

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
TERRALOMA
Dripping Springs, Hays County, Texas**

This Declaration of Covenants, Conditions and Restrictions for TerraLoma Subdivision ("Declaration") is made effective on the date of recording in the Official Public Records of Hays County, Texas by TerraLoma Property Owners Association, Inc., a Texas corporation ("POA" or "the Association"), and supersedes all previously recorded restrictions.

Recitals

TerraLoma Property Owners Association, Inc. (POA), a Texas non-profit corporation, governs the TerraLoma Subdivision, comprising seven single-family lots (4A–4G) per the replat of a portion of Lot 4, Werth Subdivision, Hays County Plat Records (Document number: 25028233).

Property Subject to This Declaration

This Declaration shall apply to and be binding upon the following real property (the "Property"):

Comprising seven single-family lots (4A–4G) per the replat of a portion of Lot 4, Werth Subdivision, Hays County Plat Records (Document number: 25028233).

NOW THEREFORE, the Association hereby adopts, establishes and imposes upon the Subdivision the following reservations, easements, restrictions, assessments, liens, covenants and conditions, which shall run with the land and title or interest therein, or any part thereof, and shall inure to the benefit of each Owner in the Subdivision as a whole, whether or not set out in full or incorporated by reference in any deed or other instrument of conveyance.

Article I: Definitions

"Association" means TerraLoma Property Owners Association, Inc. a Texas Nonprofit Corporation, and its successors and assigns, which is designated as the representative of Owners in the Subdivision, whose membership consists of Owners, and manages and regulates the Subdivision for the benefit of the Owners.

"Architectural Review Committee", or "ARC" shall mean the committee created pursuant to this Declaration to review and approve plans for the constructions of Improvements upon the Property. The ARC shall initially Jessica and Jeffrey L. Houston. After five (5) lots are sold and residences have been fully completed and occupied, Jessica and Jeffrey L. Houston shall turn over control of the ARC to the Owners.

"Board of Directors" refers to the governing body of the Association.

"Bylaws" shall mean the duly adopted bylaws of the Association as the same may be amended from time to time. The Current Bylaws are attached to this Declaration as Exhibit "A" and are fully incorporated herein.

"Collection Agent" means a debt collector, as defined by Section 803 of the federal Fair Debt Collection Practices Act (15 U.S.C. Section 1692 a).

"Common Area" refers to the real property in the Subdivision (including improvements) owned by the Association for the common use and enjoyment of the Owners, and shown as Common Area the Plat. At this time, the common area consists of a mailbox cluster (placement TBD by Postmaster).

"Contractor" refers to the person or entity with whom an Owner contracts to construct a residential dwelling and other improvements on a Lot.

"Classes of Membership" The Association has one class of membership: Lot Owners

"Declaration" refers to this Declaration of Covenants, Conditions and Restrictions for TerraLoma, and any duly passed and recorded amendments that include restrictive covenants governing the Subdivision.

"Dedictory Instrument" means each governing instrument covering the establishment, maintenance, and operation of the Subdivision. The term includes the Declaration, Bylaws, Architectural Control Guidelines, Rules and Regulations, Open Records and Records Retention Policies, and Alternative Payment Schedule, and all lawful amendments.

"Lot" refers to any designated parcel of land in the Subdivision including any improvements.

"Maintenance Charge" means assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, as hereinafter provided, and shall be a charge on the Lots and shall be a continuing lien upon the Lot against which each such Maintenance Charge and other charges and assessments are made.

"Maintenance Fund" shall mean the Association's accumulation of funds from Regular and Special Assessments, as well as income and revenue from other legitimate sources, as prescribed in this Declaration.

"Managing Agent" means the Association's designated representative as it appears on the Management Certificate.

"Management Certificate" means the instrument required to be recorded pursuant to Section of the Texas Residential Property Owners Protection Act.

"Member" refers to every Owner or entity which holds membership in the Association by virtue of its ownership of a Lot.

"Owner" means a person who holds a record title to a Lot, and includes the personal representative.

"Plat" shall refer to the plats Records and includes the following: comprising seven single-family lots (4A-4G) per the replat of a portion of Lot 4, Werth Subdivision, Hays County Plat Records (Document number: 25028233).

"Regular Assessment" means an assessment, charge, fee, or dues that each Owner is required to pay to the Association on a regular basis and that is designated for use by the Association for the benefit of the subdivision herein.

"Resale Certificate" means a written statement issued, signed, and dated by an officer or authorized agent of a property owners association that contains the information specified by Texas Property Code: Section 207.003(b).

"Rules and Regulations" or "Rules" mean the Rules and Regulations of the Association as may be adopted and amended from time to time.

"Special Assessment" means an assessment, charge, fee, or dues, other than a regular assessment that each Owner is required to pay to the Association for defraying in whole or in part, the cost, whether incurred before or after the assessment, of any construction or reconstruction, unexpected repair, or replacement of a capital improvement in Common Areas, including the necessary fixtures and personal Subdivision related to the Common Areas; maintenance and improvement of Common Areas; or other purposes the Association as stated in its Certificate of Formation, or dedicatory instruments of the Subdivision.

"Texas Residential Property Owners Protection Act" or "The Act" shall refer to Texas Property Code Chapter 209, as may be amended or repealed in whole or in part.

"Transfer Fee" means dues, a fee, a charge, an assessment, a fine, a contribution, or another type of payment under this Declaration, other dedicatory instruments, or under law, including a fee or charge payable for a change of ownership entered in the records of the Association.

Article II: Easements

Section 2.1 Utility Easements. The POA has reserved for public use the utility easements hereafter referred to as "general easements" shown on the Plat or that have been or hereafter may be created by specific instrument recorded in the Official Public Records of Hays County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, storm surface drainage, cable television, internet, or any other utility installed in, across and/or under the Subdivision. All utility easements in the Subdivision may be used for the construction of drainage swales in order to provide for improved surface drainage of the Common Area and/or Lots. Should any utility provider furnishing a service covered by the general easement herein provided for request a specific easement by some recordable document, the Association, without the joinder of any other Owner, shall have the right to grant such easement on the Subdivision without conflicting with the terms hereof. Any utility provider serving the Subdivision shall have the right to enter upon any utility easement for the purpose or installation, repair and maintenance of their respective facilities. Neither the Association nor any utility provider, political subdivision or other authorized entity using easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns of the Owner on the Subdivision covered by these easements.

Section 2.2 Title Subject to Easements. It is expressly agreed and understood that the title conveyed to any of the Lots by deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric lighting, electric power, or telephone purposes and other easements

hereafter granted affecting the Lots. The Owners of the respective Lots shall not be deemed to own pipes, wires, conduits or other service lines running through their Lots which are utilized for or service to other Lots, but each Owner shall have an easement over and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Lot. The Association may convey title to said easements to the public or a utility provider.

Section 2.3 Association's Easements. The Association hereby reserves an easement that allows access to an Owner's Lot to remedy a violation of this Declaration or other Association dedicatory instruments; however, the Association may not amend this Declaration or other dedicatory instrument to grant itself additional easements through or over an Owner's Lot without the consent of the Owner.

