

Act of Restrictions for The Arbors of River Springs Subdivision

STATE OF TEXAS, COUNTY of BELL

BE IT KNOWN that on this 13th day of June, 2005, before me, the undersigned authority, and in the presence of the undersigned competent witnesses, personally came and appeared: STELLAR INNOVATIONS INC, DBA STELLAR PROPERTIES, a Texas Corporation, having a mailing address of Box 292, Belton, TX, 76513, herein represented by Mark Rendon, its duly authorized signor, (hereinafter referred to as the "Developer"), who did depose and say that Developer is the owner of the following real property situated in the City of Little River - Academy, State of Texas, in that subdivision known as The Arbors of River Springs, First Filing and being more particularly designated according to the "Final Plat of The Arbors of River Springs" recorded in CABINET D, SLIDE 57-D, Plat Records of Bell County, Texas (the "Final Plat"), said Thirty (30) Lots being Lots 12 through 19 of Block 3, Lots 10 and 11 of Block 5, and lots 1 through 20 of Block 6 of The Arbors of River Springs, First Filing, having the measurements and dimensions and being subject to those servitudes and building set back lines as shown on the above described subdivision map, and all of the above described property hereinafter being referred to as the "Property". The Developer hereby declares that it is the owner of all of the Property described above and that the Property shall be held, sold and conveyed subject to the following servitudes, restrictions, reservations, covenants and conditions which are for the purpose of protecting the value and desirability of the Property, and which covenants shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

1.

DEFINITIONS

1.1 "Property" or "Properties" shall mean and refer to that certain real property described above or together with such additional real property as may be subsequent amendment be added to and subjected to the Act of Restrictions. For example, Developer contemplates the development of additional filings of The Arbors of River Springs which may be subject to this Act of Restrictions by amendment.

1.2 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of any Common Area and streets dedicated to the public for public use.

1.3 "Common Area" or "Common Property" shall mean any and all real property owned by the Developer and subsequently conveyed to the Association for the common use and enjoyment of the Owners.

1.4 "Developer" or "Declarant" shall mean and refer to Stellar Innovations Inc and to its successors and assigns.

1.5 "Owner" shall mean and refer to the record owner, whether one or more persons or entities (including the Developer), of fee simple title to any Lot. Any person or entity having an interest in any Lot merely as security for the performance of an obligation shall not be an "Owner" until such time as the interest holder acquires title by foreclosure or

any proceeding or act in lieu of foreclosure. An “Owner” may also be referred to as a “Member” for purposes of referring to his membership in the Association.

1.6 “The Arbors” or “Subdivision” or “Development”. The Arbors of River Springs Subdivision, as set forth on the Final Plat for the same. Properties which become filings of The Arbors that are subject to these Restrictions by the Developer shall be a part of and constitute the entire Subdivision.

1.7 “Restrictions” or “Declarations” shall mean the entire body of this document entitled “Act of Restrictions for The Arbors Subdivision”, as amended from time to time as set forth herein.

1.8 “Association” shall mean The Arbors Homeowners Association.

1.9 “Committee” shall mean the Architectural Control Committee for The Arbors Subdivision (also herein called the “Architectural Control Committee”).

1.10 “Final Plat” shall mean the Final Plat of any filings of The Arbors subdivision that are recorded in the official records of the Clerk of Bell County and for which property the owner thereof has subjected to these Restrictions by a separate document signed by such property owner.

1.11 “Appointment Period” shall mean the period of time commencing as of the date of recordation of this Declaration and continuing until the earlier of (a) the date on which Declarant voluntarily relinquishes its right to appoint such three (3) members of the Board of Directors pursuant to Section 5.2 and Section 5.5 and, (b) the moment that all Lots in the Property have been conveyed by Declarant to non-Declarant Owners, or (c) June 10, 2015.

1.12 “Board of Directors” or “Board” shall mean the Board of Directors of the Association.

1.13 “By-Laws” shall mean the By-Laws of The Association adopted by the Board of Directors, as amended from time to time.

1.14 “Manager” shall mean any person or persons designated as Manager and employed by the Association to perform any of the duties, powers or functions of the Association.

1.15 “Rules and Regulations” shall mean the rules and regulations adopted by the Board of Directors from time to time pursuant to this Declaration.

2.

PURPOSE

2.1 Purpose. The purpose hereof is the creation of a high quality residential community having a uniform plan of development and the preservation of property values and amenities in the community. The Property is hereby subject to the obligations, covenants, restrictions, reservations, servitudes, liens and charges herein set forth, including without limitation the assessment and penalty provisions, to insure the best use and more appropriate development and improvement of each Lot: to protect the Owners of Lots against improper use of surrounding Lots as will depreciate the value of their property; to preserve, so far as practicable, the natural beauty of the Property; to prohibit the erection of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development of the Property; to encourage and secure the proper location and erection of attractive homes on Lots; to prevent haphazard and inharmonious improvements on Lots; to secure and maintain building setback lines; and in general to

provide adequately for quality improvements of the Property and thereby enhance the values of investments made by the Developer and purchasers of Lots.

2.2 Nature and Extent. All obligations, covenants, restrictions, servitudes and conditions of these Restrictions are intended as and are declared to be reciprocal, praedial servitudes and real obligations established as a charge on each Lot and incidental to ownership thereof and are for the benefit of each Owner and the obligation to honor and abide by each obligation, covenant, restriction, servitude, and condition and to pay any assessments shall be also the personal obligation of each Owner of a Lot in favor of the Owners of the other Lots. The Property and all portions thereof shall be conveyed, transferred and sold by any Owner subject to the conditions, covenants, restrictions, reservations, servitudes, liens and charges herein set out, all of which are imposed upon the Property and all of which shall run with the land. It is the intent and purpose of these Restrictions to set forth a general plan governing building standards, specified uses and improvements and certain of the provisions herein contained are intended to prohibit and inhibit the free use and development of the Property. Some provisions hereof are couched in general terms, including, without limitation, those dealing with approval by the Architectural Control Committee of The Arbors (the "Committee") of proposed plans of improvements to particular Lots. The criteria for approval by the Committee is intended to be subjective and not objective and all criteria for approval or disapproval for proposed building plans cannot be determined in advance of presentment. Accordingly each Owner of a Lot by recordation of a act transferring title of a Lot to said Owner, whether or not it shall be so expressed in said act, does recognize and agree that these Restrictions are intended to and do restrict, inhibit and prohibit free use and development of the Property and the Lots and each Owner shall be deemed to have agreed to be bound by these Restrictions including, without limitation, those which may be deemed or determined to be vague or indefinite.

