County, Texas; (iii) that certain Supplemental Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. 01000670, Official Public Records of Hays County, Texas; (iv) that certain Third Amended Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. 02026515, Official Public Records of Hays County, Texas; (v) that certain Second Supplemental Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. 0400687, Official Public Records of Hays County, Texas; (vi) that certain Third Supplemental Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. 06018526, Official Public Records of Hays County, Texas; (vii) that certain Fourth Supplemental Declaration of Covenants, Conditions and Restrictions for La Ventana, recorded as Document No. _____, Official Public Records of Hays County, Texas; and (viii) that certain Notice of Additional Land The Preserve At La Ventana, Phase Two, recorded May 11, 2005, as Document No. 05012954, Official Public Records of Hays County, Texas (collectively, the “**Original Declaration**”).

B. Pacesetter Homes, LLC, by an instrument dated November 24, 2015 and recorded at Volume 5392, Page 227 of the Real Property Records of Hays County, Texas, is Declarant of La Ventana, including the Preserve at La Ventana, Phase III.

C. Pursuant to Section 10.3(a) of the Original Declaration, Declarant may unilaterally amend the Original Declaration until such time as Declarant has conveyed by deed four hundred (400) Lots. At this time, Declarant has not conveyed by deed four hundred (400) Lots. Declarant now desires to amend and restate, in part, the Original Declaration as set forth herein below, as it pertains to the Property (defined below).

D. Pursuant to that certain agreement entered into by and between Declarant and La Ventana Ranch Owners Association, Inc. (“La Ventana”), on or about December 4, 2016, Declarant contractually limited its ability to unilaterally amend the Original Declaration (or any amendments thereto), but Declarant may amend the Original Declaration (or any amendments thereto) with unanimous agreement of the Class A Directors. Notwithstanding anything to the contrary contained herein, no terms of this Preserve Declaration shall narrow, limit, waive, or

eliminate any right, exemption, or privilege of Declarant, La Ventana, builders, and homebuyers as they existed upon the signing of the Settlement Agreement.

E. Declarant, with the unanimous agreement of the Class A Directors, now desires to amend, in part, the Original Declaration as set forth herein below. The Original Declaration will remain in full force and effect as to the Property (defined below) only to the extent it does not contradict the Preserve Declaration.

NOW, THEREFORE, it is hereby declared: (i) that the Preserve at La Ventana, Phase III (more particularly described on Exhibit "A," attached hereto, and hereafter known as the "**Property**") which has heretofore been subject to the Original Declaration, shall be held sold, conveyed, used, and occupied subject to the following covenants, conditions, and restrictions which will run with such portions of the Property and will be binding upon all parties having right, title, or interest in or to such portions of the Property or any part thereof, their heirs, successors, and assigns and will inure to the benefit of each owner thereof; (ii) that each contract or deed conveying the Property (or any portion thereof) will 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 in full or by reference in said contract or deed; and (iii) upon recording of this Declaration, the Original Declaration shall be amended, restated, and replaced to the extent that it is in conflict with the terms and provisions of this Declaration. Capitalized terms used in this Preserve Declaration shall have the meanings defined for them in the Original Declaration, unless otherwise defined in this Preserve Declaration.

Any term of the Preserve Declaration to the contrary notwithstanding, in no event shall the Preserve Declaration in any way modify, eliminate, or limit any right, exemption, privilege, or ability of the Declarant or its purchasers, builders, contractors or assigns under the previous Declaration as the same may be modified by that certain Agreement and Mutual Release by and between Pacesetter Homes LLC and La Ventana Ranch Owners Association, Inc., a true and correct copy of which is attached hereto as Exhibit "B" (the "**Settlement Agreement**"). Any provision of the Preserve Declaration purporting to so modify, eliminate, or limit any such right, exemption, privilege, or ability of the Declarant or its purchasers, builders, contractors assigns under the previous Declaration as modified by the Settlement Agreement shall be void and unenforceable.

Article I. Rainwater Collection Systems

1. These requirements and guidelines for the Installation of Rainwater-Collection Systems are promulgated in accordance with *Texas Property Code* § 202.007(a)(4) and (d)(6) & (7) and supersede any requirements and guidelines relating to the regulation of rain barrels or rainwater-harvesting systems that may have previously been in effect.

2. Guidelines. A Rainwater-Harvesting System of at least five-hundred (500) gallons shall be installed and maintained to working standards on every lot in the Property, but only after receiving written approval from the Architectural Committee. Approval will not be unreasonably withheld, conditioned, or delayed as long as the installation complies with the provisions of these Guidelines, as follows.

(a) Under no circumstances may a Rain-Harvesting System (i) be installed or located in or on any area within a Lot that is between the front of the Owner's Living Unit and an adjoining or adjacent street; or (ii) violate setback requirements.

(b) All components of a Rain-Harvesting System, such as tanks, barrels, filters, pumps, motors, pressure tanks, pipes, or hoses, should be reasonably screened from public view from any street. Screening may be accomplished by either of the following: (i) placing equipment behind a screening fence, a structure, or vegetation; or (ii) burying the tanks or barrels.

(c) A rain-barrel may be placed in a location that is visible from a street or Common Area and Facilities only if the configuration of the guttering system on the Living Unit precludes screening as described herein, and the following restrictions are met: (i) the barrel is installed in close proximity to the Living Unit on a level base or buried either in full or in part with the guttering downspout leading directly to the barrel inlet at a substantially vertical angle; (ii) the barrel is fully painted in a single color to blend with the adjacent Living Unit, fence, or vegetation; and (iii) any hose attached to the barrel discharge is neatly coiled and stored behind or beside the rain barrel in the least visible position when not in use.

(d) A Rain-Harvesting System must be of a color that is consistent with the color scheme of the Owner's Living Unit and may not contain or display any language or other content that is not typically displayed on the Rain Harvesting System as manufactured.

(e) Inlets, ports, vents, and other openings must be sealed or protected with mesh to prevent children, animals, and debris from entering the Rain Harvesting System. Open top storage containers are not allowed.

(f) Harvested water must be used and not allowed to become stagnant or a health threat.

(g) A Rain Harvesting System must be properly maintained at all times.

3. Application. To obtain approval from the Architectural Committee for installation of a Rainwater-Harvesting System, the Owner shall provide the Architectural Committee with the following information: (i) the proposed installation location of the Rainwater-Harvesting System; (ii) a description of the Rainwater-Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction; and (iii) describe methods proposed by the Owner to shield the Rainwater-Harvesting System from the view of any street, Common Area, or another Owner's Lot.

4. Approval Process. The Architectural Committee may not outright deny any application for a Rain-Harvesting System on any lot in the Property, so long as the application is for the first Rain-Harvesting System of at least five-hundred (500) gallons. The Architectural Committee may, however (i) require modifications to an application before granting final approval, so long as such modifications are consistent with the guidelines stated herein; and (ii) deny an application for the first Rain-Harvesting System on any lot in the Property if the application is for a Rain-

Harvesting System of less than five-hundred (500) gallons. Approval or denial will be made in accordance with the Original Declaration.

5. Settlement Agreement. Pursuant to the Settlement Agreement: *"With respect to any improvements constructed by or for Pacesetter or by any purchaser of a Lot sold by Pacesetter, the Architectural Committee may enforce only the requirements contained in the DCCRs and Exhibit "D" to this Agreement. Notwithstanding the foregoing, the placement of any improvement on any Lot and the type of foundation used shall be at Pacesetter's discretion, subject only to the setback requirements expressly set forth in the DCCRs. For the sake of clarity, attached hereto as Exhibit "D" is a checklist and guidelines for approval of any home construction by or for Pacesetter, or by any purchaser of a Lot sold by Pacesetter, indicating the only permissible criteria for Architectural Committee approval. Except as expressly set forth in this section, neither the ROA nor the Architectural Committee may apply any policies or rules beyond the minimum requirements of the DCCRs and Exhibit "D."* Based on the foregoing, the Architectural Committee's ability to limit installation by Pacesetter is controlled by such language contained in the Settlement Agreement and the Preserve Declaration.

Article II. Sods & Grasses

(1) These guidelines for planting and/or laying Grasses and/or Sods are promulgated in accordance with *Texas Property Code* § 202.007(a)(4) and (c), and supersede any guidelines relating to the planting and/or laying Grasses and/or Sods that may have previously been in effect.

(2) In addition to the requirements set forth in **ARTICLE II** of the Third Amended Declaration of Covenants, Conditions and Restrictions for La Ventana, lots in the Preserve Phase III must comply with the following additional requirements:

(a) Owners are prohibited from installing St. Augustine sod and use of drought tolerant grasses is encouraged; provided however, such restrictions shall (i) encourage or require water-conserving turf; and (ii) shall not restrict Owners ability to install drought-resistant landscaping and/or water-conserving natural turf. The extent such restrictions limit Owners ability to install drought-resistant landscaping and/or water-conserving natural turf, they are void.

(b) Owners should consider planting and/or installing drought-resistant grasses and/or sods;

(c) Owners may install sod (i) no further than thirty (30) feet from the base of the foundation of their Living Unit; or (2) on no more than twenty-five (25) percent of the net surface area of the Owner's Lot ("Net" surface area being the gross lot size in square feet less the square footage of the house, garage, and all accessory or out building structures), provided however, this restriction will not apply to drought-resistant landscaping and/or water-conserving natural turf.

Article III. Water Use Restrictions

(1) These guidelines for water use restrictions are promulgated in accordance with *Texas Property Code* § 202.007(a)(3) and supersede any guidelines for water use restrictions that may have previously been in effect.

(1) Phase 1. May 1 to June 30 – Owners (i) shall not use irrigation systems (drip irrigation excluded) between the hours of 8:00 A.M. and 6:00 P.M.; (ii) shall limit irrigation of landscaped areas with hose-end sprinklers or automatic spray or air borne irrigation systems to the hours 12:00 A.M. – 8:00 A.M. and 7:00 P.M. – 12:00 A.M. on their designated watering days. Designated watering days are as follows:

Address ends in	Watering days
0, 2, 4, 6, and 8	Mondays & Fridays
1, 3, 5, 7, and 9	Tuesdays & Saturdays

Irrigation of landscaped areas is permitted at any time if it is from water in the rain water collection system. Rainwater tanks larger than 500 gallons are encouraged to promote and prolong extended watering needs.

(2) Phase 2. July 1 to October 1 – Owners (i) shall not use irrigation systems (drip irrigation excluded) between the hours of 8:00 A.M. and 6:00 P.M.; (ii) shall limit irrigation of landscaped areas with hose-end sprinklers or automatic spray or air borne irrigation systems to the hours 12:00 A.M. – 8:00 A.M. and 7:00 P.M. – 12:00 A.M. on their designated watering days. Designated watering days are as follows:

Address ends in	Watering days
0, 2, 4, 6, and 8	Mondays
1, 3, 5, 7, and 9	Tuesdays

(3) Allowed Irrigation. Irrigation of landscaped areas is permitted at any time if it is from water in the rainwater collection system. Rainwater tanks larger than 500 gallons are encouraged to promote and prolong extended watering needs.

(4) Irrigation Systems. Irrigation systems that do not meet efficient irrigation system standards may be installed (i) no further than thirty (30) feet from the base of the foundation; or (ii) on no more than twenty-five (25) percent of the owners' lot. Efficient irrigation systems are as set forth by *Texas Administrative Code* Title 30 § 344, and include but are not limited to the following characteristics: (i) no overspray in normal wind conditions; (ii) zoning with like-water-use plant material grouped in the same zone; (iii) drip irrigation where feasible; (iv) irrigation using gray water or rainwater catchment or water recapture from air conditioners; (v) spacing and distribution uniformity in accordance with Irrigation Association standards; and/or (vi) rainwater shutoff devices.

(5) Drip Irrigation Systems/Planting Beds. Owners who choose to install an irrigation system for plantings beds are encouraged to install drip irrigation systems in planting beds. Use of rainwater tank collection for irrigation is encouraged.

(6) Washing Vehicles, etc. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days (as stated above herein) in Phase 1 and Phase 2 between the hours 12:00 A.M. – 10:00 A.M. and 7:00 P.M. – 12:00 A.M. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shut-off nozzle-for quick-rinses.

(7) Pools, etc. All indoor or outdoor swimming pool(s), wading pool(s), jacuzzi(s), and/or hot-tub(s) (or any other similar recreational water facility), at the time they are built, or if they are being re-filled, must be filled with water brought in from an outside source and may not be filled by a water hose on any Lot. Use of water to add to any indoor or outdoor swimming pool(s), wading pool(s), jacuzzi(s), and/or hot-tub(s) (or any other similar recreational water facility) is (i) strictly prohibited during Phase I and Phase II, unless on designated watering days between the hours 12:00 A.M. – 10:00 A.M. and 7:00 P.M. – 12:00 A.M.

(8) Fountains, etc. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

(9) Prohibited uses. The following uses of water are defined as non-essential and are strictly prohibited during Phase 2:

- (a) Washing/rinsing of sidewalks, walkways, driveways, parking areas, tennis courts, or other hard surfaced areas;
- (b) Washing/rinsing of buildings or structures for purposes other than immediate fire protection;
- (c) use of water for dust control;
- (d) flushing gutters or permitting water to run or accumulate in any gutter or street; and
- (e) failure to repair a controllable leak(s) within seventy-two (72) hours after having been given notice directing the repair of any such leak(s).

Article IV. Fine & Enforcement

(1) This fine and enforcement policy is promulgated in accordance with *Texas Property Code* § 209, also known as the “*Texas Residential Property Owners Protection Act*,” and supersedes any guidelines for fine and enforcement policies that may have previously been in effect. Applicable state law, including *Texas Property Code* § 209, will control in the event of any conflict.

(2) General Policy. The Association uses fines to discourage violations of the Restrictions stated herein. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation, including but not limited to filing suit to seek injunctive relief to prevent continued violation of the Restrictions stated herein. Owners are liable for fines levied by the Association for violations of the Restrictions stated herein not only by the Owner(s), but also the Owner(s) relatives, guests, employees, and agents. As such, the Association shall direct all communications regarding a violation to the Owner(s). The Association will follow the fine schedule attached hereto as Exhibit "C." Pursuant to *Texas Property Code* § 209.006, the Association reserves the right to take any of the following actions in seeking to enforce the restrictions stated herein: (a) suspend an owner's right to use common areas; (b) file a suit against an owner seeking all remedies and damages allowed by law; (c) charge an owner for property damage; and/or (d) levy a fine for a violation of the Restrictions stated herein.

(3) Notice of Violation & Hearing. Except as otherwise provided herein, and as required by *Texas Property Code* § 209.006, and before taking any or all of the allowable enforcement actions listed above, the Association shall (a) give written violation notice via certified mail to the Owner (at the Owner's last known address as shown in the Association records, and if not stated therein, as provided by the Hays County Appraisal District); and (b) give an opportunity to be heard, if requested by the Owner(s), pursuant to *Texas Property Code* § 209.006. The Association's Violation Notice shall, pursuant to *Texas Property Code* § 209.006, contain the following items: (a) the date the Violation Notice is prepared or mailed; (b) a description of the violation or property damage that is the basis for the Individual Assessment, suspension action, or other charge; (c) a reference to the rule or provision that is being violated; (d) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid the fine or suspension; (e) the amount of the possible fine; (f) a statement that no later than the thirtieth (30th) day after the date the notice was mailed, the Owner may request a hearing pursuant to *Texas Property Code* § 209.006, and further, if the hearing held pursuant to *Texas Property Code* § 209.006 is to be held by a committee appointed by the Board, a statement notifying the Owner that the Owner(s) has/have the right to appeal the committee's decision to the Board by written notice to the Board; and (g) a statement that the Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. section *et seq.*), if the Owner is serving on active military duty. The Violation Notice sent out pursuant to this paragraph is further subject to the following:

(4) First Violation. The First Violation Notice for any violation of the Restrictions stated herein will comply with the requirements of *Texas Property Code* § 209.006 and also provide a reasonable timeframe by which the violation must be cured to avoid the fine. The First Violation Notice must state that any future violation of the same rule may result in the Association taking any action allowed by *Texas Property Code* § 209.006, depending on whether or not the violation is curable.

(5) Repeat Violation without Attempt to Cure. If the Owner has been given a Violation Notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but commits the violation again, then the Owner shall not be entitled to an additional Violation Notice or a hearing pursuant to *Texas Property Code* § 209.007, and the

Association shall have the right to exercise any enforcement remedy afforded to it under these Restrictions and *Texas Property Code* § 209.006. If the Owner(s) blatantly refuse to cure the violation, then the Board, in its sole discretion, may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board.

(6) Violation Hearing. If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to the Association for a hearing before the Board or a committee appointed by the Board to discuss and verify the facts and resolve the matter, pursuant to *Texas Property Code* § 209.006 and *Texas Property Code* § 209.007. To request a hearing, the Owner must submit a written request to the Association's manager or Board within thirty (30) days after receiving the Violation Notice pursuant to *Texas Property Code* § 209.006 and *Texas Property Code* § 209.007. The Association must then hold the hearing requested no later than thirty (30) days after the Board receives the Request. The Board must notify the Owner of the date, time, and place of the hearing at least (10) days before the date of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. The Board or the Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. Notwithstanding the foregoing, the Association may, based on the nature of the violations, take legal action or engage in alternative dispute resolution as allowed by *Texas Property Code* § 209.007. Any hearing before the Board will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner shall attend the hearing in person, but may be represented by another person (i.e., attorney) during the hearing, upon advance written notice to the Board. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Board. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the Violation Notice and Request should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied.

