



THE RANCHES AT BAR-V-BAR

EST. 1905

Our Legacy: The Ranches at Bar-V-Bar represent the first ever partition of our Texas ranch. Founded in 1905 by Arthur MacArthur Monteith, the ranch has been in continuous operation for over 114 years. Arthur Monteith was the epitome of the country lawyer of his time, practicing law in the hills of Salado and Belton until his death in 1913. His son, Walter Embree Monteith, took over the management of the ranch and established our iconic -V- brand, which has been synonymous with fine hoof stock for generations. Walter led a colorful and distinguished life. He fought with the British in the Boer War in South Africa, served as a District Judge in Houston and was elected Mayor of Houston during the Great Depression. He later became Chief Justice of the First Court of Appeals of the State of Texas until his death in 1953. Despite his career obligations, he made time to spend every holiday and most weekends at his beloved -V-. Walter's heirs are also attorneys and have prepared the following covenants and restrictions to the exacting standards of Arthur and Walter Monteith. Our collective family goal is to protect property values, maintain a classic Hill Country setting and be good neighbors. Several generations of Monteith's still live on the ranch and plan to be buried there, just as their ancestors have done.

We look forward to sharing our special ranch with you and your family. We are proud to close each ranch sale at Monteith Abstract and Title Company which was founded by Arthur Monteith in 1876.

Sincerely,

*Dorrance and Lynn Monteith
Walter and Cheryl Monteith
Mary Frances Monteith
Stephen Monteith Clarke II*

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR THE RANCHES AT BAR-V-BAR

This Declaration of Covenants, Conditions, and Restrictions (the “Restrictions”) are imposed on all the property located within The Ranches at Bar-V-Bar, Phase 1. Phase 1 is part of the historic Monteith Ranch (also called The Ranches at Bar-V-Bar) and is governed by The Ranches at Bar-V-Bar Property Owners Association, Inc. This declaration is in keeping with a common plan and theme of development throughout The Ranches at Bar-V-Bar and to provide one mechanism for implementing that overall plan. Another purpose of these Restrictions is to establish rules for land use and maintenance of any common areas within The Ranches at Bar-V-Bar for the good of the residents. Owners in The Ranches at Bar-V-Bar are assessed fees for the care of any common areas and the enforcement of these Restrictions. This and the other declarations affecting The Ranches at Bar-V-Bar community allow a single homeowner’s association to protect the rights of all The Ranches at Bar-V-Bar residents while addressing the individual needs of the specific areas of the community.

THIS DECLARATION is hereby imposed on and governs all Ranches within *The Ranches at Bar-V-Bar, Phase 1*, located in Bell County, Texas including (i) those twenty-one (21) Ranches depicted on the plat of record recorded under Plat Year 2019, Nos. 80A, B, and C of the Plat Records of Bell County, Texas, and (ii) those sixteen (16) Ranches individually described by metes and bounds and depicted on **Exhibit A-1** through **Exhibit A-16** (collectively, the “Surveyed Tracts”) attached hereto and made a part hereof. The Declarant is CM LAND HOLDINGS LLC, which presently has a controlling interest in the Association and the ability to restate these Restrictions pursuant to their terms. The purpose of these Restrictions is to ensure the best and highest use and most appropriate development of the Property, protect Owners against improper use of surrounding Ranches, preserve, so far as is practical, the natural beauty of the Property, guard against erection of poorly designed or non-proportioned structures or structures of improper or unsuitable materials, encourage construction of attractive improvements in appropriate locations on each Ranch, secure and maintain proper setbacks, and in general provide for high quality development of the entire Property.

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I. DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases shall have the meanings hereinafter specified:

- 1.01 **“Articles”** means the Articles of Incorporation of the Association (aka the Certificate of Formation).
- 1.02 **“Assessments”** means any assessment, cost or fee levied by the Association under the terms and provisions of this Declaration.
- 1.03 **“Association”** means The Ranches at Bar-V-Bar Property Owners Association, Inc., a Texas nonprofit corporation. Association shall also include any sub-association formed by the Declarant with the Association being the master association for such regime.
- 1.04 **“Board”** means the Board of Directors of the Association.
- 1.05 **“Bylaws”** means the Bylaws of the Association, as adopted by the Board and as amended from time to time. A copy of the current Bylaws at the time of adoption of this Declaration is attached as **Exhibit C**.
- 1.06 **“Common Area(s)”** means all real and personal property leased, owned, or maintained by the Association for the use and benefit of the members of the Association. Common Area may include entrance monuments, access gates, perimeter fencing, drainage facilities and detention ponds, and right-of-way landscaping, and any improvement areas lying within indicated public easements or rights-of-way, as determined by the Board.
- 1.07 **“Declarant”** refers to CM LAND HOLDINGS LLC, a Texas limited liability company, and its assignees and other affiliated, lawful successors in interest.
- 1.08 **“Declarant Control Period”** means the period during which the Declarant intends to develop or sell any portion of the Property. The Declarant Control Period will end only upon written notice from the Declarant to the Board that Declarant has developed and sold all of the Property owned by Declarant or intended to be developed and sold by Declarant.
- 1.09 **“Declaration”** or **“Restrictions”** refers to this instrument, as it may be amended or restated from time to time.
- 1.10 **“Improvement”** is defined in Section 3.02 G.
- 1.11 **“Masonry”** means brick, stone, or stucco.
- 1.12 **“Owner(s)”** means any person holding a fee simple interest in any portion of the Ranch Subdivision, excluding Declarant; a mortgagee is not an Owner.
- 1.13 **“Property”** means all of the land to be developed by Declarant or its affiliates in Bell County, Texas (also called *The Ranches at Bar-V-Bar*) and such other land as Developer may choose to include in *The Ranches at Bar-V-Bar*. The Property shall consist of *The Ranches at Bar-V-Bar* and all other property made subject to this Declaration pursuant to the terms hereof. At the time

of filing of this instrument, the property contemplated to be annexed into the Declaration is further described in the attached Concept Plan on **Exhibit B**.

Declarant may at any time during the Declarant Control Period, in a document signed by Declarant and filed of record in the Bell County Official Public Records, add land to (aka annex) or withdraw land from the Association (may remove land from being subject to the Declaration and subject to membership in the Association), including adding land in the form of subsequent phases or otherwise, to be subject to the Declaration. Such document may impose additional or alternate restrictions on the added property as further described in any such filing.

- 1.14 **“Ranch(es)”** means any parcel of land within a Ranch Subdivision shown as a subdivided tract on a plat, surveyed tract described by metes and bounds, or any other part of the Property, together with all improvements located thereon. Reference herein to “ranches” or “ranches in the Property” (with a lower case “r”) refers to all ranches on the entire Property. The total number of ranches that may be made subject to this Declaration is **100**.
- 1.15 **“Ranch Subdivision”** means and includes those tracts situation within the Ranch Subdivision plat, the Surveyed Tracts, and any other land to be developed within the Property.
- 1.16 **“The Ranches at Bar-V-Bar, Phase 1”** means those tracts of land situation within the Ranch Subdivision plat, the Surveyed Tracts, and any other land to be developed within the Property and further described in the attached **Exhibit A**.
- 1.17 **“Under Roof Square Footage” (“URSF”)** shall mean the total gross floor area of the proposed dwelling, including covered porches, breezeways, carports and garages, which is sheltered under a single, continual roof and built upon a single concrete foundation.

II. GENERAL PROVISIONS AND RESTRICTIONS

- 2.01 Nuisance and Hazardous Activities.
 - A. No activities shall be conducted in the Property and no improvements shall be constructed or allowed to remain in the Property, which are or might be unsafe or hazardous to any person or property.
 - B. Without limiting the generality of the foregoing, the following shall apply:
 - 1. No firearms shall be discharged upon any part of the Property;
 - 2. No explosives shall be kept or used on any part of the Property (other than in the ordinary course of construction of improvements thereon);
 - 3. No fires are allowed except for burning brush and recreation and provided they are carefully monitored and controlled at all times, as determined by the Declarant.
 - 4. No toxic or hazardous substances shall be dumped or discharged into any part of the Property; and
 - 5. Nothing shall be done or kept in the Property which would materially increase the rates of insurance or cause the cancellation of insurance on any Ranch or other portion of the Property or any of the improvements located thereon.
- 2.02 Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring/exploring for or removing oil, gas or other hydrocarbons, rocks, stones, sand, gravel, aggregate, earth or other minerals of any kind. See also Section 3.35.K.

2.03 Temporary Structures.

- A. No temporary or portable structure/building shall be placed in the Property without the prior written approval of the Board.
- B. Temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction of residences and for sales trailers may be approved by the Board.

2.04 Ranch Subdivision. No Ranch in the Property may be split, divided or further subdivided for sale, resale, transfer, gift or otherwise. Notwithstanding the foregoing, nothing herein shall prevent an Owner of any Ranch from combining two or more adjacent Ranches into one Ranch; provided, however, the combined Ranches shall be considered as separate Ranches for purposes of voting and the levy of assessments. A defined building area for the combined Ranches may be designated with the written consent of Declarant.

2.05 Potable Water.

- A. At the sole option of the Owner, each Ranch will be served by (a) a single water well drilled by the Owner which must comply with the requirements of all appropriate governmental agencies, including the State of Texas, Bell County, and Clearwater Underground Water Conservation District (or its successor, if applicable); or (b) water provided by the Salado Water Supply Corporation or other authorized supplier of water. In the event an Owner combines two or more Ranches into one Ranch, each original Ranch (as originally depicted on the Ranch Subdivision plat, the Surveyed Tracts, or any other portion of the Property) shall be entitled to single water well.
- B. Any water well drilled on a Surveyed Tract must be located a minimum of seventy-five feet (75') set back from such tract's front, side, and rear property lines and in the event an Owner combines two or more Surveyed Tracts into one Ranch, all water wells drilled on any Surveyed Tract must be located a minimum of seventy-five feet (75') set back from the combined tract's front, side, and rear property lines.

2.06 Sanitary Sewers.

- A. No outside, open or pit type toilets will be permitted in the Property; and
- B. Except for portable toilets, bladders and temporary holding tanks used during construction and approved by the Declarant, all dwellings constructed in the Property must have an individual On Site Sewage Facility ("OSSF") installed by the Owner to comply with the requirements of all appropriate governmental agencies, including the State of Texas and Bell County, if applicable.

2.07 Propane Tanks. Propane tanks for domestic use only are allowed. Declarant prefers that propane tanks be installed below the surface, but such sub-surface installation is not mandatory. Under no circumstances can propane tanks be visible from any road.

2.08 Grass Grazing Lease. At the closing of each Ranch sale, each Owner designates the President of the Association as each Owner's agent to enter into a lease or leases ("Grazing Lease") for the existing free cattle grazing operation upon the Owner's Ranch and the Owner will immediately apply for the agriculture exemption based on the Grazing Lease. Until such time as the Owner completes the construction of an approved fence designed to restrain livestock from

entering/exiting all or a portion of Owner's Ranch, the Owner agrees that Declarant, Declarant's agents, lessees or assigns, including the Association, may graze livestock upon Owner's Ranch that is unfenced without compensation or lease payment to the Owner. Each Owner and their respective heirs, successors and assigns, by acceptance of title to an interest in a Ranch, hereby agree to indemnify and hold harmless Declarant and the Association (and their respective tenants or assignees), from and against, and hereby waive and release any claims or causes of action such Owner may have with respect to any injuries to any persons or damages to any properties that may be caused by livestock on an Owner's Ranch, or that may otherwise arise out of, or be suffered or incurred in connection with the exercise by Declarant or the Association (or their tenants or assignees) of the right to graze livestock on an Owner's Ranch, and/or the presence of livestock on an Owner's Ranch. Upon completion of the construction of the required approved fence, all privileges to continue the grazing of livestock by Declarant, Declarant's agents, lessees, or assigns, including the Association, as to the portion of a Ranch enclosed by an approved fence, shall terminate and immediately cease.

2.09 Property Rights. Except as otherwise provided herein, every Owner and the other Owners in the Property shall have a right and easement of ingress and egress, use and enjoyment of Common Areas, if any, which shall be appurtenant to and shall pass with the title to every Ranch, subject to the following provisions:

- A. The right of the Association to suspend an Owner's voting rights and such Owner's right to use the Common Area for any period during which any Assessment against that Owner remains unpaid, and for violation of this Declaration, the declaration of any other land within the Property and/or the Association's Bylaws, Rules and Regulations, or any other governing document by an Owner, for the duration of that violation;
- B. The right of the Association to grant easements to the Common Areas to any public agency, authority or utility for all such purposes that benefit the Association, the Property or portions thereof and Owners or Ranches contained therein;
- C. The right of the Association, by majority vote of the board of directors, to borrow money for the purpose of improving the Common Areas, or any portion thereof, for acquiring additional Common Areas, or for constructing, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage covering all or any portion of the Common Area. The lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any and all rights, interests, options, easements, and privileges reserved or established in this Declaration for the benefit of Declarant or Owner, or the holder of any mortgage irrespective of when executed, given by Declarant or any Owner encumbering any Ranch or other property located within the Property;
- D. The right of the Association to dedicate or transfer all or any portion of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by Declarant, or after the Declarant Control Period, by at least two-thirds (2/3) vote of the Owners;
- E. The right of the Board, acting on behalf of the Association, to prescribe Rules and Regulations as they may be expanded, amended or otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use, enjoyment and marketability of the Owner's Ranch may be affected by this provision and that the Rules and Regulations may change from time to time. The Board has the authority to enforce the Declaration, Bylaws, Rules and Regulations and other governing documents by all appropriate means including, but not limited to, the imposition of fines, damage assessments (for damages caused by

Owner or Owner's residents, guests, tenants or invitees) and liens. An Owner found to have violated the Declaration, Bylaws, Rules and Regulations or other governing documents shall be liable to the Association for all damages and costs, including reasonable attorney's fees, collection costs, costs of court and other costs. Notwithstanding the above, during the Declarant Control Period, Declarant has the sole right to amend the Rules and Regulations and may do so as it deems necessary or appropriate.

