LIMESTONE RANCH

A PLANNED UNIT DEVELOPMENT

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
of
LIMESTONE RANCH
A PLANNED UNIT DEVELOPMENT

Preamble

This Declaration of Covenants, Conditions, and Restrictions is made on the 16th day of May, 2006, by GREEN LAND VENTURES, LTD., a Texas Limited Partnership ("Declarant"), whose mailing address is 10999 IH 10 West, Suite 257, San Antonio, Texas.

Recitals

1. Declarant is the owner of all that certain real property ("the Property") located in Bexar County, Texas, being a tract of land containing approximately 52.122 acres of land and being all of the real property shown and described on plat recorded in Volume 11364, Pages 2342-2348, Bexar County Deed and Plat Records.

2. The Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development designed to protect and safeguard the Property over a long period.

3. This general plan will benefit the Property in general, the parcels and lots that constitute the Property, the Declarant, and each successive owner of an interest in the Property.

4. In accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in furtherance of this general development plan.

NOW, THEREFORE, it is declared that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions.

ARTICLE ONE
DEFINITIONS

Association.

1.1. "Association" means LIMESTONE RANCH HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation or its successors and assigns, or any other incorporated association consisting of all Owners, which shall have the duty of maintaining, operating, and managing the Common Area as provided in this Declaration. Each Owner shall become a member of the Association contemporaneously with acquiring a Lot, without any further documentation of any kind.

Board.

1.2. "Board" means the Board of Directors of the Association.

Common Area.

1.3. "Common Area" means that portion of Property owned or to be owned by the Association for the common use and enjoyment of Members of the Association, including, but not limited to, private streets, signs, gates, monuments, medians, islands, walls, bridges, greenbelts, parks and related improvements and equipment, walkways and easements. The Common Area to be owned by the Association shall include: (i) any area of land shown on the Plat of the Property identified thereon as being held for passive or recreational purposes for the benefit of all Owners, (ii) the streets within the Property, including the entry way street, which are indicated as streets on the Plat, and (iii) other land or improvements deeded or transferred to the Association by the Declarant or any third party for the common use and enjoyment of the Members. Declarant reserves the right to effectuate redesigns, reconfiguration or deletions of the Common Area by any means, including, but without limitation, amending the Plat.

Developer.

1.4. "Developer" means Declarant and its successors and assigns.

Development.

1.5. "Development" shall mean the real property, which Declarant purposes to develop and subdivide into units or phases to become known as Limestone Ranch, a subdivision in Bexar County, Texas.

Improvement.

1.6. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind located on the Property, including but not limited to, buildings, homes, out-buildings, storage sheds, patios, tennis courts, basketball courts, swimming pools, garages, storage buildings, fences, trash enclosures, animal enclosures, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air-conditioning, antenna and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

Lot.

1.7. "Lot" means any of the plots of land shown on the subdivision plat recorded in Volume 11364, at Pages 2342-2348 of the Deed and Plat Records of Bexar County, Texas, on which there is or will be built a single family dwelling or which plot of land is described as a Lot on the Plat. The term "Lot", however, does not include the Common Area.

Owner.

1.8. "Owner" means the record owner or owners of the fee simple title to any Lot or portion of a Lot in the Property on which there is or will be built a detached single family dwelling. "Owner" includes a Seller under a contract for deed but excludes persons having only a security interest.

Plans and Specifications.

1.9. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or erection of any Improvement, including but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, clearing plans, septic system plans, or other sewage disposal system plans, landscaping and fencing plans, signage, lighting, elevation drawings, floor plans, specifications on all building products and construction techniques, samples or exterior color,

plans for utility services, and all other documentation or information relevant to such Improvement.

Plat.

1.10. "Plat" means the map of the subdivision plat of the Property recorded in Volume 11364, Pages 2342-2348, of the Deed and Plat Records of Bexar County, Texas, and any amendments or supplements thereto and any other subdivision plat of the Development.

Property.

1.11. "Property" shall mean a tract of land containing approximately 52.122 acres, located in Bexar County, Texas and more particularly described on a plat recorded in Volume 11364, Pages 2342-2348, of the Deed and Plat Records of Bexar County, Texas, and shall also include any subsequent real property made subject to the covenants, conditions and restrictions of this Declaration or any supplemental Declaration by filing of a supplemental Declaration described in such additional property.

Supplemental Declaration.

1.12. "Supplemental Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded hereafter in order to (i) subject any area of the Property to further covenants, conditions or restrictions (ii) withdraw land from the Property or (iii) annex additional land into the Development.

Limestone Ranch Restrictions.

1.13. The "Limestone Ranch Restrictions" shall mean collectively (i) this Declaration, together with any and all Supplemental Declarations, as the same may be amended from time to time (ii) the Design Guidelines and other rules, codes or regulations promulgated by the Architectural Control Committee, (iii) the Articles of Incorporation and the By-laws of the Association as the same may be amended from time to time and (iv) any rules and regulations promulgated by the Association and/or Declarant with respect to the use of the Common Area or pursuant to this Declaration.

ARTICLE TWO
ARCHITECTURAL CONTROL

Architectural Control Committee.

2.1. Developer shall designate and appoint an Architectural Control Committee consisting of not less than three (3) persons but no more than seven (7), as Declarant or its successors or assigns, deems appropriate. Declarant, its successors or assigns, shall have the right to remove any member of the Architectural Control Committee. The Declarant may delegate the right to appoint or remove members of the Architectural Control Committee to the Board by written instrument. Thereafter, the Board shall have the right to appoint or remove all members of the Architectural Control Committee.

Approval of Plans and Specifications.

2.2. No Improvement shall be commenced, erected, constructed, placed or maintained upon any Lot or the Common Area, nor shall any exterior addition to or change or alteration be made therein unless and until the Plans Specifications therefore shall have been submitted to and approved by the Architectural Control Committee in accordance herewith. In furtherance of and not in limitation of the foregoing, the Architectural Control Committee must review and approve in writing all of the following projects on the Property:

(a) Construction of any building, guest house, pool house, greenhouses, children's playhouses, fence, wall, swimming pool, recreational court or other structure and/or improvement;

(b) Any exterior addition, change, or alteration in any building, fence, wall, or other structure;

(c) Any landscaping or grading of any Lot or Lots, including paving of driveways.

Application for Approval.

2.3. To obtain approval to do any of the work described in Paragraph 2.2 and prior to commencing construction of an Improvement, an Owner must submit an application to the Architectural Control Committee showing the Plans and Specifications for the proposed work or Improvement. Such Plans and Specifications shall detail the nature, shape, height, materials,

colors, and location of the proposed work or Improvement and any other information requested by the Architectural Control Committee.

Standard for Review; Duration of ACC Approval.

2.4. The Architectural Control Committee shall review applications for proposed work or Improvement in order to (1) ensure conformity of the proposal with these covenants, conditions, and restrictions and (2) ensure harmony of external design in relation to surrounding structures and topography. An application can be rejected for providing insufficient information. The Committee shall have broad, discretionary authority to interpret and apply these standards. In rejecting an application, the Committee should detail the reasons for rejection and suggest how the applicant could remedy the deficiencies. Any work submitted for approval by the Architectural Control Committee which is either expressly approved or approved pursuant to Section 2.5 hereof, must be commenced and completed within nine (9) months from the date of such approval or deemed approval in accordance with Section 2.5 or such approval shall be null and void. In such case, the applicant must resubmit the application for the proposed work or Improvement to the Architectural Control Committee. The Architectural Control Committee shall not be responsible for reviewing, supervising the construction of or ensuring compliance with the Plans and Specifications of any Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof in the standpoint of structural safety, engineering soundness, or conformance with applicable building or other codes or ordinances of governmental regulatory authorities.