(7) Due Date. Fine and/or damage charges are due immediately if the violation is incurable or poses a threat to public health or safety. If the violation is curable, the fine and/or damage charges are due immediately after the later of: (1) the date that the cure period set out in the first Violation Notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Association, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

(8) Lien Created. The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot is, together with interest, costs of collection, and attorney's fees are secured by a lien on any subject Owner(s) Lot granted to the Association pursuant to these Restrictions. The fine and/or damage charge will be considered an Assessment for the purpose of this Article.

Article V. Amendment

This Declaration may be amended or terminated by the Recording of an instrument executed and acknowledged by Members entitled to cast at least sixty-seven percent (67%) of the total number of votes entitled to be cast by members of the Association. The foregoing sentence shall in no way be interpreted to mean sixty-seven percent (67%) of a quorum as established pursuant to the Bylaws. Notwithstanding the foregoing, the provisions in Articles I, II, and III herein may only be amended or terminated by a vote of sixty-seven percent (67%) of the total votes allocated to property owners of the Property.

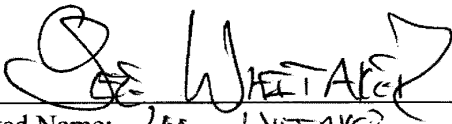
(Signature Page Follows)

EXECUTED to be effective on the date this instrument is Recorded.

DECLARANT:

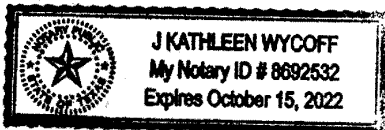
PACESETTER HOMES, LLC,

a Texas limited liability company

By: 
Printed Name: LEE WHITAKER
Title: VICE PRESIDENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 23 day of January, 2019,
by Lee Whitaker Vice President of Pacesetter Homes, LLC, a Texas limited
liability company, on behalf of said limited liability company.



(SEAL)

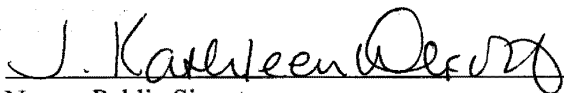

Notary Public Signature

Exhibit "A"
Preserve Phase III

<Field notes follow.>

HOLT CARSON, INCORPORATED

1904 FORTVIEW ROAD

AUSTIN, TX 78704

TELEPHONE: (512) 442-0990

e-mail: hci@austia.tx.com

May 14, 2014

FIELD NOTE DESCRIPTION OF 126.71 ACRES OF LAND OUT OF THE JAMES LANSING LEAGUE, ABSTRACT NO. 285, IN HAYS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN (469.96 ACRE) TRACT OF LAND AS CONVEYED TO DRIFTWOOD DEVELOPMENT, LP BY DEED RECORDED IN VOLUME 2584, PAGE 98 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, SAME BEING A PORTION OF THAT CERTAIN (489.90 ACRE) TRACT OF LAND AS CONVEYED TO JOHN H. FRICK BY DEED RECORDED IN VOLUME 222, PAGE 22 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at an old 6" cedar fence post in an East line of that certain (469.96 acre) tract of land as conveyed to Driftwood Development, LP by deed recorded in Volume 2584, Page 98 of the Official Public Records of Hays County, Texas, same being a point in an East line of that certain (489.90 acre) tract of land as conveyed to John H. Frick by deed recorded in Volume 222, Page 22 of the Deed Records of Hays County, Texas, also being the Southwest corner of that certain (1653.65 acre) tract of land as conveyed to Carole Newberry Roberson, et al. by deed recorded in Volume 1057, Page 47 of the Official Public Records of Hays County, Texas and being further described by metes and bounds in instrument recorded in Volume 157, Page 137 and Page 138 of the Deed Records of Hays County, Texas, and also being an angle corner of a portion of that certain (581.73 acre) tract of land as conveyed to Camille Newberry Shannon by deed recorded in Volume 707, Page 161 of the Real Property Records of Hays County, Texas and being further described by metes and bounds in instrument recorded in Volume 159, Page 95 of the Deed Records of Hays County, Texas, and also being a point in an East line and the **PLACE OF BEGINNING** of the herein described tract;

THENCE S 02 deg. 14'32" E 1471.41 ft. to a 1/4" iron rod with a plastic cap imprinted "RPLS 4542" found at the base of a cedar fence corner post for the Southwest corner of said (581.73 acre) Shannon tract, same being an angle corner of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract and an angle corner of the herein described tract;

THENCE crossing the interior of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract with the South line of the herein described tract, S 89 deg. 35'07" W 1812.25 ft. to a 1/4" iron rod found at the Northeast corner of Lot 18, Resubdivision of Lot 18A and Lot 18B, A Resubdivision of Tract 18, Rainbow Ranch, according to the map or plat thereof recorded in Volume 8, Page 161 of the Plat Records of Hays County, Texas, same being the Southeast corner of Tract 19, Rainbow Ranch and unrecorded subdivision in Hays County, Texas, also being the Southeast corner of that certain (11.28 acre) tract of land as described by metes and bounds in Affidavit of Heirship recorded in Volume 2761, Page 221 of the Official Public Records of Hays County, Texas;

THENCE with the East line of said Rainbow Ranch (unrecorded) and the West line of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract as found monumented and fenced upon the ground, the following sixteen (16) courses:

- 1.) N 01 deg. 05'01" W 144.40 ft. to a cedar fence post found in the East line of said (11.28 acre) tract;
- 2.) N 01 deg. 03'23" W 305.94 ft. to a 1/4" iron rod found at the Northeast corner of said (11.28 acre) tract, same being the common East corner of Tract 19 and Tract 20, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (11 acre) tract of land as conveyed to Randy J. Downie and Robert K. Downie by deed recorded in Volume 879, Page 390 of the Official Public Records of Hays County, Texas;
- 3.) N 01 deg. 59'27" W 50.78 ft. to a cedar fence post in the East line of said (11 acre) Downie tract;
- 4.) N 01 deg. 27'20" W 312.16 ft. to a cedar fence post found in the East line of said (11 acre) Downie tract;

Page 1 of 3

- 5.) N 00 deg. 39'47" W 96.54 ft. to a ½" iron rod found at the Northeast corner of said (11 acre) Downie tract, same being the common East corner of Tract 20 and Tract 21, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (5.00 acre) tract of land as conveyed to Doug Hall and Patricia Hall by deed recorded in Volume 2680, Page 137 of the Official Public Records of Hays County, Texas;
- 6.) N 01 deg. 00'06" W 446.37 ft. to a ½" iron rod found at the Northeast corner of that certain (6.26 acre) tract of land as conveyed to Donald R. Hall by deed recorded in Volume 4736, Page 531 of the Official Public Records of Hays County, Texas, same being the common East corner of Tract 21 and Tract 22A, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (8.07 acre) tract of land as conveyed to Donald R. Hall by deed recorded in Volume 4736, Page 531 of the Official Public Records of Hays County, Texas;
- 7.) N 01 deg. 21'25" W 79.64 ft. to a cedar fence post found in the East line of said (8.07 acre) Hall tract;
- 8.) N 01 deg. 08'07" W 218.26 ft. to a ½" iron rod found at the Northeast corner of said (8.07 acre) Hall tract, same being the common East corner of Tract 22A and Tract 23A, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (11.22 acre) tract of land as conveyed to Patricia L. Hall and Douglas C. Hall by deed recorded in Volume 1880, Page 9 of the Official Public Records of Hays County, Texas;
- 9.) N 01 deg. 12'30" W 49.16 ft. to a cedar fence post found in the East line of said (11.22 acre) Hall tract;
- 10.) N 00 deg. 36'36" W 266.58 ft. to a ½" iron rod with a plastic cap imprinted "Driftwood" found in the East line of said (11.22 acre) Hall tract;
- 11.) N 00 deg. 18'28" W 108.37 ft. to a ½" iron rod with a plastic cap imprinted "Driftwood" found at the Northeast corner of said (11.252 acre) Hall tract, same being the common East corner of Tract 23A and Tract 24A, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (5.75 acre) tract of land as conveyed to Dustin Mills, et ux. by deed recorded in Volume 4637, Page 236 of the Official Public Records of Hays County, Texas;
- 12.) N 00 deg. 35'33" W 69.40 ft. to a ½" iron rod found in the East line of said (5.75 acre) Mills tract;
- 13.) N 00 deg. 29'59" W 191.76 ft. to a 5/8" iron rod found at the Northeast corner of said (5.75 acre) Mills tract, same being the Southeast corner of Tract 24A-1, Replat of a Portion of Tract 24A and Tract 25A, Rainbow Ranch, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Volume 7, Page 385 of the Plat Records of Hays County, Texas;
- 14.) N 00 deg. 29'51" W 322.47 ft. to a ½" iron rod found at the Northeast corner of Lot 24A-1, same being the Southeast corner of Lot 25A-1, Replat of a Portion of Tract 24A and Tract 25A, Rainbow Ranch;
- 15.) N 00 deg. 33'18" W 364.38 ft. to a ½" iron rod found at the Northeast corner of Lot 25A-1, Replat of a Portion of Tract 24A and Tract 25A, Rainbow Ranch, same being the Southeast corner of that certain (7.00 acre) tract of land as conveyed to Thomas M. Andrews, Jr. and Christi A. Andrews by deed recorded in Volume 1440, Page 27 of the Official Public Records of Hays County, Texas;
- 16.) N 00 deg. 33'50" W 166.20 ft. to a ½" iron rod with a plastic cap imprinted "McAngus" found at the Southwest corner of Lot 49, The Preserve at La Ventana Phase Two, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Volume 12, Page 253 of the Plat Records of Hays County, Texas, from which a cotton gin spindle found in the stump of a 12" Live Oak tree bears, N 02 deg. 00'02" W 20.54 ft.;

THENCE re-entering the interior of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract with the South line of Lot 49, The Preserve at La Ventana Phase Two, S 88 deg. 01'12" E 801.56 ft. to a ½" iron rod with a plastic cap imprinted "Holt Carson, Inc." set at the Southeast corner of said Lot 49 for an angle corner of the herein described tract;

THENCE along a curve to the right with a radius of 219.00 ft. for an arc length of 56.18 ft. and which chord bears, N 07 deg. 18'28" E 56.03 ft. to a ½" iron rod with a plastic cap imprinted "McAngus" found in the East line of Lot 30, The Preserve at La Ventana Phase Two, at the terminus of the West right-of-way line of Covered Bridge Drive (a private roadway) for an angle corner of the herein described tract;

THENCE with the South terminus line of Covered Bridge Drive, S 75 deg. 20'31" E 90.00 ft. to a 60D nail found in the West line of Lot 29, The Preserve at La Ventana Phase Two, at the terminus of the East right-of-way line of Covered Bridge Drive for an angle corner of the herein described tract;

THENCE with the West line of Lot 29, The Preserve at La Ventana Phase Two, the following two (2) courses:

- 1.) along a curve to the right with a radius of 219.00 ft. for an arc length of 29.58 ft. and which chord bears, S 18 deg. 31'40" W 29.56 ft. to a ½" iron rod with a plastic cap imprinted "McAngus" found at a point of reverse curvature;
- 2.) along a curve to the left with a radius of 300.00 ft. for an arc length of 85.54 ft. and which chord bears, S 14 deg. 13'47" W 85.25 ft. to a ½" iron rod with a plastic cap imprinted "Holt Carson, Inc." set at a point of tangency;

THENCE continuing with the West line of Lot 29, The Preserve at La Ventana Phase Two, S 06 deg. 03'41" W at a distance of 56.88 ft. passing a calculated point at the record Southwest corner of Lot 29, The Preserve at La Ventana Phase Two, same being an angle corner of Lot 48, The Preserve at La Ventana Phase Two, continuing along said bearing for a total distance of 81.70 ft. to a ½" iron rod with a plastic cap imprinted "Holt Carson, Inc." set at the Southwest corner of said Lot 48, same being an angle corner of the herein described tract;

THENCE with the South line of Lot 48, The Preserve at La Ventana Phase Two, S 89 deg. 44'19" E 923.45 ft. to a ½" iron rod found at the Southeast corner of said Lot 48, same being a point in an East Line of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract and the Northeast corner of the herein described tract;

THENCE S 00 deg. 51'52" E 1517.69 ft. to the PLACE OF BEGINNING and containing 126.71 acres of land.

SURVEYED: April and May, 2014


Holt Carson

Registered Professional Land Surveyor No. 5166
Holt Carson, Incorporated
Reference map: B 930074

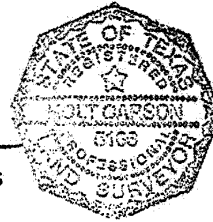


EXHIBIT "B"

AGREEMENT AND MUTUAL RELEASE

This Agreement and Mutual Release (this "**Agreement**") is by and among Pacesetter Homes, LLC, a Texas limited liability company ("**Pacesetter**") and La Ventana Ranch Owners Association, Inc., a Texas nonprofit corporation (the "**ROA**"). Pacesetter and the ROA are collectively referred to as the "**Parties**."

WITNESSETH:

WHEREAS, certain disputes have arisen evidenced, in part, by a lawsuit filed by Michael Plisowski and Mark Miller against Pacesetter as cause number 15-2512 in the Judicial District Courts of Hays County, Texas and the lawsuit filed by Pacesetter and the ROA against Vincent Salvo and Kim Tanner as cause number 16-0122 in the Judicial District Courts of Hays County, Texas, which cases have been consolidated (collectively, the "**Litigation**"). The Litigation involves as a central matter whether Pacesetter is the "Declarant" under the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana, which are filed of public record as Document Number 02026515 with the Official Public Records of Hays County, Texas at Volume 2072, Pages 785-847 (which instrument was supplemented by an instrument filed of record at Volume 3068, Page 281 of the Real Property Records of Hays County, Texas) (as so supplemented, the "**DCCRs**"); and

WHEREAS, the disputes that are involved in the Litigation have been carried on at great cost to the ROA and the Parties wish to resolve those disputes to the extent that it is in their power to do so and to accomplish the following:

- To restore peace and certainty to the neighborhood and clarify the development of the property described on Exhibit "A" to this Agreement (the "**Preserve Phase III**");
- To provide a means to remedy, in part, the financial hardship that the Litigation has caused the neighborhood;
- To provide for the relinquishment of certain Declarant rights of Pacesetter while preserving for Pacesetter the rights necessary to improve the neighborhood water and propane systems and provide for the orderly development of the Preserve Phase III; and
- To provide for standards so that the Preserve Phase III will be developed with homes that are custom in nature, with unique floorplans;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the Parties hereto mutually covenant and agree as follows:

I.
DEVELOPMENT RIGHTS

1.1 Declarant Rights. The Parties agree that Pacesetter is, in fact, the Declarant under the DCCRs and that the Preserve Phase III is a part of the La Ventana Subdivision and is subject to, and covered by, the DCCRs. In exchange for this agreement, Pacesetter agrees that by this Agreement it will limit the powers that it will exercise as Declarant under the DCCRs. In this regard, Pacesetter agrees that it will only exercise the rights as Declarant under the DCCRs as are enumerated in Exhibit "B" to this Agreement, unless there is unanimous agreement of the Class A Directors of the ROA to exercise further rights and authority (Capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meaning defined for them in the DCCRs.).

II.
WATER WELLS AND CONSTRUCTION

2.1 Drilling. Pacesetter has contracted with a third-party ("Sentinel") to develop Lots in the Preserve Phase III of the Subdivision and to make various improvements to the Subdivision's propane and water systems, including the drilling of one or more water wells. Sentinel has agreed to spend \$350,000 on water well drilling and water system improvements. (Costs for water well drilling include, without limitation, any legal fees related to that activity.) Sentinel is required by law to provide adequate water supply to the Preserve Phase III of the Subdivision, meeting all governmental standards, including standards for purity and cleanliness. In the event that Sentinel is able to provide adequate water supply to the Preserve Phase III of the Subdivision, adequate meaning sufficient to satisfy minimum governmentally-imposed requirements, at a cost less than \$350,000, any excess capacity over and above the minimum governmentally-imposed requirements for Preserve Phase III Lots shall inure to the general benefit of all Association Owners, including Preserve Phase III owners. In the event Pacesetter and its contractors are able to achieve minimum governmentally imposed requirements for the Preserve Phase III for less than \$350,000, Pacesetter agrees that it shall cause Sentinel to pay over to the ROA the amount by which Sentinel's expenditures are less than \$350,000, which funds may only be used for further improvement of the Subdivision's water system unless otherwise approved by a 2/3 vote of Association Owners casting votes in an Association-wide vote held for such purposes. Pacesetter shall provide the ROA upon request all invoices, records of payment, accounting records, engineering reports, or other documentation surrounding any drilling and well installation performed by Sentinel or otherwise performed at the request of Pacesetter. Pacesetter represents that it is in compliance with all agreements relating to the development of the Preserve Phase III in all material respects.

2.2 Heavy Equipment. To the extent that Pacesetter brings heavy equipment (that is, equipment of a type that is not required to be licensed for operation on public streets and highways) into the Preserve Phase III for development activities, such equipment will be brought into the Preserve Phase III by a route other than the private roads situated in the Property outside of the Preserve Phase III. In general, heavy equipment for development activities will not access the Preserve Phase III over the roads in the existing Subdivision, but vehicles related to home construction will use the roads in the existing Subdivision. To the extent that the ROA imposes a

fees to aid in road maintenance of up to \$500 per new home constructed in the Subdivision, Pacesetter will reasonably cooperate in the collection of such fee from new homeowners.