3.

IMPROVEMENT RESTRICTIONS

3.1 Formation and Purpose. To carry out the general plan of development and improvement of the Property, to implement the plan of subdivision for the Property and to maintain a high standard of construction and appearance for the benefit of the Owners of Lots, the Developer does hereby establish and designate the Architectural Control Committee of The Arbors (the "Committee" or the "Architectural Control Committee") to perform the duties set forth below.

3.2 Committee Membership. The Committee shall eventually consist of three (3) members, being the then serving President, Secretary and Treasurer of the Association, unless otherwise determined by the majority vote of the Board of Directors of the Association. However, until One Hundred percent (100%) of the Lots in all existing and/or planned filings in The Arbors have been built, completed, and transferred to Owners who will occupy the homes as their principal residences (unless the Initial Committee previously resigns without designation of a designee or successor), the Committee shall consist of two (2) members or representatives of the Developer (the "Initial Committee"), or their designees or successors. The Developer may voluntarily relinquish control of the Committee to The Arbors Homeowners Association, at any time it may choose.

3.3 Submission of Plans. Prior to commencement of any work on a Lot, including any grading or clearing thereof (other than weed or trash removal), the Owner of a Lot shall submit to the Committee two set of plans and specifications for the construction, remodeling of any residence, garage, building, shed, storeroom, parking pad, fence or wall, swimming pool, greenhouse, playhouse, antenna, satellite dishes and other improvement deemed significant by the Committee. No work may commence on any Lot until the written approval of such plans has been given by the Committee. No building on any Lot may proceed except in accordance with submitted plans as approved. No building on any Lot may become or continue to be occupied while there exists on such Lot any construction or activity not in accordance with these Restrictions or not in accordance with plans approved by the Committee as set forth in these Restrictions. Such plans shall be considered as submitted for approval only when they have been delivered to one of the committee members. The following must be submitted:

- i. A copy of the plans or drawings and specifications which show all exterior materials, finishes and designs, including elevations of all four sides of the building, and interior floor plans with ceiling heights. Any plans for a home or other improvements should be drawn to “industry standards”. In the event the plans are not drawn to “industry standards”, they may not be approved by the Committee.
- ii. A plot plan on a scale 1:20, showing the location of all improvements on the Lot, drainage plan for the Lot, building setbacks and servitudes.
- iii. The Construction Deposit (as set forth in Section 3.10 below) must be received prior to the review of the plans by the Committee.

Any other request for any approval required by the Architectural Control Committee of The Arbors (the “Committee”) shall be submitted in writing by the applicant (with appropriate drawings or other information) to the Committee. Approval required by the Committee is not effective unless it is in writing and signed by a member of the Committee. Unless otherwise stated herein, if a request for approval is submitted to the Committee and the Committee issues no written approval thereof, this shall be considered a disapproval of such request by the Committee.

3.4 Review of Plans. The Committee may issue its written approval or disapproval of such plans submitted to it anytime within ten (10) working (Monday to Friday) days after submission. Failure of the Committee to act upon properly submitted plans within thirty (10) working days of submission shall constitute approval thereof. If construction is not commenced within six (6) months after the date of approval of the plans or any other proposals, then the approval is void.

3.5 Standards for Review. The Architectural Control Committee shall have the right to approve or disapprove any plans and specifications submitted to it in its sole and uncontrolled discretion, which approval or disapproval may be based upon any grounds, including purely aesthetic considerations which shall be deemed sufficient. Even though the submitted plans follow all guidelines set forth in these Restrictions and the Builders Guideline Manual, they may be disapproved by the Committee because, in the sole discretion of the Committee, it believes the proposed home does not fit with the general architectural style of the Subdivision or the proposed home has too many features that are similar to another home on a Lot in close vicinity of the proposed home. The Architectural Control Committee may issue from time to time a manual containing guidelines for use by builders and homeowners in the selections of concepts, design

techniques and/or materials/finishes for construction within the Subdivision (the “Builders Guideline Manual”). These guidelines shall be utilized by the Architectural Control Committee in its review of plans and specifications. However, notwithstanding anything contained herein or in any such manual of guidelines, the Architectural Control Committee may in its sole and complete discretion approve or disapprove any proposed matter for any reason set forth in these covenants. Notwithstanding anything in these Restrictions to the contrary, the Committee shall have the right to approve any variances from these Restrictions when it deems it in the best interest of the overall house design or in the interest of the general plan of development for the Subdivision.

3.6 Finality of Decision. The decisions of the Committee shall be in their sole discretion and shall be final, binding and shall not be appealable.

3.7 Variances. The Committee, at its discretion, has the right to approve any waivers or deviations from these Restrictions that it deems are appropriate, including a reduction of the required square footage not to exceed seventeen percent (17%). Further, written approval of the Committee must be obtained by a Lot Owner for any waiver of the City Zoning Ordinance the Lot Owner seeks to obtain; any waiver granted by the City without the prior written approval of the Committee must nevertheless receive Committee approval. The Committee shall have the right to enforce its rights contained herein by a suit for injunctive relief or by bringing other legal actions against a Lot Owner to enforce these Restrictions.

3.8 Indemnification. Each member of the Committee shall be indemnified by the Owners of Lots against all liabilities and expenses, including attorney fees reasonably incurred or imposed on him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a member of the Committee at the time such expenses are incurred, unless the member of the Committee is adjudged guilty of willful malfeasance or misfeasance in the performance of his duties. The above described right of indemnification shall not be exclusive of all other rights to which such member of the Committee may be entitled, but shall be in addition to such other rights.

3.9 Landscaping. Before the date of occupancy of a house on the Lot, the Lot Owner shall:

- a. install an irrigation system on entire sodded area.
- b. sod with grass all yard areas exclusive of landscaping sections.
- c. install some beds or other planting along any sides of the house facing a street, and
- d. plant one (1) tree (25 gallon size) in the front yard, unless at least one tree already exists.