2.10 Easements and Access.

- A. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded Ranch Subdivision plat, the Surveyed Tracts, or any other portion of the Property.
- B. Declarant reserves unto Declarant and any public or private providers of utility services to the Surveyed Tracts, and their respective successors or assigns, perpetual easements for the installation and maintenance of utilities and all appurtenances thereto, whether installed in the air, upon the surface, or underground, along and within (i) twenty feet (20') along and outside of all boundaries of all public roadways, and (ii) fifteen feet (15') along the side boundary lines of all Ranches comprising the Surveyed Tracts.
- C. No structure, planting, fence or other material shall be placed or permitted to remain within these easements which may damage or interfere with the installation and maintenance of utilities or, in the case of drainage easements, which may change or impede the direction of flow of water through drainage channels in such easements.
- D. The easement area of each Ranch, if any, and all improvements in such area shall be maintained continuously by the Owner of the Ranch, except for those improvements for which a public authority or utility company is responsible.
- E. Neither the Association, Declarant nor any utility company using the easements herein or referred to shall be liable for any damages done by them nor their assigns, agents, employees or servants to shrubbery, streets, or other property of the Owners or others claiming through Owners situated on the land covered by said easements.
- F. There is hereby created a right of ingress and egress across, over, and under the Property in favor of utility providers, Declarant, and the Association for the purpose of installing, replacing, repairing, and maintaining all facilities for utilities and appurtenances thereto, including the right from time to time to cut and trim all trees, undergrowth, and other obstructions that may injure, endanger, or interfere with the installation, operation, or maintenance of utilities.
- G. An easement is hereby extended and acknowledged to all police, fire protection, ambulance and other emergency vehicles, garbage and trash collector pickup vehicles, and all similar persons to enter upon the Common Area in performance of their duties.
- H. Each Ranch is conveyed subject to all easements, conditions and reservations shown on the Ranch Subdivisions plat and the Surveyed Tracts and each Owner shall take notice of all such easements, conditions, and reservations.
- I. No Owner shall maintain any condition or improvements in any platted easement which will significantly interfere with the intended use of the easement.

2.11 Ranch Subdivision Plat Tract 8 Restriction Area and Surveyed Tract No. 10 (10.59-Acre Tract) Restriction Area. No sign, monument, flagpole, structure or other improvements shall be constructed within the area adjacent to the intersection of Crows Ranch Road and Eagle Nest Road and depicted on **Exhibit D** attached hereto; provided, however, the Declarant may install signage in the restriction area identifying the Ranch Subdivision.

III. USE, MAINTENANCE AND CONSTRUCTION RESTRICTIONS

***Declarant's Vision:** The purpose of these Restrictions is to establish the aesthetic vision of The Ranches at Bar-V-Bar by weaving a thread of residential design continuity that complements the natural environment, enhances long term property values, and enhances the quality of life and property character. These Restrictions not only provide architectural framework regarding height, color, massing, building materials, landscaping, site planning, setback distances, fencing, noxious activities, etc. but also extend to such matters as the Association's plan review processes, and the required approvals and permits.*

3.01 Rules, Regulations and Approvals.

- A. The Board or ACC (as defined in Section 3.02 below) shall establish a non-refundable review fee (the "Plan Review Fee") for review of any plans submitted. The Plan Review Fee shall be \$100 per plan submittal. Fees in no way limit or affect an Owner's responsibility for damages inflicted by the Owner or his agents during any construction process. **All applicable fees must be submitted in conjunction with the project submittal as a condition of review of plans.** It is the submitter's responsibility to determine any then-applicable fees from the Association's managing agent.
- B. The ACC may decline to review any plans during any period of time where a violation of the governing documents (including the Declaration, Bylaws or Rules and Regulations) is present.

3.02 Architectural Control Committee ("ACC").

- A. *The Ranches at Bar-V-Bar* is part of the historic Bar-V-Bar Ranch owned by the Monteith Family since 1905.
- B. *The Ranches at Bar-V-Bar* has one master association, the Association, and may, after the Declarant Control Period, elect at the Board's discretion to have separate architectural control committees for each phase or any other portion(s) of the Property.
- C. After the Declarant Control Period has ended, the Board will appoint the ACC which will be composed of three (3) Owners. In the absence of such appointment by the Board, the Board will serve as the ACC.
- D. During the Declarant Control Period, the Declarant has the sole right to act as the ACC or to appoint all members of the ACC.
- E. The ACC shall be free from liability for actions within the scope of the ACC's function.
- F. **No building or any structure or Improvement of any kind shall be constructed, erected or placed on any Ranch or any portion of the Property nor shall any exterior additions or changes or alterations be made prior to written approval by the ACC as to quality and workmanship and materials, harmony of external design and location in relation to surrounding structures and topography, and compliance with the Restrictions.** This provision shall not be applicable to Common Areas. The Board, pursuant to its right and duty to manage the Common Areas, shall in its sole discretion determine alterations, additions or repair needs or other appropriate action regarding the Common Areas. No Owner may alter the Common Areas or store or place anything thereon unless expressly allowed herein or unless approval in writing is granted by the Board.
- G. For purposes of this Declaration, "Improvement" is defined as every structure and all appurtenances of every type and kind, whether temporary or permanent in nature including, but not limited to, buildings, outbuildings, storage sheds, awnings, gazebos, large umbrellas,

- patios, tennis or sport courts, recreational facilities, swimming pools, putting greens, garages, driveways, parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, patios, decks, walkways, mailboxes, yard art, poles, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, walls, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, reclaimed water, sewer, gas, electric, telephone, regular or cable television, internet, or other utilities (any exterior change visible from the roadway or adjoining property).
- H. Landscaping is not considered an Improvement by the ACC and prior review and approval of landscape plans by the ACC is not necessary; provided, however, all landscaping must comply with these Restrictions and all other deed restrictions including community rules and landscaping guidelines for *The Ranches at Bar-V-Bar* adopted by the Association, a copy of which is available from the Association.
- I. Final plans and specifications, including site plan, must be submitted to and approved in writing by the ACC prior to any construction. Plans and specifications for initial construction of residences and the accompanying improvements, along with the \$100 Plan Review Fee (see Section 3.01A) shall be filed with the ACC by delivery to the Declarant's office at the following address: **Five Riverway, Suite 350, Houston, Texas 77056** or such other location as Declarant or the Association may designate from time to time. It is the Owner's responsibility to obtain the then-current submittal location and instructions for submittal from the Association or the Association's managing agent as well as the then-current application fee. **Plans will not be reviewed until a complete submittal including payment of all applicable fees is received.**
- J. All other plans, such as modifications to existing residences, are to be filed with the Declarant's office at the following address: **Five Riverway, Suite 350, Houston, Texas 77056** or such other location as Declarant or the Association may designate from time to time, along with the then-current application fee. It is the Owner's responsibility to obtain the then-current submittal location and instructions for submittal from the Association or the Association's managing agent as well as the then-current application fee. **Plans will not be reviewed until a complete submittal including payment of the \$100 Plan Review Fee is received.** Owner is responsible for ensuring that all of the applicant's representatives, including the applicant's architect, engineer, contractors, subcontractors, and their agents and employees, are aware of all requirements imposed by these Restrictions as a condition of approval.
- K. Upon completion of each Improvement, Owner must notify the ACC reviewer and a final inspection shall be performed to ensure conformance with the approved submittals. Evidence of conformance and compliance with these ACC guidelines shall be in the form of a completed and executed final inspection provided by the ACC.
- L. Approval may be granted by a single signature on the final, complete construction plans by any of the ACC members (or by Declarant if Declarant is serving as ACC).
- M. In the event that a fully completed ACC application and the \$100 Plan Review Fee are submitted as provided herein, and the ACC shall fail either to approve or reject, in writing, such application for a period of thirty (30) days following such submission, then ACC approval is presumed approved. It is the duty of the applicant to confirm receipt of the application by the ACC.
- N. When all of the ranches in the Property are sold by the Declarant (including any additional land which may become subject to the Restrictions pursuant to Section 3.43 hereof) and the Declarant has no intention of adding any additional land to the Property (as evidenced by a statement in writing from Declarant to the Board), or at any sooner time the Declarant so determines in a written statement delivered to the Board, the term of any Declarant-appointed

ACC shall be deemed to have expired, and the ACC shall be constituted in accordance with subsection C above.

- O. Persons serving on the ACC shall serve until removed by the Board or until they resign.
- P. Any member of the ACC may resign at any time for any reason and such resignation shall be effective upon notice thereof to the Board. The Board shall appoint subsequent members of the ACC within sixty (60) days, if applicable.

3.03 Property.

Except as expressly provided in this Declaration to the contrary, each Ranch will:

- A. Be used exclusively for single-family residential purposes; and
- B. Contain only structures and improvements approved by the ACC.

3.04 Motif; Building Materials; Dwelling Sizes.

Declarant's Vision: The Declarant has planned The Ranches at Bar-V-Bar as a place where residents and guests can enjoy an authentic Texas lifestyle in a spectacular Texas Hill Country environment. The natural terrain and history of the site provide a unique opportunity for an attractive and vibrant residential community that is planned in harmony with the natural environment. The Ranches at Bar-V-Bar combines the best of community planning principles with an integration of nature and open space.

The goal of these Restriction is to create neighborhoods that reflect the distinct Texas Hill Country or "Farm House" setting of The Ranches at Bar-V-Bar, and at the same time, allow Owners the opportunity to develop a residence that reflects their individual style. The homes do not need to be large or extravagant, just authentic.

Declarant envisions buildings where the primary exterior material is native stone, stucco, or clay brick in an earth-tone shade for the homes designed in Texas Hill Country architecture style; the homes designed in the Farm House architecture style will include exterior materials composed primarily of stone, stucco or wood. Broad overhanging eaves, long covered porches/verandas/balconies, semi-enclosed courtyards, outdoor covered passages and dwellings nestled in and among trees are appropriate elements. Exterior colors of paint and stain for stucco and wood trim are earth tone colors. "Earth-Tone" colors are neutral tans, grays, browns, taupe, ecru, and other more neutral background colors; provided, however, darker colors, such as black, burgundy, bottle green, navy, terra cotta, and other deep tones may be appropriate, but require ACC approval. Muted pastels may be used only for accentuation of detail and to further enhance design motifs but may not be used for large exterior areas. The intention is to avoid loud, obtrusive, excessively contrasting or bold colors and to use color to enhance the design as opposed to overwhelm the architectural effect. Composite shingles shall be of a continuous earth-tone shade or pattern. Standing seam metal roof are encouraged.

- A. Approved Size of Principal Residence. The principal residence on each Ranch must contain 2,000 square feet of URSF for a single story residence; and 2,200 square feet of URSF for a two story residence, with at least 1,400 square feet of URSF on the ground floor;
- B. Approved Sizes of Other Buildings. The minimum and maximum square footage of the Other Buildings are as follows:

Accessory Building	Minimum (Sq. Ft.)	Maximum (Sq. Ft.)
Guest House	500	50% of Principal Residence
Barn	n/a	n/a
Storage/Workshop	n/a	n/a
Garage	n/a	n/a

Building Materials, Building Heights, Number of Stories and Colors.

Declarants Vision: *A variety of exterior colors and material combinations are encouraged to create a diverse, yet authentic setting where privacy and seclusion are maintained. Individual home design should respect the design and character of historic Texas Hill Country structures and be sensitive to materials, color and scale of adjacent homes. Building colors shall reflect the regional architecture. Complementing colors should be used to create visual interest in building facades.*

1. All buildings upon the Ranches shall be of traditional “Texas Hill Country” or “Farm House” design/appearance and quality on-site construction and shall be constructed of approved building materials. No building or portions of buildings of new or old materials may be moved to a Ranch.
2. “Approved building materials for **Hill Country Architecture**” for the exterior walls of the principal residence shall be 75% high quality masonry, including, but not limited to, native stone, “three part” stucco, and clay brick; provided, however, no more than 25% of any elevations can be built from clay brick.
3. “Approved building materials for **Farm House Architecture**” for the exterior walls of the principal residence shall be 75% high quality masonry, including, but not limited to native stone and “three part” stucco. **If the ACC, in its sole discretion, determines that the design of a home qualifies as “Authentic Farm House Architecture”, with ACC approval, the exterior walls may be constructed of up to 100% fiber cement siding (i.e. Hardie Board). “Authentic Farm House Architecture”** includes many of the following exterior design elements:
 - a. Covered porches, especially front porches that span the entire front facade with wood (or Hardie Board) columns, floor and ceilings. Wrap around or three sided covered porches are desirable;
 - b. Metal roofs;
 - c. Horizontal siding or board and batten finish elements;
 - d. Dormer windows;
 - e. Large openings - oversized fenestrations (windows and doors) are very large and plentiful; and
 - f. Covered breeze ways that connect the principal residence to an accessory building.
4. Any approved storage/workshop, barn and detached garages may be constructed prior to the main dwelling being built, so long as they are built on-site of new construction, kept in good repair/maintenance, and are not used for residential purposes; provided, however, a well-designed “Barndominium” may be constructed if approved by the ACC. If a guesthouse is constructed, it must be built on-site of new construction after or while the main dwelling is being built. All structures must be approved in writing by the ACC prior to being erected or altered on the Property. All improvements shall be constructed in an appropriate location on the Ranch, as determined by the ACC in its discretion, but never in the building setback area.