III. CERTAIN PAYMENTS BY PACESETTER

3.1 Payment. Under the DCCRs the Declarant is not subject to any Assessments of any kind on any Lots or other property owned by it. However, as a gesture of goodwill, upon conclusion of the Litigation (meaning that a final judgment has been entered that is no longer subject to appeal) so long as Pacesetter's rights as Declarant under the DCCRs remain in full force and effect, except as contractually limited by this Agreement, Pacesetter shall pay to the ROA the sum of \$250,000.00, payable in four equal quarterly installments each with the first installment being payable within ten days of the judgment in the Litigation becoming final as provided above. The amount of the payments to the ROA from Pacesetter under this Agreement shall be reduced by any amount that Pacesetter may be ordered to, or agree to, pay to the ROA or any other party in any way related to the Litigation. To the extent that the ROA recovers any attorney's fees related to the Litigation, the first \$250,000 of any such recovery is hereby assigned to Pacesetter.

IV. RELEASES

4.1 Releases. Effective as of the Effective Date and except as otherwise stated herein, the Parties, and each of them, for themselves and for their past, present and future agents, successors, subrogees, assigns, and legal representatives (each a "Releasing Party"), do hereby fully and unconditionally RELEASE AND FOREVER DISCHARGE the other Parties, and each of them, their respective past, present and future officers, directors, shareholders, members, managers, agents, attorneys, employees, successors, subrogees, assigns, personal representatives, heirs and devisees (the "Released Parties"), of and from any and all possible liabilities, rights, claims, demand, damages, costs, expenses, actions, causes of action, suits for liability, or controversies of every kind and description whatsoever, whether known, unknown, accrued or unaccrued, at law or in equity, which that Releasing Party had or may now have against the Released Parties, and each of them, if any, and irrespective of whether such claims arise out of contract, tort, violation of laws or regulations, or otherwise (the "Released Claims"), including, specifically but without limitation, any claims whatsoever arising out of, related to or in any way connected with any alleged damage or harm suffered by that Releasing Party asserted or which could have been asserted in or raised by the totality of the pleadings filed in the Litigation, regardless of whether such claims, demands or damages arose in the past or exist presently. Notwithstanding anything else stated in this release, this release is not intended to and does not release any Party from the obligations undertaken or the representations or warranties contained in this Agreement, its Exhibits or any document contemplated by or executed in connection with such this Agreement or its Exhibits.

4.2 No Assignments. Each Releasing Party expressly warrants and represents to the Released Parties for their reliance thereon that no other person, affiliate, insurer, or other entity has or retains, or shall have or retain, any right, title, or interest, by subrogation or otherwise, in or to any claims, demands, liens, damages, actions, causes of action, or suits of that Releasing Party against any of the Released Parties arising from or relating to any of the Litigation or any of the Released Claims, and hereby agrees to hold any and all of the Released Parties harmless from any and all cost, loss, liability, or expense, including reasonable attorneys' fees, in connection with the assertion of any such claim, demand, lien, damage, action, cause of action, or suit by, through, or derivative of, that Releasing Party against any of the Released Parties that directly relate to the foregoing.

4.3. Full Release. It is further expressly understood by each of the Parties to this Agreement that this is a full and final release (except as expressly stated otherwise herein), and that the consideration given is in full compromise and settlement of any and all disputed claims (except as expressly stated otherwise herein), and that the parties hereby released, and each of them, do not admit any liability, and that the consideration recited above is in compromise and settlement of disputed and questionable claims, in order to buy peace and to avoid the cost and expense of further dispute or litigation.

V. MISCELLANEOUS

5.1 Effective Date and Binding of the Parties. This Agreement shall be effective on the date it is executed by the Parties, and as the date of execution by the Parties, the Parties are bound by the terms of this Agreement. The terms of this Agreement requiring Pacesetter to pay the ROA \$250,000, however, may not be enforced, and the Parties will have no obligation to abide by that term of this Agreement until (1) there is no injunctive relief in effect related to the Litigation preventing enforcement of this Agreement; and (2) there is a final judgment no longer pending appeal establishing that Pacesetter Homes, LLC is in fact La Ventana's Declarant. All other terms of this Agreement will be of full force and effect on the date which Judge Henry signs the actual Final Judgment, so long as it is found that Pacesetter Homes, LLC is La Ventana's declarant. It is, however, expressly agreed and understood that within thirty (30) days of the date on which final judgment (not when the Final Judgment is no longer pending appeal, but the date on which Judge Henry signs the actual Final Judgment) is signed in the Litigation, La Ventana's Class A Directors, Cyndie Schick and Ray Carter, may hold a special meeting of La Ventana's Board of Directors at which La Ventana's Class A Members will be allowed to cast a vote either in favor of or opposition to this Agreement as it is written, with no modifications (hereinafter "the vote"). Based on the result of the vote, Cyndie Schick and Ray Carter may, no later than the 35th day following the date on which final judgment is signed in the Litigation, notify Pacesetter Homes, LLC in writing that La Ventana Ranch Owners Association, Inc. is terminating this Agreement, at which time this Agreement will be null and void. It is expressly understood that in casting votes either in favor of or opposition to this Agreement, La Ventana's Class A Members are merely being given the opportunity to express their support for or opposition to this Agreement. Regardless of the result of the vote, the ultimate discretion to terminate this Agreement rests with Cyndie Schick and Ray Carte, regardless of the voter. If Cyndie Schick and Ray Carter fail to notify Pacesetter Homes, LLC by the 35th day following the

date on which Final Judgment is signed in the Litigation that La Ventana Ranch Owners Association, Inc. is terminating this Agreement; this Agreement may only then be terminated by mutual agreement of the parties. If, following the vote, but before the 35th day following the date on which Final Judgment is signed in the Litigation Cyndie Schick and Ray Carter present Pacesetter Homes, LLC with an amended version of this Agreement, Pacesetter Homes, LLC may notify La Ventana Ranch Owners Association, Inc. in writing that is terminating this Agreement, at which time this Agreement will be null and void.

5.2 Miscellaneous. This Agreement (i) shall bind and benefit each of the Parties hereto and their respective spouses (to the extent a community property asset is involved) and their heirs, beneficiaries, administrators, executors, receivers, trustees, successors, and assigns; (ii) shall be governed by and construed in accordance with the laws of the State of Texas; (iii) is performable in Hays County, Texas; and (iv) embodies the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersedes all prior or conflicting or inconsistent agreements, consents, and understandings relating to such subject matter.

5.3 Captions. Captions used herein are for convenience only and are not to be utilized to ascribe any meaning to the contents hereof.

5.4 Gender and Number. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, and vice versa, unless the context otherwise requires.

5.5 Counterparts. This Agreement may be executed in several identical counterparts, and each counterpart, when so executed and delivered, shall constitute an original instrument, and all such separate counterparts shall constitute but one and the same instrument.

5.6 Agreement Understood, Knowledge of Contents. Each Party hereby expressly warrants and represent to each other Party to this Agreement, as part of the consideration expressed herein and received, that: (i) the terms of this Agreement are contractual and are not mere recitals; (ii) before executing this Agreement they have fully informed themselves of the terms, conditions, contents, and effect thereof, and have reflected thereon; (iii) in entering into this Agreement, they are doing so freely and voluntarily, upon the advice of his legal counsel; and (iv) they fully understand that, except as expressly stated otherwise herein, this is a full, complete, unconditional, and final release of claims, and that the same is executed without reliance upon any statement, promise, or representation which is not contained herein by any person.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective the 3rd day of December, 2016.

<Signature Pages Follow.>

La Ventana Ranch Owners Association, Inc.

By: Cynthia Schick
Name: Cynthia Schick
Title: President, LVROA

By: Raymalee Carter
Name: RAYMALEE CARTER
Title: SECRETARY/TREASURER

STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

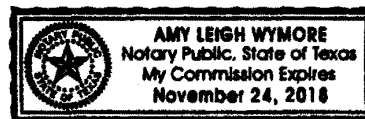
This instrument was acknowledged before me on the 4th day of December, 2016, by Cynthia Schick President of La Ventana Ranch Owners Association, Inc., as the act and deed of such corporation.

Amy Leigh Wymore
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS

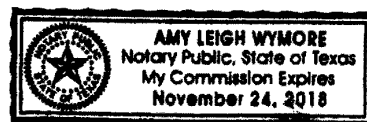
§
§
§

COUNTY OF TRAVIS



This instrument was acknowledged before me on the 4th day of December, 2016, by Raymalee Carter Sec/Treasurer of La Ventana Ranch Owners Association, Inc., as the act and deed of such corporation.

Amy Leigh Wymore
NOTARY PUBLIC, STATE OF TEXAS



Pacesetter Homes, LLC

By: [Signature]

Name: TOM LYNCH

Title: PRESIDENT

By: [Signature]

Name: BRIAN HIGGINS

Title: VICE PRESIDENT

STATE OF TEXAS

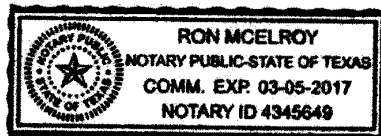
§

§

COUNTY OF TRAVIS

§

This instrument was acknowledged before me on the 3RD day of DECEMBER, 2016, by BRIAN HIGGINS, TOM LYNCH of Pacesetter Homes, LLC, as the act and deed of such company.



[Signature]
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§

This instrument was acknowledged before me on the ____ day of December, 2016, by _____ of La Ventana Ranch Owners Association, Inc., as the act and deed of such corporation.

NOTARY PUBLIC, STATE OF TEXAS

Exhibit "A"
Preserve Phase III

<Field notes follow.>

HOLT CARSON, INCORPORATED

1904 FORTVIEW ROAD

AUSTIN, TX 78704

TELEPHONE: (512) 442-0990

e-mail: hci@austin.tx.com

May 14, 2014

FIELD NOTE DESCRIPTION OF 126.71 ACRES OF LAND OUT OF THE JAMES LANSING LEAGUE, ABSTRACT NO. 285, IN HAYS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN (469.96 ACRE) TRACT OF LAND AS CONVEYED TO DRIFTWOOD DEVELOPMENT, LP BY DEED RECORDED IN VOLUME 2584, PAGE 98 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, SAME BEING A PORTION OF THAT CERTAIN (489.90 ACRE) TRACT OF LAND AS CONVEYED TO JOHN H. FRICK BY DEED RECORDED IN VOLUME 222, PAGE 22 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at an old 6" cedar fence post in an East line of that certain (469.96 acre) tract of land as conveyed to Driftwood Development, LP by deed recorded in Volume 2584, Page 98 of the Official Public Records of Hays County, Texas, same being a point in an East line of that certain (489.90 acre) tract of land as conveyed to John H. Frick by deed recorded in Volume 222, Page 22 of the Deed Records of Hays County, Texas, also being the Southwest corner of that certain (1653.65 acre) tract of land as conveyed to Carole Newberry Roberson, et al. by deed recorded in Volume 1057, Page 47 of the Official Public Records of Hays County, Texas and being further described by metes and bounds in instrument recorded in Volume 157, Page 137 and Page 138 of the Deed Records of Hays County, Texas, and also being an angle corner of a portion of that certain (581.73 acre) tract of land as conveyed to Camille Newberry Shannon by deed recorded in Volume 707, Page 161 of the Real Property Records of Hays County, Texas and being further described by metes and bounds in instrument recorded in Volume 159, Page 95 of the Deed Records of Hays County, Texas, and also being a point in an East line and the **PLACE OF BEGINNING** of the herein described tract;

THENCE S 02 deg. 14'32" E 1471.41 ft. to a 1/4" iron rod with a plastic cap imprinted "RPLS 4542" found at the base of a cedar fence corner post for the Southwest corner of said (581.73 acre) Shannon tract, same being an angle corner of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract and an angle corner of the herein described tract;

THENCE crossing the interior of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract with the South line of the herein described tract, S 89 deg. 35'07" W 1812.25 ft. to a 1/4" iron rod found at the Northeast corner of Lot 18, Resubdivision of Lot 18A and Lot 18B, A Resubdivision of Tract 18, Rainbow Ranch, according to the map or plat thereof recorded in Volume 8, Page 161 of the Plat Records of Hays County, Texas, same being the Southeast corner of Tract 19, Rainbow Ranch and unrecorded subdivision in Hays County, Texas, also being the Southeast corner of that certain (11.28 acre) tract of land as described by metes and bounds in Affidavit of Heirship recorded in Volume 2761, Page 221 of the Official Public Records of Hays County, Texas;

THENCE with the East line of said Rainbow Ranch (unrecorded) and the West line of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract as found monumented and fenced upon the ground, the following sixteen (16) courses:

- 1.) N 01 deg. 05'01" W 144.40 ft. to a cedar fence post found in the East line of said (11.28 acre) tract;
- 2.) N 01 deg. 03'23" W 305.94 ft. to a 1/4" iron rod found at the Northeast corner of said (11.28 acre) tract, same being the common East corner of Tract 19 and Tract 20, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (11 acre) tract of land as conveyed to Randy J. Downie and Robert K. Downie by deed recorded in Volume 879, Page 390 of the Official Public Records of Hays County, Texas;
- 3.) N 01 deg. 59'27" W 50.78 ft. to a cedar fence post in the East line of said (11 acre) Downie tract;
- 4.) N 01 deg. 27'20" W 312.16 ft. to a cedar fence post found in the East line of said (11 acre) Downie tract;

Page 1 of 3

- 5.) N 00 deg. 39'47" W 96.54 ft. to a ½" iron rod found at the Northeast corner of said (11 acre) Downie tract, same being the common East corner of Tract 20 and Tract 21, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (5.00 acre) tract of land as conveyed to Doug Hall and Patricia Hall by deed recorded in Volume 2680, Page 137 of the Official Public Records of Hays County, Texas;
- 6.) N 01 deg. 00'06" W 446.37 ft. to a ½" iron rod found at the Northeast corner of that certain (6.26 acre) tract of land as conveyed to Donald R. Hall by deed recorded in Volume 4736, Page 531 of the Official Public Records of Hays County, Texas, same being the common East corner of Tract 21 and Tract 22A, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (8.07 acre) tract of land as conveyed to Donald R. Hall by deed recorded in Volume 4736, Page 531 of the Official Public Records of Hays County, Texas;
- 7.) N 01 deg. 21'25" W 79.64 ft. to a cedar fence post found in the East line of said (8.07 acre) Hall tract;
- 8.) N 01 deg. 08'07" W 218.26 ft. to a ½" iron rod found at the Northeast corner of said (8.07 acre) Hall tract, same being the common East corner of Tract 22A and Tract 23A, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (11.22 acre) tract of land as conveyed to Patricia L. Hall and Douglas C. Hall by deed recorded in Volume 1880, Page 9 of the Official Public Records of Hays County, Texas;
- 9.) N 01 deg. 12'30" W 49.16 ft. to a cedar fence post found in the East line of said (11.22 acre) Hall tract;
- 10.) N 00 deg. 36'36" W 266.58 ft. to a ½" iron rod with a plastic cap imprinted "Driftwood" found in the East line of said (11.22 acre) Hall tract;
- 11.) N 00 deg. 18'28" W 108.37 ft. to a ½" iron rod with a plastic cap imprinted "Driftwood" found at the Northeast corner of said (11.252 acre) Hall tract, same being the common East corner of Tract 23A and Tract 24A, Rainbow Ranch (unrecorded), also being the Southeast corner of that certain (5.75 acre) tract of land as conveyed to Dustin Mills, et ux. by deed recorded in Volume 4637, Page 236 of the Official Public Records of Hays County, Texas;
- 12.) N 00 deg. 35'33" W 69.40 ft. to a ½" iron rod found in the East line of said (5.75 acre) Mills tract;
- 13.) N 00 deg. 29'59" W 191.76 ft. to a 5/8" iron rod found at the Northeast corner of said (5.75 acre) Mills tract, same being the Southeast corner of Tract 24A-1, Replat of a Portion of Tract 24A and Tract 25A, Rainbow Ranch, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Volume 7, Page 385 of the Plat Records of Hays County, Texas;
- 14.) N 00 deg. 29'51" W 322.47 ft. to a ½" iron rod found at the Northeast corner of Lot 24A-1, same being the Southeast corner of Lot 25A-1, Replat of a Portion of Tract 24A and Tract 25A, Rainbow Ranch;
- 15.) N 00 deg. 33'18" W 364.38 ft. to a ½" iron rod found at the Northeast corner of Lot 25A-1, Replat of a Portion of Tract 24A and Tract 25A, Rainbow Ranch, same being the Southeast corner of that certain (7.00 acre) tract of land as conveyed to Thomas M. Andrews, Jr. and Christi A. Andrews by deed recorded in Volume 1440, Page 27 of the Official Public Records of Hays County, Texas;
- 16.) N 00 deg. 33'50" W 166.20 ft. to a ½" iron rod with a plastic cap imprinted "McAngus" found at the Southwest corner of Lot 49, The Preserve at La Ventana Phase Two, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Volume 12, Page 253 of the Plat Records of Hays County, Texas, from which a cotton gin spindle found in the stump of a 12" Live Oak tree bears, N 02 deg. 00'02" W 20.54 ft.;

THENCE re-entering the interior of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract with the South line of Lot 49, The Preserve at La Ventana Phase Two, S 88 deg. 01'12" E 801.56 ft. to a ½" iron rod with a plastic cap imprinted "Holt Carson, Inc." set at the Southeast corner of said Lot 49 for an angle corner of the herein described tract;

THENCE along a curve to the right with a radius of 219.00 ft. for an arc length of 56.18 ft. and which chord bears, N 07 deg. 18'28" E 56.03 ft. to a ½" iron rod with a plastic cap imprinted "McAngus" found in the East line of Lot 30, The Preserve at La Ventana Phase Two, at the terminus of the West right-of-way line of Covered Bridge Drive (a private roadway) for an angle corner of the herein described tract;

THENCE with the South terminus line of Covered Bridge Drive, S 75 deg. 20'31" E 90.00 ft. to a 60D nail found in the West line of Lot 29, The Preserve at La Ventana Phase Two, at the terminus of the East right-of-way line of Covered Bridge Drive for an angle corner of the herein described tract;

THENCE with the West line of Lot 29, The Preserve at La Ventana Phase Two, the following two (2) courses:

- 1.) along a curve to the right with a radius of 219.00 ft. for an arc length of 29.58 ft. and which chord bears, S 18 deg. 31'40" W 29.56 ft. to a ½" iron rod with a plastic cap imprinted "McAngus" found at a point of reverse curvature;
- 2.) along a curve to the left with a radius of 300.00 ft. for an arc length of 85.54 ft. and which chord bears, S 14 deg. 13'47" W 85.25 ft. to a ½" iron rod with a plastic cap imprinted "Holt Carson, Inc." set at a point of tangency;

THENCE continuing with the West line of Lot 29, The Preserve at La Ventana Phase Two, S 06 deg. 03'41" W at a distance of 56.88 ft. passing a calculated point at the record Southwest corner of Lot 29, The Preserve at La Ventana Phase Two, same being an angle corner of Lot 48, The Preserve at La Ventana Phase Two, continuing along said bearing for a total distance of 81.70 ft. to a ½" iron rod with a plastic cap imprinted "Holt Carson, Inc." set at the Southwest corner of said Lot 48, same being an angle corner of the herein described tract;

THENCE with the South line of Lot 48, The Preserve at La Ventana Phase Two, S 89 deg. 44'10" E 923.45 ft. to a ½" iron rod found at the Southeast corner of said Lot 48, same being a point in an East Line of said (469.96 acre) Driftwood Development, LP tract and said (489.90 acre) Frick tract and the Northeast corner of the herein described tract;

THENCE S 00 deg. 51'52" E 1517.69 ft. to the PLACE OF BEGINNING and containing 126.71 acres of land.

