DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR VINEYARD RIDGE SUBDIVISION

COPY

STATE OF TEXAS §
§
COUNTY OF GILLESPIE § KNOWN ALL MEN BY THESE PRESENTS

This declaration made on the date hereinafter set forth by Vineyard Ridge, LLC, a Delaware Limited Liability Company, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer is the Owner of that certain tract of land located in Gillespie County, Texas, containing 659.723 acres more or less and being more fully described on the map and plat recorded in Volume 5, Page 122-134, of the Map and Plat Records of Gillespie County, Texas hereinafter referred to as "Subdivision;"

WHEREAS, it is the desire and purpose of Developer to place certain restrictions, easements, covenants, conditions and reservations (hereinafter "Restrictions") upon the Subdivision in order to establish a uniform plan for its development, insure the use of the subdivision for residential purposes only, prevent nuisances, prevent the impairment of the value of the Subdivision, maintain the desired character of the community, and insure the preservation of such uniform plan for the benefit of the present and future Owners of the Tracts within the Subdivision, and to promote the health, safety, and welfare of the residents within the Subdivision;

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NOW, THEREFORE, Developer hereby adopts, establishes and imposes upon the Subdivision, the following Restrictions for the purposes of enhancing and protecting the value, desirability and attractiveness of the Subdivision, which Restrictions shall run with the land and inure to the benefit of each Owner and his invitees:

ARTICLE I
DEFINITIONS

1.01 Architectural Control Committee or ACC. "Architectural Control Committee" or "ACC" shall mean the Developer until the Control Transfer Date and thereafter a committee initially appointed by the Developer pursuant to these Restrictions to review and approve plans for the construction of Improvements as more specifically provided by Section 4.02 hereof. Board appointment shall mean property owners only, not developer board.

1.02 Annual Assessment. "Annual Assessment" means the amount set forth in Section 6.02 hereof.

1.03 Assessment. "Assessment" means the Annual Assessment, Special Assessments or other charges, interest, penalties and fees authorized by these Restrictions together with the cost and expense incurred in collecting Assessments, including, but not limited to court costs and attorney's fees.

1.04 Association. "Association" means and refers to the Developer until the Control Transfer Date and thereafter Vineyard Ridge Property Owners' Association, Inc. and its successors and assigns.

1.05 Board of Directors. "Board of Directors" means and refers to the Board of Directors of the Association.

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

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

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

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

1.10 Control Transfer Date. The "Control Transfer Date" shall mean the earlier date of: 1.) Developer no longer owns any part of the entire Subdivision, including but not limited to Common Areas; 2.) Fifteen (15) years from date of recordation of this Declaration; or 3.) Developer, in its sole discretion, voluntarily relinquishes control of the Association as set forth in Sections 4.02(a) or 7.01 hereof. Notwithstanding this provision, on or before the 120th day after the date seventy five percent (75%) of the lots that may be created and made subject to this Declaration are conveyed to owners other than Developer, at least one-third of the board members must be elected by owners other than the Developer.

1.11 Construction Deposit. The Construction Deposit has the meaning described in Section 4.06 hereof.

1.12 Developer. "Developer" means and refers to Vineyard Ridge, LLC, a Delaware Limited Liability Company, its successors and assigns.

1.13 Improvement. "Improvement" means every structure and all appurtenances of

every type and kind, including but not limited to buildings, outbuildings, patios, storage buildings, barns, garages, decks, stairs, retaining walls, screening walls, fences, landscaping art or statuary, poles, signs, exterior air conditioning units, exterior water softener fixtures or equipment, pumps, wells, tanks, reservoirs, pipes, utilities, lines, meters, antennas, towers, satellite dishes or any other sound or data receivers or transmitters . The term "Improvement" excludes the interior of each residence, guest quarters, barn or other approved building and the ACC shall have no authority to approve or disapprove improvements made to the interior of such buildings where the exterior of the building is not affected by the interior improvement.

1.14 Member. "Member" means and refers to every current Owner of a Lot.

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

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

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

1.18 Plat. "Plat" means and refers to the plat of Vineyard Ridge Subdivision filed on July 21, 2017, in Volume 5, Page 122-134, of the Map and Plat Records of Gillespie County, Texas.

1.19 Road. Road or roads means property or any road located within the Subdivision which has been dedicated for the purpose of ingress and egress through the Subdivision for the benefit of the property Owners.

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

1.21 Tract or Lot. "Tract" or "Lot" means the 160 individual tracts of land or lots identified on the Plat or any amendments thereto.