5. Guest House -
 - a. Must be built onsite, on a slab, behind the main structure;
 - b. Must be constructed using the same masonry requirements, materials and color scheme as the main structure on that Ranch as required in this Section 3.04;
 - c. Must be constructed in accordance with the building heights and number of stories as shown in this Section 3.04; and
 - d. Must comply with the setbacks shown on the Ranch Subdivision plat, the Surveyed Tracts and Section 3.07 of these Restrictions.
6. Other Accessory Buildings (barns, storage/workshop and garages)
 - a. Must be built onsite, on a slab;
 - b. Must be constructed using the same materials and color scheme as the main structure on that Ranch as required in this Section 3.04; provided, however, only 25% of the exterior materials must be constructed of masonry;
 - c. Prefabricated metal “Mueller-type buildings are allowed for barns and storage/workshop buildings provided they are located behind the primary residence and comply with all other requirements;
 - d. Must be constructed in accordance with the building heights and number of stories as shown in this Section 3.04; and
 - e. Must comply with the setbacks shown on the Ranch Subdivision plat, the Surveyed Tracts, and Section 3.08 of these Restrictions.
7. Temporary construction buildings made of any material and color scheme (both prefabricated and site-built) are allowed during construction only if approved by the Declarant. Temporary construction buildings approved by the Declarant are **not** considered “accessory buildings”.
8. Other materials may be used for architectural details, but only if approved by the ACC in writing.
9. Concrete brick or concrete masonry unit (CMU) will not be considered.
10. Exterior colors of paint and stain for stucco and wood trim are earth tone colors for “Texas Hill Country architecture”; and earth tone colors and white for “Farm House architecture”.
11. “Earth-Tone” colors are neutral tans, grays, browns, taupe, ecru, and other more neutral background colors.
12. The minimum slab width is sixty feet (60’).
13. No “boxy” or typical production home elevations are allowed. Vertical and horizontal articulation is encouraged on all sides/elevations but is more important on the front elevation. The use of recessed windows and columns and beams that create a shadow and texture are encouraged to establish a sense of residential scale. On a two-story home, the objective should be to limit the amount of two-story vertical walls on a single plane, especially on the front elevation, and to a lesser degree, on any side or rear elevation that faces a street. Vertical articulation can be achieved through a combination of methods, including offsetting the second story floor by at least five feet from the first floor, setbacks, recessed areas and pop-outs, etc. Also, offsets should be considered where rooflines change. Articulation can also be provided through the use of broad overhanging eaves, long covered porches/verandas/balconies, semi-enclosed courtyards and outdoor covered passages.
14. Building height is measured from the finished grade at the front of the building to the highest point on the building, excluding chimneys and ventilators. On sloping terrain, the average finished grade adjacent to the front of the residence shall be used as a basis to calculate the height limit. All buildings must comply with the following table regarding building heights and the number of stories:

	<u>Maximum</u>
Maximum Height - Principal Residence	- up to 36'
Maximum Stories - Principal Residence	- 2.5 stories
Maximum Height - Detached Garage	- up to 20'
Maximum Stories - Detached Garage	- 2 story
Maximum Height - Barn	- up to 30'
Maximum Stories - Barn	- 2 story
Maximum Height - Other Detached Accessory	- up to 15'
Maximum Stories - Other Detached Accessory	- 1 story

15. Inappropriate architectural details that will not be allowed include: large areas of white surfaces (except for “Authentic Farm House Architecture”), such as white stucco, excessively pitched roofs or turrets, vivid exterior colors, non-native stone, stone which appears to be glued on, exposed foundation walls (see Section 3.06), exposed white or bubble skylights, tall/massive elevations, plastic shutters or stove pipe chimneys.
 16. The ACC shall approve all exterior colors.
 17. The use of paper blinds and sheets are prohibited as window coverings.
 18. The calculations for the 75% masonry requirement do not include doors, recessed entryways, windows, dormers, gables and other architectural features.
 19. The ACC has the right to disapprove exterior elevations, which it deems inappropriate for any reason, in its sole and absolute discretion even though plans may comply with all other restrictions.
 20. The ACC also has the right to approve exterior elevations at its sole discretion if it deems that the masonry percentages and architecture substantially conform to the restrictions.
- C. Eaves and Overhangs. Eaves and overhangs designed to afford protection from elements and provide shadow relief are encouraged.
- D. Chimneys.
1. Chimney height must be designed as required by all applicable building codes and governing jurisdictions with regards to venting and fire safety;
 2. All chimneys for wood burning fireplaces (indoor and outdoor) require spark arrestors; and
 3. All exterior colors must be approved by the ACC in writing.
- E. Roofs.
1. Roofs must have pitched slopes that are residential quality;
 2. Maximum roof pitch is 8 to 12;
 3. Minimum roof pitch is 5 to 12; flat roofs are allowed over porches;
 4. Lower pitches for accent elements, including shed roofs when used as a secondary element in the overall roof composition, may be allowed if complimentary to the overall design, and must be submitted to and approved by the ACC;
 5. Roof venting stacks, piping, and other penetrations or appurtenances must not detract from the overall roof elevation appearance;
 6. Projections must be trimmed square and clean;
 7. Roof projections should be minimized as much as possible;
 8. All roof colors must be approved by the ACC;
 9. All roof projections must match the color of the surface from which they project or must be an approved color; and
 10. All projections or fixtures mounted to or penetrating the roof should be minimized from view.

F. Roofing Materials.

1. Approved building materials for roofs are slate, non-reflective standing seam metal (dull finish), tile, or dimensional composite shingles made of fiber glass.
2. Composite shingles must:
 - a. Have a minimum warranty rating of thirty (30) years (meaning having a manufacturer's warranty of at least 30 years);
 - b. "Weigh" a minimum of 230 pounds per square; and
 - c. Approved colors are earth tone; any other colors must be approved by the ACC in writing.

G. ACC Approvals. In addition to other considerations outlined herein, the ACC (including the Declarant acting as the ACC) may, but has no duty to, when considering approval or denial of plans, exercise discretion over building materials, elevations, grading, exterior colors, building heights, building placement on a Ranch, roof color and shingle type, location of Improvements, number of Improvements, height of Improvements (for example, fences and outbuildings) and materials for Improvements. The ACC may take into consideration existing Improvements in the Property in determining whether a proposed Improvement is harmonious with existing Improvements, and, if not, may deny approval for such a proposed Improvement.

3.05 Commencement and Completion of Construction.

Declarant's Vision: Minimize the construction time to reduce the inconvenience to surrounding homes.

- A. Once construction of any building has commenced, construction efforts must be pursued to completion with reasonable diligence.
- B. All Improvements contained on the construction plans approved by the ACC must be completed no later than eighteen (18) months after Commencement of Construction (as defined in C. below) occurs on such Ranch.
- C. Commencement of Construction is defined as the date the concrete foundation, which has been approved in writing by the ACC, is poured on such Ranch.

3.06 Exposed Foundations.

Declarant's Vision: Minimize the amount of exposed foundation to create an attractive streetscape.

- A. Exposed portions of the foundation (including, but not limited to stairs, porches or any other projection) must be concealed by extending the stone within at least 48 inches of the finished grade to conceal the exposed portion of the foundation. If the primary exterior masonry is stucco, the exposed portions of the foundation (including, but not limited to stairs, porches or any other projection) must be concealed by underpinning and painting the foundation the same color as the stucco to within at least 36 inches of the finished grade to conceal the exposed portion of the foundation.

3.07 Minimum Setback Lines.

Declarant's Vision: Homes should be oriented on a Ranch to maintain compatible relationships with adjacent homes and enhance privacy and seclusion from neighbors.

No structure of any kind and no part thereof shall be placed on any Ranch within the setbacks as shown on the tables below, the Ranch Subdivision plat or the Surveyed Tracts. For the purposes of this Section 3.07, structure is defined as those portions of the Improvements that are within the vertical plane created from the outer most points of the foundation. All setbacks are measured from property lines.

- A. Front of Ranch. For the purposes of these Restrictions, the front of each Ranch shall be the portion of the Ranch facing the road of the Ranch's address. For the purposes of these Restrictions, road and street refer to the existing Bell County roads and streets. Unless otherwise approved in writing by the Declarant or ACC, each main residence building shall face the front of the Ranch.
- B. Setback Variances. If the Declarant or ACC, in their sole discretion, determines that the minimum building setback is impractical due to topography, grade, location of trees or other conditions, then the Declarant or ACC may grant a variance to the required minimum building setback for that Ranch.

Minimum Building Setbacks

Front	- 200'
Each Side	- 50'
Rear	- 100'

- C. Garages. Garages are not required to be constructed on each Ranch; provided, however, if a garage is constructed, it may not be located any closer to the front of the Ranch than the principal residence. Detached garages are encouraged and are appropriate for these Ranches. Carports are also allowed. Garages doors for attached garages must be side or rear entry and may not face a road.
- D. Other Accessory Buildings. All other accessory buildings may not be constructed prior to the principal residence and must be located behind the principal residence.

3.08 Window Air Conditioners. No window, roof or wall-type air conditioners that is visible from any public street shall be used, erected, placed, or maintained on the primary residence.

3.09 Driveway Requirements

A. Construction Driveways. Prior to commencement of any construction activity, each Owner shall install an all-weather driveway from the road to the dwelling slab location. A temporary culvert or drainage pipe must be installed in any bar ditch if water flow may be diverted, stopped, or backed-up due to construction drive material. The culvert or drainage pipe must be sized to accommodate the existing water flow and must not back up water in any way. Construction Driveways shall be made of six inch (4") minimum compacted crushed limestone or dust-free granite gravel or other suitable, all-weather road base material obtained from a quarry, pit, or commercial excavation site. Common caliche material is not acceptable under any circumstances. The construction driveway will be insufficient if vehicle tire tracks and/or mud are left on the roads during periods of inclement weather. Every Owner will be responsible for clean-up of its construction activities, on roadways or otherwise. After any warning from the Declarant or Association for the tracking of mud onto roadways, the Owner shall immediately be required to install a stabilized construction entrance. The first thirty feet (30') of this stabilized construction entrance shall include six inches (6") of "bull rock" or nominal two inch (2") diameter crushed stone at a minimum of ten feet (10') in width, for a total of 5.5 cubic yards of rock.

- B. Permanent Driveways. Permanent driveways shall be installed from the road to the slab and must be constructed of at least four inches (4") of concrete, asphalt, purchased gravel or crushed limestone or other suitable all weather road base material to prevent tracking mud onto the paved roads. Driveways shall have a minimum width of ten feet (10') at the narrowest point. If any driveway crosses an existing bar ditch in the roadway easement, the Owner must install an appropriate culvert, drainage pipe or concrete low water crossing so as not to impede or divert the flow of water. The permanent driveway will be insufficient if vehicle tire tracks and/or mud are left on roadways during periods of inclement weather.
- 3.10 Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines of any public or private street shall be placed or permitted to remain on any Ranch.
- 3.11 Swimming Pools. Permanent, above ground swimming pools are not allowed under any circumstance. Traditional in-ground pools must be located to the side or rear of the primary residence and must meet the requirements of all applicable governmental agencies.
- 3.12 Sports/Recreational Facilities.
- A. Swimming pools, children's play structures, swing sets and similar permanent or semi-permanent sports/recreational facilities must be -
 - 1. Located to the rear of the primary residence on a Ranch; and
 - 2. Shall not encroach on an easement.
 - B. Basketball courts, sport courts and tennis courts must be -
 - 1. Located behind the primary residence;
 - 2. Shall not encroach on an easement;
 - 3. Cannot be located within any building setback; and
 - 4. Cannot be illuminated for nighttime play, unless approved by the Declarant or ACC.
- 3.13 Mail Boxes. Each Owner will provide for its own rural mailbox that conforms to the U.S. Postal Service requirements.
- 3.14 Address Markers.
- A. For 911 emergency purposes, homeowners must have visible address identification on their Ranch that can easily be seen from the road.
 - B. The preferred method of address identification are steel letters affixed to large natural boulders excavated from the property.
- 3.15 Interior Window Coverings and Exterior Burglar Bars.
- A. No buildings on the Ranches shall have temporary interior window coverings of any character at any time. This includes, but is not limited to paper, aluminum foil, bed sheets, flags or plastic sheeting. Additionally, materials of any kind may not be stacked in front of windows as to be readily visible from the street or an adjacent Owner.
 - B. All interior window coverings shall be made of quality materials using traditional design/appearance that are approved by the ACC.
 - C. No exterior burglar bars will be permitted on any doors, windows or other openings on a dwelling situated on the Property.
 - D. Burglar bars, if installed, must be situated within the interior of such dwelling and may not be seen from any street.