SURVEYED: April and May, 2014


Holt Carson

Registered Professional Land Surveyor No. 5166
Holt Carson, Incorporated
Reference map: B 930074

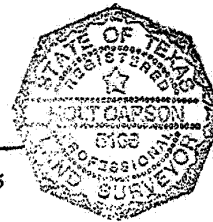


Exhibit "B"
Pacesetter Development Rights

1. Pacesetter may divide or subdivide all or any part of the Preserve Phase III, designate any portion of the Preserve Phase III to be a separate area, develop all or any portion of the Phase III and, at Pacesetter's option, dedicate parts of the Preserve Phase III as Common Areas and/or Greenbelt or for other purposes for the benefit of the developed areas, in accordance with Pacesetter's plan for the Preserve Phase III. Notwithstanding, except as otherwise expressly provided herein, the Association shall have no duty to accept, and may reject as Common Area, all land other than land for parks, equestrian paths, and facilities for water or propane distribution system facilities or equipment.
2. Pacesetter, and other persons with Pacesetter's written consent, may develop certain real property now owned or hereafter acquired by Pacesetter. Pacesetter may, at any time and from time to time, add additional lands to the Property and the Preserve Phase III for the purpose of drilling water wells or locating equipment and facilities for water or propane distribution. Upon the filing of a Notice of Addition of Land as hereinafter described, the DCCRs and the covenants, conditions, restrictions and obligations set forth therein, shall apply to such added land and the rights, privileges, duties and liabilities of the Persons subject to the DCCRs shall be the same with respect to such added land as with respect to the lands originally covered by the DCCRs and such added land shall become a part of the Preserve Phase III. Permission from the Association and/or the Owners is not required for the addition of land for the above stated purposes. In order to add land to the Property as contemplated hereunder, Pacesetter shall be required only to record in the Real Property Records of Hays County, Texas, with a copy sent to the then-current Board members, a notice of Addition of Land (which notice may be contained within any Supplemental Declaration affecting the Property) containing the following provisions:
 - a) A reference to the DCCRs, which reference shall state the book and page numbers of the Hays County Real Property Records wherein the DCCRs is recorded;
 - b) A statement that all of the provisions of the DCCRs shall apply to the added land; and
 - c) A legal description of the added land, which shall be owned by the ROA as Common Area.
3. If Pacesetter is the owner thereof, Pacesetter may further divide and subdivide any Lot within the Preserve Phase III and convey any easement or other interest less than the whole, all without the approval of the Architectural Committee; provided, however, that Pacesetter may not decrease the area of any Lot from that shown on approved final plat attached hereto and incorporated herein for all purposes as Exhibit "C" (the "Preserve Phase III Plat") by more than ten percent (10%) except in cases where it eliminates a Lot or modifies a Lot's area to accommodate a water well or water or propane delivery equipment or facilities. Pacesetter reserves the right to amend the boundaries of all

Common Areas in the Preserve Phase III. In no event however shall there be more than 65 residential Lots developed in the Preserve Phase III, nor shall any Lot in the Preserve Phase III be less than 1.5 acres in area.

4. Pacesetter and any other person or entity engaged in the construction and/or sale of a residence within the Preserve Phase III shall be permitted to place, during the period of development, construction, sale and resale of houses in the Preserve Phase III, one (1) "For Sale/Builder/Etc." sign of less than four (4) square feet in size on each residential Lot in the Preserve Phase III. Subcontractors' signs are not allowed. Additionally, security related signs are permitted and plaques and/or monuments naming the Preserve Phase III Lot are allowed. Pacesetter may erect up to two (2) signs within the Property, which shall not be more than twenty (20) square feet in size directing prospective home-buyers to a model home or to the Preserve Phase III or locating a model home or to the Preserve Phase III. Any signs placed pursuant to this section shall conform to Texas state law.
5. Pacesetter is, and shall be exempt from compliance with Section 3.16 of the DCCRs with respect to any utility lines within the Preserve Phase III during development and construction. It is the intent that the utilities in the Preserve Phase III shall be underground on essentially the same basis as the remainder of the Subdivision.
6. Pacesetter may interfere with drainage patterns in the Preserve Phase III, so long as such interference does not have a material adverse effect on any part of the Property outside the Preserve Phase III.
7. Pacesetter may construct obstructions of any type, including, but not limited to, fences, dams, and concrete walkways in, on, or across any Creek Bed adjoining or running through any Lot in the Preserve Phase III, so long as such obstruction does not have a material adverse effect on any part of the Property outside the Preserve Phase III.
8. Pacesetter, its contractors, and/or any water utility company, shall have the right to drill a water well or wells on any portion of the Common Area or on any other property on which it has obtained permission of the property owner to drill (including the placement of surface equipment) to any depth and capture any quantity of water it deems necessary. Pacesetter shall advise the ROA's Board of Directors of any proposed well placement prior to the commencement of drilling.
9. The fencing requirements set forth in Section 3.26 of the DCCRs shall not apply to Pacesetter within the Preserve Phase III or, to the extent related to water wells or water or propane distribution facilities or equipment, within the Common Areas; provided however, that in any case, the following types of fences are not permitted: chain link, barbed wire, game fences, and fences over seven (7) feet high (except when required by law).
10. During development and construction, Pacesetter, its contractors, maintenance vehicles, and emergency vehicles are exempt from the requirements of Section 3.27 of the DCCRs.

-
11. During development and construction, Pacesetter is exempt from the requirements of Section 3.29 of the DCCRs within the Preserve Phase III, provided, however, that if Oak Wilt is detected on property owned by Pacesetter in the Preserve Phase III, Pacesetter will take reasonable measures to treat any such Oak Wilt.
 12. Pacesetter and its agents and contractors may store fuel on the Property for its development, operation, and management of the Preserve Phase III and in connection with the construction or location of water wells and water and propane delivery systems and equipment but only to the extent and for the duration reasonably necessary for purposes of construction during build-out of the Preserve Phase III, and installation and maintenance of a water or propane system for the Subdivision.
 13. Pacesetter has the right to dedicate Common Area and Sanitary easements within the Preserve Phase III or the Common Areas in connection with any utility serving the Subdivision.
 14. Pacesetter, may, but shall not be obligated to, establish separate and more restrictive height restrictions and requirements applicable to one or more Lots within the Preserve Phase III to preserve and maintain overall aesthetic appearances of the Preserve Phase III and Improvements therein, and such height restrictions and requirements shall control over the height restrictions set forth in the body of the DCCRs, provided the height restrictions to such property or Lots is filed of record prior to or as part of the conveyance of those Lots by Pacesetter.
 15. With respect to any improvements constructed by or for Pacesetter or by any purchaser of a Lot sold by Pacesetter, the Architectural Committee may enforce only the requirements contained in the DCCRs and Exhibit "D" to this Agreement. Notwithstanding the foregoing, the placement of any improvement on any Lot and the type of foundation used shall be at Pacesetter's discretion, subject only to the setback requirements expressly set forth in the DCCRs. For the sake of clarity, attached hereto as Exhibit "D" is a checklist and guidelines for approval of any home construction by or for Pacesetter, or by any purchaser of a Lot sold by Pacesetter, indicating the only permissible criteria for Architectural Committee approval. Except as expressly set forth in this section, neither the ROA nor the Architectural Committee may apply any policies or rules beyond the minimum requirements of the DCCRs and Exhibit "D."

It is agreed that the current member of the Architectural Committee will remain in office until at least December 31, 2017. Any replacement members to the Architectural Committee, or any removal of a member of the Architectural Committee, must be approved by a 4/5 vote of the ROA's Board of Directors.

It is the intent of Pacesetter and the ROA that homes constructed in the Preserve Phase III will not have a tract home appearance from the streets and so the objective is to not duplicate the exterior appearance of existing construction. Accordingly, each residence constructed in the Preserve Phase III shall: (i) have a different floorplan than any other

residence in the Preserve Phase III and (ii) have an architectural front elevation that is substantially different and unique as compared to other existing residences in the Preserve Phase III. Any structure to be built in the Preserve Phase III shall be conclusively deemed to be substantially different and unique from other structures in the Preserve Phase III if any six of the following elements are different: (i) The placement or shape of a majority of the windows on the front architectural elevation; (ii) the pitch of the roof; (iii) the presence, absence, or placement of roof gables; (iv) the presence, absence, or placement of box windows; (v) the presence, absence, or placement of bay windows; (vi) the presence, absence, or placement of a courtyard; (vii) the type of masonry used on the front architectural elevation; (viii) the presence, absence, or placement of wing walls; (ix) the presence, absence, or placement of structural planters; (x) roof materials; (xi) the presence, absence, or placement of porches and balconies; (xii) exterior color; (xiii) the presence, absence, or placement of roof dormers; and (xiv) wall heights.

If a proposed improvement meets or exceeds the objective standards set forth in Exhibit "D" and is substantially different and unique from other structures in the Preserve Phase III as defined in this Section, the Architectural Committee shall approve the applicable Plans and Specifications within 10 days following submission and any failure by the Architectural Committee to approve or reject any submitted Plans and Specifications within such 10-day period shall constitute approval of such Plans and Specifications. Any rejection of submitted Plans and Specifications must include the specific reasons for rejection and an invitation to submit revised Plans and Specifications. Approval of submitted Plans and Specifications may in no event be unreasonably withheld.

In any case where the Architectural Committee rejects any Plans and Specifications submitted to it pursuant to this Section, then the Parties shall endeavor in good faith to resolve the dispute through mediation. If the mediation is unsuccessful, then within 10 business days of such mediation, Pacesetter or the party having submitted such Plans and Specifications may notify Patrick Keel, Esq. (as arbitrator) of its election to contest the Architectural Committee action in question and shall copy the ROA's managing agent on such communication (both notifications together constitute "Notification"). In the event that Keel is unavailable or unwilling to serve as arbitrator, the Architectural Committee and Pacesetter shall agree to an arbitrator within 5 business days of Pacesetter's Notification. If the Board and Pacesetter cannot agree to an arbitrator, the parties agree to request that Hays County District Judge Bill Henry, or whatever judge is sitting on the 428th District Court of Hays County, appoint an arbitrator. Should Pacesetter elect not to, or fail to, accomplish Notification in a timely manner, such objection shall be deemed waived and the Architectural Committee action immediately effective. Each party in such contest shall have the opportunity to prepare written statements to the arbitrator documenting the party's position. Such statements shall be submitted to the arbitrator no later than five business days after the date of Notification, or appointment of an arbitrator other than Keel, whichever is later. The determination of the arbitrator shall be final and binding and the prevailing party in the determination shall be entitled to reimbursement of all attorneys' fees and costs including all fees associated with arbitration. In the event of any such arbitration, the party applying for Architectural Committee approval shall

initially pay the fees of the arbitrator, subject to such other award or order as may be made by the arbitrator.

16. In consideration for a lump sum payment provided for in this Agreement, no Lot now or hereafter owned by Pacesetter in the Preserve Phase III shall be subject to any Assessment of any kind, other than Special Assessments made on all Lots pursuant to Section 7.6 of the DCCRs until the earlier of the year 2020 or such time as such Lot has been sold by Pacesetter to a third-party, at which time such Lot shall be subject to Assessments on the same basis as all other Lots in the Subdivision from that time forward. To the extent that any Lots are owned by Pacesetter in the year 2020 or thereafter, such Lots shall not be subject to Assessments of more than \$500 per lot in any calendar year, other than Special Assessments made on all Lots pursuant to Section 7.6 of the DCCRs until such time as such Lot has been sold by Pacesetter to a third-party, at which time such Lot shall be subject to Assessments on the same basis as all other Lots in the Subdivision from that time forward. The ROA shall not impose any form of initiation fee or other charge associated with becoming a member of the ROA on any person or entity who acquires a Lot in the Preserve Phase III from Pacesetter.
17. No land within any Common Area within the Preserve Phase III shall be improved, used or occupied, except in such manner as shall have been approved by Pacesetter for so long as Pacesetter owns more than 80% of the Lots in the Preserve Phase III. Any portion of Preserve Phase III to be Common Area of the Association must be deeded to the Association by Special Warranty deed on or before the date that Pacesetter sells or otherwise transfers 80% of Lots in the Preserve Phase III. Noting in this Section is intended to extend the duration of the Declarant rights under the DCCRs.
18. During development and construction, Pacesetter reserves the right to locate, construct, own and operate, erect and maintain or cause to be located, constructed, owned and operated, erected and maintained in and on any areas conveyed to the Association or reserved as Common Areas as reasonably necessary to accomplish the development of Preserve Phase III or water, sewer and other pipelines, water wells, surface equipment, water tanks, propane tanks and equipment, conduits, wires and any public utility function beneath or above the surface of the ground, and Pacesetter reserves the right of access to the same at any time for the purpose of construction, drilling, operation, repair and maintenance. The rights reserved and granted herein are in addition to any other rights granted to Pacesetter. Such rights are transferable by Pacesetter.
19. All dedications, limitations, restrictions and reservations shown on the Preserve Phase III Plat and all grants and dedications of easements, rights-of-way, restrictions and related rights made by Pacesetter or its predecessors for all purposes shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Pacesetter conveying any part of the Property. Pacesetter 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 Preserve Phase III. Further, Pacesetter 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, sewer and drainage), in favor of any person or entity, along and on either or both sides of any Lot line in the Preserve Phase III, which said easement shall have a maximum width of seven and one-half (7.5) feet on each side of such Lot line.