Failure of Committee to Act.

2.5. If the Architectural Control Committee fails to either approve or reject an application for proposed work within fifteen (15) days after its submission of the Plans and Specifications and any other information requested by it, then Architectural Committee approval shall not be required, and the applicant shall be deemed to have fully complied with this Article.

Design Guidelines.

2.6. The Architectural Control Committee may adopt Design Guidelines, which may hereafter be amended from time to time, and shall supply the Design Guidelines to each Owner. The Design Guidelines shall not conflict with but may be more restrictive than the covenants, conditions and restrictions set forth in this Declaration. All Improvements shall be constructed in accordance with the Design Guidelines, and the Architectural Control Committee shall have the authority to disapprove any proposed Improvement based on the restrictions set forth in the

Design Guidelines. Any decision of the Architectural Control Committee pursuant to this Section shall be final and binding so long as it is made in good faith. In the event of a conflict between the Design Guidelines and this Declaration (or any Supplemental Declaration), the Declaration shall control. The Architectural Control Committee may charge an Owner a reasonable fee for each set of Design Guidelines supplied to any Owner.

Delegation of Authority; Establishment of Rules.

2.7. The Architectural Control Committee may, by resolution unanimously adopted in writing, designate one or two of its members or an agent acting on his behalf to take any action and perform any duties for and on behalf of the Architectural Control Committee. In the absence of such designation, the vote of the majority of all the members of the Architectural Control Committee taken without a meeting shall constitute an act of the Architectural Control Committee. The Architectural Control Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties , including but not limited to, the establishment of building, fire, housing, landscaping, or drainage codes.

PRIOR TO ACQUIRING ANY INTEREST IN A LOT, EACH PROSPECTIVE PURCHASER, TRANSFEREE, MORTGAGEE, AND OWNER IS STRONGLY ENCOURAGED TO CONTACT THE ARCHITECTURAL CONTROL COMMITTEE TO OBTAIN AND REVIEW THE MOST RECENT DESIGN GUIDELINES WHICH WILL CONTROL THE DEVELOPMENT, CONSTRUCTION AND USE OF THE LOT. THE GUIDELINES MAY CONTAIN STANDARDS, REQUIREMENTS, OR LIMITATIONS IN ADDITION TO THOSE EXPRESSLY SET FORTH OR REFERRED TO IN THIS DECLARATION AND MORE STRINGENT STANDARDS, REQUIREMENTS, OR LIMITATIONS THAN ANY SPECIFIC STANDARD, REQUIREMENT OR LIMITATION SET FORTH OR REFERRED TO IN THIS DECLARATION.

Variances.

2.8. The Architectural Control Committee may grant variances from compliance with any of the provisions of this Declaration or any Supplemental Declaration, when, in the opinion of the Architectural Control Committee, in its sole and absolute discretion, the variance will not impair or detract from the high quality development of the Property, and the variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and must be signed by at least two (2) of

the members of the Architectural Control Committee. The granting of any variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Lots for any purpose except as to the particular Lot and in the particular instance covered by the variance, and the variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

Inspection.

2.9. The Architectural Control Committee, at its option, may inspect all work in progress to ensure compliance with approved Plans and Specifications.

Maintenance Rights.

2.10. If an Owner of any Lot fails to maintain the premises in a neat and orderly manner, the Developer or the Architectural Control Committee shall have the right, through its agents and employees, to enter the Lot in order to repair, maintain, and restore the Lot, including landscaping, and the exterior of any buildings and other improvements located on the Lot, all at the expense of the Owner.

No Waiver of Future Approvals.

2.11. The approval or consent of the Architectural Control Committee to any Plans or Specifications for any work done or proposed in connection with any other matter requiring the approval or consent of the Architectural Control Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

ARTICLE THREE
USE RESTRICTIONS AND ARCHITECTURAL STANDARDS

General.

3.1. The Lots shall be improved and used for single family residential use only. The Common Area may, subject to the approval of Declarant, be improved and used for active and passive recreational purposes for the primary benefit of Owners and occupants of portions of the Property; provided, however that, as to any specific area, Declarant may, in its sole and absolute discretion, permit other improvements and uses.

Common Area Use.

3.2. No land within the Common Area shall be improved, used or occupied, except in such manner as shall have been approved by Declarant, in its sole and absolute discretion. Such required approval shall extend to the nature, duration and type of use, occupancy and improvement. Declarant may, by written instrument, delegate its right to grant such approval to the Board. In addition, the hours of operation for the entryway guardhouse, security gate or other means of controlled access to the Property shall be determined by the Declarant in its sole and absolute discretion. Access to any of the Common Area may be limited to persons currently paying assessment fees and other charges, or otherwise conditioned or restricted, or made available to Owners, all on such terms and conditions as Declarant may determine, in its sole discretion, which determination may be delegated by Declarant to the Board. The Architectural Control Committee and Declarant or its delegee, and the Board, or any one of them, reserve the right to promulgate reasonable use restrictions for the Common Area.

Common Area/Recreational Improvements.

3.3. Any proposed construction of recreational improvements within the Common Area shall be subject to approval by the Architectural Control Committee and Declarant.

Common Area/Vehicles, Etc.

3.4. No motorcycles, motorbikes or other motorized vehicles (except those used for maintenance, repairs and upkeep of the Common Area) shall be permitted on the park, open space or trail areas of the Common Area owned by the Association or Declarant. No unlicensed vehicles of any type shall be permitted on any roads, streets or easements within the Common Area.

Residential Use Only.

3.5. All Lots shall be used for single-family residential purposes only. Single family use consists of use as a dwelling by two or more natural persons who are related by marriage, blood, adoption or kinship or by not more than three (3) natural persons who are not related by marriage, blood, adoption or kinship. However, Declarant, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the

construction and sales period, to use facilities as may be reasonably necessary or convenient for its business purpose of constructing and selling residences on the Property.

Type of Buildings Permitted.

3.6. No building, structure or improvement shall be erected, altered, or permitted to exist on any Lot other than one detached single-family dwelling not to exceed two stories in height, with a private garage for not more than four (4) automobiles and at least two (2) automobiles. Additionally, a detached guest quarters or pool house may be erected so long as it complies with the construction requirements of Paragraph 3.7 and is approved by the Architectural Control Committee. Other ancillary outbuildings, such as children's playhouse or storage buildings, may be permitted after approval by the Architectural Control Committee as set out in Article Two (2). However, Developer, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to construct and maintain the facilities as may be reasonably necessary or convenient for its business of constructing and selling dwelling units on the Property, including, but not limited to, offices and storage areas.

Design, Minimum Floor Area, and Exterior Walls.

