HARVEST HILLS SUBDIVISION, UNIT I

DECLARATION OF COVENANTS,

CONDITIONS, AND RESTRICTIONS

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STATE OF TEXAS
COUNTY OF GUADALUPE
I certify this instrument was FILED on the
date and at the time stamped thereon and
was duly recorded in the Official Public
Records of Guadalupe County, Texas.



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HARVEST HILLS SUBDIVISION UNIT I

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS

§ §

COUNTY OF GUADALUPE

§

KNOW ALL MEN BY THESE PRESENTS:

THAT, HARVEST HILLS, LTD. ('Declarant"), being the owner of that certain subdivision known as HARVEST HILLS SUBDIVISION, UNIT I (hereinafter referred to as the "Subdivision"), according to the Plat (hereinafter referred to as the "Subdivision Plat") of said Subdivision as recorded in Volume 7, Page 46-48, of the Plat Records of Guadalupe County, Texas, and, as such, desiring to create and carry out a uniform plan for the improvement, development, and sale of the subdivided lots situated within the Subdivision and for the purpose of protecting the value and desirability of the Subdivision, does hereby adopt and establish the following easements, restrictions, covenants and conditions to run with the Property and to apply in the use, occupancy, and conveyance of the aforesaid described subdivided lots therein, and shall be binding on all parties having a right, title or interest in or to the above described Property or any part thereof, and their heirs, successors and assigns, and which easements, restrictions, covenants and conditions shall inure to the benefit of each owner thereof, and each Contract or Deed which may be executed with regard to any of such Property shall be conclusively held to have been executed, delivered and accepted, subject to the following restrictions and covenants (the headings being employed for convenience only and not to be controlling over content):

ARTICLE I. DEFINITIONS

- 1.01 <u>Association</u>. "Association" shall mean and refer to THE HARVEST HILLS HOMEOWNERS' ASSOCIATION, INC., which is the corporate non-profit homeowners' association.
- 1.02 <u>City</u>. "City" shall mean the City of Santa Clara, Texas, and its applicable agencies, departments and committees.
- 1.03 County. "County shall mean Guadalupe County, Texas, and it applicable agencies, departments and committees...
- 1.04 <u>Committee</u>. "Committee" shall mean the Architectural Control Committee as referred to in Article VIII, Section 8.02 hereof.
- 1.05 <u>Common Area</u>. "Common Area" shall mean all real property (including the improvements thereto) leased, owned or maintained by the Association for the common use and enjoyment of the

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
HARVEST HILLS SUBDIVISION, UNIT I, GUADALUPE COUNTY, TEXAS

Owners, whether in existence at the time of the imposition of this Declaration, or which may be added at any time in the future. By way of illustration, Common Area may include, but not necessarily be limited to, the following: private streets, sewage system, signs, street medians, entry gates, guardhouse, tennis courts, recreation area, landscaping, lighting, entrance signs, walls, bridges, trails, green belts, and other similar or appurtenant improvements.

- 1.06 <u>Declarant</u>. "Declarant" shall mean and refer to HARVEST HILLS, LTD., its successors and assigns, if such successors and assigns should acquire all of the undeveloped and unsold lots or acreage from the Declarant for the purpose of development.
- 1.07 <u>Declaration</u>. "Declaration" shall mean this instrument as it may be amended from time to time.
- 1.08 Improvement. "Improvement" or "Improvements" shall mean every structure on the Property and all appurtenances thereto of every type and kind, including, but not limited to, buildings, outbuildings, storage sheds or buildings, guest quarters, gazebos, patios, driveways, walkways and paved areas, tennis courts, fountains, large barbecue units, green houses, barns, basements, and large visible decorative items, swimming pools, garages, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, and pumps, tanks, pipes, lines, meters, antennas, satellite dishes, towers and other facilities used in connection with mail service, water, sewer, gas, electric, telephone, regular or cable television, or other utilities.
- 1.09 Lot. "Lot" or "Lots" shall mean and be defined as a separate single family residential building site within the Property as the same is added to, subdivided and described pursuant to and in accordance with the plat(s) of the Property, as they may be amended from time to time and shall include any Improvements from time to time constructed, erected, placed, installed or located thereon.
- 1.10 <u>Member</u>. "Member" shall mean and refer to all those Owners who are members of the Association as provided for below.
- 1.11 Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage or deed of trust covering any portion of the Property given to secure the payment of a debt.
- 1.12 <u>Mortgagee</u>. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages, or any other interest held as security for the performance of an obligation.
- 1.13 Owner. "Owner" or "Owners" shall mean a person or persons, entity or entities, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include a Mortgagee, unless or until Mortgagee forecloses on any lot and becomes a fee simple owner thereof.
- 1.14 <u>Person</u>. "Person" or "Persons" shall mean any individual, individuals, entity or entities having the legal right to hold title to real property.

- 1.15 <u>Plans and Specifications</u>. "Plans and Specifications" shall mean any and all documents designed to guide the construction, alteration or erection of any Improvement.
- 1.16 Property. "Property" shall mean and refer to that certain real property hereinbefore described as the 'Subdivision' and more particularly described as HARVEST HILLS Subdivision, UNIT I, according to the plat of said Subdivision as recorded in the Plat Records of Guadalupe County. Texas noted above, or any additions thereto, as provided in Article II, Section 2.01 herein.
- 1.17 <u>Single Family Unit</u>. "Single Family Unit" shall mean and refer to any Improvements on a Lot which are designed and intended for occupancy and use as a residence by one Person, by a single family, or by Persons related by blood, marriage or adoption, who are maintaining a common household. Nothing in this section should be interpreted to prohibit occupancy of the property by a temporary guest of the occupants.
- 1.18 <u>Subdivision</u>. "Subdivision" shall mean and refer to the Property, as defined in Article I, Section 1.16 hereinabove.

ARTICLE II. DEVELOPMENT OF THE PROPERTY

- Addition of Land. Declarant hereby reserves to itself and shall hereafter have the right, but not the obligation, at any time and from time to time, in its sole and absolute discretion, and without notice to or the approval of any party or Person whomsoever or whatsoever, to impose this Declaration or a substantially similar Declaration upon additional property adjacent, contiguous or nearby to the Property. Declarant may, at any time and from time to time, add any other lands to the Property, and upon such addition, this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall apply to the added land, and the rights, privileges, duties and liabilities of the Persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration, unless such supplemental Declaration shall provide for changes to the Declaration to deal with the unique character of Declarant's overall development plans for the added property. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Real Property Records of Guadalupe County, Texas, a notice of addition of land (in the form of a Supplemental Declaration) containing the following provisions:
 - (A) A reference to this Declaration, which reference shall state the book and page numbers of the Guadalupe County Real Property Records wherein this Declaration is recorded;
 - (B) A statement that the provisions of this Declaration shall apply to the added land;
 - (C) A legal description of the added land; and
 - (D) Any covenants, conditions or restrictions that are different or unique to the added land.

- 2.02 <u>Withdrawal of Land</u>. Declarant may, at any time and from time to time, reduce or withdraw areas owned by Declarant from the Property, and upon such withdrawal, this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall no longer apply to those lands withdrawn. In order to withdraw lands from the Property hereunder, Declarant shall be required only to record in the Real Property Records of Guadalupe County, Texas, a notice of withdrawal of land containing the following provisions:
 - (A) A reference to this Declaration, which reference shall state the book and page numbers of the Guadalupe County Real Property Records wherein this Declaration is recorded;
 - (B) A statement that the provisions of this Declaration shall no longer apply to the withdrawn land; and
 - (C) A legal description of the withdrawn land.
- 2.03 Entry Gates. Absent Declarant's written consent to the contrary, the subdivision entry gates shall be kept open to the public during daylight hours until Declarant has completed the conveyance of its last Lot within the subdivision (including any additions thereto). The right of entry by the general public established herein is to ensure access to Lots by prospective purchasers and contractors. Owners should not anticipate or rely upon the entry gates providing controlled access to the subdivision during such times, or for the duration specified.

ARTICLE III. PROPERTY RIGHTS

- 3.01 Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to Common Area, which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:
 - (A) the right of the Association to charge fees for the repair and maintenance of the Common Area or Areas, and to impose reasonable rules and regulations for participation in Association activities or use of the Common Areas (if any); to collect all dues, fines and/or other fees of any sort noted in these restrictions, and enforce collection of any such monies in the accordance with any and/or all terms, conditions or rights set forth within these restrictions;
 - (B) the right of the Association to suspend the voting rights of an owner for any period of time during which any assessment against his Lot remains unpaid;
 - (C) the right of the Association to suspend the voting rights of any Owner during any period of time in which an infraction of any of the rules and regulations set forth herein or later adopted by the Association has taken place, and to uphold such suspension for up to 60 days after said Owner's cure;

- (D) the right of the Association to enforce any and all rules and regulations which are a part of these restrictions or adopted and promulgated hereafter; and
- (E) the right of the Committee to enforce any and all rules, restrictions and/or regulations which are a part of these restrictions.

ARTICLE IV. GENERAL RESTRICTIONS

All of the Property shall be owned, held, encumbered, leased, used, occupied and enjoyed subject to the following limitations and restrictions:

- 4.01 <u>Insurance Rates</u>. Nothing shall be done or kept on the Property which could increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon.
- 4.02 <u>Signs</u>. As a general rule, no signs of any kind shall be displayed to the public view on any single-family residential lot except one sign, commercially attractive, of not more than six (6) square feet advertising the property for sale or rent. No signs which advertise Subdivisions other than those owned by Declarant will be allowed under any circumstance.

During the construction period of the dwellings within the Subdivision, each builder may have one sign on each Lot of up to twenty-four (24) square feet advertising their particular homes and/or services (the "builder's sign"). The top of this sign may not exceed six feet (6') from grade. All signage for any lender who provides construction financing, together with all signage for any subcontractors who provide construction services on the Lot must be affixed to this "builder's sign", and may not be placed at any other location on the Lot. The "builder's sign" and those signs which are affixed to it must be removed upon completion of the dwelling.

After completion of construction of the dwelling, all signage placed on a Lot by contractors who are performing services on that Lot (such as those signs commonly used by swimming pool construction firms, landscaping firms and remodeling firms) shall be permitted during the time that such servicer is actively engaged at that Lot and for a period thereafter not to exceed ten (10) that such servicer is actively engaged at that Lot and for a period thereafter not to exceed ten (10) days. No more than two (2) such signs, neither of which may exceed 24" x 24", may be displayed on a lot at any one time.

Political signage shall be allowed for a reasonable period immediately before and after an election, but only to the extent required by law.

Declarant (or its agent) and/or the Association (or its agent), shall have the right to remove any sign not complying with the provisions of this section, and in so doing shall not be liable for any tort arising from such removal.

4.03 <u>Rubbish and Debris</u>. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property, and no odors shall be permitted to arise therefrom so as to render

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
HARVEST HILLS SUBDIVISION, UNIT I, GUADALUPE COUNTY, TEXAS

the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property or to its occupants. Refuse, garbage and trash shall be kept at all times in covered containers to the rear of the residence and such containers shall be kept within enclosed structures or appropriately screened from view by the public, and contents thereof disposed of regularly as required by the City.