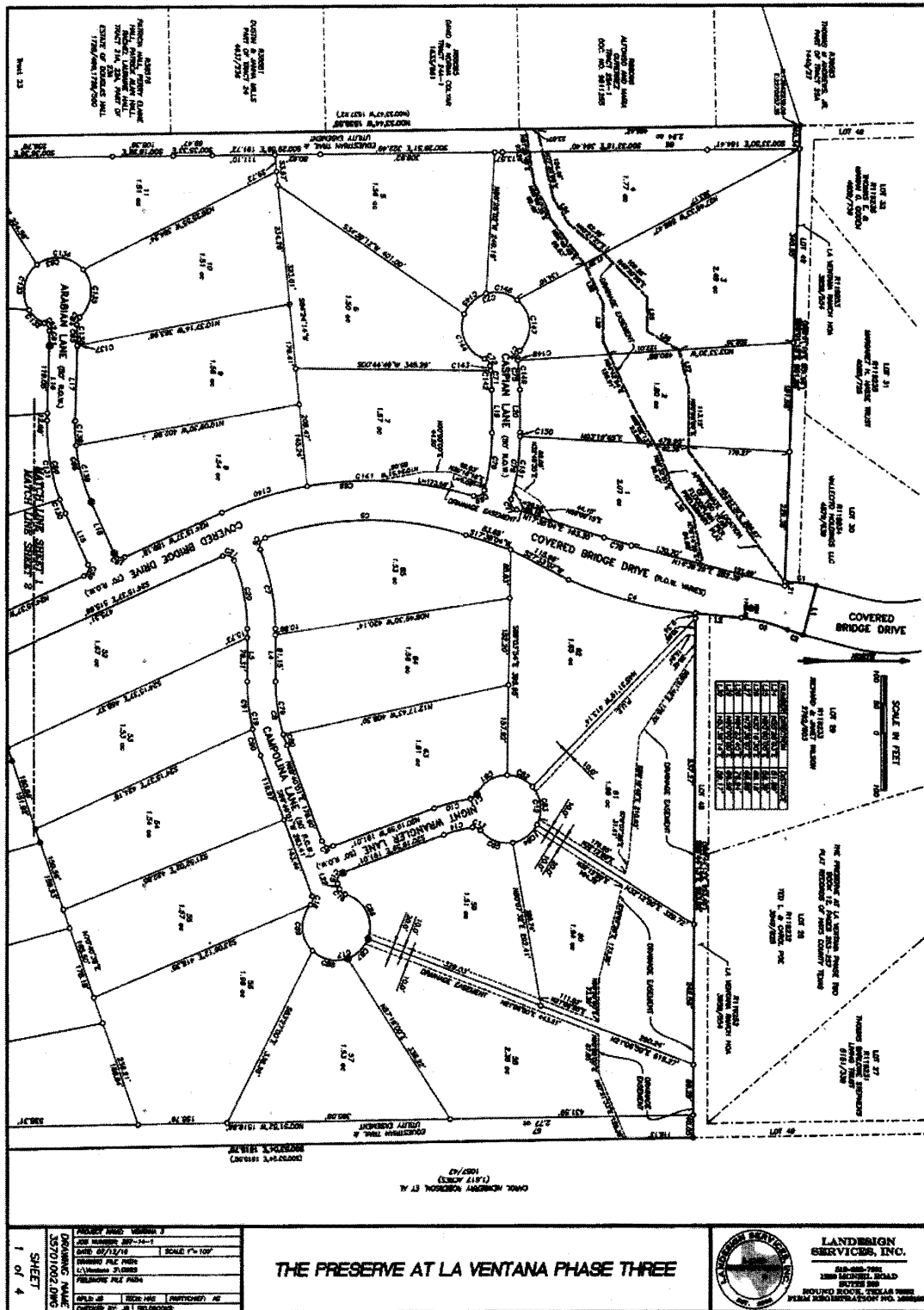
20. Pacesetter reserves, creates, grants and dedicates (without warranty) for Pacesetter and any and all public utility companies providing any public utilities to all or any portion of the Preserve Phase III or any Common Area a perpetual, non-exclusive easement upon, across, over and under all portions of the Property designated on the Preserve Phase III Plat as public utility easements (the "PUE Tracts") for ingress and egress and for constructing, installing, replacing, repairing, operating, and maintaining all utility and service lines and service systems, public and private which are necessary as to provide public utilities to the Subdivision, including, but not limited to, telephone, internet, cable television, gas, electric power, water distribution and wastewater collection, together with all lines, pipes, cables, conduits and other equipment, facilities, improvements and appurtenances installed in, under, along and across the PUE Tracts. By virtue of this easement, it shall be expressly permissible for Pacesetter and the public utility providers and companies supplying or providing public utility services to the Subdivision to install and maintain pipes, wires, conduits, service lines or other utility equipment, facilities, improvements or appurtenances thereto, on, above, across and under the PUE Tracts. Neither Pacesetter nor any supplier of any utility service using any easement area, shall be liable to any Owner or to the Association for any damage caused by Pacesetter or a supplier of utility services, or their respective agents, employees, servants or assigns, to any vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area. Pacesetter reserves the right to make changes in and additions to said easements and rights-of way for the purpose of most efficiently and economically developing the Preserve Phase III or in connection with water or propane service.
21. Pacesetter reserves, creates, grants and dedicates for itself a non-exclusive easement upon, over and across each Lot within the Preserve Phase III for ingress and egress to exercise, enjoy and carry out any and all of the rights and powers granted to or retained by Pacesetter. Entry upon any Lot as provided in this Section shall not be deemed trespassing, and the Association and Pacesetter shall not be liable for any damage so created unless damage is caused by the willful misconduct or gross negligence of the party against whom damages are sought to be collected.
22. Neither Pacesetter nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by Pacesetter or a supplier or their respective agents, employees, servants or assigns, to any vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any easement area in the Preserve Phase III or otherwise in connection with construction or maintenance of water or propane facilities.

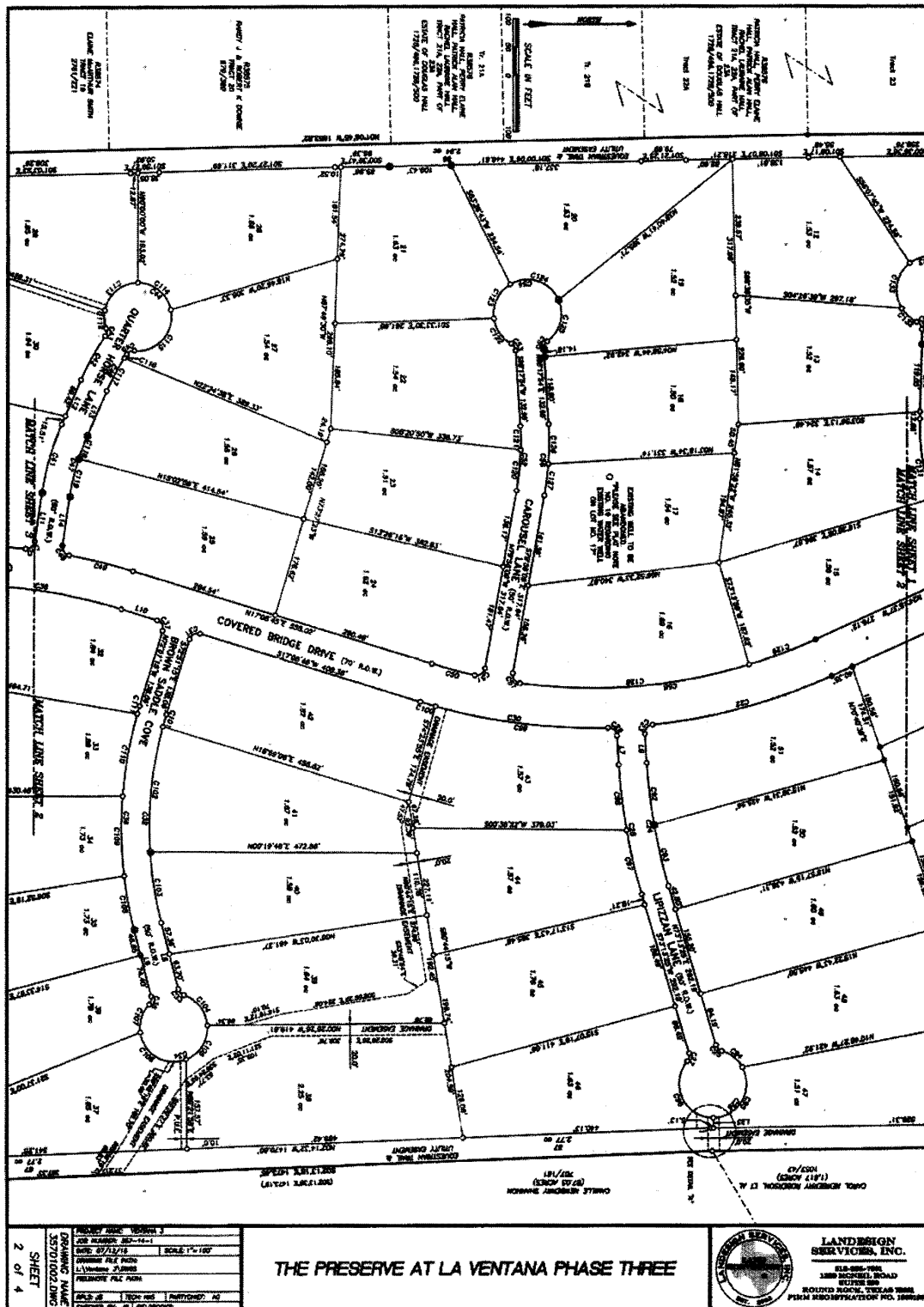
-
23. Pacesetter reserves, creates, grants and dedicates (without warranty) for the benefit of Pacesetter and any Person building or constructing any Improvements on any Lot in the Preserve Phase III, and their respective employees, subcontractors, successors and assigns, a non-exclusive easement of ingress and egress over, along, within and upon the front side and rear yards of each Lot in the Preserve Phase III, any and all Common Areas and any and all easements located within the Subdivision as may be expediently necessary for the construction, servicing, and completion of Improvements and Landscaping upon any Lot, any and all Common Area and any and all easements located within the Preserve Phase III.
 24. Pacesetter may take any action it reasonably deems advisable to assure that the Preserve Phase III is a part of the Subdivision and is subject to the DCCRs.
 25. Subject to Section 2.2 of the Agreement, Pacesetter shall have for itself and its employees, agents, representatives, guests, contractors, and other invitees of the Association and the Owners (hereinafter collectively called "Private Roads Users" and individually called a "Private Roads User") the right of access to the Private Roads, and a nonexclusive easement on, over, and across the Private Roads for the use and enjoyment of the Private Roads for vehicular and pedestrian access to the Lots, the other Common Areas, and the remainder of the Property.
 26. So long as Pacesetter owns any Lot and/or Undeveloped Lot in the Preserve Phase III, each Owner, by acceptance of record title conveying a Lot to such Owner, does hereby irrevocably constitute and appoint Pacesetter, its true and lawful attorney-in-fact and agent to execute, acknowledge, verify, swear to, deliver, record and file in that Owner's name, place and stead all instruments, document and certificates which may from time to time be required in order to affect any amendment, correction, vacating, replatting or other modification of the Preserve Phase III Plat, provided that (i) the boundaries and contours of such Owner's Lot are not in any way changed, altered or modified; (ii) access to such Owner's Lot from a public street or from Private Roads is not changed or altered in any material respect; (iii) the public utility services to such Owner's Lot are not materially and adversely altered; and (iv) no costs or expenses are imposed on such Owner. In furtherance of this appointment, each Owner agrees to join in the execution, upon request of Pacesetter, of any instrument required to acknowledge such authorization and/or affect any such amendment, vacating, replatting or other modification of the Preserve Phase III Plat.
 27. Any and all rights granted to Pacesetter or any utility provider shall continue in effect after the extinguishment of the DCCRs.
 28. Pacesetter shall not cause the DCCRs to be amended except when approved by 67% of the eligible votes of the Lot Owners present and voting, in person or by proxy at a meeting of the members of the ROA.

-
29. Pacesetter shall continue to act as the Class B Member under the ROA's Bylaws. Pacesetter shall act in accordance with the ROA's Bylaws, including, but not limited to, Article 4 thereof.

Exhibit "C"
Preserve Phase III Plat

< Approved Plat follows.>





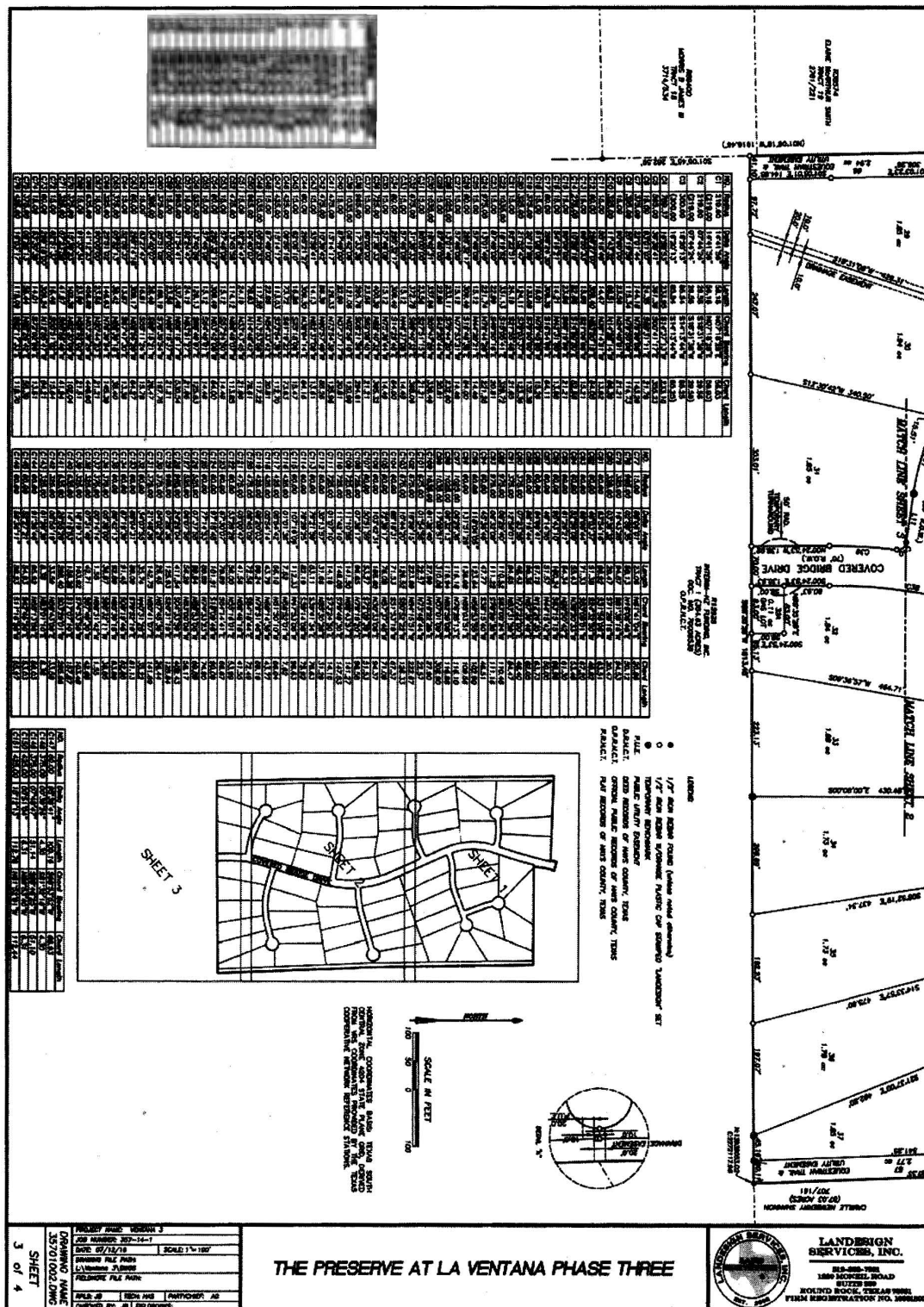


Exhibit "D"
Architectural Committee Checklist

LOT NUMBER/STREET ADDRESS: _____

OWNERS: _____

CONTACT TELEPHONE: _____ EMAIL: _____

BUILDER: _____

BUILDER CONTACT PHONE: _____ EMAIL: _____

PLANS AND SPECS PREPARED BY: _____

PLANS SUBMITTED: YES/NO (Circle appropriate selection)

SPECS SUBMITTED: YES/NO (Circle appropriate selection)

FOOTPRINT OF HOME ON LOT (4 corners staked) YES/NO (Circle appropriate selection).

FOOTPRINT OF HOME ON LOT (4 corners staked) YES/NO (Circle appropriate selection). For information, no approval.

Dumpsters, Port a Potty, Electric Service, and water hook up should be in place before construction begins.

- I. ENCLOSED LIVING AREA (MAIN HOUSE): _____ Air
 Conditioned (not "framed") Sq. Ft. (2800 Minimum)

Excludes open and closed porches, decks, terraces, patios, balconies, driveways, and garages.

Check one: Single Story: _____ Two Story: _____

B. GUEST HOUSE :(if applicable) _____ Air Conditioned (not "framed") Sq. Ft. (400 Minimum)

Reference CCR #3.2, 3.32, 3.33

- II. MASONRY CONSTRUCTION: _____ % Masonry
 (90% Minimum)

(_____ Sq ft of Masonry/ _____ sq ft Total Area of Exterior Walls)

Natural Stone & Stucco = Masonry. My not be entirely white limestone or red brick.

Hardy Plank and Hardy Board are not considered masonry products as set forth in the CCR's of La Ventana)

- 1) Gables, Windows, Door Openings, and Underpinnings are
excluded from the total area of exterior walls;

- 2) Masonry used on fireplaces, chimneys and walls of an attached garage may be included in total area of exterior walls.

Reference CCR #3.34 for above restrictions

III. ROOFING MATERIAL and
COLOR _____

Allowed: Dimensional, 300lbs. /square, 25 Yr. Comp.; Tile; **No glistening Metal, white or bright color.** Metal and tile roofing materials are encouraged. Chimney caps are encouraged.

PAINT: Exterior paint colors must be submitted for approval. Paint cards are acceptable.

Reference CCR # 3.14

IV. SET BACK REQUIREMENTS FROM LOT LINES:

_____ Front (50' Minimum)
_____ Rear (30' Minimum)
_____ Sides (15' Minimum)
_____ Street side corner lot (15' Minimum)

Reference CCR #3.40

V. DRIVEWAY TYPE: _____ (Concrete,
Asphalt, Pavers, Masonry only)

All Garages must be physically attached to residence. (Road bed materials such as rocks) are to be laid adjacent to the street at the start of a project to clean the tires on construction vehicles as they leave the property. Streets are to be kept clean.

Reference CCR # 3.47

VI. MAILBOXES AND #PLAQUES (Mailboxes should match exterior of main house. Street address # plaques consistent with original development standards may be obtained by contacting a member of the AC.)

Reference #3.2, 3.51, 3-44

VII. CULVERT: _____ (Yes/No - 18" Minimum and
Concrete - No Metal)

Reference CCR # 3.17

VIII. GARAGE: _____ (Side/Swing/Rear Entry
only) All garages shall have functional garage door openers installed. **ALL GARAGES MUST BE PHYSICALLY ATTACHED TO RESIDENCE.**

Pacesetter ROA Agreement -- FINAL (3)

Reference CCR # 3.47

- IX. BUILDING HEIGHT: _____ (35'
Maximum – measured from top of foundation to roof
ridgeline)

Reference CCR # 3.53

- X. PROPANE USE REQUIREMENT: (Circle Appropriate
Selection)

Such gas plumbing shall meet the specifications required by applicable building codes and all other applicable governmental requirements for propane at the time of installation. All Propane appliances installed in new homes on the property shall be installed in accordance with the requirements of the Gas Services Division of the Texas Railroad Commission and all other applicable governmental requirements and regulations. Upon the purchase of each lot, each owner shall pay to Alliant Gas. (972-444-0300) a fee in accordance with the Propane Agreement ("System Fee").