3.7. Any one story residence constructed on a Lot must have not less than 2,100 square feet, exclusive of open or screened porches, terraces, patios, driveways, carports, and garages. Any two-story residence constructed on a Lot must have a ground floor area of not less than 1,800 square feet and a total of not less than 2,300 square feet, exclusive of open or screened porches, patios, terraces, driveways, carports or garages. The exterior walls of any residence, garage, or guest house shall consist of not less than Seventy five percent (75%) masonry construction. Masonry is defined as brick, stone, stucco, or other material approved by the Architectural Control Committee. All roofs shall be constructed of fireproof materials consisting of slate, tile, metal, 240 pounds of asphalt dimensional shingles or other material approved by the Architectural Control Committee. Garages on all Lots, shall either be side entry garages or detached garages and, in addition, on corner Lots such garages shall not face the streets on the side Lot line.

Foundations.

3.8. On all main buildings and on all outbuildings, either attached or detached, all foundations must be slab-on-grade (of concrete) and must be fully enclosed at the perimeter. Such foundations must be designed by a professional engineer expert in foundation design, in

accordance with the most recent criteria established by the Builders Research and Advisory Board (B.R.A.B.) or Post Tension Institute (P.T.I.) or other comparable standard designated by the Committee.

Swimming Pool Equipment.

3.9. All pool or pool service equipment located on or used in connection with a Lot shall be located either (a) in a side yard between the front and rear boundaries of the residence, or (b) in the rear yard directly abutting and adjacent to the residence. In addition, this equipment must be visually screened by a solid masonry wall or wood fence of approved type and construction. All screening walls shall be fully landscaped with landscaping of a type, quality and quantity approved by the Architectural Control Committee.

Tennis Courts.

3.10. No tennis court lighting shall be constructed or placed upon any Lot, unless otherwise approved by the Architectural Control Committee.

Window or Wall Units.

3.11. No window or wall type air conditioners shall be permitted to be used, placed or maintained on or in any building or in any part of the Property, without the prior written consent of the Architectural Control Committee.

Setbacks.

3.12. No building, structure or improvement, other than landscape plant materials, walkways, irrigation systems, and fences (subject to the restrictions of Section 3.24) shall be located on any Lot nearer to the front Lot line than forty (40) feet or nearer to the rear Lot line than twenty (20) feet or nearer to the side Lot line than ten (10) feet. Notwithstanding the foregoing, a ten (10) foot side yard shall be permissible for a side entry garage or other permitted accessory building located one hundred (100) feet or more from the front Lot line. For purposes of this covenant, eaves, steps, and open porches shall not be considered as a part of the building; provided, however, construction of any portion of the building shall not encroach upon another Lot. If two or more Lots, or portions of two or more Lots, are consolidated into a building site in conformity with Paragraph 3.13, these building setback requirements shall apply to the resulting building site as if it were one original, platted Lot. Detached garages shall have five (5) feet side setback requirements and a ten (10) foot rear setback requirement.

The Architectural Control Committee shall specifically have the right to grant a variance of the setback lines if it deems the variance appropriate. The granting of any variance shall not be deemed a modification, amendment or waiver of this Section 3.12 with respect to other Lots within the Property.

Resubdivision or Consolidation.

3.13. No Lot shall be resubdivided or split except any person owning two or more adjoining Lots may consolidate those Lots into one building site, with the privilege of constructing improvements, as permitted by this Declaration, on the building site with the prior written approval of the Architectural Control Committee.

Easements.

3.14. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. No utility company, water district, political subdivision, or other authorized entity using these easements shall be liable for any damage done by them or their assigns, agents, employees, or servants, to shrubbery, trees, flowers, or to other property of the Owner situated in the easement.

Noxious or Offensive Activities Prohibited.

3.15. No noxious, offensive activity shall be conducted on any Lot that may be or may become an annoyance or nuisance to the neighborhood.

Hazardous Activities.

3.16. No activities shall be conducted on the Property and no improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property. Notwithstanding the foregoing, the Board may, in isolated cases, approve the discharge of fireworks to celebrate a holiday or other event, but, in such event, the party discharging such fireworks shall be designated by the Board and shall be done so in strict accordance with the rules and regulations established for that event. No open fires shall be lighted or permitted except (i) within safe and well-designated interior fireplaces; (ii) within contained barbecue units while attended and in use for cooking purposes; or (iii) in compliance with ordinances,

regulations and permit requirements of local governmental authorities. Hunting, whether with firearms or bows or otherwise, shall be prohibited on the Property.

Prohibited Residential Uses.

3.17. No structure not approved for residential use by the Architectural Control Committee, including but not limited to trailers, mobile homes, motor homes, recreational vehicles, basements, tents, shacks, garages, and other outbuildings and accessory structures, shall be used on any Lot at any time as a residence, either temporarily or permanently.

Unsightly Property; Vehicles.

3.18. No article of property deemed to be unsightly by the Architectural Control Committee shall be permitted to remain on any Lot so as to be visible from any other portion of the Property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motor homes, recreational vehicles, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times, except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures approved by the Architectural Control Committee. Each single family residential structure constructed within the Property shall have garage space sufficient to house two (2) automobiles. Owners shall not keep, place or allow more than two (2) automobiles in such manner as to be visible from any other portion of the Property for any period in excess of forty-eight (48) hours. No automobiles or other vehicles may be parked overnight on any street, alley or roadway or the Common Area within the Property except that guests of Owners may park a vehicle overnight in the street immediately in front of such Owner's Lot for a period not exceeding forty-eight (48) hours. Service areas, storage areas, loading areas and compost piles shall be appropriately screened from view from public or private thoroughfares and other properties and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view from public or private thoroughfares and adjacent properties.

Signs.

3.19. No signs of any type shall be allowed on any Lot except one sign advertising the sale or lease of the Lot . The Architectural Control Committees may promulgate rules and regulations regarding the size, location, composition, color and quality of signs advertising the

sale or lease of a Lot. Further, all signs visible from the roadway (both temporary and permanent) shall be constructed for low maintenance and shall be approved in advance by the Architectural Control Committee. In the event a sign is not properly maintained, the Architectural Control Committee may give the sign owner written notice thereof. Required repairs must be made within five (5) business days of notification by the Architectural Control Committee. The Architectural Control Committee shall have the right, but not the obligation, to have repairs made and charged to the sign owner. An easement on, over and across the Common Area is hereby retained by Declarant for placement of project signs, project monuments, directional signs, and marketing signs. Notwithstanding the foregoing provisions of this Section 3.19, (i) the Owner of a Lot occupied as a residence may place signs on the Lot promoting a political candidate or a position on an issue for which an election is to be held provided, however, that such right shall be limited to one sign per political race and one sign for each issue for which an election is to be held and provided further that such signs are removed promptly and immediately following such election, and (ii) prior to the occupancy of a Lot as a residence, a Builder may place model home signs, directional signs, marketing or promotional signage in accordance with rules and regulations promulgated by Architectural Control Committee or the Declarant. On corner Lots, the Declarant and/or the Association reserves the right and an easement to place streets signs and directional signs within a ten (10) foot radius from the corner of such Lots.

Rubbish, Trash and Garbage.

3.20. No Lot shall be used or maintained as a dumping ground for rubbish or trash. All garbage and other waste shall be kept in sanitary containers appropriately screened from view. There shall be no burning or incineration of trash, garbage, leaves, brush, or other debris on any Lot. All refuse garbage and trash shall be collected or disposed of by Owner, at his expense. In the event the Owner fails or refuses to keep, or cause to be kept, Owner's Lot or any Improvements thereon free from rubbish or debris of any kind, and such failure or refusal shall continue for fifteen (15) days after delivery of written notice thereof to Owner, then the Association may enter upon such Lot and remove or correct the same at the expense of the Owner and such entry shall not be deemed a trespass.