ARTICLE III: MEMBERSHIP

Section 3.1 Membership. Every person or entity which is a record owner of any Lot which is subject to the Maintenance Charge and other assessments provided herein shall be a Member of the Association. No Owner shall have more than one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Lot. Ownership of the Lots shall be the sole qualification for membership. The voting rights of the Members are set forth in the Bylaws of the Association. Membership is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's designated representative.

Section 3.2 Classes of Membership. The Association shall have one class of membership: Lot Owners.

Section 3.3 Voting. Members shall be entitled to one (1) vote for each Lot of which they are record Owner.

Section 3.4 Nonprofit Corporation. TerraLoma Property Owners Association, Inc., as a nonprofit corporation is governed by the Chapter 22 of the Business Organizations Code.

Section 3.5. Bylaws. The Association's Bylaws govern the organization or operation of the Subdivision and the use and enjoyment of the Lots and Common Area; provided that the same are not in conflict with the terms and provisions in this Declaration.

Section 3.6. Owner's Right of Enjoyment. Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Areas and such right shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. This Declaration, as it may be amended from time to time;
- B. Any restrictions or limitations contained in any deed conveying additional Common Area to the Association;
- C. The right of the Board to limit the number of guests who may use the Common Area, and to adopt other Rules and Regulations regulating the use and enjoyment of the Common Area.

- D.** The right of the Association, acting through the Board, to mortgage any and all of its real or personal property as security for money borrowed or debts incurred, subject to the approval of sixty-seven percent (67%) of the votes of all Members eligible to vote;
- E.** All easement rights necessary or desirable for the Association to perform its duties and enforce this Declaration;
- F.** The right of the Association, acting through the Board, to grant easements pursuant to this Declaration; and
- G.** The right of the Association, acting through the Board, to enter into and execute contracts with any party for the purpose of providing maintenance or other materials or services consistent with the purposes of the Association and this Declaration.

Article IV: LOT USE AND CONSTRUCTION RESTRICTIONS

Section 4.01 Use. Each Lot in the Subdivision shall be used only for residential related purposes as set forth below. The Association, acting through the Board of Directors and Architectural Review Committee shall have the right and power to enforce the restrictions contained in this Declaration and all other dedicatory instruments.

Section 4.2 Single Family Residential Construction. Except as provided below, no building shall be erected, altered, placed or permitted to remain on any Lot other than one dwelling unit per each Lot to be used for single family residential purposes, and one guest house, along with any garages, workshops, and storage buildings. All residential dwellings must be approved by the ARC prior to construction. Any improvement commenced on any Lot shall be completed as to exterior finish and appearance within twenty four (24) months from the construction commencement date. The garage or guest house will be of the same general construction as the main dwelling, and located on the Lot according to the building site plan approved by the Architectural Review Committee. Further details on Construction and Review procedures are to be found in the Architectural Review Guidelines.

Section 4.3 Use of Temporary Structures. No structure of a temporary or permanent character, whether trailer, motor home, mobile home, basement, tent, shack, or other temporary outbuilding shall be maintained or used on any Lot at any time as a residence, either temporarily or permanently.

Section 4.4 Roofing Material. Subject to this section, and approval by the ARC, Owners must install metal roofing approved for rainwater catchment and in accordance with practices accepted by industry rainwater catchment standards of potability that is designed to be wind and hail resistant, provide heating and cooling efficiencies greater and are more durable than those provided by customary roofing material, and/or provide solar generation capabilities; however, when installed, they must resemble the material used or otherwise authorized for use on improvements on Lots in the Subdivision, and match the aesthetics of the Subdivision.

Section 4.5 Solar Energy Devices. Owners are encouraged to install solar energy devices on the roof of the dwelling or other permitted improvement on a Lot, or in a fenced yard or patio not taller than the fence line. Installation is subject to this section and must be preceded by submission of a plan and approval by the ARC. As used in Section 202.010 of the Texas Property Code, "solar energy device" has the meaning assigned by Section 171.107 of the Tax Code, which defines the term as "a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar generated power". The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the

production of power. A solar energy device is not permitted anywhere on a Lot except on the roof of the residential dwelling or other permitted structure on the Lot or in a fenced yard or patio within the Lot. A solar energy device may not extend higher than the dwelling or other permitted improvement's roofing, and shall conform to the slope of the roofline, shall have a frame, support bracket, or visible piping that matches the roof most closely and is commonly available in the marketplace, and shall be located on a roof as designated by the ARC, unless an alternate location increases the estimated annual energy production of the device by more than ten percent (10%) above the energy production of the device if located in the area designated by the ARC. For determining estimated annual energy production, the parties shall use a publicly available modeling tool provided by the National Renewable Energy Laboratory. A solar energy device shall not be installed on a Lot in a manner that voids material warranties. A solar energy device that, as adjudicated by a court, threatens the public health or safety, violates a law, or is located in the Common Area is prohibited. The ARC will not withhold approval of the guidelines of this section if they are met or exceeded.

Section 4.6 Rain Harvesting Systems are the primary source of water. A Rainwater Harvesting System on each lot will be incorporated to capture water from roof surfaces and serve each residence individually with the intent of providing 100% of the household water needs. Right sizing is imperative to provide water needs 99% of the time for normal usage. The option of water delivery from one of a number of sources may be necessary to make up a shortfall. However, Section 202.007 of the Texas Property Code provides that the Association is not required to permit a rain barrel or rainwater harvesting system to be installed on a Lot in particular circumstances or restricted from regulating rain barrels and rain harvesting devices in specified manners, as follows: No rain barrel or rainwater harvesting system shall be permitted in the Common Area or located on a Lot between the front of the dwelling. Tanks that are visible will be of metal, be of a color consistent with the color scheme of the Owner's dwelling, and must not display any language or other content that is not typically displayed by a barrel or system as it is manufactured. The ARC shall have the right to regulate the size, type and shielding of, and the materials used in the construction of, a rain barrel, rainwater harvesting device, or other appurtenance that is located on the side of a dwelling or any other location that is visible from a street, another Lot, or the Common Area. The plan must include a reasonably sufficient area on a Lot to install these devices and appurtenances in a way that least interferes with views or the rules governing the installation of the septic system.

Section 4.7 Walls, Fences and Street numbers. Walls and fences must be approved prior to construction by the Architectural Review Committee and shall not be closer to front street Subdivision lines than the Lot boundary line and no closer than the Lot boundary line or side street lines, as shown on the Plat. Fences must be constructed of wood, masonry, wrought iron, steel, or a combination thereof and approved by the Architectural Review Committee. House numbers must be placed at the street and on a suitable pedestal or visible position that is in keeping with the home appearance and approved by the ARC.