Any Lot Owner who does not complete said landscaping prior to the date of occupancy of a house on the Lot shall pay a fine of \$300 to the Developer for each thirty (30) day period the landscaping is delayed beyond such date, although the Developer may grant extensions to the Lot owner for the completion of such landscaping (without fines) in case of hardship caused by weather or other circumstances (such decision to be in the discretion of the Developer). For any fines set forth in this paragraph, the Developer shall have lien rights to enforce payment of such fines.

3.10 Construction Deposit. At the time of submission of the Final Plans (as set forth in Section 3.3B) to the Committee, the Owner shall make a \$500 Construction Deposit payable to Stellar Innovations Inc (or its designee). The Committee shall have the right to

require the Owner to increase the amount of this Construction Deposit at any time such Construction Deposit has been depleted by prior violations (so that the Construction Deposit on account is \$500). The purpose of the Construction Deposit is to insure:

(a) Plans are submitted to the Committee as set forth in Section 3.3 above. In the event construction of a house or other improvements are started without the prior written approval of the plans for such, then the entire amount of the Construction Deposit shall be automatically forfeited as liquidated damages to the Association. Further, all other rights of the Developer, the Committee and the Association may have with respect to approval of the plans shall continue, including rights to injunctive relief, damages and other rights.

(b) Landscaping is accomplished as set forth in Section 3.9 above. In the event landscaping is not accomplished according to Section 3.9 above, then the entire amount of the Construction Deposit shall be automatically forfeited as liquidated damages to the Developer. Further, all other rights of the Developer, the Committee and the Association may have with respect to approval of the plans shall continue, including the right to fine the Owner, rights to injunctive relief, damages and other rights.

(c) A clean job site, compliance with the Restrictions, overall community appearance and that the structure to be constructed is built according to the approved plans. A written notice will be issued by the Committee to the Lot Owner regarding any violations or damage caused by the construction. Examples of damage are the breaking of any sidewalk in the Subdivision, "rutting" of any rights of way, servitudes or other lots in the Subdivision caused by construction related vehicles, the spilling of concrete on any streets or other areas of the Subdivision and any trash or debris dispensed in the Subdivision. If the violation or damage has not been corrected within five (5) days after the date of the notice, the violation or damage may be corrected by the Committee and the cost of the same shall be charged to the Lot Owner. Said amount may be deducted, without further notice, from the Construction Deposit until said deposit is exhausted, at which time the Lot Owner will be billed for any additional expense. The Association shall have lien rights to enforce payment of any amount billed but not collected within thirty (30) days after the date of such bill. Notwithstanding the provisions of this Section however, neither Developer, the Association nor the Committee shall be responsible for the damage to any Lot caused by the activities of the Owner (or builder or others involved in any activity on their behalf) of any other Lot, and shall not be held responsible for any such damage if deductions are not made from the Construction Deposit or other damage collection provisions are not made for such damage.

If no violations or damage occur (or if no deductions for such damage are made from the Construction Deposit by the Committee or the Association), the Construction Deposit will be refunded in full to the original submitter of the Construction Deposit after satisfactory completion of construction of improvements on the Lot in accordance with the approved plans and completion of landscaping as set forth in these Restrictions. To the extent any of the Construction Deposit was spent for correction of any violations or damage, any balance will be refunded to the original submitter of the Construction Deposit after the satisfactory completion of the improvements and landscaping.

3.11 Approval of Plans by Architectural Control Committee. Prior to commencement of any work on a Lot, including any grading or clearing thereof (other than weed or trash

removal), the Owner thereof shall have received approval of all plans in accordance with Section 3 of these Restrictions.

3.12 Minimum Sizes of Residences. The minimum size of a residence is to be computed on the basis of the square footage area that is mechanically heated and cooled (the "living area"). These living area square footages exclude garages, carports, breeze ways, open porches, terraces, patios, overhanging eaves and storeroom areas that are not mechanically heated and cooled. The minimum size requirements are as follows:

A. For houses in First Filing , the minimum living area shall be 1800 square feet.

B. For houses in subsequent filings, the minimum living area shall be 2000 square feet.

3.13 Building Setback Lines. For all Lots, no residence, car storage structure (other than driveways and parking pads) or outbuilding shall be built nearer the sideline of a Lot than the distance required by City Ordinances, except as may have been waived in an application for a waiver or variance applied for by the Developer.

3.14 Car Storage and Garage Doors. All residences shall have a garage or carport that will accommodate not less than two cars. If the car storage area is located on the front one-half of a lot (the half closest to the street) or if it is located on a corner lot, it must be fully enclosed and it must have a closing garage door. No vehicles, trailers, motor homes or boats may be parked on a regular basis on any street or street right-of-way in the Subdivision. Any parking pad in the front of a residence shall be required to be screened from the street with landscaping. A parking pad (screened from the street with landscaping) is required for any vehicles regularly parked in the front half of a Lot which are not housed in a garage. There shall be no boats or trailers regularly parked on any parking pad in the front half of a Lot. For garage doors with glass, a picture or drawing must be submitted to the Committee for approval prior to installation. All garages that require a garage door shall be equipped with fully operational automatic garage door openers activated by remote control. Garage doors may be constructed of painted metal, and must be raised panel. All garage doors must remain closed except for ingress or egress. Windows in garages that face any street must have appropriate window treatments to screen garage interior from the street. No garage or carport may be enclosed to provide living, storage or other space so as to prevent such garage or carport to be used as a car storage facility (unless the car storage required by this Section 3.14 is provided in another structure constructed on the Lot in accordance with these Restrictions).

3.15 Configuration on Lot. Any house built on any corner lot in the Subdivision must face the street with the least amount of linear footage along the lot. All other houses must face the street on which they border.

3.16 Driveways. Driveways shall be constructed of concrete. Asphalt and granular materials such as gravel, crushed stone, or dirt are not permitted for use on driveways. Each driveway shall flare to an apron at the street curb of no more than fifteen feet (15'). Prior to design of a home, approval of the driveway location must be obtained from the Committee. Driveways shall only be on the side of the Lot designated in writing by the Committee.