Sewage Disposal.

3.21. No individual sewage-disposal system shall be permitted on any Lot unless the system is designed, located, and constructed in accordance with the requirements, standards, and recommendations of the State of Texas and/or the County of Bexar Public Health Authority or

any other state or federal agency which regulates such systems. Approval of the system as installed shall be obtained from the proper authority.

Water Supply.

3.22. Water used for residential use and consumption for each Lot may be purchased from the water company owning and operating a Certificate of Convenience and Necessity covering the Property or its successors and assigns. The drilling of water wells on any Lot is prohibited. The foregoing provision shall not prohibit the Declarant or the water company servicing the Property from drilling water wells on part of the Common Area or upon Lots owned by the Declarant or such water company.

Animals.

3.23. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot for commercial purposes, and, specifically, no kennels or dog runs for the purpose of breeding dogs or cats or any other animals will be permitted. Only household pets living inside a residence or inside an outdoor fenced enclosure shall be allowed. No more the four (4) dogs, cats or other household pets to be kept in each Lot. No animal shall be allowed outside a residence or enclosure unless restrained in some manner, for example, by leash.

Fences, Walls, and Hedges.

3.24. Fences may be constructed along and adjacent to the property line of each Lot with the exception that no fence, wall, hedge or other barrier shall be constructed within the limits of the Lot's front setback line. All fences facing the front Lot line or a street shall be constructed of brick, stone, or masonry, or a combination of the foregoing with wrought iron or treated wood, with the treated surface of such wood facing the street, all as approved by the Architectural Control Committee. All fences facing the front Lot line or a street shall be constructed with materials consistent with the construction materials used on the main residence on the Lot. Wooden gates for any fence shall be permitted. All fences constructed on a Lot shall not exceed six (6) feet in height. Fences constructed on the side Lot lines between Lots or on the rear Lot line may be constructed of wood or other materials approved by the Architectural Control Committee. No fences described as cyclone (unless specifically approved by the Architectural Control Committee), or metal cloth fencing shall be permitted in the Property. The design and material of construction for any fencing must be submitted to and approved by the Architectural Control Committee prior to start of construction pursuant to Article Two hereof.

Driveways.

3.25. All driveways shall be paved with concrete, brick, masonry or any other material approved by the Architectural Control Committee.

Trucks, Buses, and Trailers/Parking.

3.26. No truck or bus (except a passenger van for personal use) or boat or trailer shall be left parked in the street in front of any Lot, except for construction and repair equipment while a residence or residences are being built or repaired in the immediate vicinity. No truck or bus (except a passenger van for personal use) or boat or trailer shall be parked on the driveway or any portion of the Lot in such manner as to be visible from the street. No vehicle of any type shall be parked overnight in the street in front of any Lot or on any portion of the Common Area.

Wood-Burning Stoves and Fireplaces.

3.27. No fireplace or wood-burning stove shall be installed or used on any Lot unless it meets the requirements, standards, and complies with all safety codes and construction requirements within the industry and otherwise complies with all rules, statutes, ordinances, guidelines and regulations of all local, state and federal governmental bodies having jurisdiction over the construction and use of fireplaces and wood-burning stoves.

Poles, Masts, and Antennas.

3.28. No poles, masts, antennae, or satellite dishes of any type, size, or height shall be installed on any Lot unless within the envelope of a building or structure approved by the Architectural Control Committee. However, federal regulations now govern the placement of satellite dishes. In no way shall the placement of a satellite dish required by the Architectural Control Committee impair reception or increase the cost to any Owner. Any restriction related to a satellite dish shall be necessary to protect the public health and/or safety within the Property. If an Owner desires to install a satellite dish on a Lot, they shall due so in accordance with the notification procedures established by the Architectural Control Committee.

Water Softeners and Air Conditioning Equipment.

3.29. The location, type, and screening of water softeners and air conditioning units shall be first approved by the Architectural Control Committee before installation or use.

Landscaping and Open Space; Trees.

3.30. Each Lot must consist of no less than fifty-one percent (51%) space upon which no building or permanent structure, including but not limited to, patios, driveways, walks, pools, hard surface recreational courts and any other non-permeable improvement is erected. The Architectural Control Committee reserves the right to implement a landscaping code which promotes and encourages the use of landscaping vegetation, including lawns, shrubbery, trees and plants, which are drought tolerant or use or little or no water in order to promote water conservation and the preservation of water resources. No tree within the Property may be removed or destroyed which has a trunk diameter exceeding eight (8") inches. Further, the Architectural Control Committee reserves the right to promulgate rules and regulation regarding the trimming, cutting, pruning or cutting of oak trees or other trees to prevent the spread of oak wilt and other tree diseases within the Property.

Screening.

3.31. All electrical transformer boxes, as well as fuel oil, propane, or butane tanks shall be screened in a manner approved by the Architectural Control Committee, so that they are not visible from any street.

Construction Completion.

3.32. The entire exterior of any residence constructed any on Lot, together with the driveways, sidewalks, and other improvements associated with the residence, must be completed within nine (9) months after the commencement of work thereon or the placing of materials therefore on such Lot, whichever occurs earliest. The Architectural Control Committee may, in its sole discretion, grant extensions of the completion deadline.

Accessory buildings, detached garages, guest houses, and other improvements may be constructed simultaneously with the residence, but shall not precede the start of construction for the residence. Construction of all accessory structures visible from a street must be completed within nine (9) months of receiving approval to construct said structure from the Architectural Control Committee. If all or any portion of the Improvements are damaged or destroyed by fire or other casualty, it shall be the duty of the Owner thereof, with all due diligence, to reconstruct such improvements in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction shall be undertaken within six (6) months after the damage occurs. Due to the impossibility of being able to ascertain the exact amount of actual

damages, Owner's failure to comply herewith shall result in liquidated damages being due to the Association in the amount of $100.00 for each day of noncompliance.

Noise.

3.33. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security or public safety purposes) shall be located, used or placed on any of the Property such that it becomes or will become clearly audible at the property line of adjoining Lot Owners. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

Underground Utility Lines.

3.34. No utility lines, including but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, or cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property unless the same shall contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the Architectural Control Committee; provided however that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements or the use of model homes or construction trailers which have been previously approved in writing by the Architectural Control Committee and further provided that this provision shall not apply to existing utilities.

Construction Activities.

3.35. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the Architectural Control Committee, provided that such waiver shall be only for the reasonable period of such construction. The Architectural Control Committee is also

empowered in the event of a dispute to set a reasonable schedule including days of the week and times for the performance of construction activities.

Compliance with Provisions of the Limestone Ranch Restrictions.

3.36. Each Owner shall, and by accepting ownership of a Lot covenants and agrees to, comply strictly with the provisions of the Limestone Ranch Restrictions as the same may be amended from time to time. Failure to comply with any of the Limestone Ranch Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for fines, penalties, assessments, damages or injunctive relief or both, asserted by the Board on behalf of the Association or by an aggrieved Owner.

Unfinished Construction.

3.37. No structure or Improvement shall remain unfinished for more than nine (9) months after the same has been commenced unless approved by the Architectural Control Committee.

No Warranty of Enforceability.

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

ARTICLE FOUR
EASEMENTS

Reservation of Easements.