Section 4.8 Prohibition of Offensive Activities. No activity, whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes, unless said activity meets the following criteria: (a) no additional exterior sign of activity is present, (b) it is the type of action that usually happens in a home, (c) no additional traffic, that would not be there normally is created, and (d) nothing dangerous is present. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

Section 4.9 Leasing Activities. Each Owner shall have the right to lease his lot and all Improvements situated thereon (the "Property") for single-family residential purposes only. However, Owners are allowed to lease their Property as long as such lease is in writing and the lease provides that the tenant shall be bound by the provisions of this Declaration, Certificate of Formation, Bylaws and Rules and Regulations (jointly the "Restrictions") and that the failure to comply with the provisions of these documents shall be a default under the lease as well as a violation of the Restrictions. Short-term rentals of any lot (defined as a rental of less than 90 days duration) are not allowed. The leasing of any Lot, improvements, or any portion thereof for any commercial or non-residential use is strictly prohibited. This prohibition shall apply even if the Owner does not receive any compensation of any kind for leasing or allowing such commercial or non-residential use. Failure of an Owner to comply with the provisions of this Section, shall entitle the Association to take any and all enforcement actions allowed by the Restrictions and/or applicable law. In addition to other relief allowed by the Declaration and/or applicable law, the Association shall be entitled to immediate and continuing injunctive relief to immediately stop, and to permanently prohibit, the violation of this Section. The Association shall be entitled to recover all expenses incurred by the Association in enforcing this provision, including reasonable attorney's fees and costs of suit. In addition to the other actions authorized to enforce the provisions of this Section, the Association may also impose a fine on an Owner violating this Section in an amount not exceeding two hundred dollars (\$200.00) for each day a violation occurred. Payment of a fine may be secured by the filing of a lien on the Property of the Owner on which the violation occurred. Prior to imposing a fine, the Association shall deliver written notice to the Owner of the violation and the intent of the Association to impose a fine in the manner required by Texas Property Code Section 209.006. The Owner shall have the right to request a hearing before the Board, as provided by Texas Property Code Section 209.007, by submitting a written request for the hearing on or before the 30th day after the date the Association's notice of violation was mailed to the Owner.

Section 4.10 Garbage and Trash Disposal. Garbage and trash or other refuse shall not be permitted to be dumped at any place upon the Subdivision or adjoining land. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and in enclosed space. Cans placed out for pick up should not remain more than 24 hours total.

Section 4.11 Flags and Flagpoles. Subject to this section, and approved by the ARC, Owners may display a flag of the United States of America, the flag of the State of Texas, or an official or replica flag of any branch of the United States Armed Forces. The flag of the United States shall only be displayed in accordance with 4 U.S.C. Sections 5-10, which qualify the times and occasions for the flag's display, the position of the flag, and respect for it. The flag of the State of Texas shall only be displayed in accordance with Chapter 31 of the Texas Government Code. A flagpole attached to a dwelling or a freestanding pole is to be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling on the Lot. The display of the flag, and its location and construction of the supporting flagpole shall comply with appropriate ordinances, easements and setbacks of record, and a displayed flag and flagpole on which it is flown shall be maintained in good condition. Any deteriorated flag or structurally unsafe flagpole shall be repaired, replaced or removed. A flagpole attached to the dwelling on a Lot may not exceed six (6) feet in height. A freestanding flagpole shall not exceed ten (10) feet in height, measured from the ground base to the top of the flagpole. No-Illumination of the same is permitted. Any flag displayed on a flagpole attached to a dwelling shall be no more than two (2) by three (3) feet. No more than one of each

permitted flag may be displayed on a flagpole at any time. Owners may not install flagpoles or display flags in the Common Area without the express written consent of the Association.

Section 4.12 Outside Item Displays. Subject to this section, and approved by the ARC, Owners may display or affix on the entry to the Owner's dwelling one item, the display of which is motivated by the Owner's or resident's sincere belief. No item may individually or in combination exceed twenty-five (25) square inches, and shall not extend past the outer edge of the door frame of the dwelling. Notwithstanding the foregoing, the display or affixation of a belief item on an Owner's dwelling that threatens public health or safety, violates a law, or contains language, graphics, or any display that is patently offensive to a passerby is prohibited. This section does not authorize an Owner to use a material or color for an entry door or door frame, or make an alteration to the door or door frame of the Owner's dwelling that is not authorized by the ARC and Design Guidelines. The Association may remove an item displayed in violation of this section.

Section 4.13 Signs. Owners may display on the Owner's Lot one sign advertising a political candidate or ballot item for an election on or after the thirtieth (30) day before the date of the election to which the sign relates or five (5) days after that election date. Signs shall be ground-mounted and display only one sign for each candidate or ballot item. Any sign that contains roofing material, siding materials, flora, balloon(s) or lights, or any other similar building, landscaping, or nonstandard decorative components, is attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object, includes the painting of architectural surfaces, threatens the public health or safety, is larger than two (2) feet by three (3) feet, violates a law, contains language, graphics, or any display that would be offensive to the ordinary person, or is accompanied by music or other sounds or by streamers or is otherwise distracting to motorists is prohibited. The Association may remove a sign displayed in violation of this section. Yard sales and signs are restricted to only community wide events. Commercial signs are not allowed.

Section 4.14 Parking. No vehicles parked outside of garages/carports/driveways. No vehicles allowed to be parked on grass, or other natural areas not designed and approved for parking.

Section 4.15 Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located on the Property without the prior written approval of the Board.

Section 4.16 Noise. No exterior horns, whistles, bells, or sirens (other than security 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

Section 4.17 Repair of Improvements. All Improvements upon any Lot shall at all times be kept in good condition and repair and adequately painted and otherwise maintained by the Owner. Exterior appearance of any Improvement, or the removal of any Improvements, shall be performed only with the prior written approval of the ARC.

Section 4.18 Lighting or Improvements. All lighting must be of the standard for Dark Sky lighting as adopted by the I.D.A for the purpose of the Night Sky Protection Act to regulate outdoor night lighting fixtures to preserve and enhance the state's dark sky while promoting safety, conserving energy and preserving the environment. As stated "outdoor lighting fixture" means an outdoor artificial illuminating

device, whether permanent or portable, used for illumination, whether for architectural lighting, parking lot lighting, landscape lighting or street lighting.

Section 4.19 Septic Systems. All septic systems must be “in the ground” systems. Installation of septic tank soil- absorption sewage disposal system shall be in accordance with the minimum recommendations by the Division of Sanitary Engineering, Texas State Department of Health, and inspected by a duly authorized agent of Hays County Health Department.

Section 4.20 Antennae. No exterior radio or television antenna, or serial or satellite dish receiver (except such satellite dish not exceeding eighteen inches in diameter), or other devices designed to receive telecommunication signals, including, but not limited to, radio, television, or microwave signals which are intended for cable television, network television reception, or other entertainment purposes shall be erected or maintained, without the prior written approval of the Architectural Committee.

Section 4.21 Hunting, shooting and Fires. No discharge of firearms allowed and no portion of the property shall be used for the purposes of hunting. This is a rural fire sensitive community open fires, and brush fires are not allowed and the use of fireworks is strictly prohibited.

Fires are permitted for recreational enjoyment, cooking and for warmth are permitted per Texas law. Firepit design, and location must be approved by the ARC and be kept in contained non-combustible fire pits that involves adequate clearing of the surrounding vegetation and surrounded by a non-combustible material. Fires must be completely extinguished after use. Owners may be held responsible for any damages resulting from improper use of fire pits.

Section 4.22 Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile or manufactured homes shall be parked or placed on any Lot at any time, and boats, trailers, travel trailers, recreational vehicles and the like shall be parked in a garage built for such purposes at all times. Visitors with a recreational vehicle may park on a Lot (not the roadway) for a period not to exceed forty-eight (48) hours within a 30 day period any extended time must be approved prior to any vehicles stay on lot. No boat, water craft, motorhome and/or travel trailer parking vehicles, golf carts, antique cars, oversized vehicles, non-working cars shall be stored on property or be parked in view of any street, adjoining property. All of the aforementioned shall be inside of the approved building with permission from the architectural committee. The garage must be built to either the side or the rear of the main residence. The garage(s) must be similar in construction to the main residence.