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

ARTICLE II
RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.01 Property Subject to Restrictions. The Subdivision, including all the individual Tracts, are subject to these Restrictions which shall run with the land and be binding on all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof. As of the date of these Restrictions there are two Lots that have existing structures. Lot 83 has a small cabin and Lot 112 has a residence. Any building restrictions contained herein shall not apply to these existing improvements, and any variance that exists shall have been deemed accepted by the ACC. The improvements located on Lots 83 and 112 are still subject to all the Restrictions contained herein, including but not limited to obtaining Developer or, after the Control Transfer Date, the ACC approval for all modifications and improvements. The use of the cabin on Lot 83 may be used as the lot owner's temporary residence during the construction of the main dwelling or as a "weekend getaway" for such lot owner prior to the construction of the residence; however, it cannot be used as a permanent residence.

2.02 Utility Easements. The Subdivision and each Tract shall be subject to the easements reserved herein and in favor of the Association, the Tract Owners and the utility companies. A utility easement measuring fifteen feet (15') in width is reserved along the front of each Tract. A utility easement measuring twenty feet (20') in width and centered on the common boundary line that any Tract in the Subdivision shares with another Tract is reserved. A utility easement twenty feet (20') in width is reserved along the perimeter boundary lines of the Subdivision. The utility easements shall be used for the construction, maintenance and repair of utilities, including but not limited to, electrical systems, telephone, cable, water, gas and any other utilities which the Developer or utility providers may install for the benefit of the Tract Owners. Notwithstanding the foregoing, the Developer has no obligation to provide utilities and all such utilities shall be provided by the local utility companies in accordance with the policies of such utility companies. All utility easements in the Subdivision may also be used for the construction of drainage facilities in order to provide for improved surface drainage of the Tracts. The Developer reserves the right to grant specific utility easements without the joinder of any Tract Owner to public utility providers within the boundaries of any of the easements herein reserved. Any utility company serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installing, repairing, and maintaining their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein reserved shall be liable for any damages done by them or their assigns, agents or employees to fences, shrubbery, trees and lawns or any other property of the Tract Owners located within the easements.

2.03 Underground Utilities Required. All utilities installed or constructed which are located in the easements which run along any Tract boundary line which is shared in common with

another Tract boundary line shall be located underground. Utilities along the perimeter boundary lines of the Subdivision may be above ground. The ACC or the developer, prior to the transfer control date, shall have authority to grant variances to the underground utility requirement in situations where the installation of underground utilities is impractical as a result of the existence of extensive solid rock or other terrain or subterranean conditions.

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

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

2.06 County Road Easement. Lots 1 -8 and 92- 93 and 116 - 123 that front North Grape Creek Road are subject to a twelve foot (12') road easement that is held by Gillespie County, Texas for future expansion of North Grape Creek Road. No buildings, walls or other permanent structure shall be built, erected constructed or located over, under, upon or across any portion of the County Road Easement. The Owner of each Tract shall have the right to construct, keep and maintain landscaping, fences and similar removeable improvements across the County Road Easement until such time as the County begins to exercise its rights to use the easement for purposes of public access, provided, however, any landscaping, fencing or similar improvement placed upon the County Road Easement shall be constructed, maintained and used at the Owner's risk and each Tract Owner shall be obligated to remove and/or relocate the same at the request of the County at the Tract Owner's expense, and shall have no claim or cause of action for any damage to or removal of such improvements by the County at such time as it commences to utilize the Road Easement for public access purposes.

ARTICLE III
USE RESTRICTIONS FOR TRACTS

3.01 Single Family. Except as specifically set forth in these Restrictions, all Tracts shall

be used for single family residential purposes only. Except as expressly permitted herein, only one single family residence for each Tract is permitted.

3.02 Minimum Square Footage. Lots 30, 31, 32, 33, 34, 35 and 36 shall have a required minimum square footage for a single family dwelling unit of at least two thousand five hundred (2,500) square feet of living area, excluding porches, garages and storage areas. All other Lots in the Subdivision shall have a required minimum square footage for a single family dwelling unit of at least one thousand eight hundred (1,800) square feet of living area, excluding porches, garages and storage areas.

3.03 Garages. All single family dwelling units, except approved guest quarters, shall have at least a two-car attached, or detached garage. All garages must be constructed out of the same materials as used for the main dwelling. All garages shall be located on the Tract as indicated by the Architectural Control Committee approved site plan.

3.04 Guest/Servants Quarters. One guest or servant quarters may be built upon each Tract provided the guest or servant quarters contains no less than five hundred (500) square feet and is no more than half the size of the main house. Guest or servant quarters must be built along with or after the construction of the main dwelling and may not be built or occupied prior to the main dwelling unit being occupied. Guest or servant quarters must be constructed with material harmonious with the main dwelling.