4.1. All easements and rights-of-way for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. If a party to whom the easement is reserved is not indicated on the Plat, such easement shall be reserved in favor of the Declarant. Declarant may transfer all easements, streets and Common Area to the Association. Declarant may transfer Lot 24 (water treatment plant) and all easements for the distribution, maintenance, construction

or use of the water distribution system to the water company servicing the Property. All dedications, limitations, restrictions and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions and related rights, made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to said easements and rights-of-way for the purpose of most efficiently and economically developing the Property and other property made subject to this Declaration. Further, Declarant reserves the right, without the necessity of the joinder or consent of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at anytime or from time to time rights-of-way and easements for access, ingress and egress for public or private utility purposes, (including, but without limitation, gas, water, cable television, electricity, telephone and drainage) in favor of any person or entity, along and on either or both sides of any Lot line and along the rear Lot line of each Lot, which said easements shall have a maximum width of ten (10) feet on each side of such Lot line and ten (10) feet from the rear Lot line. An easement over the Common Area shown on the Plat is hereby retained by Declarant, its successors and/or assigns or designees, for the benefit of the Property.

Installation and Maintenance.

4.2. There is hereby created an easement upon, across, over and under all of the easement areas affecting the Property and shown on the Plat for ingress and egress and in connection with installing, replacing, repairing, maintaining and extending all utilities, including, but not limited to, water, sewer, gas, cable, television, telephones, electricity and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto, on, across and under the Property, within the utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any improvement located within the Property. Notwithstanding any provision contained in this Section, no water, cable, or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Control Committee. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements. Further, the utility companies providing a service to a Lot shall have the right to remove all rubbish, trash, vegetation, obstructions, Improvements and underground irrigation equipment, in order to maintain, repair and operate such utility service.

Drainage Easement.

4.3 Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the Architectural Control Committee thereon, require in order to comply with the grading plan and overall drainage plan of the Property. No Improvement on any Lot or other act by Owner shall inhibit, alter, retain or divert the flow of water flowing across or from any Lot in conflict with the drainage and grading plan for the Property unless approved in writing by the Architectural Control Committee. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements or natural creeks as shown on the Plat. There shall be no construction of improvements, temporary or permanent, in any drainage easement or natural creeks, except as approved in writing by the Architectural Control Committee.

Surface Areas; Nonliability to Owner for Easement Use.

4.4. Each Owner shall maintain the surface area of all easements located within the Lot or Lots owed by him, her or it and all Improvements located therein except for such Improvements for which a public authority or utility company is responsible. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them either of them or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation or any aboveground or underground improvement, structure or irrigation system as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

Title to Easement and Appurtenances Not Conveyed.

4.5 Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any easement, street, roadway or the Common Area or any drainage, water, gas, cable, sewer, storm sewer, electrical light, electrical power, telegraph or telephone easement or facility, or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Property. The right to maintain, repair, sell, or lease such appurtenances and easements to any municipality or other governmental agency or to any public or private utility service corporation or to any other party is hereby expressly reserved in Declarant.

Use of Common Area.

4.6 Each Owner shall have an easement of use and enjoyment in and to all Common Area (including rights of ingress and egress over the streets within the Property) which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

(a). The right of the Association to suspend the Owner's voting rights and right to use the Common Area for any period during which any assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the Limestone Ranch Restrictions;

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

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

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

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

(f). The rights of existing lienholders who have a lien or security interest in all or a portion of the Common Area;

(g). Any rights granted by Declarant prior or are subsequent to the recording of this Declaration in and to third parties including, but limited to, rights of ingress and egress over and across the streets within the Property and utility easements over and across portions of the Common Area; and

(h). The right of Declarant, in its sole and absolute discretion, to determine and set the hours of operation for the entryway guard house, security gate or other means of controlled access to the Property.

Underground Electrical System.

4.7. An underground electricity distribution system shall be installed to serve all Lots within the Property. The Owner of each Lot, at the Owner's cost, shall furnish, install, and maintain (all in accordance with the requirements of local governmental authorities and the National Electrical Code) an underground service cable and appurtenances from the meter installed on the Lot by the electric company to such point as may be designated by the company on the property line of the Lot. The company furnishing electric service shall make the necessary connection at the property line and at the meter. Each Owner, at the Owner's cost, shall install, furnish, and maintain a meter loop (in accordance with then-current standards and specifications of the electric company) for the residence constructed on the Lot. For as long as underground service is maintained, the electric service to each Lot shall be uniform in character and exclusively of the type known as single-phase 120/240 volt, 3-wire, 60-cycle alternating current.

ARTICLE FIVE
LIMESTONE RANCH HOMEOWNER'S ASSOCIATION

Organization.

5.1. Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association as a non-profit corporation under the laws of the State of Texas. The Association shall be created for the purposes, charged with the duties, governed by the provisions and vested with the powers prescribed by law or set forth in its articles and bylaws or in this Declaration. Neither the Association's Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Membership.

5.2. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject, by covenants of record, to assessment by the Association, including sellers in a contract for deed or an executory contract yet to close, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. Any mortgagee or lienholder who acquired title to any Lot which is a part of the Property through judicial or non-judicial foreclosure, shall be a Member of the Association. It is understood that the Development may be developed in phases or sections, and such completed sections or phases or any part

thereof shall, at the option and election of Declarant, be incorporated within the scheme of this Declaration and become bound hereby and a part hereof, which incorporation shall be evidenced by the filing of the Supplemental Declaration. In such case, the Owners of Lots within the additional property made subject to this Declaration shall become Members of the Association.

Transfer of Membership.

5.3. Association membership shall be transferred automatically to the grantee of a conveyance of a Lot in fee. Membership shall not be assigned, pledged, or transferred in any other way. Any attempt to make a prohibited transfer shall be void.

Management of Association.

5.4. The Association shall be managed by the Board pursuant to the procedures set forth in the Association's articles of incorporation and bylaws, subject to this Declaration.

Voting Rights.

5.5. The Association shall have two (2) classes of voting memberships:

(a). Class A. Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b). Class B. The Class B Member(s) shall be Declarant, and its successors and assigns, and shall be entitled to ten (10) votes (i) for each Lot owned by it, and (ii) for each one (1) acre of the Development not then subject to a recorded plat ("Future Lot"); provided that the Class B membership shall cease and be converted to Class A membership (subject to reversion back to Class B membership upon the annexation of additional land) on the happening of either of the following events, whichever occurs earlier:

(1) the complete development of the Development and sale of all platted Lots indicated thereon; or

(2) January 1, 2016.

From and after the occurrence of one of the above events, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot and one (1) vote for each Future Lot then owned by such Class B Member. The Class B membership shall be immediately reinstated upon annexation of any additional land. Such reinstatement of the Class B Member shall in any event cease on January 1, 2016.

Number of Directors; Annual Meetings.

5.6. The Board shall consist of not less than three (3) and not more than nine (9) directors. The Declarant shall appoint the initial directors of the Board who shall serve their respective terms as set forth in the Association's Bylaws and Articles of Incorporation. Upon the expiration of a term of a director of the initial Board, such directorship shall be filled in accordance with the Association's Articles and Bylaws. The Board shall meet at least once a year.

Duties and Powers of the Board.

5.7. Through the Board, the Association shall have the following powers and duties:

(a) To adopt rules and regulations to implement this Declaration and the Association's bylaws.