3.16 Animals – Household Pets.

- A. A maximum of four dogs and cats, in any combination (i.e. five dogs and zero cats, four dogs and one cat, etc.) exclusive of unweaned offspring, will be allowed on any Ranch. Dogs must be kept in a kennel, dog run or fenced-in area that confines such dog(s) to that area. Dogs will not be permitted to run loose on the Property.
- B. Commercial kennels are not allowed.
- C. The Declarant may require permanent removal of any animal when, in the Declarant's discretion, such animal becomes an unreasonable nuisance or becomes obnoxious to the occupants or owners of neighboring Ranches, or become a hazard to the health, welfare and well-being of the community. All animal owners are responsible for any property damage, mess, injury, and disturbances their pets(s) may cause or inflict. Any dogs or cats not wearing an identification tag shall be considered a stray and shall be dealt with in such manner as the Declarant shall determine, and any such action will be deemed to be taken in good faith for the benefits of the Property owners and no liability shall exist because of such action.

3.17 Farm Animals, Livestock and Grazing. Large farm animals are defined as cattle, horses and sheep. Owners will be allowed at a density of one (1) large farm animal per acre owned. Natural offspring shall be exempt until such offspring is one (1) year old. No swine shall be permitted (except that students may raise one (1) pig for a qualified agriculture project), nor shall any cattle feeding, fowl feeding, or other feed lot or commercial operations be allowed. No more than 12 poultry animals are allowed for domestic use only. Open grazing of animals personally owned by an Owner shall be allowed only in fenced areas and shall be limited to a frequency and duration that will allow continued growth of grasses and forage and will not cause or materially contribute to soil erosion and/or damage to trees and shrubs. The Owner of any animal shall be responsible for restricting the movement of animals to that owner's Ranch or Ranches. Any stable, barns or run areas must be constructed of materials similar in quality to the main residence. Common plywood is expressly prohibited. No buildings, stables or run areas may be located within any setback areas. The construction and maintenance of the stable and run areas, as well as the raising and keeping of animals, shall at all times conform to the current Rules and Regulations related to the conditions of the premises and health and safety of animals and persons promulgated by the Texas Department of Health and/or Bell County, or successor authority, for the licensing of riding stables, whether or not such licensing is actually required in any specific situation. Specifically, the stable barn and run areas must be kept sanitary and reasonably free of insects, refuse and waste at all times.

3.18 Farming. Row crop farming for personal consumption will be permitted, provided that such operations are located behind the primary residence. Orchards and vineyards may be located anywhere on the Ranch.

3.19 Fencing and Walls. All fencing and walls must be approved by the ACC prior to the commencement of construction. All fences and walls (other than building walls) shall be constructed of the following materials: wood, barbed wire or net wire on T posts with two (2) strands of barbed-wire or slick wire on top, or masonry construction. Chain link fences are acceptable provided they are vinyl coated in black, no more than four feet in height and not located within any building setback area. No fences fronting any roadway easement may be more than four feet six inches high and must be constructed of wood, masonry, barbed wire or slick

wire. All wooden fences shall be constructed of cedar, redwood, or treated painted lumber. All fences shall be maintained in a fully repaired and presentable manner.

- 3.20 Camping. No overnight camping will be permitted on a Ranch other than the Owner of such Ranch and their family members or guests on an occasional (e.g. weekend) basis.
- 3.21 Hunting, Firearms and Fireworks. Hunting and the use/discharge of firearms, firecrackers or other fireworks within the Property is strictly prohibited. Trapping and/or removal of nuisance animals is allowed.
- 3.22 Mobile Homes. Except as provided herein, no mobile homes, modular homes or manufactured housing shall be parked or placed on any part of the Property or used as a residence, either temporary or permanent, at any time. If approved by Declarant, temporary sales or construction trailers are allowed.
- 3.23 Noise. No loud exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any portion of the Property.
- 3.24 Buses, Trailers, Recreational Vehicles and Boats. No trailer, tent, bus, boat, travel trailer, recreational vehicle, motor home, or any other similar item or other vehicle, equipment, or machinery shall be kept, parked stored, or maintained on any portion of the front yard in front of the road side building line of the permanent structure and shall be kept, parked, stored or maintained on other portions of the Ranch only within an enclosed structure or screened area which prevents the viewing by sight thereof from adjacent roads. The openings to structures which house, or in which is stored any motor vehicle, motorcycle, boat, trailer, recreational vehicle, or similar equipment or machinery, whether or not the structure is attached to the primary residence, shall remain closed when not in use so the contents of the structure shall not be visible by sight from any adjoining roads.
- 3.25 Commercial Vehicles/Equipment and Farm Equipment.
- A. Tractor-trailer type trucks or dump trucks or other similar large commercial-type trucks or construction machinery shall not be parked on any Ranch at any time, except temporarily while such vehicles are currently in use during the construction of Improvements to a Ranch.
 - B. No farm equipment, livestock trailers or vehicles shall be kept, parked stored, or maintained on any portion of the front yard in front of the road side building line of the permanent structure, except temporarily while such machinery or vehicles are currently in use on such Ranch. When not in use, such farm equipment, livestock trailers or vehicles shall be kept, parked, stored or maintained on other portions of the Ranch only within an enclosed structure or screened area which prevents the viewing by sight thereof from any adjacent roads. The openings to structures which house, or in which is stored any farm equipment, livestock trailers or vehicles, whether or not the structure is attached to the primary residence, shall remain closed when not in use so the contents of the structure shall not be visible by sight from any adjoining roads.

3.26 Stored Motor Vehicles and Junk.

- A. Non-operational, abandoned, unlicensed or junked motor vehicles may not be stored on any portion of the Property or street in the Property (both private and public) unless enclosed in a garage;
- B. An abandoned or junked motor vehicle is one without a current, valid state inspection sticker and license plate or that otherwise is deemed by the Declarant to be unsightly;
- C. No junk, refuse or debris of any kind or character, or dilapidated structure or building of any kind or character, may be kept or allowed to remain on any portion of the Property;
- D. Accessories, parts or objects used with cars, boats, buses, trucks, trailers, house trailers or the like, shall not be kept on any portion of the Property other than in a garage or similar enclosed structure;
- E. Storage of equipment, materials or any other product is strictly prohibited prior to construction of a primary residence; and
- F. Any vehicle under repair or any vehicle that is being restored must be kept in a garage or similar enclosed structure.

3.27 Yard Art.

- A. No Owner shall be allowed to place or maintain excessive amounts of freestanding outside structures of an artistic nature that are visible from any street;
- B. Typical yard art includes, but is not limited to, statues, concrete birdbaths, fountains, windmills, animal figures or abstract man-made sculptures; and
- C. Artistic use of native rocks found on-site is encouraged. Appropriate uses for native rocks include tree wells, dry-stack berms, retaining walls and rock walkways.

3.28 Signs.

Declarant's Vision: Declarant desires to provide clear sign information in an unobtrusive manner while reinforcing the overall theme of The Ranches at Bar-V-Bar. Controlling the locations and type of signs within The Ranches at Bar-V-Bar maintains aesthetic standards that will benefit all The Ranches at Bar-V-Bar residents.

- A. Unless otherwise provided herein, only signs, billboards or other advertising devices displayed by Declarant (or any related real estate entity controlled or permitted by the Declarant) shall be displayed to the public view on any Ranch or Common Area.
- B. Only if allowed below, builders, realtors and homeowner's signs on an Owner's Ranch must be earth tone in color, must be made of wood, corrugated plastic or aluminum and must be non-glare, non-reflective.
- C. No "homemade" hand-painted or spray-painted signs are allowed.
- D. Only the following signs are allowed:
 - 1. "For Sale" signs – improved property. Builders, Realtors or Owners may display one (1) for sale sign of not more than 2' x 3' at a height not to exceed 4' above the ground on a Ranch improved with a residence to advertise the Ranch and the residential structure situated thereon for sale. The sign must be located in front of the front building setback;
 - 2. "For Sale" signs – unimproved property. One "For Sale" sign of not more than 2' x 3' at a height not to exceed 4' above the ground is allowed to advertise an unimproved Ranch "For Sale". The sign must be located in front of the front building setback;

3. *Common Area signs.* The Association may display such signs, as it may deem necessary for the efficient use of the Common Areas or beneficial to the members. Only signs approved by the Association may be placed in the Common Areas.
4. *Signs in medians/rights-of-way.* No signs of any nature, other than those permitted by the Declarant for the purpose of identifying the Ranch Subdivision or directing traffic for new home and Ranch sales, shall be located in the right of ways or easements.
5. *“For Rent”/“ For Lease/Foreclosure/Auction” signs.* No “For Rent”, “For Lease”, “Foreclosure”, or “Auction” signs are allowed on any Ranch or home (including the windows).
6. *Off-Premises signs, which are commonly known as “Bandit” signs.* “Bandit” signs are not permitted within the Property.
7. *Sign removal.* Declarant or Association is specifically granted the right to enter on any Ranch to remove signs not permitted by these Restrictions.
8. No signs of any character displayed in the Property shall be of the “home made” variety, and all signs displayed must be neat and orderly in appearance.
9. No sign or banner of a derogatory or negative nature will be allowed at any time anywhere in the Property.
10. Only those signs described in this Section 3.28 are allowed in the Property.

3.29 Exterior Site Lighting/Dark Sky Lighting/Light Pollution.

Declarant’s Vision: Lighting standards are provided to ensure a dark sky community while promoting nighttime safety and livability.

- A. Permanent exterior lighting is to be minimized to avoid “light pollution” on starry nights, encourage “dark” skies and to maintain a rural, private atmosphere for all residents.
- B. No exposed bulb or wraparound lens yard light will be permitted. Exterior lights on buildings shall have housings which can shield or directly focus the light source. The objective and intent of this restriction shall be to minimize light pollution of the night sky and minimize the visibility of light sources from any Ranch to any other part of the Property. All landscaping and security lighting shall be subject to the review and approval of the ACC.
- C. Owners are encouraged to learn more about light pollution and proper outdoor lighting options by visiting www.darksky.org

3.30 Rainfall Harvesting Devices. All rainfall harvesting facilities require ACC approval and must comply with Section III of the Rules and Regulations of the Association. The maintenance and repair of all rainfall harvesting facilities located on any Ranch shall be the sole responsibility of the Owner of such Ranch.

3.31 Maintenance of Improvements.

- A. Any Owner of any Ranch shall have the duty of and responsibility for keeping the Property and the Improvements thereon in a well maintained, safe, clean, and attractive condition at all times.
- B. Maintenance shall include, but not be limited to -
 1. All visible exterior surfaces of the Improvements;
 2. Prompt removal of paper, debris, and refuse;
 3. Prompt replacement of dull and/or peeling paint from the exterior of the Improvements;
 and

4. During construction, the cleaning of dirt, construction debris, and other construction related refuse from street and culverts as often as deemed necessary by either the Declarant or the ACC.
- C. The ACC has sole discretion to determine whether a Ranch is being maintained in a neat and attractive appearance.

3.32 Litter, Rubbish, Debris, and Garbage Pick-Up.

A. Litter, Rubbish and Debris.

1. No litter, refuse piles, rubbish, debris, or trash (other than that to be timely picked up by a collection/disposal or recycling service) shall be kept or stored on any Ranch;
2. No odors shall be permitted to arise therefrom so as to render that Ranch or any portion thereof a nuisance, unsanitary, offensive or detrimental to any other nearby property or to its occupants.
3. Refuse, garbage and trash shall be kept at all times in covered containers with tightly fitting lids; and except at times of pick-up, such containers shall be kept to the rear of each residence and screened from view from the street.
4. Under no circumstance shall trash be disposed of through burning or burying on any Ranch.
5. Any compost pile must be –
 - a. Properly maintained;
 - b. Not visible from any street; and
 - c. Located behind the principal residence.

B. Garbage Pick-Up.

1. Each owner must contract with a commercial Solid Waste and Sanitation Contractor for the removal of solid waste from each Ranch. Trash containers provided by the Solid Waste and Sanitation Contractor must be used for trash pick-up;
2. Trash containers shall be placed on the road for pickup no earlier than the day before the scheduled trash pick-up day.
3. All trash containers shall be returned to the rear of the residence within twelve (12) hours after pick-up.
4. Trash must be collected at least weekly.

3.33 Land Clearing.

Declarant's Vision: Preserve the existing vegetation, maintain the native Hill Country community character and fire prevention.

- A. In an effort to preserve the natural beauty and integrity of the Property, no Ranch shall be clear-cut of all native foliage and/or vegetation.
- B. Existing trees should be saved whenever possible, particularly along adjoining property lines.
- C. Cut or piled brush on occupied or non-occupied Ranches must be disposed of within thirty (30) days of the initial cutting.
- D. Approved disposal methods are on site chipping or hauling to an off-site location for burning or composting.
- E. Burning of brush is allowed only in controlled situations and when no burn bans are in effect.
- F. Where possible, mature cedar trees (ash juniper) should be limbed-up to 4' – 6' instead of being removed.