3.05 Barns, Workshops & Storage Buildings. Except as limited below, for each Lot one permanent metal, rock, and/or hardiplank barn, workshop or storage building shall be allowed so long as such building has rock wainscoat or approved landscaping beginning at the bottom of the building and extending three feet (3') upward. Color of all buildings are to be harmonious with the main dwelling. Lots 8, 12, 30, 31, 32, 33, 34, 35, 36, 56, 82, 92, 93, 102, 103, 113, 116, 124 and 160 shall only be allowed one barn, workshop or storage building as long it is constructed with material and colors harmonious with the main dwelling, Metal structures are prohibited on these tracts. All structures on Lots 30, 31, 32, 33, 34, 35, 36 must be constructed of 100% Masonry. Detailed plans and specifications for barns, workshops and storage buildings must be submitted to the Developer or ACC in order to be considered for approval. For all Lots such structures must be located behind the main dwelling site and may be constructed on the Tracts prior to the main dwelling being constructed or occupied. No portable storage buildings shall be allowed.

3.06 Barns as Temporary Living Space. Guest quarters located inside of a barn which is constructed on the Property shall be allowed so long as the guest quarters are not used as a permanent residence. Guest quarters shall not be rented for income and cannot compromise more than thirty percent of the interior space of such barn. Such guest quarters may be used as the lot owner's temporary residence during the construction of the main dwelling or as a "weekend getaway" for such lot owner prior to the construction of the residence. All barns, workshops, and storage buildings must be approved by the Developer or, after the Control Transfer Date, the ACC.

3.07 No Prefabricated or Mobile Homes. No prefabricated structures or mobile homes are permitted to be located on any Tract except as permitted by Section 3.08 hereof.

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

Prior to the construction of a residence on a Tract, an Owner may use a recreational vehicle camper or motor home (Recreation Vehicle or "RV") for camping purposes no more than seven (7) days out of any thirty (30) day period and no more than twenty-five (25) days per year. TEMPORARY CAMPING OR USING ANY TYPE OF RECREATIONAL VEHICLE, WILL NO LONGER BE PERMITTED, ONCE FIFTY (50) OR MORE RESIDENCES HAVE BEEN BUILT ON THE LOTS IN THE SUBDIVSION. With written approval from the ACC, an RV may be used as a temporary residence during construction, not to exceed twelve (12) months, provided an approved septic system has been installed for the RV and the RV is placed at the rear of the construction site.

Temporary structures, including a business office, portable restroom facilities, or construction storage facilities may be located on a Tract while the main residence for a Tract is actively under construction, provided that such are removed upon substantial completion of construction and are not located on a Tract for longer than the time allowed for construction of a main residence pursuant to Section 3.11 hereunder.

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

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

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

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

3.12 Height Restrictions. No Improvement shall be erected, altered or placed on any Tract which exceeds the lesser of thirty-five feet (35') in height (measured from the ground to the topmost part of the roof) or 2 - 1/2 stories in height.

3.13 Construction Materials. All Improvements must be built with new construction materials and must be built in place on the Tract. All construction materials used shall be of

materials such as wood, rock, brick, hardiplank or stucco, and are subject to the masonry restrictions set forth in Section 3.16. The use of aluminum siding or vinyl siding is prohibited. The Architectural Control Committee or the developer prior to transfer control date may authorize the use of other materials on a case by case basis. Barns and other out buildings may be constructed of metal or materials listed above except for those listed in Section 3.05.

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

3.15 Color. All exterior color schemes for Improvements are subject to the prior written approval of the Architectural Control Committee or Developer (prior to the transfer control date).

3.16 Masonry. Any residence, guest quarters or garage constructed on Lots 30, 31, 32, 33, 34, 35 and 36 shall be constructed with hundred percent (100%) masonry materials. For all the remaining Lots in the Subdivision, any residence, guest quarters or garage shall be constructed from at least fifty-one percent (51%) masonry materials. Masonry materials includes masonry veneer, stucco, brick, rock and all other materials commonly referred to in the Gillespie County, Texas area as masonry, and specifically excludes hardiboard or any synthetic material. Tract Owners are encouraged to use hardiboard materials where non masonry materials are permitted.