(b) To recommend, adopt, implement, and enforce rules, regulations, mechanisms, and procedures governing use of the entry road and streets, covering items such as (but not necessarily limited to):

i. identification and entry programs for Members, their respective immediate families, their guests, and vehicles owned or driven by any of them;

ii. speed limits, designated parking areas, restricted parking areas, and no parking areas;

iii. signs and graphics to provide announcements to unauthorized persons concerning potential criminal trespass matters;

iv. a "fines" system through with the Association can levy and collect fines from its Members' guests, invitees and contractors for violations of the applicable rules and regulations; and

v. disclaimers of liability for any and all matters or occurrences on or related to the Common Area.

(c) To enforce this Declaration, the bylaws, its rules and regulations including, but not limited to, the right to file suit and/or take other legal action to prosecute and remedy violations of the covenants, restrictions and conditions set forth herein or in any supplement or amendment hereto.

(d) To elect officers of the Board and select members of the Architectural Control Committee when that power devolves to the Board or is assigned to the Board by Declarant in writing.

(e) To establish committee and delegate its powers to committees, officers, or employees.

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

(g) To prepare a balance sheet and operating income statement for the Association and deliver a report to the membership at its annual meeting.

(h) To establish and collect regular assessments to defray expenses attributable to the Association's duties, to be levied against each Owner, however at no time shall Developer be liable for any such assessments.

(i) To establish and collect special assessments for capital improvements or other purposes.

(j) To file liens against Owners because of nonpayment of assessments duly levied and to foreclose on those liens.

(k) To receive complaints regarding violations of this Declaration.

(l) To enter at any time in an emergency (or in case of a non-emergency, after twenty-four (24) hours written notice), without being liable to any Owner, upon any Lot and into any improvement thereon for the purpose of enforcing this Declaration or for the purpose of maintaining or repairing any area, improvement or other facility to conform to this Declaration. The expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and upon the improvements thereon, and shall be enforced in the same manner and to the same extent as provided for regular and special Assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of this Declaration; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

(m) To hold hearings to determine whether to discipline Owners who violate this Declaration.

(n) To give reasonable notice to all Owners of all annual meetings of the membership and all discipline hearings.

(o) To hold regular meetings of the Board at least quarterly.

(p) To manage and maintain all of the Common Area in a state of high quality and in good repair.

(q) To pay taxes and assessments that are or could become a lien on the Common Area.

(r) To pay the costs of any liability insurance and fire insurance on the Common Area and any liability insurance for members of the Board.

(s) To buy, sell, acquire, own, manage and maintain real and personal property, including, but not limited to the Common Area, greenbelts, easements and streets within the Property which may be necessary or advisable to promote the health, safety and welfare of Owners within the Property, for the administration and performance of the duties of the Association or for the economical and efficient development of the Property.

(t) To enter into contracts and agreements with third parties to provide present or future services to the Association, the Property and/or the Owners, including, but not limited to, contracts with respect to utility services provided to the Property, contracts with respect to the security for and maintenance of the Property, contracts for legal, bookkeeping, and accounting services and to procure insurance with respect to the Property owned or managed by the Association.

(u) To exercise any right of Declarant set forth herein which has been assigned and/or delegated to the Board in writing by Declarant.

(v) To establish, amend, revoke and enforce rules and regulations for the use of the Common Area.

(w) To exercise any right, power or authority granted in the Association's Articles of Incorporation or Bylaws as the same may be amended from time to time, and have the power and authority to perform any acts granted to a non-profit corporation by the laws of the State of Texas, provided, however, that all of the foregoing do not conflict with the other terms and provisions of this Declaration or any amendments hereto.

(x) With respect to the Common Area:

(i) to accept, own, operate and maintain all of the Common Area which may be conveyed or leased to the Association by Declarant together with all improvements located thereon; and

(ii) to enter into contracts for the construction, maintenance, repair and operation of improvements located or to be located on the Common Area;

(iii) to pay all real and personal property taxes and other assessments levied upon or due with respect to any property owned or leased by it, to the extent such taxes and assessments are not levied directly upon the Members, and to contest the legality and amount of any such taxes; and

(iv) upon the approval of sixty-seven percent (67%) of the numbers of votes entitled to be cast pursuant to Section 5.5 hereof, to execute mortgages, both construction and permanent, for the construction of facilities and Improvements on the Common Area.

Community Security.

5.8. Declarant and the Association hope that the security gate and private streets concept will discourage undesired and unauthorized vehicular and pedestrian traffic within the Property and foster a higher degree of peace and tranquility. Although Declarant and the Association reasonably believe that the existence of a controlled access point may discourage the commission of criminal acts (e.g., burglary, theft, etc.) within the Property, nevertheless, neither Declarant nor the Association warrant, represent or guarantee that such acts will not be attempted or actually occur within the Property. Each Owner, Member and resident of the Property expressly understands, covenants and agrees with Declarant and the Association as follows:

(a). No Liability. Neither Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of each Owner, Member and resident of the Property.

(b). Maintain Insurance. Each Owner, Member and resident of the Property shall, from time to time and at various times, consult with reputable insurance industry representatives of each Owner's, Member's and resident's own selection to select purchase, obtain, and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner, Member and resident covering his or her real and personal property.

(c). Release of Claims. Each Owner, Member and resident of the Property releases Declarant and the Association and their respective agents, attorneys, employees, officers, directors, and partners from any liability, claims, causes of action or damages of any kind or character whatsoever arising out of or related (directly or indirectly) to any and all aspects of the Property.

Indemnification.

5.9. THE ASSOCIATION SHALL INDEMNIFY ANY PERSON WHO WAS OR IS A PARTY, OR IS THREATENED TO BE MADE A PARTY TO ANY THREATENED, PENDING OR COMPLETED ACTION, SUIT OR PROCEEDING, WHETHER CIVIL, CRIMINAL, ADMINISTRATIVE OR INVESTIGATIVE BY REASON OF THE FACT THAT HE IS OR WAS A PARTNER OF THE DECLARANT HEREIN OR A DIRECTOR, OFFICER, COMMITTEE MEMBER, EMPLOYEE, SERVANT OR AGENT OF THE ASSOCIATION AGAINST EXPENSES, INCLUDING ATTORNEYS' FEES, REASONABLY INCURRED BY HIM IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING UNLESS IT IS FOUND AND DETERMINED BY THE BOARD