3.34 Erosion/Sedimentation Controls and Interior Ranch Drainage.

Declarant's Vision: Minimize cuts, fills, and impoundments to preserve existing vegetation, the natural landform and allow existing natural waterways to flow downstream.

- A. Nothing shall be erected, placed, maintained, done or permitted to remain on any Ranch which interferes with or impedes the natural surface water runoff in such a manner as to cause such water run-off to be (i) backed-up, detained, or impounded, or (ii) diverted to any material degree across any other Ranch or which causes flooding or erosion to any other Ranch or to any street, ditch or Common Area.
- B. In connection with the construction of Improvements on an Owner's property, it will be the responsibility of each builder to provide adequate drainage for each Ranch. Caution should be used to ensure that all the Ranches have positive drainage away from the house foundations and that all Ranches drain to the natural drainage system existing for that Ranch.

3.35 Business Activities. No part of the Property shall be used or improved for any purpose except for one detached dwelling unit for one family per each respective Ranch, in conformity with this Declaration and all applicable State, County and Municipal laws, rules, regulations, codes or ordinances; provided, however, "Home Occupations" incidental to residential use shall be permitted on the Property with the following limitations:

- A. The incidental use shall never be permitted as a principal use;
- B. No business shall be permitted that principally involves the resale or consignment of tangible personal property at the business;
- C. No person other than a family member who resides in the dwelling shall participate in the home occupation on the premises;
- D. The home occupation use shall not utilize more than 25% of the gross floor area of the buildings;
- E. The residential character of the Ranch and dwelling shall be maintained. Neither the interior nor the exterior of the dwelling shall be structurally altered so as to require compliance with non-residential construction codes to accommodate the home occupation. No construction features shall be permitted which are not customarily found in a dwelling.
- F. The home occupation shall not generate customer related vehicular traffic in excess of three vehicles per twenty-four hour day;
- G. No direct selling of merchandise shall occur on the Property;
- H. No equipment or materials associated with the home occupation shall be displayed or stored where visible from a neighboring Ranch or from any road;
- I. The home occupation shall not produce external noise, vibration, smoke, dust, odor, heat, glare, fumes, electrical interference or waste run-off outside the primary residence;
- J. The home occupation shall not be advertised by any signs on the Property;
- K. Nothing herein shall be construed to allow the following businesses or occupations as home occupations: animal hospitals, animal breeding, animal feed lot, mining and drilling operations, automobile engine or transmission, or small engine or service work, barber shop, beauty shop, child day care, carpenter shop, electrician shop, plumber shop, radio shop, sign painting, clinics, hospitals, contractors' yards, dancing schools, junk yards, bed & breakfast, lodging-house residential uses, massage parlors, restaurants, rental outlets, manufacturing, industrial use or vehicle repair shops;

- L. The home occupation must be conducted entirely within a permanently enclosed building. A private garage which is not completely enclosed shall not be utilized as part of a home occupation; and
- M. Model homes and accessory buildings used exclusively for the marketing and selling of homes within the community are allowed with Declarant approval.

3.36 Construction Activities.

- A. Land development and home construction activities will occur within and around the Property, and such activities will create noise, dust, traffic disruption, and general inconvenience to the residents within *The Ranches at Bar-V-Bar* or other portions of the Property;
- B. This Declaration is not intended to prevent or unreasonably interfere with normal construction activities during the construction of Improvements (including Declarant) upon any Ranch in the Property;
- C. Construction activities shall not be deemed to constitute a nuisance or a violation of this Declaration by reason of normal construction noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that plans for such construction are approved by the Declarant and/or the ACC and such construction is actively pursued to completion with reasonable diligence;
- D. During construction of any structure, the contractor is required to keep adjoining roadways and related easements free from debris and mud, including promptly cleaning up any debris or mud in such areas;
- E. No construction material of any kind may be placed on another Ranch or on the roadway for any amount of time;
- F. All builders/contractors shall provide convenient access to portable toilet facilities for all employees and sub-contractors. Doors of such portable toilet facilities shall not be visible from the street and shall be located as to be as unobtrusive as possible to adjoining occupied residences;
- G. In the event that construction upon any Ranch does not conform to the requirements set forth herein or otherwise does not conform to usual good construction practices in the area as determined by Declarant and/or the ACC in its/their sole judgment, Declarant and/or the ACC shall have the authority to seek and obtain an injunction to stop such construction;
- H. Owner, at Owner's expense, will maintain each Ranch until the Ranch is sold and closed to a 3rd party with a residence constructed thereon. Owner shall protect each Ranch from all waste and damage, keeping it in a clean and sightly manner, and mowing grass or weeds thereon;
- I. An Owner shall additionally be held responsible and liable for any and all damages to the Property caused by the Owner's contractors, agents, invitees or employees, including, but not limited to, roadways, gates, signs and fences. The party responsible for the damage shall be determined in the sole reasonable discretion of the Declarant;
- J. In the event of default in the payment of such sums described above in this Section 3.36, within thirty days after demand thereof has been made, the Owner of the Ranch shall be obligated to pay interest at the highest lawful rate on all sums due hereunder, and all costs of court, other costs and fees, including late fees and reasonable attorneys' fees. All such amounts will be a lien against the Ranch enforceable in accordance with these Restrictions;
- K. The Declarant and Declarant may assess fines against an Owner and the Owner's Ranch related to construction activity infractions outlined herein or the Bylaws, rules, or any other governing document;

- L. All construction must be completed within eighteen (18) months of construction commencement. Commencement of construction is defined as completion of the foundation for the residence.
- M. In addition to all other requirements outlined herein and in other governing documents, the following rules shall apply, and the Declarant, or after the Declarant Control Period, the ACC shall have the authority to amend these rules from time to time:
1. No construction is to commence until written approval of house and site plan is given from the Declarant or ACC, as applicable;
 2. General cleaning of construction site must occur weekly;
 3. Ranches adjacent to the job site are not to be encroached upon with silt fence, debris, building material or trash bins;
 4. As each Ranch is private property, construction workers are not allowed on any other Ranch other than their own site;
 5. No adjacent Ranch is to be used for access to, or parking for, the building site;
 6. Concrete suppliers and contractors must not clean their equipment on any Ranch other than the jobsite or a designated site approved by Declarant;
 7. No materials, including but not limited to plant material, topsoil or similar items, may be removed from any property of others;
 8. Temporary construction signs shall be limited to one sign per site;
 9. No "construction related" burning of any type shall occur of any property;
 10. No construction materials (including dirt, gravel, wood, brick, etc.) may be placed on a roadway for any length of time;
 11. Construction vehicles and equipment are only allowed to park on the Ranch upon which work is being performed; and
 12. Construction activities of Builders and Owners, including employees, agents, suppliers, contractors and sub-contractors are limited to the following hours: (i) 7:00 a.m. to 7:00 p.m. each Monday through Friday (except for holidays); (ii) 8:00 a.m. to 6:00 p.m. each Saturday; and (iii) no construction activities can be performed on Sundays or holidays. Holidays shall be defined as New Year's Day, Easter, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Eve, and Christmas Day.
- 3.37 Auction Sales Prohibited. Except for foreclosure sales held by a lien holder in conjunction with foreclosing on a deed of trust or other lien right, no Ranch may be sold by public auction process. For the purposes of this Section, "public auction process" is considered to be the sale of property by competitive bid.
- 3.38 Undeveloped Areas. Access to or use of any area outside of the existing Ranch Subdivision plat, the Surveyed Tracts and/or any developed portions of the Property is prohibited.
- 3.39 Monument Signs. Declarant, for and on behalf of itself and the Association, reserves the right to install and maintain any and all Ranch Subdivision monument signs situated within the utility easements located on the Property.
- 3.40 Protection of Property Pins.
- A. The Declarant shall initially install all property pins;
 - B. Subsequent to the purchase of any Ranch, the Owner shall be responsible for placing visible markers or posts immediately adjacent to all property pins he wishes to protect;
 - C. Any pins subsequently damaged, lost or removed after a Ranch has been purchased shall be replaced at the Owner's expense; and

- D. Property pins located in the private roadways may be damaged or lost during road re-surfacing projects.

3.41 Dedication of Common Areas.

- A. All of the areas designated as common areas on the Ranch Subdivision plat and the Surveyed Tracts are hereby dedicated as Common Areas for the use and benefit of all persons and entities owning Ranches or an interest in any Ranch in the Property, and to purchasers of Ranches in the Property.
- B. Ownership of Common Areas -
 - 1. Common Areas shall be conveyed to the Association when all of the Ranches, including any and all Ranches which may become part of the Property pursuant to Section 3.43 hereof, have been sold and Declarant has no intention of adding additional ranches or sections to the Property; or
 - 2. At such earlier time as Declarant may decide in its sole and absolute discretion.

3.42 Variiances. The Declarant or the Board may approve any variance or deviation from any of the Restrictions or other governing documents (including the Bylaws and Rules and Regulations). Any such variance must be in writing.

3.43 Additions to and Withdrawal from Property.

- A. The Declarant may add or annex additional land to the Property at any time and such additional land may be used for voting purposes hereunder.
- B. Notice of annexation along with a legal description of the annexed land and any additional governing documents for the annexed land shall be filed of record in the Bell County Official Public Records.
- C. Upon the filing of a Notice of Addition of Land cross referencing this declaration (as it may be subsequently amended), this Declaration and the Covenants, Conditions and Restrictions set forth herein shall apply to the added lands, and the rights, privileges, duties and liabilities of the persons subject to this declaration will be the same with respect to the added lands as with respect to the lands originally covered by this declaration.
- D. A Notice of Addition of Land may be but need not be combined with a Supplemental Declaration.
- E. A Supplemental Declaration may be recorded at any time by the Declarant during the Declarant Control Period in order to impose additional restrictions or limit restrictions on specific areas of land in the Property.
- F. Declarant may at any time during the Declarant Control Period withdraw land from the Property and remove any deed restriction previously imposed by Declarant on the withdrawn Property (including any declaration or other governing documents) by filing in the Bell County Official Public Records a notice of withdrawal of land along with a legal description of the withdrawn lands and the terms of the withdrawal.

3.44 Representations by Others.

- A. Declarant is not responsible for, nor does it assume or warrant as true, any representation made by any person, other than the Declarant or its authorized agents, who may be associated with the marketing and sale of property within *The Ranches at Bar-V-Bar*.
- B. Views from any portion of the property within *The Ranches at Bar-V-Bar* are not protected, and no guarantee is provided to any Owner that any such view will remain the same.

- 3.45 Sex Offenders/Criminal Record Prohibited. (a) no person may reside on any Ranch, or in any home, in the Ranch Subdivision if they are registered as a sex offender of any state, local, or other governmental list of registry (“Offender”). This applies to homeowners, family members of homeowners, tenants, and any other person residing in the community as a permanent or temporary resident for more than three (3) days in any one (1) month. Any Offender found to be residing in the Ranch Subdivision, and any Owner of a Ranch permitting an Offender to reside in the Ranch Subdivision, will be subject to fines, assessments on their Ranch, and any other enforcement action permitted by law or these Restrictions.

If any person residing in the community is, or becomes an Offender, the Owner of the Ranch must, within five (5) days after receipt of notice from the Declarant or Association, cause the Offender to be relocated out of the Ranch Subdivision.

A violation of this provision will give rise to the following rights (but will impose no obligation on the Association) of the Association and Declarant: (1) the right of injunction to enforce this provision; and (2) if the Offender is an Owner, or the Owner fails or refuses to evict an Offender residing on their Ranch, the right to require a sale of the Ranch and all Improvements to the Declarant or Association, at Declarant or Association’s option, at one hundred percent (100%) of the tax appraisal value of the Ranch and Improvements; (3) if the Offender is not an Owner, the right to evict, or cause the eviction of the Offender (in this regard, the Association shall be deemed an “aggrieved party” for eviction suit purposes, and the Association shall be entitled to possession (i.e., dispossession of the particular offending person) of the dwelling subject to the condition that if the Association does recover possession in an eviction suit, the Association shall upon execution of a writ of possession, immediately relinquish possession of the dwelling to the dwelling’s Owner and shall not enter the dwelling. The Owner will be responsible for all costs associated with such eviction); and (4) all other rights under this Declaration and other law. Any one or more of these remedies may be used in combination with another and any judicial ruling on the enforceability of one or more of these remedies shall not cause invalidation of this section or limit any legal remedies available to the Declarant or the Association.