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

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

3.20 Consolidated Building Site. Any Owner of one or more adjoining Tracts may, with the prior written approval of the Board of Directors and with the approval of the Gillespie County Commissioners Court, if required, consolidate two or more Tracts into one Tract or building site, in which case the common boundary line between any combined Tract shall be eliminated and the setback lines shall be measured from the remaining exterior boundary lines. Any portion of any utility easement located within the common boundary lines of any combined Tract shall be

eliminated if such utility easements are not being used at the time any Tracts are combined. No Tract shall be deemed to be combined with another Tract until such time as an appropriate re-plat of the combined Tracts is filed with the Gillespie County Plat Records and all necessary approvals have been obtained. Any Tracts which are combined as provided above shall be assessed as one Tract for Assessment purposes. Developer shall not be liable for any fees associated with Tract consolidation.

3.21 Setback Lines. For all Lots in the Subdivision, except for fencing, light posts, driveways, walkways and landscaping, no improvements shall be located nearer than: a) fifty feet (50') from the front property line; b) fifty feet (50') from the rear property line and c) fifteen feet (15') from the side property lines of the Tract unless otherwise noted on the recorded plat. Any exterior lighting, including but not limited to light post, must be approved by the Architectural Control Committee or Developer (prior to the transfer control date). The Architectural Control Committee or Developer (prior to the transfer control date) has the sole discretion to reject any exterior lighting, as it is the intent of these restrictions that exterior lighting be installed so that there is down lighting. If Owner fences more than one acre surrounding its main dwelling site, then in order to maintain a uniform appearance of fences along the roads, all fencing must be located at the property lines. The Architectural Control Committee or Developer (prior to the transfer control date) may waive or alter any setback line, if in the Architectural Control Committee's or Developer's (prior to the transfer control date) sole discretion, such waiver or alteration is necessary to permit effective utilization of a Tract due solely to drainage or land contour related concerns.

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

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

3.24 Walls and Fences. Walls, fences and light posts, if any, must be approved prior to Construction by the Architectural Control Committee or Developer (prior to the transfer control date) and must be constructed of new material, and unless otherwise permitted by the Architectural Control Committee or Developer (prior to the transfer control date), constructed of masonry, wrought iron, wood, metal, pipe, or ranch fencing with t-posts. Wood fences must be constructed in a low profile, open view, style with horizontal rails. Fence heights shall not exceed five feet (5'). Chain link fencing is prohibited, except if used as a dog run and only if such fencing is not visible from any road. If pipe fencing is used, such fences must have a minimum of three (3) horizontal pipes along the front of the lot and otherwise conform with the Architectural Control Committee's or Developer's (prior to the transfer control date) specifications. The community's perimeter fencing is not to be altered or removed on any lot. **If a buyer decides to fence their property they could be in jeopardy of losing their Ag exemption.**

3.25 Mailboxes. All mailboxes will be erected at the Subdivision entrance. The construction of mailboxes will be coordinated with the United States Postal Service. The Association or the Developer (prior to the transfer control date) shall have the right to make such other rules and regulations regarding the location and construction of mailboxes as may be reasonable and necessary.

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

3.27 Antennas, Towers and Satellite Dishes. Antennas, towers, satellite dishes or other sound or data receivers or transmitters of any kind shall not exceed ten feet (10') above the roof of the residence or accessory building upon which they are attached. Any antenna, tower or satellite dishes or other sound or data receivers or transmitters must be located to the side or the rear of the residence or accessory building and not within twenty five feet (25') of any property line. The Architectural Control Committee or Developer (prior to the transfer control date) must approve all exterior antennas, towers, satellite dishes or other sound or data receivers or transmitters.

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

3.29 Garbage and Trash Disposal. No Tract shall be used to maintain as a dumping ground for rubbish, landscape trimmings, or other debris. All Tracts shall be kept in a neat and orderly condition. No refrigerators, freezers, washing machines, dryers, furniture, tools, equipment, toys, or other such items shall be stored outside of a building on any Tract. No junk of any kind or character shall be kept on any Tract. Trash, garbage, landscape trimmings, or other debris shall not be allowed to accumulate on any Tract. Any such items shall be kept in sanitary containers and shall be disposed of regularly in accordance with all applicable laws, rules and regulations. All equipment for the storage or disposal of trash and other debris shall be kept in a clean and sanitary condition. Except on established garbage collection days and in connection solely with that collection process, all trash containers shall be stored in enclosed structures or

screened from view from the Road. Controlled burn piles which are concealed from public view are permitted in accordance with applicable laws, rules, and regulations.

3.30 Unregistered or Junked Motor Vehicles Prohibited. No Tract shall be used as a depository for abandoned, junked or unregistered motor vehicles, boats, airplanes, trailers or other similar items.