- 4.04 <u>Noise</u>. No exterior speakers, horns, whistles, bells or other sound devices (other than alarm devices used exclusively for security purposes) shall be located, used or placed on any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.
- Construction of Improvements and Design Restrictions. In order to protect the overall integrity of the development as well as the quality and appearance of improvements of all property owners within the Subdivision, the Architectural Control Committee established in Article VIII, Section 8.02 hereof, shall have full authority to control all construction, development maintenance and improvement activities of any kind within the Subdivision, and to insure that all such activities are properly conducted in accordance with and in good workman-like manner, and in accordance with standard industry trade practices. Traditional style architectural designs are encouraged. No geodesic, A-frames, log homes, or free-style architectural designs shall be permitted. Owners are required to submit preliminary or conceptual plans and specifications of front elevation (and side elevation on corner lots), materials specifications, and the positioning of the Single Family Unit upon the Lot to the said Architectural Control Committee for review and comment, prior to the completion of final plans and specifications. Prior to the commencement of any construction, improvement, alteration or maintenance, all final plans and specifications must be approved (or not) in writing, by the said Architectural Control Committee. Maintenance activities which will not result in an alteration of the appearance of the Lot or to the Improvements thereupon shall not require submittal to, nor approval of, the Architectural Control Committee.
- 4.06 <u>Sidewall Design</u>. The sidewall of each house on a corner lot that faces a side street will be designed and completed to create an attractive appearance that is comparable to its front elevation in terms of building materials, use of architectural trim and decor, windows, doors and other relief areas.
- 4.07 <u>Builder Approval</u>. As a portion of Declarant's desire to create a uniform plan of construction, development and improvement of the Subdivision, Declarant shall have the right to approve the identity of the builders and general contractors who shall be allowed to construct Improvements on the Property.

In the event that Declarant shall convey one or more Lots to an entity that will build the Improvements thereupon, such builders and general contractors are hereby approved. However, if any such builder and/or general contractor shall decide to thereafter convey the Property to a third party or allow another builder and/or general contractor to construct the Improvements, such additional Owner and/or builder and/or general contractor must obtain the approval of Declarant for the actual builder and/or general contractor of the Improvements.

Should any Owner desire to obtain the approval of Declarant of a certain builder and general contractor prior to purchasing any Lot, the Owner shall submit a written request identifying the builder and general contractor and providing information about the builder and general contractor the Owner desires to be considered by Declarant. Thereafter, Declarant shall provide a letter stating whether or not it approves of the builder and/or general contractor intended to be utilized by the prospective Owner of a Lot. In any event, any builder and/or general contractor of any of the Improvements on the Property shall be pre-approved by Declarant, in Declarant's absolute and sole discretion. Any Owner who purchases a Lot hereby understands and agrees that Declarant shall have the complete and sole discretion for approving any builders and general contractors to work on any portion of the Property until Declarant releases its right to approve builders and general contractors by filing an instrument of release of such right in the Real Property Records of Guadalupe County, Texas.

- 4.08 <u>Repair of Buildings</u>. All Improvements upon any of the Property shall at all times be kept in good, safe, attractive condition and repair and adequately painted or otherwise maintained by the Owner thereof
- 4.09 Removal of Improvements. In the event that a Single Family Unit or other Improvement on a Lot shall be damaged or destroyed by casualty, hazard or other cause, including fire or windstorm, then, within a reasonable period, not exceeding three (3) months following the occurrence of the offending incident, the Owner of the affected Improvement shall cause the damage or destroyed Improvements to be repaired, rebuilt or reconstructed, or in the alternative, to be removed and cleared from such Lot. Any such repair, rebuilding or reconstruction shall be approved and accomplished as otherwise required for new construction pursuant to the provisions of this Declaration.
- 4.10 <u>Hazardous Activities</u>. No activities shall be conducted on the Property and no Improvements shall be 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, no open fires shall be lighted or permitted (except within interior or exterior fireplaces designed and built according to industry standards and all applicable laws, codes and statutes, or in contained barbecue units for cooking purposes, or in properly constructed rock or brick fire pits or above-ground steel fire pits, while attended by a responsible adult).
- 4.11 Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth. No tank for the storage of oil, gasoline, or other hazardous products may be maintained on any Lot.
- 4.12 <u>Unsightly Articles</u>; <u>Vehicles</u>. No unsightly article shall be permitted to remain on any Lot so as to be visible from adjoining Property or public streets. Without limiting the generality of the foregoing, trailers, trucks (other than pickups not to exceed one ton capacity), boats, tractors, vans, recreational vehicles and other vehicles used or designed for use as commercial vehicles, campers, wagons, buses, motorcycles and similar two (2) and four (4) wheel motorized vehicles, motor scooters, golf carts, 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 fully enclosed garages or other structures, screened from public view. No commercial vehicle owned by an owner or any resident within the Property shall be parked on the driveway or street within the Subdivision.

- 4.13 Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot at any time, and no travel trailers or recreational vehicles owned by guests of Owners, shall be parked on or near any Lot so as to be visible from adjoining Property or public streets for more than forty-eight (48) hours.
- Animals Household Pets. No animals, including pigs (except as permitted by city ordinances), hogs, swine, poultry or fowl (although birds which are commonly kept as household pets, including but not limited to Parrots, Cockatiels, Canaries, etc., shall be permitted), wild animals, reptiles (except, turtles, lizards and non-venomous snakes kept and contained solely within the residence), horses, cattle, sheep, goats or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept or maintained on the Property. No domestic household pet shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash. The household within each Lot shall not keep more than two (2) dogs and/or two (2) cats at any one time, or two (2) of any other type of domestic animal of any one (1) kind. No animal may be stabled, maintained, kept, caged for or boarded for hire or remuneration on the Property and no kennels or breeding operations of animals will be allowed on any Lot. No domestic household pet shall be allowed to run at large and pets shall be kept within enclosed areas on the Property which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed area shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from the front side of the Lot at street level. Dog runs shall not be visible from any portions of the Property at street level. Dogs which are prone to bark at night (or as otherwise requested, in writing, by the Association, acting through its Board of Directors), must be kept inside an enclosed building during the hours between 9pm-7am. No vicious or dangerous animals shall be allowed on the Property. The keeping, maintaining, or breeding of Pit Bull dogs (or breed variations thereof) on any portion of the property is specifically prohibited.
- 4.15 <u>Maintenance of Lot and Lawns and Plantings</u>. Each Owner shall keep all shrubs, trees, grass and plantings of every kind on such Owner's Lot cultivated, pruned or mowed, irrigated, and free of trash, weeds and other unsightly material. Prior to the construction of a residence on a Lot, the Lot Owner shall regularly mow such unimproved Lot and keep it neatly trimmed and free of trash and other unsightly material. Commensurate with the completion of construction, front yards (and side yards on corner lots) shall be fully sodded, seeded or planted in other ground cover within six (6) months of completion the of residence.

All front yards (and side yards on corner lots) must be landscaped and maintained with live vegetation upon no less than 50% of the surface area, hereby prohibiting "xeriscape" or yards that are essentially covered by cement, gravel, crushed granite or other hard surface or impervious

materials. Dead plant material shall be timely removed and replaced in order to maintain compliance with this section.

- 4.16 <u>Temporary Structures</u>. No structure of a temporary character, such as a trailer, mobile home, manufactured home, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. No dwelling previously constructed elsewhere may be moved (in whole or in part) onto any lot in the Subdivision. All structures to be used as a residence must be built on-site. This covenant specifically excludes the use of a mobile home or manufactured home in which the axle and wheels have been removed and placed upon a concrete slab or left attached, and also specifically excludes manufactured homes; which said mobile home and/or manufactured home is hereby specifically prohibited as a residence, either temporarily or permanently. A portable building or enclosed trailer may be permitted for use as a builder's storage facility (subject to approval of the Declarant), however, any such building or structure shall be removed immediately upon completion of construction.
- 4.17 Construction Materials and Debris. No building material of any kind shall be placed or stored upon a lot until the owner thereof is ready to commence construction of improvements, and has obtained the written approval of the Architectural Control Committee (and, if applicable, a building permit from the City of Santa Clara), and then the material shall be placed within the property lines of the lot upon which the improvements are erected and shall not be placed on the street. During construction of dwellings or other improvements, as herein permitted, all lots must be cleaned of unnecessary debris/trash or waste material and placed in an orderly condition by 6 p.m. on each Friday. Each lot owner/builder is responsible for such lot maintenance regardless of how the material arrived on the lot. Builders are required to contain in a small defined area, all trash and debris at all times during construction, same to be maintained in a sanitary and orderly manner and disposed of as hereinabove provided.
- 4.18 Precedence Over Less Stringent Governmental Regulations. In those incidences where the covenants, conditions and restrictions set forth in this Declaration set or establish minimum standards or limitations or restrictions on use in excess of any governmental regulations, rules or ordinances, the covenants, conditions and restrictions set forth in this Declaration shall take precedence and prevail over any less stringent governmental regulations, rules and ordinances. Similarly, when any governmental regulations, rules and ordinances are more stringent than those set forth in this Declaration, the more stringent governmental regulations, rules and ordinances shall control.
- 4.19 <u>Nuisances</u>. No noxious, offensive or dangerous activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. This includes builders and construction workers working after daylight hours. Welding is prohibited, except in connection with the construction of or repairs to Improvements. No owner shall do any act or any work that will impair the structural soundness or integrity of another residence or impair any easement or hereditament, or do any act or allow any condition to exist which will adversely effect the other residences of their owners.

- 4.20 <u>Water and Sewage Systems</u>. No individual water supply system or sewage disposal system shall be permitted on any lot, including, but not limited to, water wells, cesspools or septic tanks. Each dwelling on a Lot must utilize the Green Valley water system and Harvest Hills Treatment Ltd. sewage disposal systems provided to the Subdivision.
- 4.21 <u>Firearms, Projectiles, and Weapons</u>. The discharge of any firearm, including BB guns and pellet guns, and the discharge of any fireworks within the Subdivision or adjacent lands owned in whole or in part by the Association or by Declarant is strictly prohibited, and each Owner shall ensure that his guests and family members do not violate such prohibition. Additionally, the use of any bow and arrow, slingshot, or other launching or catapulting device is strictly prohibited.
- 4.22 Rentals. Nothing in this Declaration shall prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes; provided however, all lessees shall be and are hereby bound to comply fully with the terms, covenants and restrictions of this Declaration. During any period when a Lot or Improvements are rented or leased, the Owner of the Lot shall remain liable for complying with all terms of this Declaration. No Single Family Unit may be rented or leased for any single period of less than twelve (12) months. No "time-share plan" or any similar plan of fragmented or interval ownership of said Single Family Unit shall be permitted on the Property.
- 4.23 <u>Trees</u>. Preservation and maintenance of the trees within the Subdivision is strongly encouraged. Prudence, care, and discretion should be used in the positioning of all Improvements in order to preserve as many trees as possible within the subdivision. Replacement of trees that are removed or die is also encouraged.

All precautions shall be taken in connection with the pruning and trimming of trees, in order to prevent the spread of Oak Wilt and Oak decline within the Subdivision. Such precautions shall include, but not be limited to minimal trimming and pruning of Oak trees, trimming and pruning during dormant months only (normally January and February), and painting all fresh cuts with appropriate dressing or paint.