Reference CCR 9.2

- XI. OTHER:

Fence: (Location-Describe Type, delineated per survey/plat plan)

CCR#3.26

Landscaping: CCR # 3.29, 3.30, 5.7

Initial landscaping, irrigation, and hardscapes must be approved by AC. CCR# 1.27, 5.7, 3.29, 3.30. Landscape plans should be submitted with custom home plans. Landscaping should be completed within six months of home completion.

Rain Water Collection is encouraged. Tank materials and finish should be complementary to home design.

Swimming Pool and Adjacent Fencing: CCR #3.31.

Fencing must be adjacent to pool and must be secured by lockable access. Fencing height is presumed to be 4 feet but is subject to review by the AC and height determined according to specific application within existing conditions. Fencing plan must accompany pool plan.

Trash Cans: Concealment of trash cans is required and may want to be planned for during construction.

Trash Service: The community encourages, via CCR, the use of one trash company to reduce wear and tear on La Ventana streets. The current encouraged trash company is Texas Disposal Services (TDS), 1-800-375-8375.

Air Conditioning Equipment: Concealment of air conditioning equipment is required and may want to be planned for during construction with your builder and architect. Stone/masonry material matching the home is encouraged, as plants will most likely not survive due to the heat thrown off by the units during the summer months.

Landscape Irrigation: Due to common hill country drought conditions, water conservation is strongly recommended. Drip irrigation in plant beds close to the home is encouraged. Outside of the beds, potable water irrigation no more than thirty feet (30') from the home is encouraged.

Pacesetter ROA Agreement -- FINAL (3)

Note: when planning septic systems, placing septic water sprayer heads towards the front of the property should be considered.

EXHIBIT "C"

Schedule of Fines

The Association has adopted the following general schedule of fines. Regardless, the Board may elect to pursue such additional remedies at any time in accordance with pursuant to *Texas Property Code* § 209.006 and *Texas Property Code* § 209.007. The Board also reserves the right to set fine amounts on a case by case basis in the event of uncurable or continual violations, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

Violation	Fine
1 st	Warning if cured specified in Notice of Violation; Otherwise – \$50.
2 nd	\$100
3 rd	\$150
4 th and beyond	TBD, but not to exceed \$250

La Ventana Ranch Owners' Association, Inc.

Policies and Resolutions



**LA VENTANA RANCH OWNERS' ASSOCIATION, INC.
PAYMENT PLAN POLICY**

STATE OF TEXAS §
 §
COUNTY OF HAYS §

WHEREAS, La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation (the "Association"), is a property association in Hays County, Texas;

WHEREAS, Chapter 209 of the TEXAS PROPERTY CODE has been amended to add Section 209.0062 ("Section 209.0062"), effective January 1, 2012;

WHEREAS, Section 209.0062 requires that the Association adopt and record reasonable guidelines to establish an alternative payment schedule by which an owner of any lot subject to the Declaration (an "Owner") may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties; and

WHEREAS, the Association's Board of Directors (the "Board") desires to establish guidelines consistent with Section 209.0062;

NOW, THEREFORE, the Board has duly adopted the following "***Payment Plan Policy***" (the "Policy"):

1. Eligibility: Any Owner who has not defaulted on a previous payment plan during the past two (2) years from the date a payment plan request is received by the Association may be eligible to enter into a payment plan under which he/she may make monthly payments to the Association for delinquent regular or special assessments or any other amount owed to the Association (the "Payment Plan").
2. Form: All Payment Plans must be in writing and in a form provided and approved by the Association.
3. Terms
 - a. The minimum term for a Payment Plan is three (3) months.
 - b. The maximum term for a Payment Plan is eighteen (18) months. In no event is the Association required to consider any Payment Plan that extends more than eighteen (18) months from the date of the Owner's request for a Payment Plan.
 - c. If the entire amount due is not paid in full by January 31 by any Owner, the Board may, without deliberation, approve a Payment Plan that complies with the following:
 - i. An eligible Owner may be allowed to pay such balance by making two (2) consecutive installment payments, with the first payment due within one (1) month days of the Board's approval of the Payment Plan, and the second payment due within three (3) months of the Boards approval of the Payment Plan.

- ii. The amount due under the installment payments under any such plan shall be decided by the Board.
- d. Any Owner may submit to the Board a request for a Payment Plan that does not meet the foregoing guidelines, along with any other information he/she believes the Board should consider along with such request (e.g. evidence of financial hardship). The Board, in its sole discretion, may approve or disapprove such a request for a non-conforming payment plan. An Owner who is not eligible for a Payment Plan may still request a Payment Plan, and the Board, in its sole discretion, may accept or reject such a request.

4. Payments

- a. The Association may charge an Owner reasonable costs for administering the Payment Plan (the "Administrative Costs") and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Payment Plan. The Association may provide an estimate of the amount of interest that will accrue during the term of the Payment Plan. Other monetary penalties will not accrue during the term of the Payment Plan and for so long as the Owner does not default under the Payment Plan.
- b. The total of all proposed payments in a Payment Plan must equal the sum of the current balance, the estimated interest, any Administrative Costs, and any assessments that will accrue during the term of the Payment Plan.
- c. All payments under a Payment Plan shall be due by the dates specified in the Payment Plan, and shall be made by any means acceptable to the Association or its management company.

5. Default

- a. The following shall result in an immediate default of the Payment Plan:
 - i. The Owner's failure to timely tender and deliver any payment when due under the Payment Plan; or
 - ii. The Owner's failure to tender any payment in the full amount and form as specified in the Payment Plan; or
 - iii. The Owner's failure to timely comply with any other requirement or obligation set forth in the Payment Plan.
- b. Any Owner who defaults under a Payment Plan shall remain in default until his/her entire account balance is brought current.
- c. The Association is not required to provide notice of any default.
- d. Owners are not entitled to any opportunity to cure a default.
- e. While an Owner is in default under a Payment Plan, the Owner's payments need not be applied to the Owner's debt in the order of priority set forth in TEX. PROP. CODE § 209.0063(a). But, in applying a payment made while the Owner is in default, a fine

5. This Policy is effective upon recordation in the Official Public Records of Hays County, Texas and supersedes any policies regarding retention of Association Records that may have previously been in effect. Except as affected by TEX. PROP. CODE § 209.005(m) and/or by this Policy, all other provisions contained in the Declaration and/or any other dedicatory instruments of the Association shall remain in full force and effect.

**** Electronically Filed Document ****

Hays County Texas
Liz Q. Gonzalez
County Clerk

Document Number: 2015-15004425
Recorded As : ELECTRONIC RECORDING

Recorded On: February 17, 2015
Recorded At: 02:41:10 pm
Number of Pages: 6
Book-VI/Pg: Bk-OPR VI-5138 Pg-589
Recording Fee: \$42.00

Parties:

Direct- LA VENTANA RANCH OWNERS ASSOC
Indirect-

Receipt Number: 389424
Processed By: Patricia Gomez

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.



I hereby certify that this instrument was filed for record in my office on the date and
time stamped hereon and was recorded on the volume and page of the named records
of Hays County, Texas

Liz Q. Gonzalez

Liz Q. Gonzalez, County Clerk

**NOTICE OF FILING OF
PAYMENT PLAN POLICY FOR
LA VENTANA RANCH OWNERS' ASSOCIATION, INC.**

STATE OF TEXAS §
 §
COUNTY OF HAYS §

Notice is hereby given to all persons with any interest in or claim to any parts of the property within the jurisdiction of La Ventana Ranch Owners Association that said property is subject to the Payment Plan Policy for La Ventana Ranch Owners' Association, Inc. attached hereto as Exhibit A and incorporated herein for all purposes.

Thus signed and certified this 11th day of February, 2015.

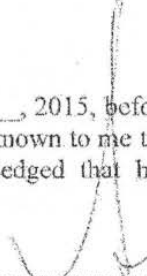


Devin "Buck" Benson
Pulman, Cappuccio, Pullen, Benson & Jones, LLP
2161 NW Military Hwy, Suite 400
San Antonio, Texas 78213

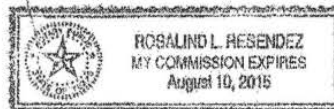
Legal Counsel for La Ventana Ranch Owners'
Association, Inc.

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

On this 11th day of February, 2015, before me, the undersigned notary public, personally appeared Devin "Buck" Benson, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes set forth therein.



Notary Public, State of Texas



AFTER RECORDING RETURN TO:
Pulman, Cappuccio, Pullen, Benson & Jones, LLP
Attn: Devin "Buck" Benson
2161 NW Military Hwy., Suite 400
San Antonio, Texas 78213

After Recording Return To:
Winstead PC
401 Congress Ave., Suite 2100
Austin, Texas 78701
avaldez@winstead.com



24004712 NOTICE
Filed and Recorded: 2/12/24 8:30 AM
Total Pages: 12

LA VENTANA RANCH

Hays County, Texas

LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

SUPPLEMENTAL POLICIES

1) Fine & Enforcement Policy

2) Collections Policy

Reference the Declaration of Covenants, Conditions, and Restrictions for La Ventana Ranch recorded as Doc. No. 9928686 in Hays County, Texas. The policies contained herein supersede and replace the previously adopted Fine & Enforcement Policy and Collections Policy for La Ventana Ranch Owners' Association, Inc.

Copyright © 2023. Winstead PC. All rights reserved.

LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

SUPPLEMENTAL POLICIES

TABLE OF CONTENTS

1 FINE & ENFORCEMENT POLICY ATTACHMENT 1

2 ASSESSMENT COLLECTION POLICY ATTACHMENT 2

ATTACHMENT 1

LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

FINE & ENFORCEMENT POLICY

1. **Background.** La Ventana Ranch Owners' Association, Inc. (the "**Association**") is subject to the Declaration of Covenants, Conditions, and Restrictions, recorded as Document No. 9928686, Official Public Records of Hays County, Texas (the "**Declaration**"). Unless the Declaration or applicable law expressly provides otherwise, the Association acts through its board of directors (the "**Board**"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, Bylaws and any rules and regulations of the Association (collectively, the "**Restrictions**"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Declaration and the obligations of Owners to compensate the Association for costs incurred by the Association for enforcing violations of the Restrictions.

The Board hereby adopts this Fine & Enforcement Policy to establish policies and procedures for the levy of fines within the Association in compliance with Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "**Act**"). To the extent any provision within this policy is in conflict with the Act or any other applicable law, such provision shall be deemed to be modified to comply with applicable law.

Terms used but not defined herein shall have the meaning subscribed to such term in the Restrictions.

2. **Compliance Inspections.** The Board may institute compliance inspection procedures to ensure compliance with the Restrictions.
3. **Owner's Liability.** An Owner is liable for fines levied by the Association for violations of the Restrictions by Owner and Owner's guests, invitees, family members, employees, agents, and representatives. Regardless of who commits the violation, the Association may direct all communications regarding the violation to the Owner.

4. **Fine Amount.** The Association may establish fines for certain categories of violations, and certain fine amounts as are set forth herein. The Association reserves the right to set fine amounts on a case-by-case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation.

5. **Violation Notice.** Except as set forth herein, before levying a fine, the Association will provide a written violation notice via certified mail to Owner (at Owner's last known address as shown in the Association records) (the "**Violation Notice**") that describes any opportunity for a hearing that may be required under the Act. The Association's Violation Notice will contain the following items: (1) the date the Violation Notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for any fine, charge, or suspension action; (3) a reference to the rule or provision at issue; (4) a description of the action required to cure the violation and a reasonable timeframe in which the violation is required to be cured to avoid a fine or suspension; (5) the amount of the possible fine; (6) a statement that no later than the thirtieth (30th) day after the date the notice was sent, Owner may request a hearing pursuant to Section 209.007 of the Texas Property Code; and (7) a statement that Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. §§ 501-597(b), if Owner is serving on active military duty. The Violation Notice sent out pursuant to this paragraph is further subject to the following:

A. **First Violation.** If Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the Violation Notice will state those items set out in Paragraph 5, subsections (1) – (7) above, along with a reasonable timeframe by which the violation must be cured to avoid the fine. The Violation Notice must state that any future violation of the same rule may result in the levy of a fine. A fine pursuant to the *Schedule of Fines* may be levied if an Owner does not cure the violation within the timeframe set forth in the notice.

B. **Uncurable Violation/Violation of Public Health or Safety.** If the violation is of an uncurable nature or poses a threat to public health or safety (as noted in Section 209.006 of the Texas Property Code), then the Violation Notice shall state those items set out in Paragraph 5, subsections (1), (2), (3), (5), (6), and (7) above, and the Association shall have the right to exercise any enforcement remedy afforded to it under the Restrictions, including but not limited to the right to levy a fine pursuant to the *Schedule of Fines*.

C. **Continuing, Repeat, or Uncured Violation.** For any violation, if Owner was provided with a Violation Notice for the same or similar violation within the preceding six (6) months, then Owner shall not be entitled to an additional Violation Notice or a hearing pursuant to Section 209.007 of the Texas Property Code, and the Association shall have the right to exercise any enforcement remedy afforded to it under the Restrictions, including, but not limited to, the right to levy a fine pursuant to the *Schedule of Fines*. For a continuing or uncured violation, the Board, in its sole discretion, may levy a fine based upon a daily, monthly, or quarterly amount as determined by the Board.

6. Violation Hearing. If Owner is entitled to an opportunity to cure the violation, then Owner has the right to submit a written request to the Association for a hearing before the Board or a committee appointed by the Board to discuss and verify the facts and resolve the matter. To request a hearing, Owner must submit a written request (the "**Request**") to the Association's manager (or the Board if there is no manager) within thirty (30) days after receiving the Violation Notice. The Association must then hold the hearing requested no later than thirty (30) days after receipt of the Request. Owner must be notified of the date, time, and place of the hearing at least (10) days before the date of the hearing. The hearing notice communication will include any documents, photographs, and communications the Association intends to introduce at the hearing. If the Association fails to provide the information at least ten (10) days before the hearing, Owner is entitled to an automatic fifteen (15) day postponement. The hearing will be scheduled to provide a reasonable opportunity for both the Board and Owner to attend. The Board or Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. Notwithstanding the foregoing, the Association may exercise its other rights and remedies as set forth in Section 209.007(d) and (e) of the Texas Property Code. Any hearing before the Board will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. Owner shall attend the hearing, but Owner may be represented by another person (i.e., Owner's counsel) during the hearing with advance written notice to the Board. If an Owner intends to make an audio recording of the hearing, Owner's request for hearing shall include notice of Owner's intent to make an audio recording of the hearing. If Owner appears at the meeting, the notice requirements will be deemed satisfied. Unless the procedures are modified by the Board, a hearing will be conducted in accordance with the agenda attached hereto as Exhibit A.
7. Due Date. Fine and/or damage charges are due immediately if the violation is incurable or poses a threat to public health or safety. If, however, the violation is curable and no similar violation has taken place in the six (6) month period preceding the Violation Notice, the fine and/or damage charges are due immediately after the cure period ends.
8. Lien Created. To the extent permitted by the Restrictions, payment of each fine and/or damage charge levied by the Board is, together with all other authorized late fees or charges, interest, costs of enforcement and collection (including attorney's fees) secured by the lien granted to the Association pursuant to the Declaration and the Restrictions. The fine and/or damage charge will be considered an assessment, provided such classification is not inconsistent with the Restrictions, and will be enforced in accordance with the terms and provisions governing the enforcement and collection of assessments pursuant to the Declaration and the Restrictions.
9. Levy of Fine. Any fine levied may be reflected on Owner's periodic statements of account or delinquency notices.
10. Foreclosure. The Association may not foreclose its assessment lien on a debt consisting solely of fines.
11. Cure Periods. If an Owner has cure rights, the violation will be assigned a cure period based on the specific circumstances of the violation and the complexity of the activities required to cure the violation.

12. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until the Association records an amendment to this policy in the county's official public records.

[Schedule of Fines on following page]
Schedule of Fines

The Board has adopted the following general schedule of fines. References to numbered notices below does not mean the Association is required to provide all notices before exercising additional remedies as set forth in the Restrictions. The Board may elect to pursue such additional remedies at any time in accordance with applicable law. The Board also reserves the right to set fine amounts on a case-by-case basis, provided the fine comports with Texas law and the Restrictions.

FINES†:

New Violation:	General Violation Categories:	Fine Amount:
Notice of Violation	· <i>Unsightly Conditions on a Lot</i> · <i>Unauthorized Construction or Modification of Improvements</i> · <i>Landscape Violations (mowing, etc.)</i> · <i>Trash Container Violations</i> · <i>Failure to Maintain Dwelling Exterior) or Fencing</i> · <i>Common Property Use Violations</i> · <i>All Other Violations**</i>	Courtesy Notice (no charge for the initial violation notice) \$25.00 Certified Letter fee will be charged to the homeowner in addition to the fine amount, if not cured after Courtesy Notice.
Continuing Violation:	For a continuing violation, the Association reserves the right to set fine amounts on a case-by-case basis, Provided fine comports with Texas law and the Restrictions.	Fine Amount - After the Courtesy Notice is sent: 1st Notice – Courtesy *15-day cure window 2nd Notice - \$50.00 *15-day cure window 3rd Notice - \$150.00 *15-day cure window Followed by – Fine of no less than \$250.00 per month until cured.

‡The Board reserves the right to adjust fine amounts based on the severity and/or frequency of the violation.

** The Association further reserves the right to record a supplemental or separate fine schedule that will remove specified violations from the "All Other Violations" category and, thereafter, apply the fines set forth in the fine schedule.