Section 4.23 Animals. No animals are permitted on any Lot other than common household pets, horses, goats, and chickens. All animals must be maintained in a way that prevents odor, noise, or other nuisances. If an animal is deemed offensive by number, sight, odor, or noise, the Board of Directors may require removal. Owners will be given a reasonable opportunity to correct issues; if not resolved, animals must be removed within 30 days of the Board’s final decision. All animals must also comply with applicable local ordinances.

- Household pets: Allowed, but no breeding or sales; spay/neuter recommended.
- Dogs: Must be kept in an ARC-approved fenced area, not left outside overnight, and cannot create excessive barking.
- Horses and goats: Up to 2 of each per lot, securely fenced.

- Chickens (egg production only):
- Hens only (no roosters).
- Up to 8 chicks per lot.
- Up to 6 chickens aged 16 weeks or older per lot.
- Coops/runs must allow 12 sq. ft. per chicken (maximum 84 sq. ft. total).
- Coops must be at least 20 ft. from property lines and 30 ft. from dwellings, with ARC approval required.

Section 4.24 Setback Requirements. Setback requirements for Lots are (i) Forty (40) feet from any road upon which the Lot abuts, (ii) 10 feet from the side and rear boundary line of the Lot unless the Owner of such Lot owns contiguous Lot(s) and in that instance, normal setback are applicable to the boundary line between such contiguous Lots and (iii) any other set back requirements imposed by applicable governmental entity.

Section 4.25 Laws and Ordinances. Owners, their lessees, guests, and invitees, shall comply with all laws, ordinances, and statutes applicable to their Lot and the Subdivision, and any violation may be considered a violation of this Declaration or other dedicatory instrument.

ARTICLE V: ARCHITECTURAL CONTROL

Section 5.1 Basic Control. No building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced or changes made in the design or exterior appearance thereof, or any addition or exterior alteration made thereto after original construction or demolition or destruction by voluntary action made thereto after original constructed, on any Lot in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Architectural Review Committee of the construction plans and specification for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument. Each application made to the ARC shall be accompanied by two sets of plans and specifications for all proposed construction (initial or alteration) to be done on such Lot, including plot plans showing location on the Lot.

Section 5.2 Views. No construction shall unreasonably block the view of a neighbor. The term “unreasonably block” is to be defined on a case by case basis, and the final determination is within the sole and exclusive discretion of the Board of Directors of the TerraLoma Property Owners Association.

Section 5.3 Architectural Review Committee. The authority to grant or withhold architectural control approval as referred to above is in the Architectural Review Committee composed of at least three (3) Members of the Association, who shall be appointed annually by the Board. The ARC shall have exclusive jurisdiction over all original construction on the Lots and over modifications, additions, or alterations made on or to the improvements on the Lots.

Section 5.4 Design Guidelines. The ARC shall adopt such standards or guidelines ("Design Guidelines") as it determines for the construction or alteration of improvements on the Lots and for landscaping, and establish application and review procedures for submitted plans. The ARC shall make the Design Guidelines available to Owners and Contractors who seek to engage in construction upon a Lot and who shall conduct their operations strictly in accordance therewith. The ARC may establish and charge reasonable application fees for its review of plans. Construction must meet or exceed a 4 star rating as described and stated within the Austin Green Energy building guidelines with the goal of achieving a HERS rating of 50.

Section 5.5 Consulting Professionals. The ARC is authorized, but not obligated, to retain the services of consulting professionals such as building architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the ARC in performing its functions set forth herein. The costs of the services of such consultants shall be at the Owner's expense if required for services regarding plans submitted for the Owner's Lot, except to the extent such costs are covered by a plan review fee established by the ARC, if it elects to establish such a fee.

Section 5.6 Effect of Approval. The granting of the approval shall constitute only an expression of opinion by the ARC that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plan; and, such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plot plan but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reasons of the good faith exercise thereof.

Section 5.7 Appointment of ARC. The Board of Directors appoints ARC members.

ARTICLE VI: MAINTENANCE FUND

Section 6.1 Maintenance Fund Obligation. Each Owner, by acceptance of a deed to a Lot, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agree to pay an annual Maintenance Charge, and any other assessments or charges hereby levied.

Section 6.2 Maintenance Charge. The Maintenance Charge shall be used to create the Maintenance Fund, which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Lot to the this fund which shall keep an accounting of all expenses. The Maintenance Charge for the year of purchase shall be prorated at closing and then shall be paid annually, in advance. Any Maintenance Charge not paid within sixty days after the due date shall bear interest from the due date at the lesser of (i) the rate of ten percent (10%) per annum or (ii) the maximum rate permitted by law. Although unlikely, the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the hereinafter described lien against the Owner's Lot. No Owner may waive or otherwise escape liability for the Maintenance Charge by the non-use of any Common Areas or by the abandonment of his or her Lot. All matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Fund shall be determined by the Board of Directors of the Association, subject to the provisions hereof. The Association, shall have the right at any time, to adjust the Regular Assessment from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

Section 6.3 Special Assessment. In addition to the Regular Assessment the Association may upon the affirmative vote of two-thirds (2/3) of the Members of the Association at a meeting duly called for such purpose levy a Special Assessment in any year for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of capital improvements upon the Common Area, including fixtures and personal property. Notwithstanding the foregoing, if an emergency exists such that the Board of Directors determines that the repair of a capital improvement upon the Common Area is necessary to eliminate or reduce the risk of injury to third parties and there is not enough money held by the Association, in reserve or otherwise, to repair the capital improvement to reduce or eliminate this risk, the Board of Directors may levy a Special Assessment in an amount sufficient to repair the capital improvement to reduce or eliminate such risk without the affirmative vote of two-thirds (2/3) of the Members of the Association.

Section 6.4 Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to meet the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and general assessment. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

Section 6.5 Common Area Exempt. All Common Areas and all portions of the Subdivision owned or otherwise dedicated to any political subdivision, shall be exempt from the assessments and liens created herein.

Section 6.6 Transfer and Other Fees. A transfer fee may be charged by the Association or its Managing Agent to reflect changes of ownership, tenancy or occupancy on the records of the Association. The right and authority to set the amount of and receive payment of charges for statements of Maintenance Charges, Regular Assessments, Special Assessments or other indebtedness, resale certificates, and similar responses and transfer fees as aforesaid is deemed to be assigned by virtue of contracting with a Managing Agent to provide the associated functions and services for so long as the applicable contract remains in effect, unless the applicable contract expressly provides otherwise.

ARTICLE VII: COLLECTION OF MAINTENANCE CHARGES

Section 7.1 Creation of Lien and Personal Obligation. In order to secure the payment of the Maintenance Charge, and other charges and assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot, which may be foreclosed judicially or by Expedited Foreclosure Proceedings, pursuant to the provisions of Section 209.0092 of the Act and Texas Rules of Civil Procedure Rules 735 and 736 (and any successor statutes); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. Expedited Foreclosure Proceedings are not required under this section if the Owner of the Lot to be foreclosed agrees in writing to waive said Expedited Foreclosure Proceedings at the time the foreclosure is sought. A waiver under this section may not be required as a condition of the transfer of title to a Lot.