4.24 Hours during which construction is permitted. No construction activity, including the delivery of materials, shall be permitted on any of the Lots in the Subdivision except during the hours between 7:00 a.m., and 9:00 p.m.

ARTICLE V. RESIDENTIAL RESTRICTIONS

5.01 Single Family Residential Construction. All Lots shall be improved and used solely for a Single Family Unit. Except the use of a room within a residence as an in-house office, which office use is secondary to the residential use on the Lot, no business, commercial, industrial, trade, professional or other nonresidential activity or use of any nature, type, kind or description shall be conducted upon or from any Single Family Unit or within any Improvement located or constructed on any Lot. No signs of any type advertising or describing in any way the in-home office use or business is permitted to be placed anywhere on the Lot or within or upon the Single

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Family Unit. The activities or business conducted at the in-home office shall not be such as to generate traffic by customers, vendors or the like through the Subdivision or to the Single Family Unit. Notwithstanding anything to the contrary in this Declaration, a builder shall have the right to build and maintain on a Lot owned by builder and subject to all other requirements of this Declaration one (1) model home to be maintained by each builder. The model home shall be held open to the public on a regular basis and shall be utilized by said builder to sell other homes on Lots owned by said builder in the Subdivision. Once a builder no longer owns more than one (1) Lot in the Subdivision, said builder shall no longer have the privilege of maintaining a model home or temporary/sales construction office pursuant to this section 5.01, but shall market, sell, or operate a construction office for said builder's homes anywhere outside of the Subdivision.

- 5.02 <u>Construction in Place</u>. All Improvements constructed on the Property shall be built in place on the Lot, and the use of prefabricated or modular buildings are prohibited.
- 5.03 Building Materials. All Single Family Units shall be constructed of recognized standard construction quality. New construction materials (except stone) shall be used in constructing any dwelling or outbuilding situated on a lot. The exterior walls of all one-story residential buildings and the lower story of all two-story residential buildings shall be composed of 75% masonry or masonry veneer (up to a minimum height of 8 feet or the height of the first floor top plate, which ever is greater). In addition, the intent is to have the fronts of all homes to be of masonry material, the sides of all one stories to be of masonry material, and the first floor sides of all two stories to be of masonry materials. Masonry composition siding is not considered masonry material for these considerations unless it is approved by the Architectural Control Committee. The minimum masonry percentage shall apply to the aggregate area of all exterior walls and shall be inclusive of door, window and similar openings. Masonry or masonry veneer includes, stucco, ceramic tile, clay, brick, and rock.

Notwithstanding the foregoing, the Architectural Control Committee is empowered to waive or modify this restriction and that contained in the preceding paragraph if, in its sole discretion, such waiver or modification is advisable in order to accommodate a new or a unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the Property. Any such waiver, variance, or modification must be in the form of a recordable written instrument, and must signed by a majority of the persons then serving as members of the Architectural Control Committee, and becomes effective upon its recording amongst the official Real Property Records of Guadalupe County, Texas, as same are maintained by the Guadalupe County Clerk.

5.04 <u>Dwelling Size</u>. All Single Family Units shall contain not less than 1,500 square feet of enclosed, air conditioned and heated living space, exclusive of porches (open or covered), decks and garages. Additionally, all two-story dwellings shall contain not less than 1,800 total square feet, of which a minimum of 900 square feet shall be first floor living area. The Architectural Control Committee is hereby permitted to approve deviations in the dwelling size (on a floor-by-floor basis) in instances where, in the judgement of said Committee, such deviation will result in a more beneficial use of the Lot and will not distract from the general appearance and quality of the Property.

- 5.05 <u>Windows</u>. All windows must be of all wood construction, or of all wood vinyl clad, aluminum or other metal. Mill finish aluminum colored window and door frames on Improvements in the Subdivision are hereby expressly prohibited.
- 5.06 <u>Corner Lot Residences</u>. Residences constructed upon corner lots shall be oriented so that the front of the residence shall face the street as approved by the Architectural Control Committee.
- 5.07 <u>Setback Lines</u>. All Single Family Units must be constructed, placed and maintained in conformity with platted setback lines, if any, and in no event shall any such building or other structure be constructed, placed or maintained within twenty five feet (25') of the front boundary of a lot, five feet (5') of the side boundary of a lot or fifteen feet (15') [for single story residences] and thirty feet (30') [for two-story residences] of the rear boundary of a lot, provided, however, that (a) with respect to corner lots, no structure may be constructed, placed or maintained within fifteen feet (15') of the side boundary abutting any street; (b) detached garage and all other Improvements may be located as allowed by City Code regulations, provided that no encroachment occurs with respect to utility easements.
- 5.08 <u>Driveways and Sidewalks</u>. All driveways and any sidewalk running from the street to the front entry of the residence shall be of concrete or masonry construction, brick pavers or a combination of other decorative masonry materials that has been approved by the Architectural Control Committee. No asphalt driveways or sidewalks are permitted.
- 5.09 Outbuilding Requirements. Every outbuilding, inclusive of such structures as a storage building, greenhouse, servants quarters, guest quarters, art or craft studio, cabana, gazebo, patio or children's playhouse, and Improvements as further defined in Article I, Section 1.08, shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. In no instance shall an outbuilding exceed fourteen feet (14') in height, unless the prior written approval of the Architectural Control Committee has been received. All such outbuildings must comply with lot size and other requirements set forth in the city ordinances, and must be approved by the Architectural Control Committee, in writing, prior to the commencement of construction of same.
- 5.10 <u>Swimming Pools</u>. Movable, above-ground swimming pools in excess of six feet (6') in diameter are strictly prohibited. All swimming pools in excess of six feet (6') in diameter must be of a permanent nature built into the ground and in a fenced enclosure with self-closing and self-latching gates, in accordance with any applicable ordinances, regulations, or statutes. No swimming pools shall be constructed in front or side yards.
- 5.11 Athletic Facilities. Tennis courts, tennis court lighting and fencing shall be allowed and may be constructed on any Lot contiguous to the Owner's Lot upon which the primary residence is situated, provided same is constructed with the same setback requirements as hereinafter set forth. All fencing must be screened by appropriate landscaping. All tennis court lighting must be turned off by 11:00 p.m. In addition, any basketball goals and backboards shall be of the black and grey color combination or be constructed of a transparent material. Any other color combination is prohibited.

5.12 Foundation Exposure.

- (A) All Stucco Finishes. All foundation sides on any Improvement with an exterior stucco finish shall be covered with stucco which matches the texture and color of the exterior stucco walls of such Improvement and shall be a continuation of such stucco walls so that there is no defined horizontal relief line between the foundation and such walls.
- (B) All Stone, Masonry, Brick Veneer Finishes. The foundation of any Improvement with a stone, masonry, masonry veneer (other than stucco) exterior finish shall not be exposed more than twenty-four (24) inches above final grade. If floor level is more than twenty-four (24) inches above final grade, the foundation shall be built to accommodate a finished wall matching the exterior wall of the Improvement to within twenty-four (24) inches of final grade. The exposed foundation shall be trowel finished. Landscaping to screen exposed foundation is encouraged.
- 5.13 Governmental Rules. All Improvements located, erected, constructed and installed upon any Lot shall conform to and comply with all applicable governmental regulations, rules and ordinances, including, without limitation, all building and zoning requirements of the City. All activities of the Owners, and those of their tenants, invitees, agents, employees and contractors on or about the Property shall comply with all applicable governmental regulations, rules and ordinances.
- 5.14 Garages and Carports. Garages may be front entry or side entry, and shall be capable of holding no less than two, nor more then four cars. No carports or porte cochere open to street frontage shall be placed, erected, constructed, installed or maintained on the Property unless specifically approved by the Architectural Control Committee, in writing. Garages may also contain appropriately sized storage rooms, recreational workshops and tool rooms. All garages must have garage doors that are operated by electric door openers kept in operable condition; No garage shall be converted to another use (e.g. living space).
- 5.15 <u>Reflective or Mirrored Glass</u>. No reflective or mirrored glass shall be used on, in or for the windows or doors of any buildings or other Improvements constructed upon the Property.
- 5.16 Exterior Air Conditioning Equipment. All air conditioning compressors and other equipment located outside of residential dwelling shall be screened from the view of streets in the Subdivision by opaque walls attached to and made a part of each residence. Alternatively, vegetative screening or a short fence or wall of an adequate height and density to completely screen the equipment may be used for this purpose, provided that said screening must be within five (5) feet of the equipment. Absolutely no window or roof mounted air conditioning units are permitted in the Subdivision.
- 5.17 Exterior Building Materials Finishes and Colors. All exterior building materials, finishes and colors shall be approved in writing by The Architectural Control Committee and shall be of such texture and color to provide a pleasant appearance throughout the Subdivision. Bright colors, such as red, orange, bright or mustard yellow, aqua, bright pink, purple, fuchsia, lime

green and royal blue are expressly prohibited. Uncovered or exposed (whether painted or not) concrete or concrete block shall not be permitted as the exterior finish of any building structure or wall. The foregoing restriction shall be equally applicable to the initial as well as any subsequent painting or any Improvements located on the Property.

- 5.18 Exterior Lighting. Exterior lighting or illumination of buildings, yards, parking areas, sidewalks and driveways on a Lot shall be designed and installed so as to avoid visible glare or direct light spillage on to streets and road right-of-way, and other portions of the Property (including adjoining residential Lots). Conventional mercury vapor, halogen, or other similar types of wide-area security lamps are prohibited. Holiday lighting on any Single Family unit during the calendar month of December shall be removed from the exterior of said Lot no later than the 15th of January of the following year.
- 5.19 Artificial Vegetation. No artificial vegetation shall be permitted on the portion of any Lot or outside of any building on the Lot.
- 5.20 Antennas. No radio or television aerial wires, antennae or other special television apparatus or equipment shall be maintained on any portion of any lot forward of the rear building line of the main structure. Furthermore, no radio or television aerial wires or antennae shall be placed or maintained on any lot which extends higher than the highest part of the roof of the main residence on said lot and must be attached to the ground. All satellite dishes, discs, or other cable related apparatus or equipment must be screened from the view of streets
- 5.21 Roofs. The roofs of the main body of all buildings and other structures on the Property, including the Single Family unit, shall be pitched. No flat roofs shall be permitted. The Architectural Control Committee may, in its discretion, approve flat roofs on part of the main body of a building if such roof is architecturally compatible with the remainder of the roof structure, the particular building on which it is to be constructed and all adjacent residences and other structures. All roofs shall be constructed of clay tile, cement tile, slate, cedar shingle, cedar shake, standing seam metal or copper, or composition shingle. All composition roofing color must be approved by the Architectural Control Committee. No windmills, appliances, rooftop attic ventilators, fans, solar collector panels or other rooftop installations or structure of any type shall be placed, located, erected, constructed, installed or maintained upon the exterior roof of any building or structure unless it is erected, constructed, installed and maintained on the rear yard side of the roof or otherwise in such manner and at such location that the same shall not be visible from any street. Notwithstanding the foregoing, The Architectural Control Committee may waive any part of the requirements herein set forth upon written approval of alternate plans and specifications which will not detract from the general appearance of the Property.
- 5.22 <u>Mailboxes</u>. All mail boxes on the property shall conform to the requirements of and be located as directed by the U. S. Postal Service. The Declarant, in conjunction with the U.S. Postal Service, at their discretion, shall have the authority to locate mail boxes (including cluster-type mail boxes) anywhere within the subdivision, including within the set-back portions of any residential Lot.