3.31 Signs. No signs, advertising, billboards or advertising structure of any kind may be erected or maintained on any Tract without the consent in writing of the Architectural Control Committee or Developer (prior to the transfer control date). Political signs for a political candidate or ballot item for election, as set forth in the Texas Property Code §202.009, may be displayed on a Lot but can only be displayed on or after the 90th day before the date of the election to which the sign relates and must be removed 11 days after the election. The sign must be ground mounted, 2'x 3' in size and a Lot Owner may only display one sign for each candidate or ballot item. In addition to other signs which may be allowed by the Architectural Control Committee or Developer (prior to the transfer control date), the Architectural Control Committee or Developer (prior to the transfer control date) shall allow one (1) professionally made sign not more than twenty-four inches (24") by thirty inches (30") advertising Owner's Tract for sale or rent and one (1) professionally made sign, not more than twelve inches (12") by twenty-four inches (24") identifying the name of the Tract Owner. The term "professionally made sign" does not include plastic or metal pre-made "for sale" or "for rent" signs. No signs shall be nailed to a tree. Signs erected on any vacant Tract advertising "for sale" shall not be permitted during the Developer's control of the Subdivision.

3.32 Animal Husbandry. Domestic livestock and exotic animals shall be allowed only on Tracts 10 acres or larger, so long as such animals do not exceed one (1) animal for every two (2) fenced acres and do not become a nuisance or threat to other Owners. The Association shall have the sole discretion in determining if any animal is a nuisance and make regulations on banning such animal. Pigs, hogs and peacocks are not allowed on any Tract.

Chickens shall only be allowed so long as such birds are kept in a coup and do not exceed ten (10) birds per Tract. Regardless of lot size, coups must be preapproved by the ACC in writing to ensure they are screened from view from the road and or any other Tract in Subdivision.

Dogs, cats or other common household pets may be kept on a Tract. Dogs will not be permitted to run loose in the Subdivision. Dogs and cats must be vaccinated for rabies and other diseased required by applicable laws, rules and regulations and shall be licensed or registered as may be required by applicable laws, rules and regulations.

All animals being raised by the individual Tract Owners must be kept in a fenced area on the Owner's Tract. No overgrazing is permitted on any portion of the Tract as determined by the sole discretion of the Association. No feedlots for any type of animal shall be permitted.

3.33 Mineral Development. No Owner shall be allowed to permit on their own behalf, commercial drilling, mineral development operations, mineral refining, quarrying, mining or water operation of any kind in, on or under any Tract owned by such lot owner.

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

3.35 Re-plating and Subdividing. No Tract may be subdivided into smaller tracts.

3.36 Maintenance and Landscaping of Lots. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly, or unkempt condition of buildings or grounds on such Tract which would tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. Each Owner shall be required to landscape the area around his home. Occupancy prior to completion of landscaping shall require the written approval of the ACC, shall be for good cause only, and shall be no earlier than one hundred twenty days prior to completion of landscaping.

3.37 Firearms. The discharge of firearms in the Subdivision is strictly prohibited.

3.38 Hunting. No hunting of any kind is allowed in Subdivision.

3.39 Water Wells and Irrigation Systems No water wells or irrigation water wells of any type that draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals, or other groundwater, whether surface or subsurface waters, within the Subdivision shall be installed, constructed, or operated within the Subdivision by any person, unless prior written approval has been received from the Developer or, after the Control Transfer Date, the ACC in accordance with Section 4.02 of this Declaration. This Section shall not apply to the Developer, and it may not be amended without the written consent of the Developer or the ACC. It is the intent of this restriction that no private water wells or individual drinking water supply systems shall be allowed upon any Lot within the Subdivision. All lots shall be connected to the Subdivision Central Water System for their primary water needs. Such lot connections shall comply with all Federal, State, and Local Rules, Regulations, and Ordinances and shall further comply with the Rules and Regulations of the Central Water Supply System for the Subdivision. Rain Water collection is permitted but all associated appurtenances must be approved by the ACC.

ARTICLE IV
ARCHITECTURAL CONTROL COMMITTEE

4.01 Basic Control & Applications.

(a) No Improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made to the exterior design or appearance of any

Improvement, without first obtaining the Architectural Control Committee's or Developer's (prior to the transfer control date) approval. No demolition or destruction of any Improvement by voluntary action shall be made without first obtaining the Architectural Control Committee's or Developer's (prior to the transfer control date) approval.

(b) Each application made to the Architectural Control Committee or Developer (prior to the transfer control date) for approval, shall contain an application in the form specified by the Architectural Control Committee or Developer (prior to the transfer control date), two sets of professionally drawn Plans and Specifications for all proposed Improvements, showing the location of all Improvements in the Tract, and any applicable fees or deposits together with such other reasonable necessary information as the Architectural Control Committee or Developer (prior to the transfer control date) shall request. These plans must be submitted in PDF format to the Developer, or after the Control Transfer Date, to the ACC. A non-refundable fee of $250.00 is required at time of plan submittal to cover administrative costs involving the home plan approval process.