3.17 Foundations. Foundations shall be designed by the builder, designer or architect of each home. The Committee's approval of construction plans for a home is limited only to appearance and not structural design or engineering, for which the Committee takes no responsibility and shall have no liability. If any more than fifteen inches (15") of slab shows above ground level, the excess amount must be covered by a brick ledge.

3.18 Home Placement and Two Story Homes. In order to assure that location of the houses will be harmonious, that the maximum view will be available to each house, that the structures will be located with regard to the topography of each individual Lot, taking into consideration the location of other houses, large trees, common facilities and similar consideration, the Committee reserves unto itself the right to control absolutely and solely to decide the precise site, location and orientation of any house, dwelling or other structure upon all residential building sites, provided, however, that such location shall be determined only after reasonable opportunity is afforded the Lot Owner to recommend a specific site and location. Two story homes (and story and a half homes) will be scrutinized by the Committee from a privacy, overlook and massing standpoint.

3.19 Ceiling Height. Per city code.

3.20 Window Airconditioning Units. Window mounted air-conditioning or heating units may be used in nonliving area spaces only, such as garage storage rooms. They must be installed, however, in such a way that they are not visible from any street bordering the lot. There shall be no window units above the first floor of any home.

3.21 Shutters. Where shutters are deemed appropriate, they may be or wood, vinyl or other material approved by the Committee.

3.22 Fascia, Eaves & Soffits. Fascia, eaves and soffits shall be constructed of Hardy Plank or similar. No vinyl or aluminum will be permitted.

3.23 Roof. When a substantial portion of the roof pitch is the same, it must be a minimum of a 8:12 pitch with variance subject to the Committee's discretion. For second story roofs or for special roofs (such as shed roofs) the Committee may approve a lesser pitch if the designer can show that it is more appropriate to the proportions of the house. Roof materials shall be of various shades of black, dark gray or dark earth tones. The minimum roof composition requirement shall be architecturally cut DIMENSIONAL shingles. Any other roofing materials must be approved by the Committee.

3.24 Ridge Vents. Only continuous shingle covered ridge vents will be allowed. Any other venting must be concealed from any street elevations of the house.

3.25 Gutters. Gutter colors should be coordinated with the trim color of the house.

3.26 Fireplace Chimneys/Stack Vents. Chimney caps are required. All roof penetrations must be located in the rear of the home where possible or at the least visible section of roof mass.

3.27 Maximum Building Height. The maximum height of the home and accessory buildings on any lot shall be thirty-five feet (35') measured from the finished grade of the lot to the highest peak of the roof.

3.28 Exterior Materials/Colors. The exterior of the home and accessory buildings shall be constructed of brick or stone approved by the Committee. Siding should be used to accent the architectural style rather than used for major walls. Siding shall not be used on more than twenty percent (20%) of exterior walls, without prior written approval of the Committee. The Committee recommends the use of subdued colors. No bright or "strong" colors will be accepted. Colors will be examined not only in relation to one another on the subject home, but in relation to other homes within the line of sight.

3.29 Skylights/Solar Collectors. Skylights shall not be located on any elevation of the home which faces a street. Only flat skylights shall be allowed elsewhere. There shall be no solar collectors on any home, unless prior approval of the Committee is obtained.

Skylights and any proposed solar collectors must be shown on plans when submitted or (if after construction) on a drawing submitted to the Committee

3.30 Window Coverings. No foil, sheets, reflective materials, paper or other inappropriate materials or bright colors shall be used on any windows for drapes, sunscreens, blinds, shades or other purpose on a temporary or permanent basis. Interior window coverings shall be lined in a neutral color so as not to detract from the exterior of the home. The Committee suggests the use of inexpensive shades as temporary window coverings until permanent window coverings are installed.

3.31 Doors. Either Metal or Solid core wood doors are acceptable.

3.32 Windows. Divided lights shall be required on any elevation facing a street. There shall be no picture windows (windows without mullions) on any elevations facing any street.

3.33 Accessory Buildings: Every accessory building and/or structure, inclusive of such structures as a storage building, gazebo, spa, greenhouse, or children's playhouse, shall be compatible with the Living Unit to which it is appurtenant in terms of its design and material composition. In no instance shall an accessory building exceed one (1) story in height nor shall the total floor area of an accessory building exceed eighteen percent (18%), individually or aggregate, of the floor area of the Living Unit.

3.34 Storage Sheds. Storage sheds shall be constructed of the same materials as the residence. No prefab, free-standing structures shall be permitted.

3.35 Pools, Spas & Hot Tubs. The design and location of pools, spas and hot tubs shall be subject to approval of the Committee and shall be harmonious with the architecture and landscape design. Pool fences shall conform to City requirements and the requirements for fencing in these Restrictions.

3.36 Underground Utilities. Any new utility lines in the Subdivision shall be installed underground. Electric service from the electric distribution system to a residence or any other structure must be underground. The owner of each Lot shall furnish an electric servitude from the source of supply to his meter location for receipt of electric service on the Lot.

3.37 Drainage. The Owner of a Lot is responsible for providing for "positive" storm water drainage in the direction indicated in the drainage plan for The Arbors Subdivision (in the construction plans for the development) on file with the WCID Public Works at Little River – Academy, Texas. A Lot Owner shall not impede or modify the natural drainage flow of any lot in any manner that will adversely affect other Lot Owners.

3.40 Completion of Improvements. Once construction of a house (or any addition thereto) or outside structure has commenced, it must be completed within twelve (12) months. If such improvements are not completed within the time period specified in this section, then the lot owner shall remove the foundation from the lot and restore the lot to a clean and attractive appearance (unless otherwise approved by the Committee).

3.41 Fences. All fence details must be submitted to the Committee for approval prior to construction. Gates are considered as part of fences and must be submitted for approval. Perimeter fences shall be constructed of natural (unpainted/unstained) cedar or cypress, or brick, unless otherwise approved. Fences not facing a street may not exceed eight feet (8') in height, without prior written approval of the Committee. Fences facing any street may not exceed six feet (6') in height and the "good side" of the fence (the side without the brace boards) must face the street. Fences shall not be constructed forward of the

front elevation (and side elevation for a corner Lot) of the residence, except with the approval of the Committee. Chain link or wire fences are prohibited.