Section 7.2 Prerequisites to Foreclosure. Prior to referring an Owner's account to a collection agent, the Association shall provide written notice, by certified mail, return receipt requested, that specifies each delinquent amount and the total amount of the payment required to make the account current, describes the options the Owner has to avoid the referral including payment plan options, and provides at least 30 days to cure the delinquency before further action is taken.

Section 7.3 Collection Fees. Owners are not liable for costs that are dependent or contingent on amounts recovered, or under an agreement that does not require the Association to pay all fees for the action taken by the collection agent.

Section 7.4 Contact. An agreement between the Association and a collection agent may not prohibit an Owner from contacting the Association's Board of Directors or Managing Agent regarding their delinquency.

Section 7.5 Non-transferability of Lien. The Association shall not sell or transfer its interest in accounts receivable except for the purpose of collateral for a loan.

Section 7.6 Alternative Payment Schedule. Pursuant to Section 209.062 of the Act, the Association hereby adopts reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments for delinquent regular or special assessments or any other amount owed without incurring additional penalties. The Association hereby adopts the following guidelines with regard to alternative payment schedules for delinquent assessments and other amounts owed by an Owner:

- A. Term.** The minimum term for a payment agreement shall be (3) three months and the maximum shall be (18) eighteen months from the date of the Owner's request for a payment plan. Subject to such minimum and maximum terms, the Association shall determine the appropriate term of the payment plan in its sole discretion.
- B. Form.** Any and all alternative payment agreements shall be in writing and signed by the Owner and a duly authorized member of the Board of the Association.
- C. Additional Monetary Expense.** So long as an Owner is not in default under the terms of the payment agreement, the Owner shall not incur additional monetary expenses; however, the Owner shall be responsible for all interest accruing during the term of the payment plan as well as reasonable costs associated with administering the payment plan or interest.
- D. Application of Payments.** If at the time the Association receives a payment, the Owner is not in default under an alternative payment agreement, the Association shall apply the payment to the owner's debt in the following order of priority: (a) any delinquent assessment; (b) any current assessment; (c) any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure; any attorney's fees incurred by the Association that are not subject to subsection (c); (e) any fines assessed by the Association; and (f) any other amounts owed to the Association.
- E. Default.** If the Owner defaults under a payment plan agreement, the account may immediately be turned over to the Association's attorney for collection. The Association shall not be required to enter into an alternative payment agreement with an Owner who failed to honor the terms of a

previous payment agreement during the two (2) years following the Owner's default under the previous alternative payment agreement. At the discretion of the Association, an Owner who failed to honor the terms of a previous payment agreement may be required to waive Expedited Foreclosure Proceedings under Section 209.0092 of the Act as a condition to an additional alternative payment agreement. If, at any time the Association receives a payment from an Owner who is in default of an alternative payment agreement, the Association is not required to apply the payment in the order of priority specified by Paragraph 4, Sections (A) through (F) above. The Association may reduce or waive some or all of the charges addressed by this policy on an ad hoc basis without waiving the right to charge such fees on future requests.

Section 7.7 Notice and Opportunity to Cure for Certain Other Lienholders. The Association may not foreclose its assessment lien by Expedited Foreclosure Proceedings or judicially unless it has: provided written notice by certified mail, return receipt requested, of the total amount of the delinquency to any other holder of a lien that is inferior or subordinate to the Association's lien and is evidenced by a deed of trust; and provided the recipient of the notice an opportunity to cure within sixty-one (61) days from the receipt of the notice.

Section 7.8 Foreclosure Sale Prohibited in Certain Circumstances. The Association may not foreclose its assessment lien for debts consisting solely of fines or attorneys' fees associated with the fines assessed, or for copy charges under its Open Records Policy, pursuant to § 209.005 of the Act.

Section 7.9 Assessment Lien Filing. In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim of lien against the Lot of the delinquent Owner by recording a Notice of Lien setting forth (a) the amount of the claim of delinquency, (b) the interest thereon, (c) the costs of collection which have accrued thereon, the legal description and street address of the Lot against which the lien is claimed and (e) the name of the Owner. The Notice of Lien shall be recorded in the Official Public Records of Real Property of Hays County, Texas, and is a legal instrument affecting title to a Lot, and shall be prepared by the Association's attorney. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice of satisfaction of the delinquent assessment upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such instrument.

Section 7.10 Attorney's Fees. All attorney fees, costs, and other amounts collected from an Owner shall be deposited into an account maintained at a financial institution in the name of the Association or its Managing Agent. Only Board members or the Association's Managing Agent or employees of its Managing Agent may be signatories on the account. On written request from the Owner, the Association shall provide copies of invoices for attorney's fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

Section 7.11 Notice after Foreclosure Sale. After the Association conducts a foreclosure sale of an Owner's Lot, the Association must send to the Owner and to each lienholder of record, not later than the thirtieth (30th) day after the date of the foreclosure sale, a written notice stating the date and time the sale occurred and informing the Lot Owner and each lienholder of record of the right of the Lot owner and lienholder to redeem the property. The notice must be sent by certified mail, return receipt requested, to the Lot Owner's last known mailing address, as reflected in the records of the Association, the address of each holder of a lien on the Lot subject to foreclosure evidenced by the most recent deed

of trust filed of record in the real property records of the county in which the property is located, and the address of each transferee or assignee of a deed of trust who has provided notice to the Association of such assignment or transfer. Notice provided by a transferee or assignee to the Association shall be in writing, shall contain the mailing address of the transferee or assignee, and shall be mailed by certified mail, return receipt requested, or United States mail with signature confirmation to the Association according to the mailing address of the Association pursuant to the most recent Management Certificate filed of record. If a recorded instrument does not include an address for the lienholder, the Association does not have a duty to notify the lienholder as provided by this section. For purposes of this section, the Lot Owner is deemed to have given approval for the Association to notify the lienholder. Not later than the thirtieth (30th) day after the date the Association sends the notice, the Association must record an affidavit in the Real Property Records, stating the date on which the notice was sent and containing a legal description of the Lot. Any person is entitled to rely conclusively on the information contained in the recorded affidavit. The notice requirements of this section also apply to the sale of an Owner's Lot by a sheriff or constable conducted as provided by a judgment obtained by the Association.

Section 7.12 Right of Redemption After Foreclosure. The Owner of a Lot in the Subdivision or a lienholder of record may redeem the property from any purchaser at a sale foreclosing a the Association's assessment lien not later than the one hundred eightieth (180th) day after the date the Association mails written notice of the sale to the Owner and the lienholder under Sections 209.010 and 209.011 of the Act. A lienholder of record may not redeem the Lot as provided herein before ninety (90) days after the date the Association mails written notice of the sale to the Lot Owner and the lienholder under the Act, and only if the Lot Owner has not previously redeemed. A person who purchases a Lot at a sale foreclosing the Association's assessment lien may not transfer ownership of the Lot to a person other than a redeeming Lot Owner during the redemption period.