OR A COURT THAT HE OR SHE (1) ACTED IN BAD FAITH AND IN A MANNER HE OR SHE REASONABLY BELIEVED NOT TO BE IN, OR OPPOSED TO, THE BEST INTERESTS OF THE ASSOCIATION, AND (2) WITH RESPECT TO ANY CRIMINAL ACTION OR PROCEEDING, HAD REASONABLE CAUSE TO BELIEVE HIS OR HER CONDUCT WAS UNLAWFUL. THE TERMINATION OF ANY ACTION, SUIT OR PROCEEDING BY SETTLEMENT, OR UPON A PLEA OF NOLO CONTENDERE OR ITS EQUIVALENT, SHALL NOT OF ITSELF CREATE A PRESUMPTION THAT THE PERSON DID NOT ACT IN GOOD FAITH OR IN A MANNER WHICH HE OR SHE REASONABLY BELIEVED TO BE IN, OR NOT OPPOSED TO, THE BEST INTERESTS OF THE ASSOCIATION, AND WITH RESPECT TO ANY CRIMINAL ACTION OR PROCEEDING, HAD REASONABLE CAUSE TO BELIEVE THAT HIS OR HER CONDUCT WAS UNLAWFUL. THE BOARD MAY PURCHASE AND MAINTAIN INSURANCE ON BEHALF OF ANY PERSON WHO IS OR WAS THE DECLARANT OR A PARTNER OF THE DECLARANT HEREIN OR A DIRECTOR, OFFICER, COMMITTEE MEMBER, EMPLOYEE, SERVANT OR AGENT OF THE ASSOCIATION AGAINST ANY LIABILITY ASSERTED AGAINST HIM OR HER OR INCURRED BY HIM OR HER IN ANY SUCH CAPACITY, OR ARISING OUT OF HIS OR HER STATUS AS SUCH, WHETHER OR NOT THE ASSOCIATION WOULD HAVE THE POWER TO INDEMNIFY HIM OR HER AGAINST SUCH LIABILITY HEREUNDER OR OTHERWISE. ADDITIONALLY, THE ASSOCIATION SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DECLARANT AND ITS PARTNERS, AGENTS AND EMPLOYEES AGAINST ANY EXPENSE OR LIABILITY, INCLUDING REASONABLE ATTORNEYS' FEES, EXPERT WITNESS OR OTHER FEES AND COSTS OF COURT INCURRED BY ANY OF THEM IN CONNECTION WITH OR ARISING OUT OF (I) THE USE OF THE PRIVATE ROADWAYS WITHIN THE PROPERTY OR ANY OTHER PORTION OF THE COMMON AREA BY ANY PARTY PRIOR TO ITS CONVEYANCE OR DEDICATION TO THE ASSOCIATION AND (II) ANY CLAIM RELATED TO THE DESIGN, MANNER OR TYPE OF CONSTRUCTION OR MAINTENANCE OF THE ROADWAYS OR OTHER IMPROVEMENTS ON OR WITHIN THE PROPERTY.

Non-liability of Board, Architectural Control and other Committee Members.

5.10. Neither Declarant, the Architectural Control Committee, nor any other Board-established Committee nor any member thereof, nor the Board nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of Declarant's, the Architectural Control Committee's or the Board's respective duties under the Declaration unless

due to the willful misconduct or bad faith of Declarant, the Architectural Control Committee, any other Committee established by the Board or its members or the Board or its members, as the case may be. Neither Declarant, the Architectural Control Committee nor the members thereof shall be liable to any Owner due to the construction of any Improvement within the Property.

ARTICLE SIX
FUNDS AND ASSESSMENTS

General.

6.1. (a). Assessments established by the Board pursuant to the provisions of this Article VI (the regular and special assessments provided for in this Article VII shall be collectively referred to as the "Assessments") shall be levied on a uniform basis against each Lot within the Property, except for any Lots owned by Declarant and except for any reduced or prorated Assessment which may be agreed upon in writing between Declarant and a builder owning a Lot which is not being occupied as a residence. No Assessment shall be due by Declarant for any Lots owned by Declarant, Future Lots, or any acreage owned or held by Declarant unless agreed to in writing between the Declarant and the Association. The Common Area shall not be subject to Assessments.

(b). Each unpaid Assessment together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the owner of the property against which the Assessment fell due, and shall become a lien against each such Lot and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

(c). Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose to the duration of the Assessment year or other period remaining after said date. Such proration shall be calculated on a per diem basis.

Maintenance Fund.

6.2. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds pursuant to any Supplemental Declaration.

Regular Annual Assessments.

6.3. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions, including but not limited to, the cost of all maintenance, the cost of providing street lighting, the cost of servicing debt owed by the Association, the cost of constructing any Improvements on the Common Area, the cost of landscaping the Common Area, the cost for security for the Property and the operation of the control access points the Property, the cost of all legal, accounting, bookkeeping and consulting services contracted for by the Association, the cost of enforcing the Limestone Ranch Restrictions and a reasonable provision for contingencies, a reserve fund for road maintenance, and appropriate replacement reserves less any expected income and any surplus from the prior years fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment the Association may at any time, and from time to time, levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in either annual or semi-annual installments on or before the due date as set by the Board, or in such other manner as the Board may designate in its sole and absolute discretion. In no event shall the regular annual Assessment per Lot for the year 2006 exceed the sum of $700.00. Thereafter, with the majority approval of the Board, the regular annual Assessment permitted hereunder may be increased by up to ten percent (10 %) per year.

For all annual Assessments accruing after January 1, 2007, the annual Assessment may be adjusted to the Maximum Allowable Increase by a majority vote of the Board and without the approval of the membership of the Association. The Maximum Allowable Increase is defined as the product of ten multiplied by the number of years since 2007, expressed as a percentage. Any increase in excess of the Maximum Allowable Increase shall require the approval of sixty-seven percent (67%) of the votes of each Class of Members of the Association who are voting by person or by proxy at a meeting duly called and held in accordance with the Articles and Bylaws of the Association.

Special Assessments.

6.4 In addition to the regular annual Assessments provided for above, the Board, with the approval of sixty-seven percent (67%) of the votes of each Class of Members, may levy special Assessments whenever in the Boards opinion such special Assessments are necessary to enable the Board to carry out the functions of the Association under the Limestone Ranch Restrictions. The amount of any special Assessments shall be at the reasonable discretion of the Board and all such special Assessments shall be due and payable to the Association within thirty (30) days of the date of written notice of such special Assessment.

Owner's Personal Obligation for Payment of Assessments.

6.5 The regular and special Assessments, and any fines and penalties provided for herein, shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, fine or penalty, the Owner of the Lot to which the delinquent Assessment accrued shall be obligated to pay interest on the amount of the Assessment from the due date at a percentage rate of eighteen percent (18%) per annum, together with all costs and expenses of collection, including reasonable attorney's fees.

Assessment Lien; Foreclosure.

6.6 All sums assessed in the manner provided in this Article Six but unpaid, shall together with interest as provided in Section 6.5 hereof and the cost of collection, including attorney's fees as herein provided, thereupon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said Lot except only for (and the Assessment lien shall be subordinate to the following):

(a). All liens for taxes or special assessments levied by the applicable city, county or state government, or any political subdivision or special district thereof,

(b). All liens securing all amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the date any Assessment became due and payable; and

(c). All liens including, but not limited to, vendor's liens, deeds of trust and other security agreements, which secure any loan made by any lender to a Member for any part of the purchase price of any Lot, or for any part of the cost of constructing, repairing, adding to or remodeling any Improvements utilized for residential purposes.

Notwithstanding the above, and to the extent allowed by law, no lien shall be deemed or held superior to the lien hereby created unless the Association is made a party to any court proceeding to enforce any of the above listed liens if such liens are enforced through judicial process. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. To evidence the aforesaid Assessment lien, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the Office of the County Clerk of Bexar County, Texas; provided, however, no such written evidence shall be necessary for the creation or attachment of such lien. Such lien for payment of Assessment shall attach with the priority above set forth from the date that such payment becomes delinquent and may be enforced by either (i) the Association foreclosing against the defaulting Owner's Lot in like manner as a mortgage on real property, as provided in the TEXAS PROPERTY CODE, subsequent, to the recording of a notice of Assessment lien as provided above, or (ii) the Association instituting suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorney's' fees incurred by the Association. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any mortgagee of an Owner, the Association shall report to such mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

ARTICLE SEVEN
ADDITIONS TO THE PROPERTY

Annexation (Prior to January 1, 2011).