3.42 Jobsite. Contractors are required to keep their job sites as neat and clean as possible. Construction materials shall be stored in a neat and orderly manner at all times during construction. Mud from construction vehicles on the streets of the Subdivision shall be removed before each day's end. Materials are not permitted to accumulate on any Lot for a period exceeding 30 days from their first delivery.

3.43 Trash, Littering/Stockpiling. All construction sites are to be clean so as to facilitate a pleasing appearance to homeowners, visitors or prospective buyers and to eliminate any hazards for the visitors who will be touring through the various construction projects. All wrappers, paper goods and light weight building materials that could potentially blow onto adjacent properties shall be maintained, properly stored or deposited in trash receptacles on a daily basis. Any food wrappers, containers, etc. from lunch or breaks of workers shall be deposited in trash receptacles on their respective building site. No Common Areas shall be used for lunch or breaks by workers. There will be no stockpiling or dumping on adjacent lots. Every effort should be made to keep any construction debris off of adjacent property. When construction is to begin adjacent to a vacant Lot, the contractor shall not utilize such adjacent property in any manner unless prior approval and conditions have been granted by the adjacent Lot Owner. Any damage to adjacent property is to be repaired immediately. There shall be no burning of construction materials, trash, debris or and other materials on any job site. Neither the Developer, the Association nor the Committee shall be responsible for any damage caused by any fires that occur.

3.44 Speed Limit. The established speed limit within the Subdivision is 25 miles per hour for construction vehicles, including light trucks and autos. This must be strictly adhered to.

3.45 Utility Usage. Contractors will use only the utilities provided on the immediate job site on which they are working.

3.46 Damages. Any damages to the street curbs, drainage system, street lights, street signs, mailboxes, landscaping, Common Area, adjacent Lots or any other similar property and infrastructure may be repaired by the Committee and such costs may be deducted from the Construction Deposit (as set forth in Section 3.10 of these Restrictions). If the cost of the repairs exceeds the amount of the Construction Deposit, the responsible Lot Owner shall be obligated to pay such excess cost and the Committee shall have lien rights on the Lot Owner's Lot to enforce collection of such amounts.

3.47 Spillage. Operators of vehicles are required to see that they do not spill any damaging materials while within the Subdivision and if spillage of a load occurs, operators are responsible for cleaning up the same. If an operator does not clean up a spill, the cost of the clean up will be deducted from the Construction Deposit of the responsible Lot Owner. If the cost of the clean up exceeds the available amount of the Construction Deposit, the responsible Lot Owner will be billed for and be obligated to pay the cost of such clean up.

3.48 Utility Line/Pipe Cuts/Repairs. If any telephone, cable TV, electrical, water or sewer lines are cut, it is the contractor's responsibility to report such accident to the appropriate utility company or Dept. of Public Works. The cost of repairs for such damage will be the responsibility of the Lot Owner whose contractor caused the damage.

3.49 Short Cuts. No short cuts across any adjacent lot, any Common Area or landscape area are allowed, and no driving or parking on any of such areas is allowed.

3.50 Parking of Equipment. No construction vehicles (trucks, vans, cars, etc.) may be parked overnight on any of the Subdivision streets or properties adjacent to the Subdivision. Construction equipment may be left on the site while needed, but must not be kept on the street nor vacant Lots in the subdivision. No building materials or equipment of any kind may be placed or stored on any Lot except in the actual course of construction of an improvement on a lot. No vehicle may be parked on or within any driving surface in any manner which blocks the driving surface in any road or private driveway or on Lots other than the one where the contractor is working. Any unregistered, unauthorized or illegally parked vehicles of any kind will be towed off the property at the expense of the Owner of the vehicle. Contractors may park on the street in front of the subject Lot as long as they do not block the flow of traffic and vehicles are not left overnight. The provisions of this paragraph do not apply to contractors for the Developer.

3.51 Concrete Truck Deliveries and Washouts. Concrete trucks may **only** be washed out on the site where they have just poured the slab or drive (or on another lot owned by the Lot Owner doing the pour). Concrete trucks may not be washed out on any other lot, street, sidewalk, street drain, undeveloped property, Common Area or landscape area. There will be no exceptions to this rule. The builder is to designate a washout area on the Lot where the pour is taking place and notify the concrete truck driver as to where it is. Any cost of clean up by the Committee or the Developer will be deducted from the Construction Deposit at twice the direct cost. Concrete trucks may not use any adjacent Lots or Common Areas for the pour, unless they receive permission from the adjacent property owner and agree to rectify or pay for any damage to such adjacent property.

3.52 Port-O-Lets. Each Lot Owner shall be required to provide a properly maintained "Port-O-Let" on-site during construction. Pooling or sharing the cost of "Port-O-Let" by builders of adjacent lots or directly across the street is permissible. The "Port-O-Let" shall be maintained on a regular basis and the door of the "Port-O-Let" shall face toward the subject property and not toward the street.

3.53 Loud Music. Loud radios or noise (during construction or otherwise) will not be allowed within the Subdivision. Speakers mounted on vehicles or outside of houses under construction will not be permitted.

4.

GENERAL COVENANTS, OBLIGATIONS AND RESTRICTIONS

4.1 Residential Use. All Lots are for residential purposes only and no part of the Property shall be used for any commercial purpose except as expressly permitted by these Restrictions. Apartment houses and lodging houses are prohibited. Not more than one single family residence, with accessory buildings, shall be built or constructed on each Lot. No school, church, assembly hall, or group home of any kind shall be built or permitted to be built on any Lot nor shall any Lot or existing structure be permitted to be used as such.

4.2 Resubdivision of Lots. No resubdivision of one or more Lots shall be allowed without the prior written consent of the Committee, after the Committee has approved of such decision by majority vote. Notwithstanding the above to the contrary, however, so long as the Developer is the Owner of any lots in The Arbors, the Developer may subdivide any

lots of The Arbors in its sole discretion, without needing the vote of any other Lot Owners or approval from the Committee or any other parties.