IV. THE ASSOCIATION

- 4.01 Organization. The Association is a Texas non-profit corporation.
- 4.02 Membership. Upon becoming an Owner of a Ranch, a person shall automatically become a member of the Association, so long as he remains an Owner. Membership in the Association is mandatory, appurtenant to, and shall run with the ownership of the Ranch that entitles the Owner thereof for membership. Membership in the Association may not be severed from the ownership of a Ranch or in any way transferred, pledged, mortgaged, or alienated except together with the fee simple title to said Ranch. Declarant is a member of the Association. Property Owners in other portions of *The Ranches at Bar-V-Bar* made subject to the Declaration are also members of the Association, in accordance with any covenants and restrictions specifically imposed on those subdivisions. Declarant may add additional land to *The Ranches at Bar-V-Bar* development and to the Association.
- 4.03 Voting Rights and Registration.
- A. Classes of Membership. The Association has two classes of membership:

1. Class A: Class A members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Ranch owned. When more than one person holds an interest in a Ranch, all such persons shall be Members. The vote for such Ranch shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Ranch. Class A members may also be Owners in other portions of the Property, according to their respective declarations or other annexation documents.
 2. Class B: The Class B member shall be Declarant, its successors and assigns, which shall be entitled to one vote for each Declarant-owned Ranch plus four (4) votes for each Ranch owned in the Property by each Class A member (see Concept Plan attached as **Exhibit B**). The Class B membership ceases and converts automatically to Class A Membership when all the Property is sold to a party other than the Declarant or when the Declarant voluntarily converts its membership to Class A membership by executing and filing a Statement of Conversion to Class A membership in the Bell County Official Public Records.
 3. Notwithstanding the voting rights described in this Section 4.03(A), Declarant shall have the right to appoint all Board members until Declarant has sold 75% of the Ranches in the Property that Declarant intends to develop or sell in the Property, and Declarant shall have the right to appoint a majority of the Board members for so long as Declarant owns any of the Property (all as further described in the Bylaws). The remaining board members not elected or appointed solely by Declarant shall be elected by the Members as further described herein and in the Bylaws.
- B. Registration with the Association. In order that the Association can properly determine voting rights and always be able to contact the current legal Owners and residents of each Ranch, each Owner and resident shall have an affirmative duty and obligation to provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as: (a) the full name and address of each Owner, resident and any fiduciary for same; (b) email addresses of each Owner; (c) the business address, and telephone number of each resident; (d) the description and license plate number of each automobile owned or used by a resident and brought within the Property; (e) the name, address and telephone numbers of other local individuals who can be contacted (in the event the resident cannot be located) in case of an emergency; and (f) such other information as may be reasonably requested from time to time by the Association. In the event any Owner or resident of the Property fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the non-complying Owner and resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

4.04 Powers and Duties of the Association. The Association shall have all the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in this Declaration or the Articles. The Association shall further have the power to do, perform and delegate any and all acts which may be necessary, desirable or proper for or incidental to the exercise of any of the powers expressly granted to it by the laws of Texas or by this Declaration. Except where expressly provided to the contrary by this Declaration or by other applicable law, all management and decision making of the Association shall be by the Board. Without in any way limiting the generality of the three preceding sentences, the Association (acting through the Board) shall have the following powers and responsibilities:

- A. Assessments and Collections. The Association shall levy and collect Assessments. In furtherance of its duty and authority to collect Assessments and other sums due the Association, the Board may establish payment policies, set due dates, impose and enforce penalties (including late fees and collection fees), and take all other lawful action necessary or appropriate for collection of Assessments and all other sums owed to the Association.
- B. Rules and Bylaws. The Association may promulgate, amend, repeal and/or re-enact the Bylaws and such rules not in conflict with this Declaration, as it deems proper, covering any and all aspects of its functions, including the use, occupancy, and preservation of Association property. The Declarant, and after the Declarant Control Period the Board may, without limitation, adopt rules for the purpose of administering the Association, including obtaining compliance by Owners and their family, guests, and tenants with the Declaration, the Bylaws, and the provisions of any other law or applicable rule.
- C. Records. The Association shall keep books and records of the Association's affairs and make such books and records, together with current copies of the Restrictions, available for inspection by the Owners, and/or other properly interested persons upon reasonable request, during normal business hours.
- D. Professional Services. The Association may retain and pay for management, legal, accounting, engineering, and other professional services necessary or proper in the operation of the Association.
- E. Contracts; Property Ownership. The Association may enter into contracts and may acquire, own, lease, and dispose of all manner of real and personal property on such terms as the Board shall in the exercise of reasonable business judgment deem advisable, provided however, that a majority vote of all members is required to sell any Common Area.
- F. Change in Ranch Boundary Lines and Utilities. The Board shall have the power to approve, on behalf of the Association, any replatting or relocation of Ranch boundary lines or utilities for Ranches and the Property.
- G. Discretionary Enforcement. If an Owner or other person with standing complains of a violation of the Declaration or Bylaws and the Board determines that the alleged violation is of doubtful character and/or of such limited scope or impact as not to warrant the expenditure of Association funds, the Board may decline to enforce such violation and leave enforcement to the complaining party.
- H. Frivolous Complaints. The Association shall not be required to expend time or other resources on patently frivolous, unmeritorious, or harassing complaints; and the Association may recover all of its costs, including reasonable attorney's fees, for responding to or defending against such complaints/requests.
- I. Self-help remedies; Maintenance and Repair Duties. If, in the opinion of the Association, the Owner or occupant is failing in any duty or responsibility of the governing documents, including maintenance and repair duties outlined in Section 3.31 or elsewhere in the Declaration, Bylaws, Rules and Regulations or other governing documents, then the Association may give the Owner (and may in its discretion also provide a copy to any occupant), written notice of such violation(s). Notice may be given via mail, overnight mail or email. The Owner must, within five (5) days of the date of such notice, cause such violation(s) to be cured including, as applicable, undertaking the care and maintenance required to restore the Ranch, Improvements, or both, to a safe, clean, properly functioning, and attractive condition.

If the Owner fails to fulfill this duty after such notice, then the Association or the Association's managing agent on behalf of the Association, shall have the right and power, but not the obligation, to cure any violation(s), and the Owner shall be liable for the cost of any such work and shall promptly reimburse the Association for the cost thereof. Such costs

shall constitute a lien on the Ranch on which the work was performed and shall be enforceable as any other assessment lien in the manner provided for in the Declaration. These self-help remedies are in addition to any other available remedies including without limitation fining or other enforcement action. The Association's managing agent, Association attorney, or other authorized agent of the Association is granted authority to carry out self-help remedies on behalf of the Association, in accordance with any procedure described in this Declaration or other governing documents.

4.05 Rights and Remedies. The Association shall have the power and authority, in its own name and on behalf of itself and the Owners, to commence, maintain, or defend legal actions to enforce or construe the Declaration or Bylaws or its actions or to restrain and enjoin any breach or threatened breach of the Declaration or Bylaws. The Association shall have the right to file liens, file and defend suits for injunctive relief, damages, and/or other relief on behalf of the Association and/or the Owners or the Board. Relief includes, without limitation, removal or modification of any improvement constructed or modified in violation of the Declaration. The Association is also authorized to settle claims, enforce liens, and take all other action that it deems necessary or reasonable and expedient to enforce the Declaration or Bylaws and/or to carry out the duties of the Association or the Board set forth in the Declaration, Articles, or Bylaws. Except where expressly provided to the contrary by this Declaration or by other applicable law, all management and decision making of the Association shall be by the Board. The Association may enforce all duties and obligations now and/or hereafter imposed by the Declaration or the Bylaws by all lawful means, including without limitation the following:

- A. Collection Charges. The Association may assess late charges and collection charges for late payment of amounts due the Association hereunder and returned check charges for each returned check until acceptable payment is received. These charges shall not exceed any maximum charge permitted under applicable law.
- B. Attorney's Fees. If a delinquent account or other violation is turned over to an attorney, the delinquent Owner shall be liable for all costs and attorney's fees incurred by the Association in collection, filing liens, foreclosing liens, releasing liens, prosecuting lawsuits, and/or otherwise enforcing or interpreting the rules and policies of the Association, the Declaration, and Bylaws. All such sums shall be a continuing lien and charge upon the delinquent Owner's Ranch(s), as well as the personal obligation of said Owner; and this obligation may be enforced in the same manner and to the same extent as provided herein for Assessments.
- C. Application of Payment. To the maximum extent allowed by law, without notice and regardless of notations or instructions on checks or otherwise, the Association may apply payments made to non-assessment items first, may apply payments to the most delinquent balance, or may use any method of application deemed appropriate by the Association.

4.06 Rules and Policies. The Declarant, and after the Declarant Control Period the Board of Directors, shall have wide latitude in adopting and implementing rules governing the appearance and use of Ranches and in establishing policies for enforcement of the Declaration and Bylaws.

V. ASSESSMENTS

5.01 Covenant to Pay Assessments. Each Owner of a Ranch, excluding Declarant-owned property and Association-owned property, hereby covenants and agrees to pay to the Association all fees, assessments and costs set out in the Declaration, Bylaws, rules or other governing documents, including but not limited to; (a) Regular Assessments (as defined in Section 5.03 hereof), (b)

Special Assessments (as defined in Section 5.05 hereof), (c) late charges, collection costs and attorney's fees (as specified in Section 5.06 hereof), and (d) all amounts set out in Section 4.05, and transfer fees, fines, damage assessments, attorney's fees, other amounts as set out in Section 2.09 above for each Ranch that he/she owns, and any other amount owed under the governing documents (including Bylaws, rules, or otherwise). All such Assessments and charges shall be established and collected from time to time as herein provided. Each Owner further covenants to pay to the Association reasonable attorney's fees, costs of court, other costs, and expenses incurred in connection with enforcement or defense of these Restrictions or collection of Assessments. Declarant may but shall have no duty to supplement the budget of the Association by providing funds to the Association.

- 5.02 Purpose of Assessments. The Board shall set and levy Assessments, as needed, for the purposes of (a) promoting the comfort, health, safety, and welfare of the Owners, and the Property, (b) enforcing and defending this Declaration, the Association, the Board, its rules and policies and the Bylaws, and (c) promoting the purposes of the Association as stated herein or as provided in the Articles or Bylaws.
- 5.03 Regular Assessments. There shall be a Regular Assessment set by the Board applicable to all Ranches in the Property (except Common Area and Declarant-owned Ranches) and payable in an equal amount by all Ranches on or before January 1st of each year. The initial Regular Assessment shall be \$100.00 per Ranch per year. The Board is required to use good faith efforts in budgeting in order to meet Association needs (including maintenance of Common Area, entry improvements and landscaping, and any community amenities existing or hereafter constructed; administrative costs; insurance costs; and all other costs necessary or appropriate in the Board's discretion). The Board may adjust Regular Assessment from time to time. The due date of Assessments shall be paid either monthly, quarterly or semi-annually at the discretion of the Board. An Owner is obligated to pay Assessments regardless of whether the Owner actually receives a bill, invoice or other notice of any such Regular Assessment.
- 5.04 Adjustments to Regular Assessments: The Board may, at its discretion, adjust the Regular Assessment (as defined in Section 5.03) by up to ten percent (10%) per year without authorization of the Owners, and may cumulate said increase over the years if the maximum increase is not made each year. Any adjustment of these fees greater than ten percent (10%) per year (cumulative) must be authorized and approved by a 2/3 vote of all members.
- 5.05 Special Assessments. In addition to the Regular Assessments authorized herein, the Association may, by vote of the Board, set and levy Special Assessments ("Special Assessments") in order to carry out any of the purposes of the Association or otherwise to benefit the Association. The due date(s) and delinquent date(s) of any Special Assessment under this section shall be fixed by the resolution authorizing such Special Assessment. Special Assessments shall be assessed equally on all Ranches.
- 5.06 Late Charges, Collection Costs, and Attorney's Fees. If any Assessment or any other amount due under the Declaration, Bylaws, rules or other governing documents, is not paid before becoming delinquent, the Owner responsible therefore may be required to pay a late charge at such rate as the Board may designate. Each Owner shall also be liable for payment of all costs, fees and expenses, including returned check charges, reasonable attorney's fees, and recording fees incurred in collection of Assessments and/or other sums owed by the Owner to the Association or in otherwise enforcing the Declaration, Bylaws, rules or other governing document. Said charges and fees shall be both an obligation of the Owner and the Ranch(s) owned by such Owner,

running with the land, collectible in the same manner as herein provided for collection of Assessments. An Owner's non-receipt of a statement or other notice that Assessments are due shall not be a defense to the imposition of late charges and other costs of collection, including Attorney's fees.

5.07 Ranch Consolidation, Replatting. No combination, consolidation, or replatting of Ranches shall alter the Assessments due for each original Ranch involved unless the same (a) occurs at the instance of Declarant, (b) involves extraordinary circumstances and receives the unanimous approval of the Board, or (c) is approved in writing by the Declarant prior to formation of the Board.

5.08 Violations of Covenants and Restrictions:

- A. Non-assessment items first. To the maximum extent allowed by law, all monies received from an Owner may be applied first to obligations of the Owner, other than Assessments, such as fines, late charges, returned check charges, attorney's fees, user fees, damages, etc., regardless of notations on checks and transmittal letters.
- B. The Declarant or, after the Declarant Control Period, the Board may adopt rules for deed restriction enforcement including fining rules for violation of the Declaration, Bylaws, rules, or other governing document. Owners shall be liable for all violations committed by their co-residents, guests, invitees (including contractors), or their tenants or their guests or invitees (including contractors). The Board may authorize the association's managing agent or other authorized representative to carry out deed restriction enforcement actions.