EXHIBIT A – FINE & ENFORCEMENT POLICY

PROCEDURE FOR HEARING BEFORE THE BOARD

I. Introduction

Association Rep: The Board of Directors has convened to conduct a hearing at the written request of an owner.

This hearing is being conducted as required by Section 209.007 of the Texas Property Code, and it is an opportunity for the Association and Owner to discuss and verify facts and attempt to resolve the matter at issue. If no resolution is reached during the hearing, the Association will communicate its decision in writing within fifteen (15) days.

II. Presentation of Facts

Association Rep: This portion of the hearing is to permit a representative of the Association the opportunity to describe the violation and to present any information the Association wishes to offer. After the Association's representative has finished the presentation, Owner or his/her representative will be given the opportunity to present information and issues relevant to the appeal or dispute.

[Presentations]

III. Discussion

Association Rep: This portion of the hearing is to permit the Board and Owner to discuss matters relevant to the violation.

IV. Resolution

Association Rep: [Announce any agreement or resolution or state that the Board will take the matter under advisement]

V. Adjournment

Association Rep: At this time the hearing is adjourned.

ATTACHMENT 2

LA VENTANA RANCH OWNERS' ASSOCIATION, INC.

ASSESSMENT COLLECTION POLICY

La Ventana Ranch Owners' Association, Inc. (the "**Association**") is subject to the Declaration of Covenants, Conditions, and Restrictions recorded as Doc. No. 9928686 in the Official Public Records of Hays County, Texas, as the same may be amended from time to time (the "**Declaration**"). Unless the Declaration or applicable law expressly provides otherwise, the Association acts through a majority of its Board of Directors (the "**Board**"). The Association is empowered to enforce the covenants, conditions and restrictions of the Declaration, Bylaws, other recorded documents, and any rules and regulations promulgated by the Association, as adopted and amended from time to time (collectively, the "**Restrictions**"), including the obligation of its owners ("**Owners**") to pay assessments and other charges due the Association ("**Assessments**") pursuant to the terms and provisions of the Declaration.

The Board hereby adopts this Assessment Collection Policy ("**Policy**") to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Restrictions.

INVOICES, DELINQUENCIES, LATE CHARGES & INTEREST

Invoice. The Association may, but shall not be required to, invoice an Owner as a condition to an Owner's obligation to pay assessments or other charges of the Association. As a matter of course, assessments are invoiced by statements. Non-receipt of an invoice shall in no way relieve Owner of the obligations to pay the amount due by the due date. Owners who do not receive an invoice are responsible for contacting the Association and any manager, by January 31st of each year to request an invoice. Owners are responsible for notifying the Association and its manager, in writing, of any request to change Owner's mailing address or other contact information.

NOTE: To change Owner's contact information to an address other than the Owner's residence in the subdivision, Owner must submit a written request to change Owner's address to the Association's Manager in accordance with any policy pertaining to the same.

Due Date. An Owner will timely and fully pay Assessments. Assessments shall be paid on such monthly, quarterly or other basis as the Board may designate in its sole and absolute discretion.

Delinquent. Any Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full — including collection costs, interest and late fees.

Late Fees & Interest. If the Association does not receive full payment of an Assessment by 5:00 p.m. on the due date established by the Board, the Association may levy a late fee of \$25 per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.

Insufficient Funds. The Association may levy a charge of up to \$50 for any check returned to the Association due to insufficient funds.

Waiver. Collection costs, late fees, and interest may be waived by the Board.

INSTALLMENTS & ACCELERATION

If an Assessment is payable in installments and an Owner defaults in the payment of any installment, the Association may declare the entire Assessment in default and accelerate the due date on all remaining installments of the Assessment.

PAYMENT PLANS

Payment Plans. If required by applicable law, the Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months from the date the payment plan is requested; however, the Association is not required to offer a payment plan exceeding a maximum term eighteen (18) months. For any payment plan, Owner may be charged reasonable costs associated with administering the payment plan and interest. The Association will determine the actual term of each payment plan offered to an Owner. The Association is not required to offer a payment plan more than once in a twelve (12) month period or if Owner has defaulted on a previous payment plan in the last two (2) years. A payment plan is only required if an owner notifies the Association, in writing, of Owner's request for a payment plan before any payment plan request deadline set forth in a delinquency notice. A payment plan is not required to be offered after the initial cure period for a delinquent account.

PAYMENTS

Application of Payments. Payments received by the Association shall be applied in the following order, starting with the oldest charge in each category, unless Owner is in default under a payment plan when the payment is received:

(1) Delinquent Assessments	(4) Other Reasonable Attorney's Fees
(2) Current Assessments	(5) Reasonable Fines
(3) Reasonable Attorney's Fees and Costs for Assessment Collection	(6) Any Other Reasonable Amount Owed

Form of Payment. The Association may require that payment for a delinquent account be made only in the form of cash, cashier's check, or certified funds.

Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions

contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to Owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to Owner. The Association may require Owner to prepay the cost of preparing and recording the release.

Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

LIABILITY FOR COLLECTION COSTS

Collection Costs. The defaulting Owner may be liable to the Association for the cost of title reports, certified mail, filing fees, recording fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

COLLECTION PROCEDURES

Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.

Delinquency Notices. If the Association has not received full payment of an Assessment by the due date, the Association will send written notice of nonpayment to the defaulting Owner, by certified mail, stating: (a) the amount delinquent and the total amount of the payment required to make the account current, (b) the options Owner has to avoid having the account turned over to a collection agent, as such term is defined in Texas Property Code Section 209.0064, including information regarding availability of a payment plan through the Association, and (c) that Owner has forty-five (45) days for Owner to cure the delinquency before further collection action is taken (the "**Delinquency Cure Period**"). The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.

Verification of Owner Information. The Association may obtain a title report to determine the names of Owners and the identity of other lien-holders, including the mortgage company.

Collection Agency. The Board may employ or assign the debt to one or more collection agencies.

Notification of Mortgage Lender. The Association may notify a mortgage lender of a delinquent account.

Notification of Credit Bureau. The Association may report the defaulting Owner to a credit reporting service with prior notice to Owner of at least thirty (30) business days. The notice must include a detailed report of delinquent charges owed and information about the opportunity to enter into a payment plan. Amounts that are the subject of a pending dispute may not be reported and no fee may be charged back to Owner for the cost of the reporting.

Collection by Attorney. If Owner's account remains delinquent for a period of sixty (60) days or more, the Manager of the Association or the Board of the Association shall refer the delinquent account to the Association's attorney for collection. In the event an account is referred to the Association's attorney, the Owner will be liable to the Association for its legal fees and expenses. The Association's attorney will ensure the following notices are provided, or have been provided, in accordance with applicable law:

Notice of Delinquency: Preparation of written notice of the delinquency. If the account is not paid in full by the deadline set forth in the notice letter, then

Second Notice: Preparation of the second written notice of delinquency. If the account is not paid in full by the deadline set forth in the notice letter, then

Lien Notice: Preparation of the Lien Notice Letter and recordation of a Notice of Unpaid Assessment Lien. If the account is not paid in full by the deadline set forth in the notice letter, then

Final Notice: Preparation of the Final Notice of Demand for Payment Letter and any notice required to be sent to any holder of a lien of record on the property whose lien is evidenced by a deed of trust and is inferior or subordinate to the Association's lien. If the account is not paid in full by the deadline set forth in the notice letter, then

Foreclosure of Lien: Only upon specific approval by a majority of the Board.

Notice of Lien. The Association's attorney may cause a notice of the Association's Assessment lien against Owner's home to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may also be sent to Owner's Mortgagee, if required.

NOTE: Texas law requires that at least two (2) notices precede the recording of any lien. For accounts that become delinquent on or after September 1, 2023, a lien may only be recorded after notice of the delinquency has been sent: (1) to the Owner by email using an email address the Owner has provided to the Association **or, alternatively** by first-class mail (the first-class mail requirement may be satisfied by a letter sent by USPS certified mail) sent to the Owner's last known mailing address, as reflected in the records maintained by the Association; **and also** (2) to the Owner, by certified mail, return receipt requested, directed to the Owner's last known mailing address, as reflected in the records maintained by the Association. The certified letter must be sent at least thirty (30) days after the first required notice of delinquency has been sent to the Owner, and the lien may only be recorded if at least ninety (90) days have passed since the date the certified delinquency notice was sent to the Owner. The foregoing requirements conform to the requirements set forth in Chapter 209 of the Texas Property Code and apply only to the extent applicable law continues to require such notices before a lien may be recorded.

Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.

Suspension of Use of Certain Facilities or Services. The Board may suspend the use of any common area property or amenities by an Owner and Owner's guests, invitees, or family members, if Owner's account with the Association is delinquent for at least thirty (30) days.

GENERAL PROVISIONS

Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association may exercise their independent, collective, and respective judgment in applying this policy.

Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect Assessments under the Restrictions and the laws of the State of Texas.

Limitations of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Restrictions or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum that exceeds the maximum rate permitted by law, the amount charged will be deemed reduced to the maximum amount allowed by law and any excess amount will be applied to the reduction of unpaid Assessments, or reimbursed to Owner if those Assessments are paid in full.

Notices. Unless the Restrictions, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to Owner as follows: (1) for mailed notices, upon depositing the same with USPS, addressed to Owner at the most recent address shown on the Association's records; (2) for personal delivery, upon delivery to Owner; or (3) for email, upon the transmittal to Owner by email using the email address Owner provided to the Association. If the Association's records show an Owner's property is owned by two (2) or more persons, notice to one Owner is deemed notice to all Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.

Amendment of Policy. This policy may be amended by the Board.

[END OF POLICY]

LA VENTANA RANCH OWNERS' ASSOCIATION, INC.
ACKNOWLEDGEMENT FOR RECORDING

The undersigned hereby certifies that he/she is the duly elected, qualified and acting of La Ventana Ranch Owners' Association, Inc. (the "Association"), and that the foregoing policies are true and correct copies of the policies adopted by the Association.

IN WITNESS WHEREOF, the undersigned has executed this acknowledgement on the 5th
FEBRUARY
day of 2024

LA VENTANA RANCH OWNERS' ASSOCIATION,
INC., a Texas nonprofit corporation

By: MICHAEL C EVANS

Name: [Signature]

Title: LA Ventana Ranch Owners Association President

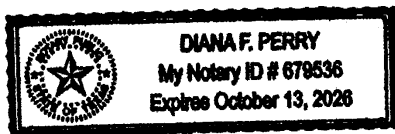
STATE OF TEXAS §

COUNTY OF § HAYS

This instrument was acknowledged before me of on by , on behalf of La Ventana Ranch Owners' Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

[SEAL]

[Signature]
Notary Public Signature



THE STATE OF TEXAS

COUNTY OF HAYS

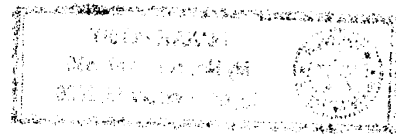
I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

24004712 NOTICE

02/12/2024 08:30:20 AM Total Fees: \$65.00

 Elaine H. Cardenas

Elaine H. Cardenas, MBA, PhD, County Clerk
Hays County, Texas



SECOND AMENDMENT TO
PROPANE SYSTEM INSTALLATION AGREEMENT
LA VENTANA SUBDIVISION

This agreement is made this 4th day of April, 2006, between Sonterra Energy Corp. ("Sonterra Energy") and Driftwood Development ("Developer/Declarant").

1. **Original Agreement.** Sonterra Energy is the successor to Southern Union and Developer is the successor to the original Developer under the Propane System Installation Agreement dated July 2, 1999 (the "Agreement") regarding the propane distribution system serving La Ventana Subdivision (the "Subdivision") in Hays County, Texas.
2. **Sections 1, 2, and 3.** The terms of the Agreement shall apply to Section 1, 2, and 3 of the Subdivision, except that the System Fee for each lot sold after April 1, 2006 shall be \$500.00. Additionally, Sonterra Energy shall charge \$ 9.00 per linear foot for the service line and meter set for each lot sold after April 1, 2006.
3. **Sections 4 and 5.** The terms of the Agreement shall apply to Sections 4 and 5 of the Subdivision, except that the System Fee for each lot in those Sections shall be \$1,800.00 for lots sold prior to April 1, 2006. The System fee for each lot sold after April 1, 2006 shall be \$500.00. Additionally, Sonterra Energy shall charge \$ 9.00 per linear foot for the service line and meter set for each lot sold after April 1, 2006.
4. **Sections 6 and 7.** The terms of the Agreement shall apply to Sections 6 and 7 of the Subdivision, except that the System Fee for each lot in those Sections shall be \$1,900 for lots sold prior to April 1, 2006. The System fee for each lot sold after April 1, 2006 shall be \$500.00. Additionally, Sonterra Energy shall charge \$ 9.00 per linear foot for the service line and meter set for each lot sold after April 1, 2006.
5. **Restrictive Covenants.** Within ninety (90) days after execution of this Amendment, Developer shall execute and record in the Real Property Records restrictive covenants requiring each lot buyer to pay the System Fee at closing.
6. **General Provisions.** The laws of the State of Texas shall govern this Amendment and venue shall be in the courts of Travis County, Texas. Any provision of this Agreement prohibited by, or unlawful or unenforceable under, any applicable law or any jurisdiction shall be ineffective as to such jurisdiction without invalidating the remaining provisions of this Agreement. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Amendment, together with the Agreement, embodies the entire agreement between the parties and supersedes all prior and contemporary agreements, representations or warranties and undertakings (oral or otherwise), if

PROPANE SYSTEM INSTALLATION AGREEMENT
LA VENTANA SUBDIVISION

RECEIVED
SEP 12 2007

This agreement is made this 4 day of April, 2006, between Sonterra Energy Corp. ("Sonterra Energy") and Infwood Development, LP ("Developer").

Section 1
Construction of Propane System

- 1.1 **Agreement to Install System.** Subject to the terms and conditions set forth herein, Sonterra Energy Corp., an affiliate, or operation division, will install, own and operate a propane distribution system serving Section The Preserve (the "Section") of La Ventana Subdivision (the "Subdivision") in Hays County, Texas.
- 1.2 **System Components.** The Propane System to be installed hereunder will consist of: (a) a centralized propane storage tank, to be located on the property designated "Common Area 1, La Ventana Phase 1, in La Ventana Subdivision in Hays County, Texas, according to the plat filed in the Real Property Records of Hays County, Texas, at Volume 111, Page 540 and leased to Sonterra Energy in accordance with Section 5 below; (b) individual customer meters to be installed at each customer's building or home; and (c) propane gas mains and service lines servicing all lots located in the Section (such propane gas mains and service lines are collectively referred to as the "Distribution System" or "Propane System").
- 1.3 **Installation.** Sonterra Energy agrees to install the Propane System in a good and workmanlike manner. Such installation may be performed by Sonterra Energy personnel, or by Sonterra Energy's contractor(s).

Section 2
Developer's Cooperation

- 2.1 **Cooperation.** Developer agrees to use its best efforts to cooperate with Sonterra Energy in the design and installation of the Propane System.
- 2.2 **Developer's Information.** Within fifteen (15) days of the execution of this Agreement or as soon as reasonably available to Developer, Developer agrees to provide Sonterra Energy: (a) a copy of the title insurance policy evidencing ownership by Developer or the property owner's association for the Subdivision of the site(s) upon which the centralized propane storage tank shall be located; (b) a utility construction plan and schedule for the Section; (c) a copy of the plat maps of the Subdivisions; and (d) the recorded plat(s) of the Subdivision.

Section 3 System Fees

- 3.1 **Payment of Fees.** Subject to the limitations set forth below, upon the sale of each lot within the Section, Developer shall pay or require the lot purchaser to pay to Sonterra Energy a System Fee of \$ 500.00. Within fifteen (15) days after execution of this Agreement, Developer shall execute and record in the Real Property Records restrictive covenants requiring each lot buyer to pay the System Fee at closing.
- 3.2 **Additional Sections.** Sonterra Energy shall have the right and the reasonable obligation to expand the Propane System into additional sections of La Ventana, so long as Sonterra Energy deems it economically feasible to extend the system at their own expense. Developer shall notify Sonterra Energy in writing of the planned development of any additional section(s) no later than forty-five days prior to initiating construction of roads or utility infrastructure for any additional section(s). The terms of this Agreement shall apply to those additional section(s), except that the System Fee shall be based upon Sonterra Energy's cost of installation of the Propane System for those additional section(s) divided by the number of lots therein. In the event that an additional tank site is required. The System Fee for additional sections may include the cost of construction for an additional tank site.

Section 4 Ownership of Propane System

- 4.1 **Ownership.** Sonterra Energy shall own the Propane System, including all valves, pipelines, meters, and equipment attached hereto. Each lot owner shall own his or her yard line. Any ranch owners' or property owners' association established for the Subdivision shall have no right to impose any assessments, dues or use fees against Sonterra Energy in connection with Sonterra Energy's ownership or operation of any part of the Propane System.
- 4.2 **Easements.** Developer agrees to provide or cause the ranch owners' or property owners' association for the Subdivision to provide Sonterra Energy with easements for installation, operation and maintenance of the centralized propane storage tank and propane mains and service lines from the tank site(s) to public utility easements such that the installation, operation and maintenance of the Propane System will not be inconsistent with or impaired by any permitted use of the property. Propane mains and service lines installed hereunder will be installed in one or more of the following: existing public utility easements; in additional easements located in public-right-of-way granted by Developer; or in stand-alone easements over and across lots to be conveyed by current lot owners. Developer agrees to grant or to cause the ranch owners' or property owner's association for the Subdivision to grant

any such easements required for the installation, operation and maintenance of the Propane System.