4.3 Servitudes and Rights of Way. Various servitudes and rights of way for installation and maintenance of utilities, drainage facilities and ditches, are reserved as shown on the Final Plat and other recorded plats relating to the Property. Within these servitudes, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of the flow or drainage of water through drainage channels in the servitudes (easements) or which may interfere with the passage along the sidewalks. The servitude area on each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible. To the extent any landscaping, fences or other improvements are placed in any servitude area, such items are subject to removal or damage at the Lot Owner's expense in the event work in the servitude area is required.

4.4 Single Residence. No trailer, basement, shack, garage, garage apartment, storage room, barn or other outbuildings shall at any time be used as a residence, temporarily or permanently, except that garage apartments may be occupied as a residence for domestic servants for, or family members or occasional non-paying guests of, the occupants of the main residential premises on the Lot. No structure may be occupied as a residence until its exterior is completely finished.

4.5 Animals. No animals, livestock, poultry or birds of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other ordinary household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes and further provided that they are kept, bred, or maintained otherwise in accordance with law. Domestic animals shall not be permitted to roam freely, but must be leashed or detained by fences. Domestic animals shall not be of such kind or disposition, or kept in such numbers as to cause a nuisance. Dogs that tend to obsessively bark shall not be allowed to remain outside in the yard of any residence.

4.6 Refuse. No trash, ashes or any other refuse may be thrown or dumped on any Lot (vacant or occupied). No building materials may be stored on any Lot except during the construction period of a residence or other approved improvements thereon. No building materials or trash may be stored or deposited on any Lot other than the one under construction, except with the permission of such other Lot Owner. No burning of rubbish or trash will be allowed on a Lot at any time.

4.7 Lot Maintenance. The Lot Owner shall keep the grass, weeds and vegetation on his Lot mowed and trimmed at regular intervals so as to maintain the same in a neat and attractive manner. For all lots, the yard to be maintained includes the grass area between the front of the lot and the back of any street curb bordering the Lot. Landscaping shall be maintained in a neat and attractive manner by the Lot Owner. If the Lot is not mowed and kept clean by the Lot Owner (and the landscaping maintained) the Committee may notify the Lot Owner of the condition. If after 10 days from the sending of such notice, no action is taken by the Lot Owner, then the Committee may cause said Lot to be mowed (and landscaping maintained) and the Owner of such Lot shall be billed the greater of the cost thereof (including attorney fees if legal action for collection is deemed necessary by the Committee) or \$100 per mowing (or maintenance). The Association shall have lien

rights to enforce payment of any charges for such mowing and maintenance (and attorney fees if legal action for collection is deemed necessary by the Committee).

4.8 Maintenance (Home Exterior). Each Owner of a home shall keep the exterior of said home reasonably maintained, including garages, carports and other approved out-buildings. This shall include the painting or replacement of roofs, gutters, downspouts and exterior building surfaces and any other necessary maintenance including the replacement of windows, doors and shutters when necessary.

4.9 Playground Equipment. Playground equipment and swing sets may be made of wood, metal, or plastic. Metal equipment must be kept in good condition, free of rust and chipping paint. Wood is recommended. All such playground equipment must be placed in the rear of the house only. All such equipment must be screened from view with adequate landscape shrubbery or fencing so as to reduce visibility from streets. The Developer will not install any park or playground equipment on any Common Areas in the Subdivision.

4.10 Basketball Goals. Basketball goals are permitted, however, under no circumstances are basketball goals allowed to be attached to any part of a residence or other structure. Any Owner desiring to install a basketball goal must receive the Committee's approval of the location and placement of the same prior to installation.

4.11 Commercial Activities. No commercial, business or trade activities shall be conducted on any Lot, nor shall anything be done thereon which may become an annoyance or nuisance to the Subdivision. This restriction, however, shall not prohibit a builder from erecting a temporary shed and/or office on any Lot during the construction of a house on the same Lot. A Builder may use a home or homes as a model and temporary sales office during his building program in the subdivision. An exception to this paragraph is that the Developer (or its designee) may have a construction and/or sales office in the Subdivision. These Restrictions shall not prohibit any home office that is allowed according to the type of zoning on the Subdivision (applying the zoning ordinances of Little River- Academy), however, no direct retail or wholesale sales activities shall be allowed from residences or Lots in the Subdivision.

4.12 Signs. No signs of any kind or description shall be displayed on any Lot, other than real estate "For Sale" signs and signs designating those involved in the construction of any residential homes or other approved improvements in the Subdivision (each not exceeding five square feet in size). The Developer is excepted from the restriction. No signs (such as garage sale, lost pet, announcements, etc.) shall be attached to any subdivision street sign poles or light poles.

4.13 Satellite Dishes. No television (or other) satellite dish larger than 24 inches in diameter, or ones intended to be installed on the front half of the house (or on any side of the house facing a street) may be installed on any Lot except with the prior written approval of the Committee. No satellite dishes shall be installed on any fence.

4.14 Mailboxes. Mailboxes shall conform to the US Postal regulations and shall be constructed of masonry material matching that used in the Living Unit.

4.15 Mobile Homes, Trailers and Boats or Other Vehicles.

A. The keeping of a mobile home or mobile home trailer, either with or without wheels, on any Lot is prohibited on all Lots. No school buses shall be allowed to be kept or stored on any Lot or street in the Subdivision at any time.

B. No house boat, recreational vehicle (motor home), large camper trailer, truck (larger than a pick-up truck) may be maintained, stored or kept on any Lot. Small camper trailers and boats may be kept and stored on a Lot, but only

(i) if kept in the rear of the home in an area that is completely screened from view of streets and neighboring homes by an opaque fence which has been approved by the Committee or (ii) if housed completely within a fully enclosed standard boat port garage which has been approved by the Committee.

4.16 Vehicle Parking. No vehicle shall be parked on any street or in front of residences on a frequent, regular or permanent basis after construction of a residence is completed. No vehicles may be parked on or within any park area, common landscape area or on the neutral ground of any street. No vehicles may be parked on any driving surface in any manner which blocks the driving surface in any road or private driveway. Any unregistered, unauthorized or illegally parked vehicles of any kind will be towed off the property at the expense of the owner of the vehicle. Refer to section 3.14 and 4.15 of these Restrictions for other parking requirements.