5.09 Enforcement. The Association may assess the Owner's account for any damages caused by the Owner, or the Owner's residents, tenants, guests or invitees. The Owner may be held responsible for all enforcement costs, including attorney's fees, to the maximum extent allowed by law, regardless of whether suit is filed. If an Owner (or its heirs, executors, administrators, successors, assigns or tenants) shall violate or attempt to violate any of the Restrictions set forth in this Declaration, in addition to all other available remedies it shall be lawful for the Association, Declarant, or any Owner subject to this Declaration, may prosecute any proceedings against the person or persons violating or attempting to violate any such Restrictions. The failure of any Owner or tenant to comply with any restriction or covenant will result in irreparable damage to Declarant and other Owners; thus, the breach of any provision of this Declaration may not only give rise to an action for damages at law, but also may be enjoined or may be subject to an action for specific performance in equity in any court of competent jurisdiction. In the event an action is instituted to enforce the terms hereof or prohibit violations hereof, and the party bringing such action prevails, then in addition to any other remedy herein provided or provided by law, such party shall be entitled to recover court costs and reasonable attorney's fees. Neither the ACC, Association, or Declarant shall be charged with any affirmative duty to police, control or enforce the terms of this Declaration and these duties shall be borne by and be the responsibility of the Owners.

VI. LIABILITY AND INDEMNITY

6.01 Liability of Association Representatives. Association directors, officers, employees, and ACC members (collectively the "Association Representatives") shall not be liable to any Owner or other person claiming by or through any such person for any act or omission of such Association Representative in the performance of his/her Association duties unless such act or omission (a) is

an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, (b) involves a transaction from which an Association Representative receives an improper personal benefit, whether or not the benefit resulted from an action taken within the scope of the Association Representative's office/position, or (c) is conduct for which the liability of the Association Representative is expressly imposed by a statute.

- 6.02 Indemnification. The Association shall indemnify and hold harmless every past and present Association Representative from all costs, expenses, fees (including attorney's fees), liabilities, claims, demands, actions and proceedings and all expenses associated therewith unless such indemnity would contravene the provisions of this Declaration or Texas statute. Such indemnification payments shall be a common expense of the Association. This indemnity shall extend to all expenses (including attorney's fees, judgments, fines, costs of court, other costs and amounts paid in settlement) actually and reasonably incurred by such person in connection with such proceeding if it is found and determined by the Board or a court that such person: (a) acted in good faith and in a manner which such person reasonably believed to be consistent with the best interests of the Association, or (b) with respect to any criminal action or proceeding, had no reasonable basis to believe such conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of *no lo contendere* or its equivalent, shall not of itself create a presumption that the person breached the immediately preceding requirements. The Board may purchase and maintain insurance on behalf of any person who is or was an Association Representative against any claim asserted against or incurred by such person in any such capacity or status, whether or not the Association would have the power to indemnify such person against such liability. The premium for such insurance is a common area expense, and the Board of Directors is authorized and directed to modify the Association's Articles and Bylaws to the extent necessary to facilitate the purchase of such insurance.
- 6.03 Amendment of Liability and Indemnity Provisions. Notwithstanding any other provision in this Declaration, the Board may amend this Article 6, without the concurrence of the members or Mortgagees, in order to conform to changes in applicable law.

VII. MISCELLANEOUS

- 7.01 Construction. This Declaration shall be liberally construed to promote its express and implicit purposes. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or enforceability of any other provision or portion. Unless the context requires a contrary construction, use of the singular, plural, and/or a designated gender shall be of no consequence in construing this Declaration. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the sections hereof.
- 7.02 No Warranty of Enforceability. While Declarant has no reason to believe that any of the terms and provisions of this Declaration are in any respect invalid or unenforceable, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such terms or provisions. Any Owner acquiring a Ranch shall assume all risks of the validity and enforceability thereof and, **by acquiring the Ranch, agrees to hold Declarant, and its respective successors and assigns, harmless therefrom.**

- 7.03 Compliance with Declaration. Each Owner shall comply strictly with the provisions of this Declaration and the rules and policies set out by the Board. Failure to comply with any part of this Declaration may give rise to a cause of action for damages, attorney's fees, and/or injunctive relief.
- 7.04 Lien for Enforcement. All sums due under this Declaration, Bylaws, Rules and Regulations or other governing documents shall be a continuing lien and charge upon the subject Ranch(s) as well as the personal obligation of the Owner and his/her successors-in-interest. The aforesaid lien shall be superior to all other liens and charges against said Ranch, except only for ad valorem tax liens and any amount unpaid on a first mortgage lien of record encumbering the Ranch. To evidence the aforesaid lien, the Association or Declarant may prepare a written notice of lien, setting forth the amount of the unpaid indebtedness, the name of the Owner of the Ranch covered by such lien, and a description of the Ranch. Such notice shall be signed by an Association representative or the Declarant and may be recorded in the Bell County Official Public Records. Such lien shall automatically attach upon the filing of this Declaration with the priority set forth above, and the Association or Declarant may thereafter institute suit against the subject Owner personally and/or for judicial or non-judicial foreclosure of the aforesaid lien. The Association is hereby granted a power of sale for such foreclosure.
- 7.05 Amendment. The Declarant shall have the sole right to amend this Declaration as long as Declarant owns any of the Ranches in any portion of the Property, or any other portion of the Property. After such time, the Declaration may be amended by a 3/5 vote of all members. No amendment shall be effective until it has been recorded in the Bell County Official Public Records. Either the Declarant or a simple majority of the members may amend this Declaration for the sole and strictly limited purpose of making this Declaration comply with financing eligibility requirements of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration, Veterans Land Board, Federal Housing Administration, or comparable federal or state agencies.
- 7.06 Governmental Requirements. By acceptance of a deed to a Ranch, or initiating construction of a residence or improvements to a Ranch, each Owner, including on behalf of Owner's builder and contractor, assumes responsibility for complying with all certifications, permitting, reporting, construction, and procedures required under all applicable governmental rules, regulations, and permits, including, but not limited to any promulgated or issued by the Environmental Protection Agency and related to Storm Water Discharges from Construction Sites (see Federal Register, Volume 57, No. 175, Pages 41176 et seq.), and for the responsibility of ascertaining and complying with any regulations, rules, rulings, and determinations of the Texas Water Development Board and Texas Water Commission, related to each Ranch. The foregoing references are made for the benefit of builders and contractors and do not in any way limit the terms and requirements of this covenant and the requirement that all Owners comply with all governmental regulations. Each Owner on behalf of Owner's builder and contractor, by acceptance of a deed to a Ranch, agrees to hold harmless and indemnify Declarant and Association from all costs, loss or damage, including attorney's fees occasioned by the failure to abide by any applicable governmental statute, rule, regulation or permit related to the Properties.

In the event Governmental Requirements differ from requirements of the Association's governing documents (including Declaration, Bylaws, and Rules and Regulation), the more restrictive provision shall control.

IN WITNESS WHEREOF, the undersigned has executed this Declaration on this ____ day of May, 2019.

CM LAND HOLDINGS LLC, a Texas limited liability company

By: _____
Dorrance W. Monteith, Manager

STATE OF TEXAS

COUNTY OF BELL

This instrument was acknowledged before me on the ____ day of May, 2019, by Dorrance W. Monteith, acting as Manager of CM LAND HOLDINGS LLC, a Texas limited liability company, on behalf of said limited liability company.

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

- EXHIBIT A: Ranch Subdivision Legal Description**
- EXHIBIT A-1: Tract 1 Field Notes and Survey**
- EXHIBIT A-2: Tract 2 Field Notes and Survey**
- EXHIBIT A-3: Tract 3 Field Notes and Survey**
- EXHIBIT A-4: Tract 4 Field Notes and Survey**
- EXHIBIT A-5: Tract 5 Field Notes and Survey**
- EXHIBIT A-6: Tract 6 Field Notes and Survey**
- EXHIBIT A-7: Tract 7 Field Notes and Survey**
- EXHIBIT A-8: Tract 8 Field Notes and Survey**
- EXHIBIT A-9: Tract 9 Field Notes and Survey**
- EXHIBIT A-10: Tract 10 Field Notes and Survey**
- EXHIBIT A-11: Tract 11 Field Notes and Survey**
- EXHIBIT A-12: Tract 12 Field Notes and Survey**
- EXHIBIT A-13: Tract 13 Field Notes and Survey**
- EXHIBIT A-14: Tract 14 Field Notes and Survey**
- EXHIBIT A-15: Tract 15 Field Notes and Survey**
- EXHIBIT A-16: Tract 16 Field Notes and Survey**
- EXHIBIT B: Concept Plan**
- EXHIBIT C: Bylaws of the Association**
- EXHIBIT D: Location of Ranch Subdivision Plat Tract 8 Restriction Area and Surveyed Tract No. 10 (10.59-Acre Tract) Restriction Area**

EXHIBIT A

RANCH SUBDIVISION LEGAL DESCRIPTION (*THE RANCHES AT BAR-V-BAR, PHASE 1*)

1. *The Ranches at Bar-V-Bar, Phase 1, a subdivision according to the plat of record recorded under Plat Year 2019, Nos. 80A, B, and C of the Plat Records of Bell County, Texas;*
2. *Field notes legal description and survey for Surveyed Tract 1 (See attached Exhibit A-1);*
3. *Field notes legal description and survey for Surveyed Tract 2 (See attached Exhibit A-2);*
4. *Field notes legal description and survey for Surveyed Tract 3 (See attached Exhibit A-3);*
5. *Field notes legal description and survey for Surveyed Tract 4 (See attached Exhibit A-4);*
6. *Field notes legal description and survey for Surveyed Tract 5 (See attached Exhibit A-5);*
7. *Field notes legal description and survey for Surveyed Tract 6 (See attached Exhibit A-6);*
8. *Field notes legal description and survey for Surveyed Tract 7 (See attached Exhibit A-7);*
9. *Field notes legal description and survey for Surveyed Tract 8 (See attached Exhibit A-8);*
10. *Field notes legal description and survey for Surveyed Tract 9 (See attached Exhibit A-9);*
11. *Field notes legal description and survey for Surveyed Tract 10 (See attached Exhibit A-10);*
12. *Field notes legal description and survey for Surveyed Tract 11 (See attached Exhibit A-11);*
13. *Field notes legal description and survey for Surveyed Tract 12 (See attached Exhibit A-12);*
14. *Field notes legal description and survey for Surveyed Tract 13 (See attached Exhibit A-13);*
15. *Field notes legal description and survey for Surveyed Tract 14 (See attached Exhibit A-14);*
16. *Field notes legal description and survey for Surveyed Tract 15 (See attached Exhibit A-15);*
17. *Field notes legal description and survey for Surveyed Tract 16 (See attached Exhibit A-16).*

EXHIBIT A-1

**SURVEYED TRACT 1
FIELD NOTES AND SURVEY**

EXHIBIT A-2

**SURVEYED TRACT 2
FIELD NOTES AND SURVEY**

EXHIBIT A-3

**SURVEYED TRACT 3
FIELD NOTES AND SURVEY**

EXHIBIT A-4

**SURVEYED TRACT 4
FIELD NOTES AND SURVEY**

EXHIBIT A-5

**SURVEYED TRACT 5
FIELD NOTES AND SURVEY**

EXHIBIT A-6

**SURVEYED TRACT 6
FIELD NOTES AND SURVEY**

EXHIBIT A-7

**SURVEYED TRACT 7
FIELD NOTES AND SURVEY**

EXHIBIT A-8

**SURVEYED TRACT 8
FIELD NOTES AND SURVEY**

EXHIBIT A-9

**SURVEYED TRACT 9
FIELD NOTES AND SURVEY**

EXHIBIT A-10

**SURVEYED TRACT 10
FIELD NOTES AND SURVEY**

EXHIBIT A-11

**SURVEYED TRACT 11
FIELD NOTES AND SURVEY**

EXHIBIT A-12

**SURVEYED TRACT 12
FIELD NOTES AND SURVEY**

EXHIBIT A-13

**SURVEYED TRACT 13
FIELD NOTES AND SURVEY**

EXHIBIT A-14

**SURVEYED TRACT 14
FIELD NOTES AND SURVEY**

EXHIBIT A-15

**SURVEYED TRACT 15
FIELD NOTES AND SURVEY**

EXHIBIT A-16

**SURVEYED TRACT 16
FIELD NOTES AND SURVEY**

EXHIBIT B
CONCEPT PLAN

EXHIBIT C
BYLAWS OF THE ASSOCIATION

BYLAWS
OF
THE RANCHES AT BAR-V-BAR PROPERTY OWNERS ASSOCIATION, INC.

Article I: NAME AND LOCATION

Section 1. Name. The name of the Association is “The Ranches at Bar-V-Bar Property Owners Association, Inc.” (hereinafter referred to as the “Association”).

Article II: DEFINITIONS

Section 1. Definitions. The definitions of all terms herein shall be the same as those in the Declaration.

**Article III: ASSOCIATION: MEMBERSHIP, MEETINGS,
QUORUM, VOTING, PROXIES**

Section 1. Membership. The Association shall have two classes of membership, Class “A” and Class “B”, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board either within the Property or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the members unless specifically required by the Declaration or Bylaws. Subsequent regular annual meetings shall be set by the Board on a date and at a time set by the Board. At the option of the Board, meetings may be held in person, or by email, conference call or other electronic communication, provided that all attendees have the ability to hear (or read) all formal discussions of the meeting and have the opportunity for their input to be heard or received by all participants in the meeting.

Section 4. Special Meetings. The President may call special meetings of the Association. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board or upon a petition signed by a majority of Members of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Association shall be delivered, either personally or by mail or email to each member entitled to vote at such meeting, not less than 10 days nor more than 60 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. Meetings may be held telephonically or over any other electronic media.