4.02 Architectural Control Committee.

(a) All ACC authority is initially vested in the Developer. The ACC authority of the Developer shall cease upon the appointment of a three (3) member Architectural Control Committee by the developer. The Developer shall continue to have ACC authority as to any Plans and Specifications or Construction projects submitted to the Developer prior to the initial appointment of the ACC members.

(b) After the initial members of the ACC are appointed by the Developer, the Developer shall cause an instrument transferring ACC authority to the Association to be recorded in the Official Public Records of Real Property, Gillespie County, Texas. Subsequent appointments of the ACC members shall be by the Board of Directors. The ACC members shall serve staggered terms with the first term ending on the date of the next succeeding annual meeting of Members following the Control Transfer Date. After the Control Transfer Date, each Member of the ACC must be an Owner of a Tract in the Subdivision.

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

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

of the authority granted hereunder.

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

4.06 Construction Deposit. A deposit of $1,000.00 must be paid at the time Plans and Specifications are submitted for the construction of a new residence, barn, workshop or storage building. This deposit will be held for the purpose of securing a Tract Owner's performance, during the construction process, of the obligations imposed by these Restrictions, for wear and tear on the Subdivision roads by construction equipment and construction traffic, and for damage to the Common Areas. Upon completion of construction, the Tract Owner will be refunded the deposit less any obligations incurred as a result of any uncured violation of these Restrictions, any damage to the roads of the Subdivision and any damage to the Common Areas.

ARTICLE V
VINEYARD RIDGE PROPERTY OWNERS' ASSOCIATION, INC.

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

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

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

5.04 Voting Rights. The Association shall have two classes of voting memberships. Developer shall be entitled to ten (10) votes for each Lot owned. Each Tract, other than those

owned by the Developer, shall have only one vote regardless of the number of Owners of the Tract. In the event that more than one person owns a Tract and the group of Owners do not have a unified vote for purposes hereunder, then the Association shall not recognize the vote for that Tract and such vote shall not be counted when the calculating membership votes. Notwithstanding the foregoing, the presence of any Owner of a Tract at a meeting of Members permits the inclusion of the Tract represented when calculating any necessary quorum.

ARTICLE VI
ASSESSMENTS

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

6.02 Annual Assessment.

(a) An Annual Assessment shall be paid by each of the Tract Owners and the Annual Assessment shall be used to pay all reasonable and necessary operating expenses and reserve requirements of the Association as herein provided. The Annual Assessment for the year of purchase shall be pro-rated as of the purchase date and then shall be paid annually.

(b) The initial amount of the Annual Assessment applicable to Lots 1 – 7 and 117 – 123 shall be three hundred dollars ($300.00) per Tract. The initial amount of the Annual Assessment applicable to all other Lots in the Subdivision shall be six hundred dollars ($600.00) per Tract. The Annual Assessment is payable in advance and is due on the thirty first (31) day of January during each calendar year. All other matters relating to the collection, expenditure and administration of the Annual Assessment shall be determined by the Board of Directors of the Association, subject to the provisions hereof.

(c) The Board of Directors of the Association, from and after the Control Transfer Date, shall have the further right at any time to adjust, alter, increase or decrease the Annual Assessment from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association and to enable the Association to carry out its duties hereunder. However, the Board of Directors shall not increase the Annual Assessment by more than ten percent (10%) from the previous year without the affirmative Vote of the Members.

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

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

6.05 Creation of Lien and Personal Obligation. In order to secure the payment of the Assessments, each Owner of a Tract hereby grants the Association a contractual lien on such Tract which may be foreclosed by non-judicial foreclosure, pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said section 51.002 of the Texas Property Code, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the association by means of written instrument executed by the President or any Vice-President of the Association and filed of record in the Official Public Records of Real Property of Gillespie County, Texas. In the event the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, or the Association's agent, shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended. Upon request by the Association, the Trustee shall give any further notice of foreclosure sale as may be required by the Texas Property Code as then amended, and shall convey such Tract to the highest bidder for cash by Trustee's Deed. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with collecting the Assessments and foreclosing on the Tract, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association and amount equal to the amount of the Assessment in default; and third, the remaining balance shall be paid to the Tract Owner or Lien Holder for the benefit of the Tract Owner. Following any such foreclosure, each occupant of a Tract which is foreclosed upon shall be deemed a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action for forcible detainer.