4.17 Go-Carts, Motorbikes and Other Similar Vehicles. No unlicensed go-carts, motorbikes, off-road vehicles and other similar vehicles shall be permitted to be driven on the streets, or street right-of-ways of the Subdivision or Common Areas. Also, no unlicensed operators shall be allowed to drive or operate any of these types of vehicles or any other licensed vehicles on the streets, sidewalks or street right-of-ways of the Subdivision or the Common Areas.

4.18 Firearms. The use of firearms or air guns is strictly prohibited in The Arbors Subdivision.

4.19 Antennas, Outside Lighting and Outside Sound. No outside above-ground lines, outside television antennas, radio antennas, or hanging devices shall be allowed without the prior written consent of the Committee. Antennas will under no circumstances be allowed to be placed in front of the farthest front or side extension of the residence or garage on any Lot. Exterior site lighting and security lighting shall not infringe upon adjacent neighbors. Utility poles shall be prohibited. Outside music, sound-producing devices and any other mechanical devices shall be subject to the approval of the Committee. Outside music shall not be played so loudly that it is considered a nuisance by neighbors. The Committee shall have the sole discretion as to what may or may not be considered a nuisance.

4.20 Gardening. No Lot shall be used for gardening or farming purposes, except that flowers and shrubbery may be grown for non-commercial purposes and a non-commercial garden for use by a single household may be located on a Lot provided that it is not visible from any street. Garden compost may be kept in quantities required by one household only, provided it is not visible from any street and is kept free from obnoxious odors and insects.

4.21 Clotheslines. Outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained, nor shall any clothing, rugs or other items be hung from any railing, fence, hedge or wall.

4.22 Nuisances. No noxious or offensive activity shall be carried on, nor shall anything be done which may be or become an annoyance or nuisance to the other Owners.

Decisions of the Committee in its sole discretion shall be final as to what does or does not constitute an annoyance or nuisance.

5.

HOMEOWNERS ASSOCIATION

5.1 Organization. The Arbors Homeowners Association (the “Association”) shall be an elective body composed of the owners as defined in paragraph 1.5, which shall have the duties, powers and rights set forth by this document to assist in its enforcement. There shall be only one Association that shall have jurisdiction over the Property and all additions thereto.

5.2 Board of Directors. The affairs of the Association shall be managed by a Board of Directors. Except during the Appointment Period as stated in Section 1.12 and Section 5.5 of this document, the numbers, term, election and qualifications of the members of the Board of Directors shall be governed by separate agreement as set forth by the first Association meeting. During the Appointment Period, the Board of Directors of the Association shall be three (3) members appointed by the Developer. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to tribunals, to Managers, to officers of the Association or to agents and employees of the Association. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized executive committee, officer, Manager, agent or employee without a vote of Owners, except as otherwise specifically provided in this Declaration.

5.3 Membership in Association. The Owners of a Lot shall collectively and automatically constitute a single member of the Association by virtue of and to the extent of the Owner’s ownership of the Lot, there being one membership in the Association for each Lot. The membership shall automatically pass with the ownership of the Lot. Persons may hold separate memberships in the Association by virtue of their ownership of separate Lots. Membership in the Association shall not be assignable and shall not pass separate and apart from ownership of a Lot.

5.4 Voting Rights of Members. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by any Owner, but in no event shall more than one vote be cast for each Lot. When more than one person holds an interest in any Lot, the vote for such Lot shall be exercised as those Owners of such Lot themselves determine and advise the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such advice, the vote appurtenant to such Lot shall be suspended in the event more than one Person seeks to exercise it. The voting weight appurtenant to each Lot shall be equal and each Lot shall have one vote.

5.5 Board of Directors During Appointment Period. During the Appointment Period, the Board of Directors shall consist of three Directors, and Declarant shall have and hereby reserves the continuing right to appoint the three Directors during such Appointment Period.

5.6 Duties and Powers of Association. The Association has been formed to further the common interests of the Owners. The Association, acting through the Board of Directors or through Persons or Managers to whom the Board of Directors has delegated such powers, 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 interests of the

Owners, to maintain, improve and enhance the Common Areas. Among other things, it will be the responsibility of the Association (through its Board of Directors) to:

- A. Elect officers to conduct the affairs of the Association.
- B. Enforce all covenants and restrictions herein contained.
- C. Serve and represent the Owners in any public matter or hearing affecting the Subdivision.
- D. Maintain the landscaping and other structures at the Subdivision entrances and all Common Areas and landscape servitudes throughout the Subdivision. This obligation of maintenance shall include any lighting and irrigation systems installed in these areas.
- E. Maintain (including cutting the grass) any grounds and Common Areas owned by the Association or over which the Association has a landscape servitude (including cutting the grass). The Association shall have the right, but not the obligation, to maintain the grass, any trees and other landscaping, fences and/or other structures in the maintenance servitude located on the south side (main entry to First Filing area), and common areas committed in subsequent filings.
- F. Maintain (and replace any equipment and facilities of any Common Areas, when needed), supervise, insure with liability insurance, make rules for and monitor the use of any Common Areas and areas over which the Association has a landscape servitude. (First Filing has no common area except for fence and entryway on the south side of the Subdivision).
- G. Act in any other capacity or matter in which the majority of the Board of Directors so vote.

5.7 Acceptance of Property and Facilities Transferred by Declarant. The Association shall accept title to any Common Area indicated as such on the Final Plat. First Filing has no such transfer. Streets and roads shall be dedicated to the City of Little River – Academy by separate document of dedication as filed with the County Clerk, and these areas are considered City property, not Association property.

5.8 Management and Care of Common Areas. The Association shall manage, operate, care for, maintain and repair any Common Area and areas over which the Association has a landscape servitude, and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Owners. The Association shall have title to the Common Areas and no Owner or any other Person shall have the right to claim, own or partition any Common Areas.

5.9 Budgets and Assessments. The Association shall adopt Budgets and levy and collect Assessments as required by the Association By-Laws.

5.10 Rules and Regulations. The Association shall from time to time adopt, amend, repeal and enforce Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of these Restrictions, or any amendments thereto, the operation of the Association, the use and enjoyment of any Common Area and the use of Lots. Any Rules and Regulations shall be reasonably and uniformly applied. Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. The Association shall have the power to enforce the provisions of these Restrictions, and the Rules and Regulations, and shall take such action as the Board of Directors deems necessary or desirable to cause compliance therewith by each Owner.