Section 7.13 Removal of Foreclosure Authority. The right to foreclose the lien on real property for unpaid amounts due to the Association may be removed by a vote of at least sixty-seven percent (67%) of the total votes allocated in the Association. Owners holding at least ten percent (10%) of all voting interests may petition the Association and require a special meeting to be called for the purposes of taking a vote for the purposes of this section. This section is required pursuant to §209.0093 of the Act, and should this provision be amended or repealed in any form, this section shall be deemed to be automatically amended or repealed in accordance therewith.

ARTICLE VIII: DUTIES AND POWERS OF THE ASSOCIATION

Section 8.1 General Duties and Powers of the Association. The Association will be formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Areas and to improve and enhance the attractiveness, desirability and safety of the Subdivision. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration and other dedicatory instruments.

Section 8.2 Duty to Manage and Care for the Common Area. The Association shall manage, operate, care for, maintain and repair all Common Areas and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the

Common Areas shall include, but not be limited to the management, maintenance, repair and upkeep of the Subdivision and Common Areas.

Section 8.3 Duty to Insure. The Association shall obtain such insurance as may be required by law, and as the Association shall deem necessary or desirable.

Section 8.4 Duty to Prepare Annual Budget. The Association shall prepare annual budgets for the Association, which shall include a reserve fund for the maintenance of the Common Areas.

Section 8.5 Duty to Levy and Collect the Maintenance Charge. The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

Section 8.6 Duty to Provide Annual Review. The Association shall provide for an annual un-audited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying, pursuant to the Association's Open Records Policy, pursuant to § 209.005 of the Act.

Section 8.7 Duties with Respect to Architectural Approvals. The Association shall perform functions to assist the Architectural Review Committee as elsewhere provided in this Declaration.

Section 8.8 Duty to Prepare and Record Management Certificates. The Association shall record in the Official Public Records of Real Property of Hays County a Management Certificate, signed by an officer of the Association, or the Managing Agent stating the name of the Subdivision, the name of the Association, the recording data of the Subdivision, the recording data of this Declaration, the name and mailing address of the Association, the name and mailing address of the Association's Managing Agent or designated representative, and other information the Association considers appropriate. The Association shall record an amended Management Certificate not later than the thirtieth (30th) day after the Association has a change in any information required herein. The Association, and its officers, Directors, employees, and agents are not subject to liability to any person for a delay in recording, or a failure to record the Management Certificate, unless the delay or failure is caused by gross negligence.

Section 8.9 Power to Acquire Additional Property and Construct Improvements. The Association may acquire additional property (including leases) for the common benefit of Owners including improvements and personal property. The Association may construct improvements on such property and may demolish existing improvements.

Section 8.10 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce Rules and Regulations, and levy fines, as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

ARTICLE IX: ENFORCEMENT

Section 9.1 Power to Enforce Restrictions Contained in Association Dedicatory Instruments. The Association or their designated agent shall have the power to enforce the provisions of this Declaration, Bylaws, Design Guidelines and the Rules and Regulations and shall take such action as the Board of

Directors deems necessary or desirable to cause such compliance by each Owner. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of the dedicatory instruments by any one or more of the following means:

- A. by entry upon any Lot within the Subdivision, after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without written or oral notice to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability in trespass or otherwise by the Association to the Owner thereof, for the purpose of enforcement;
- B. by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach;
- C. by exclusion, after notice and hearing, of any Owner from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues;
- D. by levying and collecting, after notice and hearing, reimbursement to the Association for the costs incurred by the Association (including, but not limited to pre-litigation attorney's fees) in connection with the remedy of such breach;
- E. by levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties established in advance in the Rules and Regulations of the Association, from any Member for breach of the dedicatory instruments; and/or
- F. by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Owner, plus attorney's fees incurred by the Association with respect to exercising such remedy.

Section 9.2 Duty to Provide Notice before Enforcement Action. Before the Association may suspend an Owner's right to use the Common Area, file a suit against an Owner other than a suit to collect a Maintenance Charge, or a Regular or Special Assessment or foreclose under the Association's lien, charge an Owner for property damage, or levy a fine for a violation of the Declaration, Bylaws, Design Guidelines, or Rules and Regulations, the Association or its Managing Agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner and inform the Owner that the Owner is entitled to a reasonable period to cure the violation and avoid the fine or suspension (unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months), may request a hearing under Section 209.007 of the Act on or before the thirtieth (30th) day after the date the Owner receives the notice, and may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 et seq.), if the Owner is serving on active military duty.

Section 9.3 Hearing Before Board; Alternative Dispute Resolution. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to

discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board of Directors if a committee is not appointed. If a hearing is to be held before a committee, the notice prescribed by Section 209.006 of the Act must state that the Owner has the right to appeal the committee's decision to the Board by written notice. The Association shall hold a hearing under this section not later than the thirtieth (30th) day after the date the Board receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting. The Association shall hold a hearing under this section not later than the thirtieth (30th) day after the date the Board receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting and may use alternative dispute resolution services. The Owner's presence is not required to hold a hearing.

Section 9.4 Attorney's Fees. The Association may collect reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association relating to collecting amounts, including damages, due the Association for enforcing restrictions contained in its dedicatory instruments only if the Owner is provided a written notice that attorney's fees and costs will be charged to the Owner if the delinquency or violation continues after a date certain.

An Owner is not liable for attorney's fees incurred by the Association relating to a matter described by the notice under this section if the attorney's fees are incurred before the conclusion of the hearing; or, if the Owner does not request a hearing, before the date by which the Owner must request a hearing. All attorney fees, costs, and other amounts collected from an Owner shall be deposited into an account maintained at a financial institution in the name of the Association or its Managing Agent. Only Board members or the Association's Managing Agent or employees of its Managing Agent may be signatories on the account. On written request from the Owner, the Association shall provide copies of invoices for attorney's fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

ARTICLE X: SUBDIVISION INFORMATION

Section 10.1 Delivery of Subdivision Information to Owner. Not later than the tenth (10th) business day after the date a written request for Subdivision information is received from an Owner or the Owner's agent, a purchaser of a Lot or Lots in the Subdivision or the purchaser's agent, or a title insurance company or its agent acting on behalf of the Owner or purchaser, and the evidence of the requestor's authority to order a resale certificate is received and verified, the Association shall deliver to the Owner or the Owner's agent, the purchaser or the purchaser's agent, or the title insurance company or its agent a current copy of the Declaration, Bylaws and Rules of the Association and a resale certificate prepared not earlier than the sixtieth (60th) day before the date of delivery that complies with Texas Property Code§ 207.003. For a request from a purchaser of property in the Subdivision or the purchaser's agent, the Association may require the purchaser or purchaser's agent to provide to the Association, before the Association begins the process of preparing or delivers the items listed, reasonable evidence that the purchaser has a contractual or other right to acquire property in the Subdivision. A resale certificate must contain a statement of any right of first refusal, other than a right