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

It is the intent of the Provisions of this 6.05 to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale. In the event of the amendment of Section 51.002 of the Texas Property Code, the Association, acting without joinder of any Owner or Mortgagee, may, by amendment to these Restrictions, file any required amendments to these Restrictions so as to comply with said amendments to Section 51.002 of the Texas Property Code or any other statute applicable to foreclosures.

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

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

6.07 Liens Subordinate to Mortgages. The lien described in this Article VI shall be deemed subordinate to any lien in favor of any bank, mortgage company, real estate lending establishment, financial institution, insurance company, savings and loan association, or any other third party lender, including the Developer, who may have advanced funds, in good faith, to any Tract Owner for the purchase, improvement, equity lending, renewal, extension, rearrangement or refinancing of any lien secured by a Tract, provided that any such lien holder has made due inquiry as to the payment of any required assessments at the time the lien is recorded. Any consensual lien holder who obtains title to any Tract pursuant to the remedies provided in a deed of trust or mortgage or by judicial foreclosure shall take title of the Tract free and clear of any claims for unpaid assessments or other charges against said Tract which accrued prior to the time such holder acquired title to such Tract. No such sale or transfer shall relieve such holder from liability for any Assessments or other charges or assessments thereafter becoming due. Any other sale or transfer of a Tract shall not affect the Association's lien for Assessments or other charges or assessments. The Association shall make a good faith effort to give each such mortgage sixty (60) days advance written notice of the Association's foreclosure of an Assessment lien, which notice shall be sent to the nearest office of such mortgage by prepaid United State registered or certified mail, return receipt requested, and shall contain a statement of delinquent Assessment or other charges or assessments upon which the said action is based, provided however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VI.

6.08 Purpose of the Assessments. The Annual Assessments and Special Assessments shall be used exclusively for the purpose of promoting the health, safety, security and welfare of the Subdivision and the maintenance of the Common Areas. In particular, the Assessments shall be used for any Improvement or services in furtherance of these purposes and the performance of the Association's duties described herein, including the maintenance of any drainage easements, Common Areas, Common Area Expenses, the enforcement of these Restrictions and the establishment and maintenance of reserve funds. The Assessments may be used by the Association for any purpose which, in the judgment of the Association's Board of Directors, is necessary or desirable to maintain the property value of the Subdivision, including but not limited to, providing funds to pay all taxes, insurance, repairs, utilities and any other expense incurred by the Association. Except for the Association's use of the Assessments to perform its duties as described

in these Restrictions, the use of the Assessments for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Board of Directors as to the expenditure of Assessments shall be final and conclusive so long as such judgment is exercised in good faith.

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

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

ARTICLE VII
DEVELOPER'S RIGHTS AND RESERVATIONS

7.01 Period of Developer's Rights and Reservations. Developer shall have, retain and reserve certain rights as set forth in these Restrictions with respect to the Association from the date hereof, until the earlier of the date the Developer gives written notice to the Association of Developer's termination of the rights described in this Article VII or the Control Transfer Date. Notwithstanding the foregoing, the Developer rights set forth in Sections 7.02 and 7.03 shall not be released until such time as a document relinquishing said rights is filed of record or the Developer no longer holds record title to any Tracts in the Subdivision. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance by the Developer whether or not specifically stated therein. The rights, reservations and easements set forth herein shall be prior and superior to any other provisions of these Restrictions and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment to these Restrictions. Developer's consent to any amendment shall not be construed as consent to any other amendment.

7.02 Developer's Rights to Grant and Create Easements. Developer shall have and hereby reserves the right, without the consent of any Owner or the Association, to grant or create temporary or permanent easements throughout the Subdivision, for ingress, egress, utilities, cable and satellite television systems, communication and security systems, drainage, water and other purposes incidental to the development, sale, operation and maintenance of the Subdivision. The rights reserved to the Developer under this Section 7.02 apply to the entire Subdivision, including Tracts previously sold by the developer.

7.03 Developer's Rights to Convey Common Areas to the Association. Developer shall have and hereby reserves the right, but shall not be obligated to, convey real property and improvements thereon, if any, to the Association for use as Common Areas at any time and from time to time in accordance with these Restrictions, without the consent of any other Owner or Association.

7.04 Annexation of Additional Areas. Developer may cause additional real property to be annexed into Subdivision, by causing a written Annexation Declaration confirming the

annexation thereof, to be recorded in the Official Public Records of Real Property of Gillespie County, Texas. No consent shall be required of the Association or any Member thereof, each Owner being deemed to have appointed the Developer as his agent and attorney-in fact to effect this Annexation, which power hereby granted to the Developer is and shall be a power coupled with any interest. Thereafter, the Association shall be the Association for the entirety of the Development, including the annexed property.