7.1. Declarant, its successors and assigns, shall have the right, at any time prior to January 1, 2011, to incorporate within the scheme of this Declaration additional properties in future phases of the development of the subdivision without the consent or approval of any party, including the Owners of any Lots (other than Declarant). As additional properties are annexed,

Declarant shall, with respect to said properties, record Supplemental Declarations which may incorporate this Declaration by reference, which may supplement or modify this Declaration with additional covenants, restrictions and conditions which may be appropriate for those additional properties.

Annexation (After January 1, 2011).

7.2. After January 1, 2011, additional properties may be annexed within Limestone Ranch Subdivision and incorporated within the scheme of this Declaration at any time with the consent of sixty-seven percent (67%) of all of Members entitled to cast a vote pursuant to Section 5.5 hereof and the written approval of Declarant. As additional properties are annexed, Declarant shall, with respect to said properties, record Supplemental Declarations which may incorporate this Declaration by reference, and which may supplement or modify this Declaration with additional covenants, restrictions and conditions which may be appropriate for those additional properties.

Filing Supplemental Declarations.

7.3. To evidence the incorporation or annexation of additional property, Declarant shall record a Supplemental Declaration which shall incorporate this Declaration by reference. Following the annexation and the recordation of such additional plats or maps, the Owners of all Lots in the original and annexed Subdivision shall have the rights, privileges and obligations set forth in this Declaration and each applicable Supplemental Declaration.

Merger or Consolidation.

7.4. Upon a merger or consolidation of the Association described herein with another association, this Association's properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of this Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property, together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided.

ARTICLE EIGHT
GENERAL PROVISIONS

Enforcement.

8.1. The Declarant or the Association or any Owner (at his or her own expense) shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations imposed by this Declaration. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right of enforcement either with respect to the violation in question or any other violation. All waivers must be in writing and signed by the party to be bound.

Severability.

8.2. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

Alternative Dispute.

8.3. The parties agree to mediate in good faith to resolve any dispute under this instrument before filing a suit for damages and submitting such matter to binding arbitration. Following mediation, all unresolved issues shall be resolved by binding arbitration. Absent an agreement to use other rules, the arbitration will be controlled by the American Arbitration Association's Commercial Arbitration Rules.

Choice of Law.

8.4. This instrument shall be subject to and governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this instrument to the laws of another state. Each party hereby submits to the jurisdiction of the state and federal courts in the State of Texas and to venue in Bexar County, Texas.

Notices.

8.5. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, and addressed to the intended recipient at the address shown herein, and if not so shown, then at the last known address according to the records of the

party delivering the notice. Notice given in any other manner shall be effective only if and when received by the addressee. Any address for notice may be changed by written notice delivered as provided herein.

Time.

8.6. Time is of the essence. Unless otherwise specified, all references to "days" shall mean and refer to calendar days. Business days shall exclude all Saturdays, Sundays, and Texas legal banking holidays. In the event the date for performance of any obligation hereunder shall fall on a Saturday, Sunday or Texas legal banking holiday, then that obligation shall be performable on the next following regular business day.

Covenants Running With the Land.

8.7. These easements, restrictions, covenants, and conditions are for the purpose of protecting the value and desirability of the Property. Consequently, they shall run with the Property and shall be binding on all parties having any right, title, or interest in the Property in whole or in part, and their heirs, successors, and assigns. These easements, covenants, conditions, and restrictions set forth in this Declaration and any amendments or supplements hereto shall be for the benefit of the Property, each Lot, and each Lot Owner.

Duration.

8.8. The covenants, conditions and restrictions of this Declaration shall be effective for a term of thirty (30) years from the date this Declaration is recorded unless, within six (6) months of the expiration of said thirty (30) year term, an instrument signed by more than seventy-five percent (75%) the Members entitled to cast a vote pursuant to Section 5.5 hereof has been filed in the Official Public Records of Real Property of Bexar County, Texas.

Amendment.

8.9. (a). By Declarant. This Declaration or any Supplemental Declaration may be amended by Declarant acting alone without the necessity of notice to, joinder by or the approval of the Association or any Owners, to correct typographical and grammatical errors, and ambiguities.

(b). By Owners. In addition to the method in Section 8.9A, this Declaration may be amended by the recording in the Official Records of Real Property of Bexar County, Texas an

instrument executed by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by the Members entitled to cast at least sixty-seven percent (67%) of the number of votes entitled to be cast pursuant to Section 5.5 hereof.

Attorneys' Fees.

8.10. If any controversy, claim, or dispute arises relating to this instrument, its breach, or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees, and costs.

Liberal Interpretation.

8.11. This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the Property.

Non-Waiver.

8.12. The failure to enforce any provisions of the Limestone Ranch Restrictions, including the terms of this Declaration, at any time shall not constitute a waiver of any right thereafter to enforce any such provision or any other provision thereof.

Construction.

8.13. Unless the context require a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neutral gender shall include all genders. The 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 paragraphs, sections or articles hereof.

Disclaimer.

8.14. **EXCEPT AS SPECIFICALLY STATED HEREIN OR EXPRESSLY MADE IN A CONTRACT TO SELL A LOT TO AN OWNER, DECLARANT HAS NOT MADE, DOES NOT MAKE AND DISCLAIMS ANY WARRANTY, GUARANTY, AND REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, AS, TO, OR CONCERNING (I) THE NATURE AND CONDITION OF THE PROPERTY, INCLUDING BUT NOT BY WAY OF LIMITATION, THE WATER, SOIL, GEOLOGY**

AND THE SUITABILITY THEREOF, AND OF THE PROPERTY, FOR ANY AND ALL ACTIVITIES AND USES WHICH OWNER MAY ELECT TO CONDUCT THEREON OR ANY IMPROVEMENTS ANY OWNER MAY ELECT TO CONSTRUCT THEREON, EXPENSES TO BE INCURRED WITH RESPECT THERETO, OR ANY OBLIGATION OR ANY OTHER MATTER OR THING RELATED TO OR AFFECTING THE SAME, (II) THE MANNER OF CONSTRUCTION AND CONDITION OF ANY OF THE IMPROVEMENTS ON COMMON AREA CONSTRUCTED BY THE DECLARANT AND (III) THE DESIGNATION OR LOCATION OF COMMON AREA OR TYPE OR NATURE OF ANY AMENITIES OR IMPROVEMENTS THAT COULD BE CONSTRUCTED THEREON OTHER THAN ANY AMENITIES OR IMPROVEMENTS SHOWN ON ANY RECORDED PLAT.

This Declaration is executed this 16th day of May, 2006.

GREEN LAND VENTURES, LTD.,
A Texas Limited Partnership

By: D. Green Land Co.,
A Texas Corporation, its General Partner

By: Dana Green
Dana Green, President

ACKNOWLEDGEMENT

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This instrument was acknowledged before me on the 16th day of May, 2006, by DANA GREEN, as President of D. Green Land Co., a Texas corporation, General Partner of Green Land Ventures, Ltd., a Texas limited partnership, for and on behalf of said limited partnership.

Jeannemarie Wilson
Notary Public, State of Texas

Jeannemarie Wilson
Notary Public, State of Texas
My Commission Expires:
December 21, 2009

After recording, return to:
Green Land Ventures, Ltd.
10999 IH 10 West #257
San Antonio, Texas 78230