Section 5

Lease of Storage Tank Site

- 5.1 Site Requirements.** Developer shall make available or shall cause the property owner's association for the Subdivision to make available to Sonterra Energy a site of at least 250 feet by 200 feet for the installation and maintenance of a centralized propane storage tank. Such site must be readily accessible to an 18-wheel propane transport truck, and shall conform to the requirements contained in 9.185 of the Texas LP-Gas Safety Rules as pertaining to the installation of propane storage tanks with a capacity of 12001+ gallons.
- 5.2 Lease of Site.** Subdivision's ranch owners' or property owner's association shall lease such property to Sonterra Energy for an annual lease payment of Seven Thousand Dollars (\$7,000.00). The lease term shall begin on the day the Agreement is signed. The lease payment shall be paid within ten (10) days of signing this Agreement, and subsequent lease payments shall be due on the annual anniversary of such date thereafter. The term of the lease shall continue for so long as the Propane System shall continue in operation. There shall be personal liability for the payment of the lease payment only for the then-current owner of the propane storage tank.
- 5.3 Additional Tank Site.** In the event that an additional tank site is necessary, the above site requirements in Section 5.1 will be required. Sonterra Energy will pay an annual lease payment of Five Thousand Dollars (\$5,000.00) for the additional tank site. The lease term shall commence on the date gas service is provided to a home by this tank site, and subsequent lease payments shall be due on the annual anniversary of such date thereafter.
- 5.4 Installation of Tank and Fencing.** Sonterra Energy shall have sole responsibility for the installation of the propane storage tank and maintenance thereof. In addition, Sonterra Energy shall install fencing constructed in accordance with Rail Road Commission Standards for LP Gas Systems.

Section 6

Operation of Propane System

Sonterra Energy shall operate and maintain the Propane System to be constructed hereunder. Sonterra Energy shall have the right to charge service initiation and disconnect fees at prevailing market rates, collect deposits and revenue-related taxes. Sonterra Energy will charge no more than (Wilcox monthly average price for propane + \$.10 transportation charge) multiplied by 2, as its price for propane per gallon to customers. Sonterra Energy will abide with any rate regulation asserted by the Texas

Railroad Commission. Developer shall have no operation, maintenance, ownership or agency rights in the Propane System.

Section 7 Taxes and Licenses

Sonterra Energy shall pay all sales taxes, personal property taxes, or other taxes required that may be levied or charged in connection with the operation, management and ownership of the Propane System hereunder. Except as provided in this Agreement, Sonterra Energy shall obtain and pay for all licenses or permits necessary or required by law for the construction of connections or the installation of equipment and furnishing, and as otherwise necessary for the conduct of its operations hereunder.

Section 8 Propane Use Requirement

Prior to the sale of any lot in the Subdivision, Developer agrees to file restrictive covenants to cover all sections for the Subdivision. To the maximum extent permitted by law, the restrictive covenants shall require that all homes, multi-use dwellings or other structures built in the Subdivision install or use only propane-fired water heaters and furnaces ("Propane Appliances"). Developer agrees to require that such Propane Appliances be installed in accordance with the requirements of the Gas Service Division of the Texas Railroad Commission. In addition, Developer agrees to require all builders and lot purchasers to install propane gas hook-ups for ranges that are installed in such homes, multi-use dwellings or other structures constructed in the applicable sections of the Subdivision. Additionally, the restrictive covenants covering the Subdivision shall require that any heated pool constructed or operated in the Subdivision by the property owners' association use propane for the heating fuel.

Developer further agrees to notify all property owners and/or builders in the Subdivision, in writing, of the Propane Use Requirement described above, and of the Propane Use Waiver Fee in the amount of \$ 1200.00 per lot.

Section 9 Governmental Approvals

Installation of the Propane System is contingent upon Sonterra Energy obtaining all applicable Governmental Approvals. Such approvals specifically include the approvals of the Pipeline Safety Division and the Gas Services Division of the Texas Railroad Commission and local municipal and county code enforcement authorities (if required). Should Sonterra Energy fail to obtain such approvals within sixty (60) days of the execution of this Agreement, Sonterra Energy will have no further obligation to install or operate this Propane System.

Section 10

Maintenance of and Right of Access to Records

Sonterra Energy agrees to maintain appropriate accounting records regarding the revenues and operation of the Propane System.

Section 11

Assignments

Developer shall have the right to assign this Agreement, in its entirety, only with the consent of Sonterra Energy, and the assignee assumes, in writing signed by it in favor of and delivered to Sonterra Energy, all obligations of Developer under this Agreement. Such consent shall not be unreasonably withheld or delayed.

Subject to Developers prior written consent which shall not be unreasonably withheld, conditioned or delayed, Sonterra Energy shall have the right to transfer and assign, in whole or in part, all and every feature of its rights and obligations under this Agreement and in the Propane System to any entity who meets the following qualifications: (a) such entity shall have comprehensive general liability coverage in minimum amount of contractual liability of \$1,000,000 per occurrence and \$2,000,000 annually; and (b) such entity shall assume full responsibility for all Sonterra Energy's rights and obligations hereunder. In the event of such assignment, Sonterra Energy shall be released from any further obligation under this Agreement and Developer agrees to look solely to Sonterra Energy's assignee for the performance of such obligations.

Section 12

Indemnity

Sonterra Energy agrees to indemnify and defend Developer for any claims, fines, or causes of action incurred by Developer as a result of Sonterra Energy's operation, maintenance or ownership of the Propane System; however, in no event shall such indemnification or right to defense apply to any claims, fines, or causes of action resulting from the material negligence of Developer. Additionally, Developer agrees to inform Sonterra Energy immediately upon learning of any or upon the receipt of notice of any problems or potential claims, fines or causes of action with the Propane System.

Section 13

Adjudication of Disputes

This Agreement shall be governed by and interpreted under the laws of the State of Texas. Any lawsuit arising out of or relating to this Agreement must be brought in the courts of the State of Texas, County of Travis, and each of the parties irrevocably submits to the exclusive jurisdiction of such court in any such lawsuit and waives any objection it

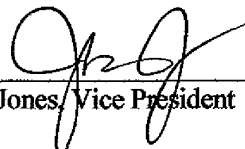
may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the lawsuit shall be heard and determined only in any such court, and agrees not to bring any lawsuit arising out of or relating to this Agreement in any other court. In any such lawsuit, Sonterra Energy and Developer irrevocably waive any damages in excess of compensatory damages.

Section 14 Miscellaneous

The laws of the State of Texas shall govern this Agreement and venue shall be in the courts of Travis County, Texas. Any provision of this Agreement prohibited by, or unlawful or unenforceable under, any applicable law or any jurisdiction shall be ineffective as to such jurisdiction without invalidating the remaining provisions of this Agreement. No delay or omission to exercise any right or remedy accruing to either party upon any breach of the other will impair any such right or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach or default be deemed a waiver of any other breach or default heretofore or thereafter occurring. No party shall be liable to the other for any incidental, direct, special or consequential damages connected with or resulting from the performance of the work hereunder. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement embodies the entire agreement between the parties and supersedes all prior and contemporary agreements, representations or warranties and undertakings (oral or otherwise), if any, relating to, or arising from, any matters concerning this Agreement and may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, that provision and its unenforceability shall not affect any other provision hereunder.

EXECUTED AND DELIVERED as of the dates set forth below.

SONTERRA ENERGY CORPORATION

By: 
Jason Jones, Vice President

Date: 4-4-2006

PARKLAND LLC
General Partner For:
DRIETWOOD DEVELOPMENT L.P.

By: _____

Jerry Thompson

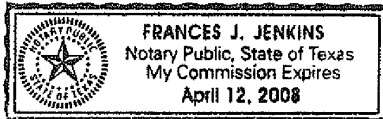
Date: 4-4-2006

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

Before me, the undersigned, a Notary Public for this State, on the 4th day of APRIL, 2006, personally appeared Jason Jones as the Vice President of Sonterra Energy Corporation and acknowledged to me that he executed the foregoing Agreement as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.



Notary Public, State of Texas

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

Before me, the undersigned, a Notary Public for this State, on the 4th day of APRIL, 2006, personally appeared Jerry Thompson as, member of Driftwood Development and acknowledged to me that he executed the foregoing Agreement as his free and voluntary act and deed and as the free and voluntary act and deed of such company, for the uses and purposes therein set forth.

La Ventana Ranch Owners' Association, Inc.

Rules and Regulations



**RESOLUTION OF THE BOARD OF DIRECTORS ADOPTING NEW
RULES FOR LA VENTANA RANCH OWNERS ASSOCIATION**

Bk Vol Pg
022992 OFR 2979 166

I, Brian P. Fenske, certify that I am a member of the Board of Directors of the La Ventana Ranch Owners Association, a non-profit corporation duly organized and existing under the laws of the State of Texas, and that a meeting of the Board of Directors for which a quorum was present and acting throughout was held on July 19, 2006, and that said meeting was held in accordance with state law and the Bylaws of said corporation, and that the following rules were unanimously adopted and are effective immediately (capitalized terms used, but not defined herein, shall have the meanings ascribed thereto in the Third Amended Declaration of Covenants, Conditions and Restrictions for La Ventana, as may be amended from time to time):

1. Paragraph 1) of those certain Resolutions of the Board of Directors Adopting Rules for La Ventana Ranch Owners Association recorded as Document Number 05033128 of the Official Public Records of Hays County, Texas at Volume 2806 pages 465-466 and attached hereto as exhibit A is hereby rescinded in its entirety and declared null and void.

2. All monies received from or on behalf of an Owner must be applied as expressly specified in writing by the Owner and absent such specification, in the following order:

- a. first to any delinquent Assessment;
- b. second to any currently due Assessment; and
- c. lastly to any special charges or other amounts that may be owed by Owner to the ROA.

3. So long as the Class "B" Member owns any Lots, written approval from both the Board of Directors and a Class "A" Member controlled finance committee must be obtained prior to the initiation for or on behalf of the ROA of any of the following actions:

- a. any foreclosure sale regarding all or any part of an Owner's Lot(s), Improvements or other property (a "Foreclosure Sale");
- b. submission of a claim to a collection attorney for the purpose of initiating a Foreclosure Sale;
- c. performing a title search to confirm legal title to a property in anticipation of filing a lien on an Owner's Lot(s), Improvements or other property or filing such a lien; or
- d. filing a notice with the credit bureau regarding delinquent payments.

4. So long as the Class "B" Member owns any Lots, written approval from both the Board of Directors and a Class "A" Member controlled Architectural

Committee must be obtained prior to assessing any fine, special charge or other levy in excess of \$75 against an Owner for a violation of any La Ventana Restriction.

5. Any Foreclosure Sale by or on behalf of the ROA shall only be by court-administered judicial foreclosure, unless the Owner whose property is being sold otherwise agrees in writing.

6. Any Foreclosure Sale by or on behalf of the ROA shall only be by public auction with notice to the general public and with written notice to all other Owners, unless the Owner whose property is being sold otherwise agrees in writing.

7. Notwithstanding anything in the La Ventana Restrictions to the contrary, so long as the Class "B" Member owns any Lots, none of the above items may be amended or rescinded without the express written approval of both the Board of Directors and a Class "A" Member controlled finance committee.

Approved this 19th day of July, 2006.

La Ventana Ranch Owners Association

By Brian P. Fenske
Brian P. Fenske, Board Member

IN WITNESS WHEREOF, I have hereunto set my hand as Treasurer of said corporation, this 19th day of July, 2006.

By Kelly Wilnes
Kelly Wilnes, Treasurer

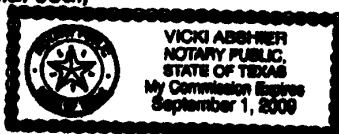
ACKNOWLEDGED AND AGREED by the Declarant as of this 19th day of July, 2006.

Driftwood Development

By: Ken Martin
Ken Martin,
A duly authorized officer

THE STATE OF TEXAS
COUNTY OF HAYS

On July 19, 2006, before me Vicki Abshier, Notary Public, personally appeared Brian P. Fenske who proved to me on the basis of satisfactory evidence to be the persons who acknowledged the foregoing instrument. WITNESS my hand and official seal.



Vicki Abshier, Notary Public

La Ventana Ranch Owners' Association, Inc.

Rules and Regulations - Additional



AFTER RECORDING RETURN TO:

Alex S. Valdes, Esq.

Winstead PC

401 Congress Ave., Suite 2100

Austin, Texas 78701

Email: avaldes@winstead.com



LA VENTANA

Hays County, Texas

SUPPLEMENTAL ARCHITECTURAL RULES FOR PERIMETER FENCING

Reference the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana recorded under Document No. 2026515, Official Public Records of Hays County, Texas, as amended from time to time; and the Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana, Phase III recorded under Document No. 19003010, Official Public Records of Hays County, Texas, as amended from time to time.

INTRODUCTION

These Supplemental Architectural Rules are made by La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation, as follows:

A. La Ventana Ranch Owners' Association, Inc., a Texas nonprofit corporation, is the homeowners' association responsible for governance of the La Ventana subdivision under the Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana recorded under Document No. 2026515, Official Public Records of Hays County, Texas, (as amended, the "Declaration") and the Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana, Phase III, recorded under Document No. 19003010, Official Public Records of Hays County, Texas (as amended, the "Phase III Declaration").

B. Pursuant to *Article V* of the Declaration, the Architectural Committee may adopt procedural and substantive rules, not in conflict with the Declaration, that as it may deem necessary for the performance of its duties.

C. These Supplemental Architectural Rules have been approved and adopted by the Architectural Committee and the Board of Directors of the Association.

D. Capitalized terms used but not defined herein shall have the meanings provided for such terms in the Declaration.

EXECUTED to be effective as of the date this instrument is recorded.

[SIGNATURE PAGE TO FOLLOW]

PERIMETER FENCING

Capitalized terms used in this policy, but not defined, shall have the same meaning subscribed to such terms in that certain **Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for La Ventana** recorded under Document No. 2026515, Official Public Records of Hays County, Texas, as amended from time to time.

Section 202.023 of the Texas Property Code prohibits a property owners association that administers subdivision development from adopting or enforcing any restrictive covenant that prevents a property owner from building or installing security measures, including a perimeter fence. However, Section 202.023 does permit a property owners association to regulate the type of fencing that a property owner may install.

1. **Purpose.** The Association, through the Architectural Committee and the Board of Directors, has adopted this Perimeter Fencing Policy for the purpose of establishing regulations for the type of fencing that an Owner may install on a Lot. Fences that do not comply with the provisions of this policy are prohibited.
2. **Approval Required.** An Owner who wishes to install a "perimeter fence" as envisioned under *Property Code* § 202.023 must submit an application to the Architectural Committee for written approval. Written approval must be furnished to an Owner before installation or construction may commence. An Owner may not install a "perimeter fence" without the prior written consent of the Architectural Committee.
3. **Specifications.** Section 3.26 of the Declaration sets forth the standard for allowable fences in the La Ventana subdivision. From the time of the filing of the Declaration (and any document preceding the Declaration) through the present, the ACC has allowed various types of fencing in the La Ventana subdivision which have all been deemed to satisfy the requirements of the Declaration. Any such type of commonly approved fence within the La Ventana subdivision shall be allowable as a "perimeter fence" as envisioned under *Property Code* § 202.023, subject to the following.
 - (a) In no event shall chain link fences, barbed wire fences, game fences, t-post fences, and/or fences over seven (7) feet high be allowed as a "perimeter fence" as envisioned under *Property Code* § 202.023.
 - (b) Section 5.7 of the Declaration states that the ACC may consider "whether any proposed Improvement upon a Lot would unreasonably obstruct the view from other portions of the Property." This has been a primary consideration in not allowing what is referred to under the Declaration as "Wooden Privacy Fences." As the primary purpose of "Wooden Privacy Fences" is believed to be privacy, and not consistent with what is envisioned under *Property Code* § 202.023, "Wooden Privacy Fences" will not be allowed as a "perimeter fence."

- (c) Any "perimeter fence" in the front yard of a lot that runs parallel to the street shall be comprised of masonry columns that match the home and positioned every 16 feet. The height of the fence shall be a maximum of 4 feet.
- (d) Fencing material must be of a similar kind and quality to fencing material already used in the La Ventana Subdivision. Such materials must be painted or stained with only neutral colors that appropriately coordinate with the home as approved by the ACC.
- (e) Any "perimeter fence" with spikes or other sharp tips is prohibited.

4. **Amendment.** This policy may be amended by the ACC.

ACKNOWLEDGEMENT

The undersigned is the duly elected and qualified President of the La Ventana Ranch Owners' Association, Inc., a Texas non-profit corporation (the "Association").

The undersigned hereby certifies that this is a true and correct copy of the Supplemental Architectural Rules.

IN WITNESS WHEREOF, the undersigned has executed this certificate on the 5th day of FEBRUARY, 2024

LA VENTANA RANCH OWNERS ASSOCIATION
Michael C. Evans President

THE STATE OF TEXAS

§

§

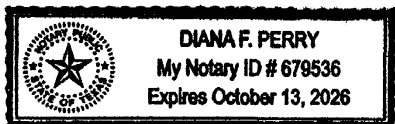
COUNTY OF HAYS

§

This instrument was acknowledged before me this 5th day of FEBRUARY, 2024 by MICHAEL C. EVANS the President of La Ventana Ranch Owners' Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

(SEAL)

Diana F. Perry
Notary Public Signature



THE STATE OF TEXAS

COUNTY OF HAYS

I hereby certify that this instrument was FILED on the
date and the time stamped hereon by me and was duly
RECORDED in the Records of Hays County, Texas.

24004711 NOTICE
02/12/2024 08:30:20 AM Total Fees: \$41.00

 Elaine H. Cardenas

Elaine H. Cardenas, MBA, PhD, County Clerk
Hays County, Texas