7.05 Developer Control of Association and ACC. Until such time Developer elects to establish the Association and the ACC all authority and powers reserved to the Association, the Board of Directors or the ACC shall be held and exercised by the Developer. The Developer may elect to transfer control of the Association or the ACC at the same time or at different times in which case the Control Transfer Date may be different for the Association and the ACC. The initial Board of Directors of the Association, made up of Owners, shall be designated by the Developer.

ARTICLE XIII
DUTIES AND POWERS OF THE PROPERTY OWNERS ASSOCIATION

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

8.02 Duty to Accept the Property and Facilities Transferred by Developer. The Association shall accept title to any real property, improvements to real property, personal property and any related equipment which the Developer transfers to the Association, together with the responsibility to perform any all maintenance and administrative functions associated therewith, provided that such property and responsibilities are not inconsistent with the terms of these Restrictions. Property interest transferred to the Association by the Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by the Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of any declaration of covenants, conditions and restriction or easements set forth in the transfer instrument. Except as otherwise specifically approved by resolution of the board of Directors, no property or instrument transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to the developer or any affiliate of the developer including, but not limited to, any purchase price, rent charge or fee.

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

insurance, officers and directors liability insurance, as well as such other insurances or bonds as the Association shall deem necessary or desirable.

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

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

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

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

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

8.09 Power to Adopt Rules and Regulation. The Association shall have the power to make reasonable rules and regulations regarding the use of the Common Areas. The rules and regulations may be enforced in the same manner as any other provision of the Restrictions.

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

8.11 Remedies. In the event a Tract Owner fails to remedy any violation of these Restrictions within ten (10) days after written notice by the Association, the Association, or its authorized representatives, may take any one or more of the following actions:

(a) Enter upon the Tract Owner's property and remove the violating condition, or cure the violation, at the expense of the Tract Owner, and the violating Tract Owner shall pay on demand all costs and expenses, including reasonable attorney's fees, incurred by the Association in removing such violating condition;

(b) Assess a charge of $50.00 per day against any Owner and/or his Tract until the violating condition is corrected. The Violation charge may be increased by the Association in accordance with increases in the National Consumer Price Index using 2017 as a base year. Failure to pay such assessment by the violating Owner within ten (10) days from receipt of assessment will result in a lien against the Tract with the same force and effect as the lien for Annual or Special assessments;

(c) File suit in order to enforce the above remedies and/or pursue any other remedy which may be available at law or in equity;

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

8.12 Authority to Combine ACC and Board. In order to efficiently manage the Association, and to perform the duties of the Association, the Association may elect to combine the duties of the Board of Directors and the duties of the ACC into one body to be known as the ACC/ Board.

ARTICLE IX
GENERAL PROVISIONS

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

9.02 Amendments. Except for any amendment affecting any existing Improvements, these Restrictions may be amended or changed, in whole or in part, at any time by a two-third (2/3) majority Vote of the Members. Copies of any records pertaining to such amendments shall be retained by the Association permanently.

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

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

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

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

9.07 Effect of Violation on Mortgages. No violation of the provisions herein contained or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgage under any such mortgage, the holder of any such lien or beneficiary of any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

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

IN WITNESS WHEREOF, the undersigned, being the Developer, herein, has hereunto set its hand on this the 21 day of July, 2017.

Vineyard Ridge, LLC, a Delaware limited liability company

By: American Land Partners, Inc., a Delaware corporation, Manager

By: _____
Printed Name: Davy Roberts
Title: Authorized Agent

STATE OF TEXAS §
§
COUNTY OF Gillespie §

Before me, the undersigned Notary Public, on this day personally appeared DAVY ROBERTS who is personally known to me (or proved to me through a federal or state issued ~~ID~~ with photo and signature of person identified) to be the person whose name is subscribed to the foregoing instrument, and who has acknowledged to me that he is the Authorized Agent as set

forth above and that by authority duly given has executed this instrument for the purposes and considerations expressed.

Given under my hand and seal of office on the 21st day of July, 2017.

NOTARY PUBLIC, State of Texas

MICHELLE ANN FERGUSON
Notary Public, State of Texas
Comm. Expires 01-14-2021
Notary ID 129265542

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Mary Lynn Rusche

Mary Lynn Rusche, County Clerk
Gillespie County Texas
July 21, 2017 10:14:42 AM
FEE: $108.00 CCHEESEMAN **20173583**
DCC