- 5.23 <u>Tanks</u>. No Butane, propane, or other type of elevated tanks of any kind shall be erected, placed or permitted on any Lot. Swimming pool filter tanks shall be placed inside walls, fences or similar type enclosures or buried in conformity with applicable governmental rules and regulations.
- 5.24 <u>Underground Utility Lines</u>. No utility lines, including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property, unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements. 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 of other Improvements.
- 5.25 <u>Drainage</u>. All storm water from any Lot shall drain into or onto contiguous or adjacent street rights-of-way, drainage easements, or retention areas. Additionally, storm water from any Lot shall be permitted or allowed to drain or flow naturally onto, over, under or across any contiguous or adjacent Lot. After completion of the construction of a residence upon a Lot, all work done on any Lot affecting or pertaining to the Lot grade, the flow of surface water drainage, the alteration or removal of any drainage or environmental berm or swale or any storm berm or swale, must be in accordance with site grading and drainage plans approved by the Architectural Control Committee. The Lot Owner shall be responsible for ensuring that such plan or plans are in accordance with all applicable laws, codes and regulations.

5.26 Fences.

- (A) All fences within the Subdivision shall be 6' Cedar picket fencing. The cedar facing must be to the "outside" of the lot when adjacent to streets.
- (B) Unless a prior written variance from the Architectural Control Committee is obtained, no fence, wall, or hedge to the rear of the front wall line of the main structure, may be higher than six (6) feet. Likewise, hedges may not be installed or maintained forward of the front building line of the main structure in excess of four feet (4') in height, and no fence or wall shall be built forward of the front wall line of the main structure, except for decorative walls or fences which shall not exceed three feet (3') in height. Side fences on corner lots shall not be constructed within the building setback line established from any side street.
- (C) Notwithstanding the foregoing, the Architectural Control Committee is empowered to waive the aforesaid composition requirements for fences and the aforesaid height or set-back limitation in connection with retaining walls and decorative walls if, in its sole discretion, such waiver is advisable in order to accommodate a unique, attractive or advanced building concept design or material or to accommodate unusual slopes or topography of a particular lot, and the resulting fence, decorative wall and/or retaining wall (whichever is applicable) will not detract from the general appearance of the neighborhood.

- (D) No chain-link fences may be built or maintained on any lot, other than to enclose a tennis court which must be screened and landscaped as provided in section 5.11, or to enclose a dog or pet enclosure, provided that the chain link fencing is not visible from the street.
- (E) No fence, wall, or hedge or shrub planting which obstructs sight lines shall be placed or permitted to remain on any corner lot. No tree shall be permitted to remain within such distance of such intersections, unless the foliage is maintained at sufficient height to prevent obstruction of such sight lines.
- 5.27 <u>Construction Activities</u>. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, or similar activities, provided that such construction is pursued to completion with reasonable diligence and as hereinafter provided, and takes place only between the hours of 7:00 a.m. and 9:00 p.m.
- 5.28 <u>Unfinished Structures</u>. No house or other structure shall remain unfinished for more than nine (9) months after start of construction.
- 5.29 Compliance with Provisions of this Declaration. Each Owner shall comply strictly with the provisions of these restrictions as the same may be amended from time to time. Failure to comply with any of this Declaration shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by an aggrieved Owner or Declarant. Declarant makes no warranty or representation as to the present or future validity or enforceability of this Declaration, its terms or provisions. Any Owner acquiring a Lot in reliance on this Declaration, its terms and provisions shall assume all risks of the possible amendment, validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless from any damages resulting from any amendment to or invalidity or unenforceability of the Declaration.

ARTICLE VI. USE OF COMMON AREAS

Later phases of the development will have additional common areas which are intended to be shared with the owners of lots within Unit I (and subsequent Units which may be developed). Upon such occurrence, the Declarant will file a supplemental Declaration providing rules and regulations for use of such Common Areas by owners of Lots within Unit I and such other subsequent Units as may be developed.

ARTICLE VII. THE HARVEST HILLS HOMEOWNERS' ASSOCIATION AND COVENANTS FOR MAINTENANCE ASSESSMENTS

- 7.01 <u>Membership and Voting</u>. Declarant has created THE HARVEST HILLS HOMEOWNERS' ASSOCIATION, INC., which is the non-profit corporate homeowner's association for the Subdivision, which is also known as *The Harvest Hills Homeowner's Association*. The Declarant may assign to said Association, on a permanent or temporary basis, one or more of the rights, powers, obligations and duties of the Declarant under these restrictions. Every Owner of a Lot within the Properties shall be a member of the Association.
 - (A) The Association shall have three classes of voting membership.
 - (1) Class A: Class A members shall be all owners of lots with a dwelling thereon with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person owns an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any one lot hereunder.
 - (2) Class B: Class B members shall be all the Owners of lots without a dwelling thereon with the exception of the Declarant. Each Class B member shall be entitled to one (1) vote for each developed unimproved lot owned. When more than one person owns an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any one lot hereunder.
 - (3) Class C: All lots and/or acreage owned by Declarant. Declarant shall be entitled to three (3) votes for each developed lot and twelve (12) votes per acre of undeveloped land.

7.02 Turnover.

- (A) At any time after commencement of operations of the Association, at Declarant's sole discretion, the property owners may be required to take over the management of the Association and relieve Declarant of all duties associated therewith. Upon such "Turnover" by the Declarant, the property owners within the Subdivision will be required to choose their own Board of Directors to represent them and to manage the Association in accordance with the terms and conditions of these restrictions and to establish any and all bylaws, procedures and other management devices by which the Association shall operate. After "turnover", any Board Members/Directors must be Owners within the Subdivision.
- (B) Notwithstanding anything to the contrary, until such "Turnover" has taken place, the management of the Association shall be by Declarant and its staff, and any

expenses incurred in such management shall be reimbursed to Declarant by the Association. Said reimbursable expenses shall include the cost of Declarant's staff for the time spent in the management thereof of this Association. From and after the time of such turnover, the Association shall indemnify and hold Declarant harmless from and against any and all claims or damages of every kind arising out of the development and operations of the Association, or Common Areas, if any.

- 7.03 Personal Obligation and Lien Rights Associated with Collection of Dues and Assessments
 - (A) Each lot owner, by acceptance of a deed, whether or not it shall be so expressed in such deed, is deemed to agree to pay to the Association regular annual assessments and all other Association dues, fees, fines, assessments or charges of any kind, including special assessments for capital improvements, which may be established and collected as hereinafter provided.
 - (B) The annual and special assessments, together with interest, costs, and reasonable costs of collection (including, but not limited to attorney's fees), shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment became due and payable. The personal obligation for delinquent assessments shall not pass to any successors or assigns in title unless assumed by them.
- 7.04 Purpose of Assessments. The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents and/or owners of the Properties and for the improvement and maintenance of the Common Area. These expenses may include, but shall not necessarily be limited to, payment of taxes and insurance, construction, repair or replacement of improvements to the Common Area, cost of trash and debris clean-up, irrigation, mowing and landscaping, street and lot cleaning, cost of professional or other outside services, and labor, equipment, materials, outside management and supervision necessary to carry out its authorized functions. Additionally, any other expenses which, in Declarant's or Association's sole discretion, are deemed necessary to uphold the Subdivision's property values and/or are for the overall betterment of the development and its appearance, shall be the responsibility of the Association and shall be paid out of assessments including, but not necessarily limited to, cost of security, covenant enforcement, lot cleaning, general maintenance and road cleaning.
- 7.05 <u>Initial Annual Assessment</u>. Until adjusted pursuant to the terms as noted in this document, the maximum annual assessments shall be as follows:

Class A: \$ 395.00 per individual lot;

Class B: \$ 395.00 per individual lot;

Class C: no assessment for Lots or undeveloped acreage.

- (A) Unless an increase in the annual assessment is necessitated because of the addition of Common Areas, the following formulae shall govern the amount of the allowable increase:
 - (1) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year by not more than 15% above the maximum assessment for the previous year without a vote of membership.
 - (2) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above 15% by a vote of two-thirds (%) of the members who are voting in person or by proxy at a meeting duly called for this purpose.
 - (3) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.
 - (4) In no event will Class C assessments stated above be altered or adjusted.
- (B) In the event Common Areas (or amenities) are created, improved, and made available for use by the Owners of residential dwellings situated in UNIT I of the HARVEST HILLS Subdivision, the annual assessment may be increased upon each Lot by the proportionate share of that Lot's ownership interest in said common area, multiplied by the projected annualized cost for maintenance and upkeep of such amenity. Such increase may be calculated and experienced each time a new amenity is created and made available for use by the Owners of Lots in UNIT I of the HARVEST HILLS Subdivision.
- 7.06 Special Assessments. In addition to the annual assessment authorized in Section 7.05 hereof, the Board of Directors of the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a capital improvement on or which is a part of the Common Areas, or for carrying out other purposes of the Association as stated herein or in the Articles of Incorporation of the Association.
- 7.07 Notice and Quorum for any Action Authorized Under Sections 7.05 and 7.06. Written notice of any meeting called for the purpose of taking any action authorized under Section 7.05 or 7.06 above and the "Annexation" portion of these restrictions shall be sent to all members not less than 30 days nor more than 60 days in advance of any meeting. At the first such meeting called, the presence of members or proxies entitled to cast (thirty) percent (30%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called by the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

- 7.08 <u>Uniform Rate of Assessment</u>. Any and all dues of the Association or special assessments must be fixed at a uniform rate for all classes of lots and may be collected on a monthly basis in lieu of annually. This decision may be made by the Declarant until turnover occurs, and thereafter may be made by a majority of the Board of Directors. In these restrictions pertaining to the Association dues or special assessments, it shall be construed to mean "monthly" whenever the above event occurs.
- 7.09 <u>Date of Commencement of The Annual Assessments</u>. The annual assessment by the Owners' Association provided for herein for any particular Lot covered by this Declaration shall not commence until January 1, 2007. For Class C lots, dues shall not commence until January 1, 2008.
 - (A) Class B memberships will automatically convert to Class A memberships on the substantial completion of construction of any dwelling built on such Lot, except in cases where a builder purchased the lot from Declarant for the sole purpose of building a dwelling to offer for sale, then the said conversion shall take place when any of the following events occur; (a) 6 months have passed since substantial completion of the dwelling, (b) any person or family (including builder) moves into the dwelling or [©] a sale of the Lot to any other party takes place. For purposes of clarification, the term "substantial completion", as used herein, shall be considered as the time when the construction of any building or dwelling has reached the point that it can be approved for final hook-up and activation of utilities.
 - (B) For billing purposes, the annual assessment period will be the 1st day of each January and shall commence as to each Lot on the first day of the month following the time of commencement, as noted above, and shall be prorated accordingly with all dues payable in advance at the closing (or by billing if the Lot has already been sold) up to the time of the next future billing. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto.
 - (C) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.
 - (D) Notwithstanding any other terms or conditions set forth in these restrictions, any expenses which are incurred by Declarant prior to the establishment of the Association, or prior to sufficient income being received from assessment billings, and which would normally be the responsibility of the Association, shall be reimbursed to Declarant from proceeds of the Association as funds become available from dues and assessments, but, in any case not later than one (1) year after the time of establishment of the Association and/or the expense was incurred.