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 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 or her address as it appears on the records of the Association, with postage thereon prepaid. If emailed the notice shall be deemed delivered when sent to the last known email address of the member according to the Association's records.

In the case of a meeting of all Owners, notice shall be delivered in the same manner set out in this Section 5 to all Owners.

Section 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 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 before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, a quorum will be deemed to be present, and any business which 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.

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 withdrawal of enough members to leave less than a quorum, provided that at least 25% of all members remain in attendance and provided further that any action taken is approved by at least a majority of the members required to constitute a quorum.

Section 8. Voting. The voting rights of the members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Members may vote by proxy, but a member may only assign his or her proxy to another member.

Section 10. 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 50% of the total eligible number.

Section 11. Quorum. Except as otherwise provided in the Bylaws or in the Declaration, the presence in person or by proxy of a majority of members shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary or designated managing agent 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.

Section 13. Action Without a Meeting. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a meeting if all members are given notice and reasonable opportunity to vote, and written consent of a majority of all members is obtained. Such consent shall have the same force and effect as a vote at a meeting.

Article IV: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

Section 1. Governing Body: Composition. The affairs of the Association shall be governed by a Board, each of whom shall have one (1) vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Owners or spouses of such Owners; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as the director.

Section 2. Directors During Declarant Control Period. Subject to the provision of Section 6 below and except as otherwise required by law, the directors shall be appointed by the Class "B" Member acting in its sole discretion and shall serve at the pleasures of the Class "B" Member until the first to occur of the following:

(a) when 100% of the total number of Ranches on the Property that Declarant intends to develop have been conveyed to persons other than the Declarant or builders holding title solely for purposes of development and sale. After such time, all Directors shall be elected by vote of the members. Declarant shall evidence that it has developed all of the Property intended to be developed by providing written notice to the Board. Only upon such written notice will the Declarant Control Period be considered to have ended; or

(b) when, in its discretion, the Class "B" Member so determines.

Notwithstanding the above, on or before the 120th day after the date 75% of the Ranches that may be created and made subject to the Declaration are conveyed to Owners other than a Declarant, at least one-third of the Board members must be elected by the members.

Section 3. Right to Disapprove Actions. This Section 3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and any committee, as is more fully provided in this Section. This right

shall be exercisable only by the Class “B” Member, its successors, and assignees who specifically take this power in a recorded instrument. The right to disapprove shall be as follows:

No action authorized by the Board or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Class “B” Member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies with the notice requisites for the Board meetings as outlined by these Bylaws and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class “B” Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Class “B” Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class “B” Member shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Board or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Class “B” Member, its representatives, or agents at any time within 10 days following the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Class “B” Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 4. Number of Directors. The number of directors in the Association shall be not less than three nor more than five, as provided in Section 6 below. The initial Board shall consist of three members as identified in the Articles.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class “B” Member, nominations for election to the Board shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more members. The Nominating committee shall be appointed by the Board not less than 30 days prior to each annual meeting of the members to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

Section 6. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within 120 days after the time Class “A” Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own 75% percent of the Ranches on the Property that Declarant intends to develop, as evidenced by a written notice from Declarant to the Board President, the Association shall call a special meeting at which members shall elect one of the directors

(or if the Board consists of more than three directors, the members shall elect directors sufficient to constitute 1/3 of the directors). The remaining directors shall be appointees of the Class “B” Member.

The director elected by the members shall be elected for a term of three years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director’s terms expire prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term. Declarant’s statement that 75% of Ranches intended to be developed have been sold does not preclude Declarant from adding additional land to the property, but in such case the Class A Members may still elect the (or 1/3 of) director(s).

(b) Within 30 days after termination of the Declarant Control Period, the Association shall call a special meeting at which members shall elect the balance of director positions not already elected by the members.

(c) At the first annual meeting of the membership after the termination of the Declarant Control Period, the directors shall be selected as follows: three directors shall be elected by the members. Two directors shall be elected for a term of three years, and one director shall be elected for a term of two years. At the expiration of the initial term of office of each member of the Board and at each annual meeting thereafter, a successor shall be elected to serve for a term of three years. If additional members are added to the Board in accordance with these bylaws, all terms shall be similarly staggered.

There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the members may be removed, with or without cause, by the vote of members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected solely by the votes of members other than the Declarant may be removed from office prior to the expiration of his or her term only by the votes of a majority of members other than the Declarant. Upon removal of a director, a successor shall then and there be elected by the members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the members who has three consecutive unexcused absences from Board meetings, who is delinquent in the payment of any assessment or other charge due the Association for more than 30 days, or who is in violation of the deed restrictions may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. However, any director appointed by the Declarant may only be removed by the Declarant, and any vacancy in a Declarant-appointed Board position may only be filled by the Declarant.

B. Meetings.

Section 8. Organizational Meetings. The initial Board as stated in the certificate of formation shall cause the Association to be incorporated as a nonprofit corporation.

Section 9. Regular Meetings; Notice of Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least

one meeting per year shall be held. Notice of the time and place of the meeting shall be communicated to directors not less than four 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 written consent to holding of the meeting, or who attends a meeting other than to object to lack of notice. To the maximum extent allowed by state law, meetings may be held in person, by conference call, email, or other electronic communication provided that all directors have the opportunity to hear or read all formal Board discussion, and all directors have the opportunity to be heard or otherwise communicate with all other directors.

Subject to Sections 16 and 17 below, notice of all Regular and Special Meetings of the Board shall also be provided to the members in accordance with Texas Property Code §209.0051, and all other notice requirements of §209.0051 must be met (e.g. posting notice in common property or on any Internet website).

Section 10. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, 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 (d) by email. 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 Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or email shall be delivered, telephoned, or given by email at least 72 hours before the time set for the meeting.

Section 11. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if: (a) a quorum is present, and (b) 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 before or at its commencement about the lack of adequate notice.

Section 12. Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors' present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by members representing a majority of the total Class "A" vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary or designated managing agent shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

Section 15. Open Meetings. Subject to the provisions of Section 16 and 17 of this Article IV, all meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, excluding members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

Section 16. 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 to the maximum extent allowed by law, by majority vote of directors.

Section 17. Meetings during the Declarant Control Period. Texas Property Code §209.0051(i) shall govern meeting notice requirements during the Declarant Control Period. Notice to members or Owners other than notice required by §209.0051 shall not be required.

C. Powers and Duties.

Section 18. Powers. 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 and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the membership generally.

The Board may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparation and adoption, in accordance with the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Regular Assessments, Subdivision Assessments and all other Assessments described in the Declaration for the subdivision;

(b) making Assessments, establishing the means and methods of collecting such Assessments, and establishing the payment schedule for Assessments, if other than annual;

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Areas;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors' best judgment, in depositories other than banks;

(f) making and amending Rules and Regulations; however, during the Declarant Control Period, Declarant has the sole right to amend the rules and may do so as it deems necessary or appropriate;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

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

(i) enforcing by legal means the provisions of the Declaration of the subdivisions, these Bylaws, and the Rules and Regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the costs of all services rendered to the Association or its members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) maintaining a membership register reflecting, in alphabetical order, the names, addresses and mailing addresses of all members;

(n) making available to any prospective purchaser of a Ranch, any Owner of a Ranch, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Ranch or dwelling, current copies of the Declaration, the Articles, the Bylaws, rules governing the Ranch and all other books, records, and financial statements of the Association; and

(o) permitting utility suppliers to use portions of the Common Areas reasonably necessary to the ongoing development or operation of the Property.

Section 19. Management. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these Bylaws. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 20. Accounts and Reports. An annual report consisting of at least the following shall be distributed to any member upon request within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year.

Section 21. Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Common Areas or other purposes related to operations of the Association without the approval of the Members of the Association.

Section 22. Rights of the Association. With respect to the Common Areas, and in accordance with the Articles and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other Owners or residents' associations, both within and without the Property. Such agreements shall require the consent of a majority of all directors of the Association.

Section 23. Enforcement

(a) **Suspension of Privileges/Fines**. In the event of a violation of the Declaration, Bylaws, or any Rules and Regulations of the Association, the Board, acting on behalf of the Association, in addition to any other remedies provided by the Declaration, Bylaws, or Rules and Regulations and remedies available pursuant to State statute or other law, may (1) suspend or condition the right of an Owner and any tenants, occupants, or guests to use of facilities (including all or part of any Common Areas) owned, operated, or managed by the Association; (2) suspend an Owner's voting privileges in the Association as an Owner to the extent allowed by law; (3) record a notice of non-compliance encumbering a Ranch; (4) levy a damage assessment against a Ranch; (4) levy collection or deed restriction enforcement costs against an Owner; and (6) assess a fine against a Ranch and Owner for the violation of Owner, his tenants, occupants, or guests in an amount to be determined by the Board.

Before the Association may suspend an Owner's right to use a Common Area, file suit against an Owner (other than a suit to collect regular or special assessments or foreclose under an Association lien), charge an Owner for property damage, or levy a fine for a violation of the restrictions (including Declaration, Bylaws, or rules), the Association must give certified mail, return receipt requested notice to the last known address of the Owner in accordance with Texas Property Code Chapter 209.

Any amounts charged to an Owner under these procedures may be collected in the same manner as assessments under the Declaration, including lien and foreclosure rights to the extent permitted by law.

(b) **Attorney's Fees**. The Association may assess reasonable attorneys' fees to an Owner's account for nonpayment of amounts due or other violations of the Declaration, Bylaws, or rules if the Owner is provided a written notice that attorney's fees and costs will be charged to the Owner if the delinquency or violation continues after a date certain.

(c) **No waiver; amendments to comply with amendments to statute**. The failure of the Association to enforce any provisions of the Declaration, Bylaws, rules, or procedures shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declaration, Bylaws, and rules are cumulative and not exclusive.

This enforcement and notice and hearing procedures are intended to mirror the requisites of the Texas Property Code Chapter 209. At any time, the Board, by majority vote, may amend the Bylaws to comply with any changes in Chapter 209 or other state law.

(d) **Application of Payments**. The Association in its discretion and without notice to the Owner may apply amounts received from Owners to non-assessment items or other amounts due and owing the

Association regardless of Owners' notations on checks or otherwise, to the maximum extent allowed by law.

(e) **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board, may elect to enforce any provision of the Declaration, these Bylaws, or the Rules and Regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking regulations and the maintenance, including installation or removal of, landscaping) 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, the Owner shall pay all costs, including reasonable attorney's fees actually incurred.

Article V: OFFICERS AND ASSOCIATED DUTIES

Section 1. Officers. The Officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall at all times be members of the Board.

Section 2. Election. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

Section 3. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for approximately one year until the election of his successor, unless he shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 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.

Section 5. Resignation and Removal. The Board may remove any officer from office with or without cause. 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 the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by 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. Multiple Offices. The same person may hold multiple offices with the exception that the offices of President and Secretary may not be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

(a) **President:** The President shall preside at all meetings of the Board; shall ensure that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds and other legal instruments.

(b) **Vice-President:** Any Vice-President shall act in the place and stead of the President in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) 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 showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board. These duties, with approval of the Board, may be delegated to the Association management company, if applicable.

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit or review by a third-party accountant or bookkeeper of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget for the forthcoming year and a statement of income and expenditures for the previous year to be presented to the membership at its regular annual meeting. The Treasurer shall also be responsible for supervising billings. These duties, with approval of the Board, may be delegated to the Association management company, if applicable.

(e) Temporary Chair: In the absence of the President and Vice-President, the Board members attending a Board meeting may elect, by majority vote, a temporary chair for that meeting.

(f) Any duties of any director or officer may be delegated to a managing agent of the Association, through management contract terms or otherwise.

Article VI: COMMITTEES

The Association shall appoint any committees required by the Declaration or these Bylaws. In addition, the Board may appoint other committees as deemed appropriate in carrying out the purposes of the Association. Committee members shall serve at the pleasure of the Board unless otherwise expressly provided in the Declaration or these Bylaws.

Article VII: BOOKS AND RECORDS

The financial books and financial records of the Association shall be subject to inspection by any member in accordance with state law.

Article VIII: ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay the Assessments which are secured to the full extent provided by law by a continuing lien upon the Ranch against which the Assessment is made. The collection and enforcement procedures shall be as set forth in the Declaration.

Article IX: AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Association, by members holding at least a majority of all member votes. However, during the Declarant Control Period, Declarant has the sole right to amend the Bylaws and may do so as it deems necessary or appropriate. Changes in the Declaration shall be pursuant to the procedures set forth therein.

Article X: ADDITION OF LAND

As further described in the Declaration, additional land may be added to *The Ranches at Bar-V-Bar* community and the Association at any time by Declarant or an assignee of Declarant. Any such addition shall be evidenced by an appropriate filing of a supplemental declaration or other similar instrument.

Article XI: MISCELLANEOUS

The fiscal year of the Association shall be the calendar year.

EXHIBIT D

**LOCATION OF RANCH SUBDIVISION PLAT TRACT 8 RESTRICTION AREA AND
SURVEYED TRACT NO. 10 (10.59-ACRE TRACT) RESTRICTION AREA**

AFTER RECORDING RETURN TO:

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