of first refusal that is prohibited by statute, and any other restraint contained in the dedicatory instruments that restricts the Owner's right to transfer the Owner's Lot, the frequency and amount of any Maintenance Charge and Regular Assessments, the amount and purpose of any Special Assessment that has been approved before and is due after the resale certificate is delivered, the total of all amounts due and unpaid to the Association that are attributable to the Owner's Lot, capital expenditures, if any, approved by the Association for the current fiscal year, the amount of reserves, if any, for capital expenditures, the Association's current operating budget and balance sheet, the total of any unsatisfied judgments against the Association, the style and cause number of any pending lawsuit in which the Association is a party, other than a lawsuit relating to unpaid ad valorem taxes of an individual member of the Association, a copy of a certificate of insurance showing the Association's property and liability insurance relating to the Common Areas and common facilities, a description of any conditions on the Owner's Lot that the Board has actual knowledge are in violation of the Declaration or Bylaws or Rules, a summary or copy of notices received by the Association from any governmental authority regarding health or housing code violations existing on the preparation date of the resale certificate relating to the Owner's Lot or any Common Areas, the amount of any administrative or transfer fee charged by the Association or its Managing Agent for a change of ownership of Lots in the Subdivision, the name, mailing address, and telephone number of the Association's Managing Agent, a statement indicating whether the restrictions allow foreclosure of the Association's lien on the Owner's Lot for failure to pay assessments, and a statement of all fees associated with the transfer of ownership, including a description of each fee, to whom each fee is paid, and the amount of each fee. The Association may charge a reasonable fee to assemble, copy, and deliver the information required by this section and may charge a reasonable fee to prepare and deliver an update of a resale certificate. The Association may require payment before beginning the process of providing a resale certificate but may not process a payment until the resale certificate is available for delivery. The Association may not charge a fee if the resale certificate is not provided in the time prescribed. The Association shall deliver the information required to the person specified in the written request. A written request that does not specify the name and location to which the information is to be sent is not effective. The Association may deliver the information required and any update to the resale certificate by mail, hand delivery, or alternative delivery means specified in the written request. Neither the Association nor its Managing Agent is required to inspect a Lot before issuing a resale certificate or an update. Not later than the seventh (7th) business day after the date a written request for an update of a resale certificate is received from an Owner, Owner's agent, or title insurance company, the Association shall deliver to the Owner, Owner's agent, or title insurance company or its agent an updated resale certificate that contains the following information: if a right of first refusal or other restraint on sale is contained in the dedicatory instruments, a statement of whether the Association waives the restraint on sale; the status of any unpaid Regular or Special Assessments, Maintenance Charges, dues, or other payments attributable to the Owner's Lot(s); and any changes to the information provided in the resale certificate issued previously. Requests for an updated resale certificate must be made within one hundred eighty (180) days of the date the original resale certificate was issued. The updated request may be made only by the party requesting the original resale certificate.

Section 10.2 Online Subdivision Information Required. The Association shall make the dedicatory instruments relating to the Subdivision and filed in the county deed records along with updates available through website. This information is accessible per any requests to the Declarant, the Association or representatives of same.

ARTICLE XI: GENERAL PROVISIONS

Section 11.1 Term. The provisions hereof shall run with all Lots within the Subdivision and in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period of twenty (20) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods often (10) years each.

Section 11.2 Amendment.

- A. By Owners.** This Declaration may be amended or restated by the written agreement or by signed ballots voting for such of not less than sixty-seven percent (67%) of all of the Owners in the Subdivision. There shall be one (1) vote per Lot. Anyone owning more than one Lot shall have one vote for each Lot owned. Such amendment must be approved by said Owners within three hundred and sixty-five (365) days of the date the first Owner executes such amendment. Otherwise, such amendment shall fail. If the amendment is adopted it shall bind and affect the respective Lots whose Owners shall approve such amendment from the time after the date such amendment is approved by each Owner. The date an Owner's signature is acknowledged shall constitute prima facie evidence of the date of execution and adoption of said amendment by such Owner. Those Members entitled to cast not less than sixty-seven percent (67%) of all of the votes of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Members duly called for such purpose, written notice of which shall be given to all Owners at least ten (10) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Any such amendment shall become effective when an instrument is filed for record in the Official Public Records of Real Property of Harris County, Texas, accompanied by a certificate, signed by a majority of the Board of Directors, stating that the required number of Members voted in favor of the instrument amending this Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose.
- B. By the Association.** The Board of Directors has the right in its sole judgment, from time to time, and at any time, to amend this Declaration without joinder of any Owner or Member for the following purposes:
- (i) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors, or omissions herein; or (ii) to conform this Declaration to the requirements of any lending institution; provided, the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if, in the sole opinion of the Board, any substantive and substantial rights of Owners would be adversely affected thereby; or
 - (ii) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans Administration, or Federal Housing Administration, and in this respect, the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance; or
 - (iii) to amend the Rules and Regulations of the Association, if the Board deems appropriate to comply with the scheme of the Declaration and the Subdivision; and

(iv) to amend the alternative payment schedule for certain assessments, open records policy, records retention policy, and/or other policies to comply with the Act.

Section 11.3 Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity of unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

Section 11.4 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose and intent of this Declaration.

Section 11.5 Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners and the Association, and respective heirs, legal representatives, executors, administrators, successors and assigns.

Section 11.6 Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

Section 11.7 Terminology. All personal pronouns used in this Declaration and exhibits attached, if any, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural and vice versa. Titles of articles and sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself.

Section 11.8 Number and Gender. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

Section 11.9 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by the Association or its agents or employees in connection with any portion of the Subdivision, or any improvement thereon, its or their physical condition, compliance with applicable laws, fitness for intended use, or in connection with the sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof, unless and except as specifically shall be set forth in writing.


Section 11.10 Captions. The titles, headings, captions, articles and section numbers used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration. Unless the context otherwise requires, references herein to articles and sections are to articles and sections of this Declaration.

Section 11.11 Not a Condominium. This Declaration does not and is not intended to create a condominium within the meaning of the Texas Condominium Act.

Section 11.12 Errors and Omissions. Any errors or omissions shall not make null and void the entirety of the Covenants, Conditions and Restrictions set forth in this document.

Section 11.13 Governing Law. This Declaration shall be construed and governed under the laws of the State of Texas.

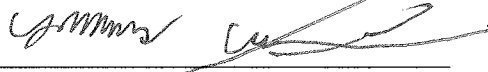
IN WITNESS WHEREOF, Declarant executes this Declaration, effective on August 27, 2025
TerraLoma Property Owners Association, Inc. A Texas corporation.



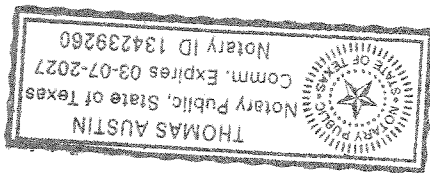
Jeffrey L. Houston, President of
TerraLoma Property Owners Association, Inc.

THE STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me this 27th day of August, 2025 by Jeffrey L. Houston in his capacity as authorized agent for TerraLoma Property Owners Association, Inc., a Texas Corporation.



Notary Public, State of Texas



EXHIBIT

TERRALOMA ARCHITECTURAL REVIEW AND BUILDING GUIDELINES
TerraLoma Property Owners Association, Inc.
32045 Mirela Ann Road, Dripping Springs, TX 78620

Introduction

TerraLoma is a resource-conscious community in Dripping Springs, Texas, designed to promote sustainability and preserve scenic views. These guidelines ensure that architectural and landscape designs incorporate best practices for energy efficiency, water conservation, safety, beauty, and property value, while maintaining compatibility with Hill Country contemporary styles. The Architectural Review Committee (ARC) oversees all construction, additions, and exterior improvements to ensure designs align with community standards, respect neighboring views, and minimize environmental impact. The ARC may grant variances where guidelines would cause hardship or negatively impact the community, provided designs remain consistent with the region's aesthetic.