- 7.10 Effect of Nonpayment of Assessments: Remedies of the Association Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest legal rate. The Owners' Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owners' Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. (See Article XIII entitled "Non-Judicial Foreclosure.")
- Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be automatically subordinate to the lien of any first mortgage (i.e., purchase money mortgage), but shall not be subordinate to any home equity loan or refinance unless a specific subordination agreement is approved by the majority of the Board of Directors, which such approval is not required by is in their sole discretion. Such subordination agreement, if approved, is to be filed of record in the County real property records contemporaneously with the recording of the security instrument for the equity loan or mortgage refinance. The sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of the Lot pursuant to a mortgage foreclosure shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.
- 7.12 <u>Exempt Property</u>. All Common Areas and other portions of the Properties, if any, which are dedicated to public authorities shall be exempt from Assessment.
- 7.13 Option to Cure. Declarant and/or the Association, has the option, but not the obligation to perform any action required of any owner by these restrictions. In the event that the Declarant or the Association elects to do so, all sums incurred by the Declarant or the Association in performing the required action shall be charged against the Owner, and if not paid within thirty (30) days after it is due said sums shall bear interest at the highest legal rate and shall be secured by a lien (the same as if said sums were due and/or assessments) on all Lots(s) owned by said Owner. The Declarant or the Association may bring an action at law against the Owner of the lot subject to the assessment for payment thereof and/or bring an action to foreclose the lien which secures the assessment.

ARTICLE VIII. ARCHITECTURAL CONTROL COMMITTEE

- 8.01 <u>Development Objectives</u>. The aesthetic and ecological quality of the Property requires that all improvements be compatible with other Improvements and be in harmony with the natural surroundings. To this end, an Architectural Control Committee (sometimes hereinafter called "the Committee") has been created as described in Section 8.02 of this Article. The Architectural Control Committee has the responsibility to carry out the goals and functions that have been adopted, and are described below, and which may be amended from time to time.
- 8.02 <u>Architectural Control Committee</u>. The Architectural Control Committee shall be composed of four (4) members selected and appointed by the Board of Directors of THE HARVEST HILLS HOMEOWNERS' ASSOCIATION, INC., which is the corporate non-profit homeowners' association for the Subdivision, and may include members of such Board. Once

appointed, the members of the Committee shall serve for so long as they desire, and may not be removed from office for so long as they exhibit good behavior. The Board of Directors shall have the exclusive right and power at any time, and from time to time, to fill vacancies on the Architectural Control Committee. The Committee reserves the right from time to time to file instruments in the Real Property Records of Guadalupe County, Texas designating its then current composition.

- 8.03 Goal of Architectural Control Committee. The goal of the Committee is to encourage the construction of improvements of good architectural design, quality and proper size compatible with Declarant's conceptual plan for the Properties. Improvements should be planned and designed with particular attention to the design and aesthetic appearance of the exterior and the use of such materials as will, in the judgment of the Committee, create an attractive and harmonious blend with existing Dwellings and the natural surroundings. The Committee may disapprove the construction or design of an improvement on purely aesthetic grounds where, in its judgment, such disapproval is required to protect the continuity of design or values of the neighborhood and of other homeowners, or to preserve the serenity and natural beauty of any surroundings. Prior judgments regarding such matters of design or aesthetics shall not be deemed binding upon the Architectural Control Committee if such Committee feels that the repetition of such matters will have an adverse effect on the properties.
- 8.04 Function of the Architectural Control Committee. The Committee shall function as the representative of the Owners for the purposes herein set forth as well as for all purposes consistent with the creation and preservation of a first class development. No improvement, as that term is defined in Article I of this Declaration, shall be erected, constructed, placed, altered (either by addition or deletion), maintained or permitted to remain on any portion of The Properties until plans and specifications, in such form and detail as the Committee may deem necessary, shall have been submitted to and approved in writing by such Committee. The Architectural Control Committee shall have the power to employ professional consultants to assist it in discharging its duties, and may pass the reasonable fees incurred thereby on to the Owner or Owners of the affected Lot(s). The decision of the Architectural Control Committee shall be final, conclusive, and binding upon the applicant.
- 8.05 <u>Procedures of the Architectural Control Committee</u>. The Committee may establish and publish from time to time reasonable administrative procedures and separate building guidelines covering residential and non-residential Improvements.
- 8.06 Design Submittal. The Owner must submit a design plan, which must adequately reflect to the Committee the true design quality of the proposed work. Final plans and specifications shall be submitted in complete form in duplicate and shall include a floor plan and all elevations of any proposed structure(s) (including walls, signs, pools, pool buildings, etc.), roof height, specification of materials, textures and shapes. All exterior measurements and dimensions must be shown. (1/4" = 1" minimum) Description of materials and finishes must be clearly indicated.
- 8.07 <u>Basis of Approval</u>. Approval of preliminary design plans and final plans and specifications shall be based upon the following:

- (A) The architectural and structural integrity of the design.
- (B) Harmony and conformity of the design with the surroundings both natural and built.
- (C) Adequacy of the design to conditions of the site.
- (D) Conformity to specific and general intent of the Protective Covenants covering. The particular platted unit of which the Lot in question forms a part.
- <u>Variances</u>. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install Improvements which are in variance from the covenants, restrictions, or architectural standards which are provided in this Declaration or the applicable Protective Covenants or these which may be promulgated in the future. In any case, however, such variances must, in the Committee's sole discretion, blend effectively with the general architectural style and design of the community and must not detrimentally affect the integrity of The Properties nor harmony with the natural surroundings. No member of the Committee shall be liable to any Owner for claims, causes of action or damages arising out of the grant of any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce the Covenants, Restrictions and architectural standards provided hereunder, against any other Owner. If granted, variances shall comply with the conditions set forth in Section 5.03, above. Any putative or alleged "variance" which is not in writing and which is not recorded as set forth in such section shall be deemed ineffective, and shall not be accorded any credence or given any effect. The defenses of "waiver", "estoppel" and "laches" are specifically abandoned by any person or entity owning an interest in any Lot to which these covenants are applicable, with respect to any contention that a variance has been granted in an manner which is inconsistent with the requirements of Section 5.03 herein.
- 8.09 <u>Issuance of a Building Permit</u>. Upon approval of final submittals, a building permit will be issued by the Architectural Control Committee, and construction may then begin. All such permits must be prominently displayed at the job site. The issuance and acceptance of the building permit assures that:
 - (A). Construction of an approved building will be completed within nine (9) months from start of construction;
 - (B). Construction will be in accordance with approved plans;
 - (C) Any exterior changes after final approval of plans by the Architectural Control Committee must be approved in writing by the Committee prior to Construction of those changes; and
 - (D) Regular inspections may be made by a representative of the Committee.

- (E) All homes and/or subsequent remodeling additions etc. shall be inspected during and after construction by certified 3rd party building inspector to meet standard building codes.
- 8.10 Failure of the Committee to Act. If the Architectural Control Committee fails to approve or to disapprove either the preliminary design plans or the final plans and specifications or to reject them as being inadequate within thirty (30) days after submittal thereof, it shall be conclusively presumed that such Committee has approved such preliminary design plan or such final plans and specifications, to the extent such plans and specifications are in compliance with the provisions contained herein. Should any variance or waiver to the covenants, conditions and restrictions contained in this instrument be required by such plans or proposal, no presumption of approval shall attach. If preliminary design plans or final plans and specifications are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.
- 8.11 <u>Limitation of Liability</u>. Neither the Declarant, the Association, the Architectural Control Committee, nor any of the members of such Committee shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any owner of land affected by this Declaration by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or to disapprove any plans and specifications.

ARTICLE IX. ANNEXATION

Other properties or units owned or developed by Declarant may (at Declarant's sole discretion) be annexed into or added on to the Association by Declarant at any time prior to "Turnover" of the Association to the lot owners. Additional residential property and Common Area may thereafter be annexed to the Properties with the consent of two-thirds (%) of the lot owners.

ARTICLE X. WAIVER AND LACHES

The obligation to abide by the provisions contained in this Declaration shall be deemed to be of a continuing and continual basis. Each and every day an Owner allows a condition to exist on his or her Lot which is not in compliance with the requirements contained herein shall constitute a separate and individual violation hereof, and shall give rise to a new cause of action for such breach. The intended effect and express purpose of this provision shall be that every Owner, by accepting title to a Lot, hereby waives the affirmative defenses of the statute of limitations, waiver and laches with respect to covenant violations. Noncompliant conditions shall be allowed to exist on a Lot only upon the Owner obtaining a written variance in accordance with the applicable provisions herein. (See Section 5.03 herein.) Failure of Declarant, the Association, the Committee, or of any Owner to enforce the terms of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XI. ASSESSMENTS BY AWARD OR JUDICIAL DECREE

In the event arbitration or litigation is necessary to enforce any provision contained within this Declaration, any and all awards granted by the arbitrator, or damages, penalties, fees, costs, and/or any other charges awarded in the decree shall also constitute an assessment, which shall likewise run with the land, and which shall have the same priority as the lien created in Article V herein. Failure to pay assessments imposed under this Article shall constitute an event which may give rise to the remedies provided in Article VII, Section 7.10 herein.

ARTICLE XII. NOTICE BY ASSOCIATION

Whenever written notice to a member (or members) of the Association is permitted or required hereunder, such shall be given by the mailing of such to the address of such member appearing on the records of the Association, unless such member has given written notice to the Association of a different address, in which event such notice shall be sent to the member at the address so designated. In such event, such notice shall conclusively be deemed to have been given by the Association by placing same in the United States Mail, properly addressed, whether received by the addressee or not.

ARTICLE XIII. NONJUDICIAL FORECLOSURE

- 13.01 <u>Creation of Special Deed of Trust</u>. To secure the payment of maintenance assessments and to ensure compliance with the applicable covenants, conditions, restrictions and easements set forth herein, each Owner, upon acceptance of his or her deed to a Lot governed by this Declaration conveys the Lot to the Trustee hereinafter named, in trust, for so long as these covenants, conditions, restrictions and easements shall remain in effect, such conveyance operating as a Special Deed of Trust. If an Owner fails to tender payment of maintenance assessments or reimbursements when due, or if an Owner fails to perform any of the Obligations under or maintain any condition required by this Declaration, the Association may perform those obligations, advance whatever funds may be required, and then be reimbursed by the Owner on demand for any sums so advanced, including attorney's fees, plus interest on those sums from the dates of payment at the highest legal rate. The sum to be reimbursed shall be secured by this Special Deed of Trust.
- 13.02 <u>Breach of Special Deed of Trust</u>. If the Owner fails on demand to reimburse the Association for the sums advanced or for the assessments owed, and such failure continues after the Association gives the Owner notice of the failure and the time within which it must be cured, as may be required by law or by written agreement, then the Association, as the Beneficiary of this Special Deed of Trust. may:
 - (A) Request the Trustee appointed herein, or his successor, to foreclose the liens created herein, in which case the Association shall give notice of the foreclosure

- sale as provided by Section 51.002 et seq of the Texas Property Code then in effect or any successor statute thereto; and
- (B) Purchase the Lot at any foreclosure sale by offering the highest bid and then have the bid credited to the reimbursement or satisfaction of the outstanding indebtedness owed to the Association.

If requested by the Association to foreclose this lien, the Trustee shall:

- (A) Either personally or by agent give notice of the foreclosure sale as required by Section 51.002 et seq. of the Texas Property Code then in effect (or any successor statute thereto);
- (B) Sell and convey the Lot to the highest bidder for cash with a general warranty binding the Owner, subject to prior liens and to other exceptions to conveyance and warranty; and
- (C) From the proceeds of the sale, pay, in this order:
 - (1) expenses of foreclosure, including a commission to Trustee of five percent (5%) of the successful bid;
 - (2) to the Association, the full amount advanced, attorney's fees, and other charges due and unpaid;
 - (3) any amounts required by law to be paid before payment to the Owner; and
 - (4) to the Owner, any remaining balance.
- 13.03 Appointment of Trustee. Christopher J. Weber, Attorney at Law, is appointed Trustee for the purpose of enforcing the covenants, conditions and restrictions imposed by this Declaration, and also for the collection of maintenance assessments. The Association, as Beneficiary, may appoint a substitute or successor trustee, succeeding to all rights and responsibilities of the Trustee appointed herein, by filing an appropriate designation of substitute trustee among the Real Property Records of Guadalupe County, Texas.
- 13.04 <u>Creation of Tenancy</u>. From and after any such foreclosure, the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance. The purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.
- 13.05 Applicability of Texas Property Code. It is the intent of the provisions of this Section to comply with the provisions of Texas Property Code Section 51.002 as may be amended hereafter, and, which amendment is applicable hereto. Likewise, it is the intent of the Declarant that all collection efforts be in strict compliance with the requirements of Texas Property Code Chapter

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209, et seq., as same may be amended hereafter, which such amendments shall be applicable hereto. The President of the Association, acting without joinder of any Owner or mortgagee of any Owner, may, by amendment to this Declaration filed in the office of the County Clerk of Guadalupe County, Texas, amend the provisions hereof so as to comply with said amendments to said Section 51.002 and/or Chapter 209.

13.06 <u>Priority of Liens</u>. Any liens created by Article VII or Article XI hereof shall be superior to all other liens and charges against any Lot covered hereby except only for tax liens and all sums secured by a first-priority mortgage or deed of trust lien of record, securing in either instance sums borrowed for the purchase or improvement of the Lot in question.

ARTICLE XIV. EASEMENTS

14.01 Reserved Fasements. All dedications, limitations, restrictions and reservations shown on any plat covering all or any portion of the Property 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 is 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. Further, Declarant hereby creates, declares, grants and reserves for the benefit of Declarant, Guadalupe County, the City, and all Owners and any public or private providers of utility services to the subject Property and their respective successors and assigns, a nonexclusive easement for utility purposes over, under, within and upon other easement areas shown on the plats of the Property, as hereafter amended, for the purposes of constructing, installing, inspecting, maintaining, repairing and replacing from time to time any and all utility lines, systems and facilities from time to time deemed necessary or appropriate by Declarant for development of the Property. Further, Declarant reserves the right, and all Owners agree to cooperate to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (include, without limitation, gas, water, electricity, telephone, sanitary sewer and drainage), in favor of any Person or entity across any Lot or on any portion of the Property as is necessary or efficient to supply all utilities to all Lots. It is the responsibility of the property owner to maintain all easement areas within their property and the area between the property and the adjacent curb.

ARTICLE XV. MISCELLANEOUS

15.01 Term. This Declaration including all of the covenants, conditions and restrictions hereof, shall run until December 31, 2031, unless amended as herein provided. After December 31, 2031, this Declaration including all such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by seventy five percent (75%) of the Owners of the Property who are then subject to this Declaration which is filed of record in the Real Property Records of Guadalupe County, Texas.

15.02 Amendment.

- (A) By Declarant. This Declaration may be amended by the Declarant, acting alone, until December 31, 2011.
- (B) By Owners/Declarant. After December 31, 2011, this Declaration may be amended by Declarant and seventy five percent (75%) of the Owners of the Property then subject to this Declaration, and filed of record in the Real Property Records of Guadalupe County, Texas.
- 15.03 <u>Savings Provision</u>. Notwithstanding anything to the contrary, Declarant shall have the right at any time, at its sole discretion and without any joinder or consent of any other party, to amend this Declaration for the purposes of correcting any error, ambiguity or inconsistency appearing herein or for any reason whatsoever deemed necessary for the benefit of the overall development as determined by Declarant, it is sole discretion. Said amendment shall be effective immediately upon filing the said amended restrictions with the County Clerk of Guadalupe County, Texas.
- 15.04 <u>Interpretation</u>. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the fundamental concepts of the development of the Property set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.
- 15.05 <u>Assignment of Declarant</u>. Notwithstanding any provision in this Declaration to the contrary, Declarant may in writing filed of record referring to this Declaration by volume and page number, expressly assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other Person or entity and may permit the participation, in whole or in part, by any other Person or entity in any of its privileges, exemptions, rights and duties hereunder. Upon assignment by Declarant of any or all of Declarant's rights, the Declarant shall no longer be liable for performance of such assigned rights provided that the assignee expressly assumes in the recorded assignment the obligations of Declarant that are assigned.

15.06 Enforcement and Nonwaiver

- (A) Right of Enforcement. Except as otherwise provided herein, any owner at his own expense, and/or the Declarant, and/or the Association shall have the right to enforce all of the provisions of this Declaration. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.
- (B) Nonwaiver. The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.

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- (C) No Duty to Enforce. Neither the Architectural Control Committee, the Association, nor Declarant shall be charged with any affirmative duty to police, control, or enforce any of the provisions herein contained.
- (D) Applicable Law. It is the intent of the provisions of this Section to strictly comply with the provisions of Texas Property Code Chapter 209, et seq., as same may be amended hereafter, which such amendments shall be applicable hereto. The President of the Association, acting without joinder of any Owner or mortgagee of any Owner, may, by amendment to this Declaration filed in the office of the County Clerk of Guadalupe County, Texas, amend the provisions hereof so as to comply with said amendments to said Chapter 209.

15.07 Construction.

- (A) Restrictions Severable. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.
- (B) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.
- (C) <u>Captions</u>. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, sections or Articles hereof.

ARTICLE XVI. DECLARANT'S DISCLAIMER

While Declarant has planned to eventually complete construction of additional units, it is specifically understood that Declarant, its successors and/or assigns, are not under any obligations to complete any portion thereof other than the phase currently under construction. Further, it is understood that there are no time limitations on the length of time that said construction may take.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of this the // day of October, 2006.

HARVEST HILLS, LTD.

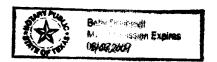
By:

JACK UPTMORE, Authorized Representative

STATE OF TEXAS

COUNTY OF Buadalips

This instrument was acknowledged before me on this the day of October 2006, by JACK UPTMORE, an authorized representative of HARVEST HILLS, LTD., a Texas Corporation.



Dotty Die Good NOTARY PUBLIC, STATE OF TEXAS

PREPARED IN THE LAW OFFICE OF:

Christopher J. Weber, L.L.C. Christopher J. Weber, Esq. The Ariel House 8118 Datapoint Drive San Antonio, Texas 78229-3268 AFTER RECORDATION PLEASE RETURN TO:

HARVEST HILLS, LTD. 8400 Blanco Road, No. 204 San Antonio, TX 78216

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HARVEST HILLS SUBDIVISION - UNIT IV A

FILED FOR RECORD

14 AUG 11 PM 4:31

TERESA KIEL COUNTY CLERK GUADALUPE COUNTY

BY CHernando

STATE OF TEXAS
COUNTY OF GUADALUPE
I certify this instrument was FILED on the
date and at the time stamped thereon and
was dury recorded in the Official Public
Records of Guadalupe County, Texas.





14-013883

HARVEST HILLS SUBDIVISION UNIT IV A

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS

§

§

COUNTY OF GUADALUPE

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KNOW ALL MEN BY THESE PRESENTS:

THAT, HARVEST HILLS, LTD. ('Declarant"), being the owner of that certain subdivision known as HARVEST HILLS SUBDIVISION, UNIT IV A (hereinafter referred to as the "Subdivision"), according to the Plat (hereinafter referred to as the "Subdivision Plat") of said Subdivision as recorded in Volume 8, Page 167 of the Plat Records of Guadalupe County, Texas, and, as such, desiring to continue a uniform plan for the improvement, development, and sale of the subdivided lots situated within the Subdivision and for the purpose of protecting the value and desirability of the Subdivision, and;

WHEREAS, Declarant has previously caused a document entitled "Harvest Hills Subdivision, Unit I - Declaration of Covenants, Conditions and Restrictions" to be filed in the Real Property Records of Guadalupe County, Texas for Unit I of the Harvest Hills subdivision, said instrument having been filed at Volume 2387, Page 176 (et seq.) of the records maintained by the County Clerk of Guadalupe County, Texas; and

WHEREAS said "Harvest Hills Subdivision, Unit I - Declaration of Covenants, Conditions and Restrictions" adopted and established various easements, restrictions, covenants and conditions to run with the Property and to apply in the use, occupancy, and conveyance of the described subdivided lots therein, and provided that it shall be binding on all parties having a right, title or interest in or to the Property described therein or any part thereof, as well as their heirs, successors and assigns, and which easements, restrictions, covenants and conditions were to inure to the benefit of each owner thereof, and each Contract or Deed which may be executed with regard to any of such Property shall be conclusively held to have been executed, delivered and accepted, subject to the restrictions and covenants set forth therein; and

WHEREAS, at Article II, Section 2.10 of said "Harvest Hills Subdivision, Unit I - Declaration of Covenants, Conditions and Restrictions", it provided as follows:

2.01 Addition of Land. Declarant hereby reserves to itself and shall hereafter have the right, but not the obligation, at any time and from time to time, in its sole and absolute discretion, and without notice to or the approval of any party or Person whomsoever or whatsoever, to impose this Declaration or a substantially similar Declaration upon additional property adjacent, contiguous or nearby to the Property. Declarant may, at any time and from time to time, add any other lands to the Property, and upon such addition, this Declaration and the covenants, conditions,

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restrictions and obligations set forth herein shall apply to the added land, and the rights, privileges, duties and liabilities of the Persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration, unless such supplemental Declaration shall provide for changes to the Declaration to deal with the unique character of Declarant's overall development plans for the added property. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Real Property Records of Guadalupe County, Texas, a notice of addition of land (in the form of a Supplemental Declaration) containing the following provisions:

- (A) A reference to this Declaration, which reference shall state the book and page numbers of the Guadalupe County Real Property Records wherein this Declaration is recorded;
- (B) A statement that the provisions of this Declaration shall apply to the added land;
- (C) A legal description of the added land; and
- (D) Any covenants, conditions or restrictions that are different or unique to the added land;

and

WHEREAS, Declarant now wishes to add land which has been designated and approved by Guadalupe County, Texas as "Phase¹ IV A" to the Harvest Hills subdivision;

NOW, THEREFORE, HARVEST HILLS, LTD, ("Declarant") hereby imposes the provisions of the Unit I Declaration (referenced above) on the property which has been designated as "Phase IV A" of the Harvest Hills subdivision, same being legally described as follows:

Phase IV A, Block 1, Lots 1 through 8, Harvest Hills Subdivision of Guadalupe County, Texas, according to the Plat thereof recorded at Volume 8, Page 167, of the Plat Records of Guadalupe County, Texas; and

IN WITNESS WHEREOF, Declarant has executed this Declaration as of this the _____ day of August, 2014.