Review Requirement Steps: New Construction

- **Preliminary Meeting:** Required before purchasing a homesite. Owners, builders, and architects meet with the ARC to review site placement, rainwater collection, design, energy efficiency, and impacts on adjacent lots' views.
- **Preliminary Plan Submission:** Submit floor plan, site plan, exterior elevations, and \$250 review fee.
- **ARC Comments:** Provided within two weeks of submission.
- **Project Refinement:** Revise plans based on ARC feedback, with ongoing communication as needed.
- **Final Plan Review:** Submit final plans one week prior to the meeting.
- **Final Comments:** ARC provides approval or required edits within two weeks.
- **Final Approval:** Submit \$750 approval fee before construction begins.

Review Fees

- Initial Plan Review Fee: \$250
- Final Plan Approval Fee: \$750

Administration

- Until 5 of 7 lots are sold and residences have been fully completed and occupied, the ARC consists of Jessica and Jeff Houston (Reimagine Realty Solutions, LLC). Thereafter, the ARC shall have at least three members appointed by the Board of Directors on behalf of the Owners.
- The ARC has authority over site plans, exterior details, environmental impacts, and neighbor views, with discretion to grant variances that align with community goals.
- Meetings occur at least annually, with special meetings as needed (applicant covers additional costs).
- Variance requests may require county agency review, with costs borne by the applicant.
- Guidelines may be amended by majority ARC approval, but amendments do not apply retroactively to approved plans.

Liability

The Board, ARC, and their successors are not liable for damages due to errors or oversights in the review process.

Rainwater Harvesting

- All potable water must come from a home's rainwater harvesting system, with a minimum 3,000-gallon metal cistern (larger for pools/gardens).
- Systems must include refill taps accessible from the driveway and be installed by a licensed professional per the Texas Manual on Rainwater Harvesting (<https://www.twdb.texas.gov/publications/brochures>).
- ARC may grant exceptions for alternative water sources (e.g., wells) if justified.

Water Conservation

- Low-flow toilets, faucets, and showerheads are required, following EPA WaterSense guidelines.

Design and Energy Efficiency

- Homes must orient roofs for solar potential and minimize west-side sun infiltration via overhangs or window placement.
- Target a HERS rating of 55 (without solar), with exceptions by ARC approval.
- Use advanced framing, spray foam insulation, and zip system sheathing for a high R-value.
- Energy-efficient windows (e.g., Marvin Essentials) and standing seam metal roofs (light-colored, solar-ready for 10-12kW) are required.
- High-efficiency HVAC (16 SEER minimum) with programmable thermostats and air exchangers is recommended.
- Energy Star appliances are encouraged.

Materials and Accessibility

- Facades: Natural stone, stucco, wood, fiber cement (no vinyl unless ARC-approved).
- Universal design principles (e.g., grab bar blocking, wide doors) are required for accessibility.
- Low/no-VOC paints, eco-friendly flooring, and low-emission materials are mandated.
- ARC may approve alternative materials if they enhance aesthetics or sustainability.

Outdoor Elements

- **Lighting:** Dark sky-compliant, shielded to prevent light pollution.
- **Termite Protection:** Sealed slabs and borate-treated framing.
- **Garage:** Architectural, energy-efficient doors; insulated if attached.
- **Additional Structures:** One main residence, one guest house, along with any garages, workshops, and storage buildings (subject to ARC approval). ARC may approve variations.
- **House Numbers:** Placed at the street on an ARC-approved pedestal using natural materials.

Landscaping

- Native, drought-tolerant plants are required, with oak tree preservation prioritized.
- Plans must be submitted pre-occupancy and installed within 4 months.
- Maintain healthy appearance, replacing dead plants/trees impacted by construction.
- ARC may approve limited non-native plants if water-efficient.

Construction Guidelines

- Hours: 7am–7pm weekdays, 9am–5pm Saturdays. Sundays limited to cleaning/interior work.
- Keep sites clean; no dumping/parking on adjacent lots.
- No equipment washouts except on-site, per green building practices.
- Clean spills immediately; recycle oils/paints per regulations.
- Use only owner-provided utilities.
- Repair damage to streets/curbs at contractor expense.
- Observe 20 mph speed limit.
- No loud music or foul language (violators may be removed).
- Secure equipment on-site; no overnight vehicles.
- Protect trees; replace damaged ones with same size.
- Provide \$1,000,000 liability insurance.
- Install temporary toilet, waste plan, and erosion/tree protection before work begins.
- Stay off adjacent lots.
- Non-compliance may result in fines or removal.

Post-Construction Review: 3-Zone Approach

Purpose: To protect scenic views and aesthetics across TerraLoma's seven lots (4A–4G, per Plat Document No. 25028233), the Architectural Review Committee (ARC) divides lots into three zones under its authority (CC&Rs Article I; Guidelines' Administration). This ensures compliance with CC&Rs Article IV and Guidelines' sustainability and view goals, including during new construction plan reviews.

Definitions:

- Permanent Structure: Fixed improvements (e.g., dwellings, fences, rainwater tanks) lasting over 90 days (CC&Rs Section 4.2).
- Temporary Structure: Easily removable items (e.g., event tents) used for 90 days or less.
- Small Landscaping: Plants under 3 feet, not obstructing views.

Zones:

- Zone 1: Road-Facing (Lots 4E–4G, Mirela Ann Road/Shared Driveway) - ARC approval required for permanent structures and fences; small landscaping exempt. Temporary structures need advance ARC notification and approval if over 30 days or view-impacting.
- Zone 2: Sensitive Scenic View Areas - Identified post-construction (after 5 lots occupied, within 60 days, with owner input). No permanent structures without ARC approval; temporary structures need approval if over 30 days. New construction plans must prioritize view preservation (Guidelines' Review Steps).

- Zone 3: Non-Scenic Areas - Permanent structures require ARC approval; temporary structures and landscaping have minimal oversight unless impacting other lots (CC&Rs Section 4.8).

Implementation:

- Process: ARC sets Zone 2 boundaries post-build, re-evaluates every 3 years or on 67% owner petition (CC&Rs Section 11.2(A)). Maps provided (Bylaws Article X).
- Enforcement: Violations trigger fines (\$100/day post-notice) or remediation costs after hearing (CC&Rs Article IX; Bylaws Article VII). Owners may appeal to Board within 30 days.
- New Construction: Plans must address Zone 2 view impacts (Guidelines' Review Steps).
- Exceptions: Emergency temporary structures allowed with advance ARC notification; sustainability features (e.g., solar, per CC&Rs Sections 4.5–4.6) fast-tracked.

Submittal Requirements

- Site plan (residence, garage, rainwater tank, septic).
- Elevations, floor plans, landscape sketch, material list, energy efficiency specs.
- Contact: Jessica Houston, 512-884-1637, jessieahouston@gmail.com.

**THE STATE OF TEXAS
COUNTY OF HAYS**

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

25033029 DECLARATION
09/04/2025 11:06:41 AM Total Fees: \$125.00

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