HARVEST HILLS, LTD.

JACK UPTMORE, Authorized Representative

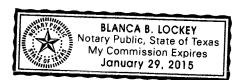
¹ The word "Phase" and "Unit" shall be considered to be synonymous for the purposes of this instrument.

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STATE OF TEXAS

COUNTY OF Bevar

This instrument was acknowledged before me on this the ______ day of August, 2014, by JACK UPTMORE, an authorized representative of HARVEST HILLS, LTD., a Texas Corporation.



Blanca B Rocku)
NOTARY PUBLIC, STATE OF TEXAS

PREPARED IN THE LAW OFFICE OF: AFTER RECORDING RETURN TO:

Christopher J. Weber, L.L.C. Christopher J. Weber, Esq. Cemetery Hill 9150 Dietz-Elkhorn Road Fair Oaks Ranch, Texas 78015

O: 1-210-892-3176 F: 1-830-981-9160

cweber@logcabinlaw.com

HARVEST HILLS, LTD.

8400 Blanco Road, No. 204
San Antonio, TX 78216

Harvest Hills Homeowners Association 8400 Blanco Rd., Ste. 204 San Antonio, TX 78216 210-696-2522

Effective January 1, 2012

Attention All Harvest Hills Homeowners and Future Homeowners of Harvest Hills Subdivision:

Change in ARTICLE 7.05 Initial Annual Assessment

Please note that the Harvest Hills Homeowners Association dues have increased by 7.5%. The new adjusted amount for the 2012 dues is \$425.00 per individual lot.



14-015943

BYLAWS OF HARVEST HILLS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I. NAME, PRINCIPAL OFFICE, PROPERTY, AND DEFINITIONS

- Section 1.1. <u>Name</u>. The name of the corporation is Harvest Hills Homeowners' Association, Inc. (the "Association").
- Section 1.2. <u>Principal Office</u>. The principal office of the corporation is 8400 Blanco Rd., Ste. 204 San Antonio, Texas 78216. The principal office of the corporation may be located at any place in Texas as may be designated by the Board of the Association from time to time.
- Section 1.3. <u>Definitions</u>. The words used in these Bylaws shall have the same meaning as set forth in the Harvest Hills Subdivision Unit 1 Declaration of Covenants, Conditions and Restrictions recorded in Volume 2387, Page 176 of the Official Public Records of Guadalupe County, Texas (said Declaration, as amended, supplemented, renewed, or extended from time to time, is hereinafter referred to as the "**Declaration**").
- Section 1.4. <u>Property</u>. The property affected by these Bylaws is the development known as Harvest Hills in Guadalupe County, Texas.

ARTICLE II. MEMBERSHIP AND VOTING RIGHTS

- Section 2.1. <u>Membership</u>. Each Owner shall be a Member the Association (a "**Member**").
- Section 2.2. <u>Allocation of Voting Rights</u>. The Association shall have classes of voting as more fully set forth in the Declaration.
- Section 2.3. <u>Member Rights in Association</u>. No Member shall have any direct interest in the funds and assets of the Association, but shall have only a membership interest therein which shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's interest in his/her/its Lot. Membership in the Association shall be mandatory.

ARTICLE III. MEETING OF MEMBERS

Section 3.1. <u>Annual Meetings</u>. At the first annual meeting, the Members shall elect two (2) directors for a term of three (3) years and one (1) Director for a term of two (2) years and at each annual meeting thereafter, the members shall elect the number of Directors required to fill the vacancies created by the then expiring terms, such new Directors to be elected for a term of three (3) years.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association (the "President") or by the Board, or upon written request of the Members who are entitled to vote one-fourth $(1/4^{th})$ of all of the votes of the Members.

Section 3.3. <u>Place of Meetings</u>. Meetings of Members and the Board shall be held at the principal office of the Association or at such other suitable place as may be chosen by the Board.

Section 3.4. <u>Notice of Meetings</u>. Written or printed notice of annual and special meetings may state the place, day, and hour of any meeting of the Association and must be delivered, either personally or by mail, fax or other electronic media, to each Member entitled to vote at such meeting. Such notice of the annual meeting of the Members may be given by or at the direction of the Secretary of the Association (the "Secretary"). Such notice of a special meeting must be given by whoever called the meeting and must contain a description of the topics or issues to be discussed.

Notice to a Member by e-mail or facsimile must be sent to the e-mail address or facsimile number provided to the Association in writing by that Member. If e-mailed, the notice of meeting shall be deemed to be delivered as of the date and time the e-mail was sent. If faxed, the notice of meeting shall be deemed to be delivered as of the date and time shown on a written confirmation that the facsimile was successfully transmitted.

If mailed, the notice of meeting shall be deemed delivered as of the date it is deposited in the United States mail. One notice, addressed to multiple Members at the same address, shall suffice if more than one Member resides at or occupies any address.

For any given meeting, the Association may use any combination of the alternative methods for providing notice to the Members.

For the purpose of determining the Members who shall receive notice of a meeting, the Members of the Association shall be determined on the date the notice of meeting is first given.

Section 3.5. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Either before or after such meeting, any Member may, in writing, waive notice of any meeting of the Association. Attendance at a meeting by a Member, either in person or by proxy, shall be deemed waiver by such Member of notice of the time, date, and place of the meeting, unless such Member specifically objects to lack of proper notice in writing before the time the meeting is called to order. Additionally, casting a vote by a Member on any issue to be voted upon at the meeting by any technological means authorized in these Bylaws shall be deemed a waiver by such Member of notice of the meeting. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised in writing before the business is put to a vote.

Section 3.6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, either in person or by proxy, the presiding officer or a majority of the Members who are present at such meeting, in person or by proxy, may adjourn the meeting to a later time. At the reconvened meeting, if a quorum is present, either in person or by proxy, any business that might have been transacted at the meeting originally called may be transacted. All votes cast by Members prior to the originally called meeting by proxy or by any technological means authorized in these Bylaws on issues to be considered at the meeting shall be valid and may be counted at the reconvened meeting at which a quorum is present; provided that, a Member who cast a vote on an issue by proxy or by any technological means authorized in these Bylaws may change that Member's vote at any time prior to the time that a call for a vote on the issue is made at the reconvened meeting at which a quorum is present. A Member may change his/her/its vote by attending the reconvened meeting in person, submitting a proxy at the reconvened meeting that either directs or authorizes the proxy holder to vote in a different manner, or changing the Member's vote by any technological means for voting authorized in these Bylaws. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Section 3.7. <u>Proxies</u>. At all meetings of Members, each Member may vote in person or by proxy. Any reference in these Bylaws to "**Members Present**" means "Members present in person or by proxy."

All proxies shall be in writing and filed with the Secretary: (i) before the appointed time of each meeting; or (ii) by any earlier date or time specified in the notice of meeting. Proxies submitted by facsimile or any other method provided for by these Bylaws shall be valid.

Proxies not delivered prior to the start of any meeting or by any earlier date or time specified in the notice of meeting shall not be valid. Every proxy shall be revocable and shall automatically cease upon: (i) conveyance by the Member of the Member's interest in the property; (ii) receipt of notice by the Secretary of the death or judicially declared incompetence of a Member; (iii) receipt of written revocation; or (iv) expiration of eleven months from the date of the proxy. If a Member executes more than one proxy, only the proxy with the most current date shall be valid.

Section 3.8. <u>Voting</u>. At all meetings of Members at which a quorum is present, all questions (except those the manner of which is otherwise expressly governed by statute, the Association's Articles of Incorporation, the Declaration or the Bylaws) shall be decided by the vote of a majority of the Members Present and entitled and eligible to vote. All voting of Members present in person shall be via voice, except voting shall be by ballot upon the determination of the presiding officer of any meeting or upon the demand of a majority of Members Present. Each ballot shall be signed by the Member voting or by his/her/its proxy. At the option of the Board, any vote may be taken by mail ballot, or by any combination of mail, proxy or in person. Mail ballots may be counted toward a quorum of Members Present (as if in attendance at a meeting).

Section 3.9. <u>Alternative Means of Voting</u>. To the extent permitted by law, a Member may vote on any question to be voted upon by the Members via absentee ballot, which is delivered to the Association by mail, facsimile or electronic communication over the internet or the Association network. To be valid, any vote cast by a Member by mail, fax or electronic communication must be received by the Association by: (i) midnight of the day before the date of the scheduled meeting; or (ii) any earlier date or time specified in the notice of meeting.

The mechanism for voting by electronic communication must provide a sufficient method of identifying the Member and verifying the Member's vote. Any requirement for a signature on any such absentee ballot, which is imposed by the Articles of Incorporation, the Declaration, the Bylaws, any regulation or resolution imposed by the Board, or any applicable law, shall be satisfied by a digital signature.

Section 3.10. <u>Majority</u>. As used in these Bylaws, the term "majority" shall mean those votes, owners or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

Section 3.11. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Owners representing ten percent (10%) of the total eligible votes in the Association shall constitute a quorum at all meetings of the Association.

The Members Present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment. However, in the event a sufficient number of Members leave less than a quorum at such meeting, business may continue to be conducted provided that: (i) at least five percent (5%) of the total eligible votes of the Association remains present in person and/or by proxy; and (ii) any action taken shall be approved by at least a majority of the total eligible votes of the Association remaining present in person and/or by proxy.

- Section 3.12. <u>Conduct of Meetings</u>. The President shall preside over all meetings of the Association. The Secretary shall keep the minutes of all meetings and record in a minute book all resolutions adopted at all meetings and all transactions occurring at all meetings.
- Section 3.13. <u>Action Without a Meeting</u>. Any action required by law to be taken at a meeting of the Association or any action that may be taken at a meeting of the Association, may be taken without a meeting if written consent setting forth the action so taken is signed by Members holding the number of votes necessary to pass a proposition concerning the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.
- Section 3.14. <u>Actions</u>. When a quorum is present at a meeting, the vote of a majority of Members Present shall decide any question brought before the meeting, except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws.

ARTICLE IV.

BOARD OF DIRECTORS

A. Composition and Selection of the Board

Section 4.1. <u>Governing Body; Composition</u>. The affairs of the Association shall be governed by a Board of Directors consisting of at least three but no more than nine directors. Each director shall be entitled to one vote.

While Class B Membership exists, directors need not be Owners. After Class B Membership ceases, each director shall be an Owner. No Members who are related by marriage or consanguinity may serve as a director at the same time.

If an entity is an Owner, the entity may submit a written resolution of the entity to the Secretary, designating one representative, who shall be eligible to serve as a director. Only one representative of any such entity, except the Declarant, may serve on the Board at any given time.

- Section 4.2. <u>Election of Directors</u>. Election of directors shall be as detailed in the Articles of Incorporation.
- Section 4.3. <u>Nomination</u>. The Board may establish a nominating committee consisting of a chairperson, who shall be a member of the Board, and three or more Members or representatives of Members. If established, the nominating committee shall be appointed by the Board not less than thirty-four (34) days prior to each annual meeting of the Members to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine but in no event less than the number of positions to be filled.
- Section 4.4. <u>Vacancy and Removal</u>. If a director ceases to be an Owner during his/her term as director, he/she is automatically disqualified from serving as a director or officer, and the majority of the Board may: (i) elect a successor to fulfill the remainder of said director's term; or (ii) wait to elect a successor at the next annual meeting of the Members. In the event of the death, disability, other disqualification or resignation of a director, or any other vacancy, a vacancy may be declared by the Board and the remaining directors may appoint a successor.

Any director who has three consecutive unexcused absences from Board meetings may be removed by a majority of the directors present at any Board meeting at which a quorum is present, and a successor may be appointed by the Board to fill the director's vacancy for the remainder of the term. Any director may be removed, with or without cause, by the votes of a majority of Members. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director by Members, a successor shall then and there be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Section 4.5. <u>Compensation</u>. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

B. Meetings of the Board

Section 4.6. <u>Regular Meetings</u>. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one such meeting shall be held during each fiscal year. Alternatively, the Board may schedule a regular meeting date, place and time, and after forwarding notice of the same, shall not have the obligation to give future notices until a change is made.

Section 4.7. <u>Special Meetings</u>. Special meetings of the Board shall be held when called by written notice at the request of the President or by written resolution of a majority of the Board. The notice shall specify the time and place of the meeting and shall be given to each director by one of the following methods: (i) personal delivery; (ii) first class mail, postage prepaid; or (iii) telephone communication, facsimile or electronic communication, either directly to the director or to a person at the director's office or home who could reasonably be expected to communicate such notice promptly to the director. All such notices shall be given at the director's telephone number or sent to the director's mailing address or e-mail address as shown on the Association's records.

Section 4.8. Waiver of Notice. The transaction of any meeting of the Board, however called and noticed or wherever held, shall be valid as though taken at a meeting duly held after regular call and notice if: (i) a quorum is present; and (ii) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting in writing before or at its commencement about the lack of adequate notice.

Section 4.9. Quorum. At all meetings of the Board, a majority of the directors present in person or by proxy shall constitute a quorum for the transaction of business. The votes of a majority of the directors present in person or by proxy at a meeting at which a quorum is present shall constitute the decision of the Board.

If any meeting cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a later time. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

Section 4.10. <u>Conduct of Meetings</u>. The President shall preside over all meetings of the Board. The Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

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- Section 4.11. Open Meetings. Subject to the provisions hereof and Texas law, all meetings of the Board may be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on the Member's behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss or vote on matters deemed of a sensitive nature by the Board, including but not limited to pending or threatened litigation and personnel matters.
- Section 4.12. <u>Action Without a Formal Meeting</u>. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all of the directors. Such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties of the Board

- Section 4.13. <u>Powers</u>. The Board shall be responsible for the affairs of the Association and shall have all of the powers necessary for the administration of the Association's affairs, including, but not limited to, those included in the Articles of Incorporation and Declaration.
- Section 4.14. <u>Duties</u>. In addition to the duties imposed by these Bylaws, Texas law or by any resolution of the Association that may hereafter be adopted, the Board shall have those duties included in the Articles of Incorporation and Declaration.
- Section 4.15. <u>Management</u>. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize.
- Section 4.16. <u>Accounts and Reports</u>. The Board shall cause accurate records of the Association to be kept and made reasonably available to the Members.

ARTICLE V. OFFICERS

- Section 5.1. <u>Enumeration of Officers</u>. The officers of the Association shall be a president, vice-president, secretary and treasurer, who shall at all times be members of the Board. The Board may appoint other officers as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two or more offices may be held by the same director.
- Section 5.2. <u>Election of Officers and Term of Office</u>. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members. Each officer shall hold office for one year unless he/she resigns sooner, is removed or is otherwise disqualified to serve.

- Section 5.3. <u>Removal and Resignation</u>. Any officer may be removed from office with or without cause by a majority vote of the Board whenever in its judgment the best interests of the Association will be served thereby. If a director is removed from the Board, said director shall be disqualified from serving as an officer. Any officer may resign at any time by giving written notice to the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- Section 5.4. <u>Vacancies</u>. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
 - Section 5.5. Powers and Duties. The powers and duties of the officers are as follows:

President: The President shall be the chief executive officer of the Association, and shall: (i) preside at all meetings of the Board, annual meetings and special meetings that he/she calls; (ii) see that all orders and resolutions of the Board are carried out; and (iii) sign all leases, mortgages, deeds and other written instruments.

Vice-President: The vice-president shall act in the place and stead of the President in the event of his/her absence and/or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board.

Secretary: The Secretary shall: (i) record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; (ii) keep the corporate seal of the Association and affix it on all papers requiring the seal; (iii) serve notice of meetings of the Board and of the Members as described in more detail above; (iv) keep appropriate, current records showing the Members, their addresses and any other contact information; and (v) perform such other duties as required by the Board.

Treasurer: The treasurer shall: (i) have the primary responsibility for the preparation of the budget; (ii) disburse such funds as directed by resolution of the Board; and (iii) keep proper books of account. The treasurer may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5.6. <u>Agreements, Contracts, Deeds, Leases, Checks, Etc.</u> All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two officers or such other persons as may be designated by resolution of the Board.

ARTICLE VI. COMMITTEES

The Board is hereby authorized to establish committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present in person or by proxy at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with the terms of the resolution of the Board designating the committee and in accordance with such rules as are adopted by the Board. All committees of the Association shall be vested with advisory powers only and are not authorized to act on behalf of the Association. Any committee member may be removed by the Board.

ARTICLE VII. ASSESSMENTS

Each Member is obligated to pay the Association assessments, which are more particularly set out in the Declaration and secured by a continuing lien upon the Lot against which the Assessment is made. No Owner may waive or otherwise escape liability for the Assessments by non-use of the Common Area or abandonment of his/her/its Lot.

ARTICLE VIII. AMENDMENT

These Bylaws may be amended by the affirmative vote or written consent, or any combination thereof, of a majority of the Members Present. Notwithstanding the above, the percentage of votes or other approval necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

ARTICLE IX. MISCELLANEOUS

- Section 9.1. <u>Fiscal Year</u>. The fiscal year of the Association shall be January 1st to December 31st of each year.
- Section 9.2. <u>Parliamentary Rules</u>. Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) govern the conduct of the Association's proceedings except when they are inconsistent with Texas law, these Bylaws, or the Articles of Incorporation.
- Section 9.3. <u>Conflicts</u>. If there are conflicts between any provision of Texas law, the Declaration, the Articles of Incorporation, and these Bylaws, then the provision(s) of Texas law, the Declaration, the Articles of Incorporation, and these Bylaws (in that order) shall prevail.
- Section 9.4. Owner Conflicts. An Owner may not participate in any Association meeting or activity if the Owner is involved in litigation with the Association as to a conflict of interpretation of the Declaration, the Articles of Incorporation, rules and regulations promulgated by the Association, or these Bylaws and/or as to the amount of delinquent assessments.

Section 9.5. <u>Business Judgment Rule</u>. Any act or thing done by any director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the procedures set forth in the Articles of Incorporation, the Declaration, the laws of the State of Texas and/or these Bylaws, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing done shall not be a breach of duty on the party of the director, officer, or committee Member if they have been done within the exercise of their discretion and judgment.

The Business Judgment Rule means that a court shall not substitute its judgment for that of the director, officer or committee member. A court shall not re-examine the quality of the decisions made by the director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith in what the director, officer or committee member believes to be the best interest of the Association.

To the fullest extent permitted by applicable law, the Indemnity. Section 9.6. Association shall and does hereby agree to indemnify, protect, hold harmless and defend its officers, directors, and committee members, hereinafter referred to as "Indemnitees" from and against all claims, demands, damages, injuries, losses, liens, causes of action, suits, judgments, penalties, liabilities, debts, costs and expenses, including court costs and attorneys' fees (collectively, "Liabilities"), of any nature, kind or description, whether arising out of contract, tort, strict liability, misrepresentation, violation of applicable law and/or any cause whatsoever (including without limitation, claims for injuries to or death of any person, or damages to or loss of any property) of any person or entity directly or indirectly arising out of, caused by, in connection with, or resulting from any act or omission of any of the Indemnitees; provided, however, that the Association shall not indemnify the Indemnitees for any Liabilities arising as a result of the gross negligence or willful misconduct of Indemnitees. THE OBLIGATIONS OF THE ASSOCIATION UNDER THIS SECTION SHALL APPLY TO LIABILITIES EVEN IF SUCH LIABILITIES ARE CAUSED IN WHOLE OR IN PART BY THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, FAULT OR STRICT LIABILITY OF ANY INDEMNITEE AND WHETHER OR NOT SUCH SOLE OR CONCURRENT NEGLIGENCE, FAULT OR STRICT LIABILITY WAS ACTIVE OR PASSIVE.

The Indemnitees shall promptly advise the Association in writing of any action, administrative or legal proceeding or investigation as to which indemnification may apply, and Association, at Association's expense, shall assume on behalf of Indemnitees and conduct with due diligence and in good faith the defense thereof with competent trial counsel provided, however, that Indemnitees shall have the right, at their own option, to be represented therein by advisory counsel of their own selection and at their own expense.

In the event of the failure by Association to fully perform its obligations in accordance with this Section, Indemnitees, at their option, and without relieving Association of its obligations hereunder, may so perform, but all costs and expenses so incurred by Indemnitees in that event shall be reimbursed by the Association to Indemnitees, together with interest, on the same from the date any such expense was paid by Indemnitees until reimbursed by the Association, at the highest lawful rate of interest allowed under applicable usury laws of the

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State of Texas (or if no maximum rate is applicable, at the rate of 18% per annum). The indemnification shall not be limited to damages, compensation or benefits payable under insurance policies. It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligations under this Section, such legal limitations are made a part of indemnification obligations and shall operate to amend the indemnification obligations to the minimum extent necessary to bring the provisions into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect.

Section 9.7. <u>Dissolution/Winding Up/Termination</u>. The Association may be wound-up/dissolved pursuant to the Texas Business Organizations Code, or any successor statute. If the Association is wound-up or dissolved, the assets shall be dedicated to a public body or conveyed to a nonprofit corporation with purposes similar to those of the Association.

[SIGNATURE PAGE(S) TO FOLLOW]

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ATION, INC.,	
7 th day of <u>Allquot</u> , 2014,	
Blanca B Lockey Blanca B. Lockey	<u></u>
	Hanca B Locky Signature Notary Public



This page has been added by the Guadalupe County Clerk's office to comply with the statutory requirement that the clerk shall stamp the recording information at the foot of the last page of the document.

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14-15943 affixed on the first page of this document.

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COUNTY CLERK GUADALUPE COUNTY

BY CHURCH COUNTY

STATE OF TEXAS
COUNTY OF GUADALUPE
I certify this instrument was FILED on the
date and at the time stamped thereon and
was duly recorded in the Official Public
Records of Guadalupe County, Texas.

TERESA KIEL
Guadalupe County Clerk

Harvest Hills HoA → 8400 Blanco Rd #204 SATX 78216 Attn Susan Uptmore