5.11 Access Restrictions. The Association (through the Board of Directors) shall have the power to restrict access, ingress and egress of Owners and invitees to, from, between and on Lots, any Common Areas and rights-of-way, subject to the Rules and Regulations.

5.12 Servitudes. The Association shall have the power to grant permits and licenses and access, utility, drainage, water facility and other servitudes in, on, over, across or under Common Areas as may be reasonably necessary or useful for the proper maintenance of the Common Areas.

5.13 Restrictions on Builders. The Association shall have the power to determine that any builder or construction tradesman is unsuitable for construction work on the Property and to prohibit the builder or construction tradesman from working on any project in the Subdivision or on any Lot.

5.14 Rights During Appointment Period. Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Association for the duration of the Appointment Period. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association and in each deed or other instrument by which any Lot is conveyed by Declarant, whether or not specifically stated therein. The rights, reservations and servitudes of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Declarant's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

6.

ASSESSMENTS

6.1 Regular Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to agree to pay the Association regular assessments, special assessments, dues or charges (including the possible liens that may be imposed by the terms of these Restrictions, including, but not limited to, those set forth in Section 3.9, Section 3.10, Section 3.45, and Section 4.7), as may be established and provided for in these Restrictions. Beginning in the year 2005, each Lot shall be subject to and the Lot Owner of which shall pay, an annual assessment of One Hundred Dollars (\$120), payable in full at transfer of property and thereafter one half collected biannually on January 10 and July 10 of each year (the "Initial Assessment"). The Initial Assessment shall remain effective for the years after 2005 unless changed by the required vote of the Board of Directors as set forth below. All assessments shall be paid to The Arbors Homeowners Association. After 2005, the assessments may be increased or decreased no more than 10% per year by the affirmative vote of the majority of the Board of Directors of the Association. Any increase or decrease in assessments and/or dues greater than 10% per year may only be effected by (i) a majority vote of Owners who are voting in person or by proxy at a meeting duly called for this purpose and (ii) the vote of Declarant, for so long as Declarant has the authority to appoint and remove directors and officers of the Association (as set forth in Sections 1.11 and 5.14). The Common Expenses to be funded by the Assessments set forth herein shall include amounts to pay for the responsibilities of the Association as set forth in Section 5.6 above and as otherwise set forth in these Restrictions. In addition, the Association may pay the costs of:

- (i) management fees and expenses of administration, including legal and accounting fees and insurance premiums;
- (ii) utility charges for utilities serving any Common Areas and other property owned by the Association and for any landscape servitude areas and charges for other common services for the Development, including security services, if any such services or charges are provided or paid by the Association;
- (iii) ad valorem real and personal property taxes assessed and levied against any Common Areas and other property owned by the Association;
- (iv) the expenses for conducting recreational, cultural, or other related programs for the benefit of the Owners and their families, tenants, guests and invitees;
- (v) such other expenses as may be determined from time to time by the Board of Directors of the Association to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against properties owned by the Association;
- (vi) legal fees for the filing of liens against Lot Owners for dues and/or assessments, and other professional services deemed necessary by the Board of Directors of the Association;
- (vii) the establishment and maintenance of a reasonable reserve fund or funds (a) for maintenance, repair, and replacement of those portions of any structures and landscaping on any property and servitude which is the responsibility of the Association and (b) to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors. Notwithstanding anything in these Restrictions to the contrary, the Developer shall be exempted from the payment of any regular assessments, special assessments or any other charges or assessments of any kind to the Association. The Developer, however, will make contributions to the Association to cover the shortfall between assessments income and actual expenses of the Association (not including reserves and contingency funds) for the years 2005 through 2006.

6.2 Special Assessments. In addition to the regular Assessments authorized above, the Association, acting through its Board of Directors, may levy, in any Assessment Year, special Assessments for Common Expenses, applicable to that year only, provided that such Assessment shall be approved by (i) Declarant, for so long as Declarant owns any Lot primarily for the purpose of sale, and (ii) by a majority of the votes of the Owners who are voting in person or by proxy at a meeting duly called for this purpose in accordance with the provisions of Section 6.4 below. The Board of Directors may make such special Assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in each adopted. Such special Assessments are to be pro-rated among the Lots equally as provided with respect to regular Assessments. The Developer is exempted from paying any Special Assessments for any Lots it owns in the Subdivision.

6.3 Individual Assessments. Any expenses of the Association occasioned by the conduct of less than all of the Owners or by the family, tenants, agents, guests, or invitees of any Owner shall be specially assessed against such Owner and his respective Lot. The individual Assessments provided for in this Section 6.3 shall be levied by the Board of Directors, and the amount and due date of such assessment so levied by the Board shall

be specified by the Board. The Board of Directors may levy, as an individual Assessment, an Assessment for the charges that may be imposed by the terms of these Restrictions, including, but not limited to, those set forth in Section 3.9, Section 3.10, Section 3.45, and Section 4.7. The Developer is exempted from paying any Individual Assessments for any Lots it owns in the Subdivision.

6.4 Notice of Meeting and Quorum. Written notice of any meeting of the Association called for the purpose of taking any action, including establishing or changing assessments (when a vote of Owners is required), shall be sent to all Owners not less than 10 days nor more than 30 days in advance of the meeting. Said notice may be sent only by a member of the Board of Directors or any officer of the Association. The presence of members or of proxies entitled to cast twenty-five percent (25%) of all the votes shall constitute a quorum. In the event a quorum is not present at a duly called meeting, the meeting shall be adjourned. Thereafter, written notice of a second meeting shall be given as set forth above in this paragraph and a quorum shall not be required at such second meeting, provided such second meeting is held within 60 days after the first meeting.

6.5 Liens. All sums assessed against any Lot pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges, and interest as provided herein, shall be secured by an equitable charge and continuing lien on such Lot in favor of the Association.

6.7 Effect of Nonpayment; Remedies of the Association. Any Assessments of an Owner or any portions thereof which are not paid when due shall be delinquent. Any Assessment delinquent for a period of more than ten (10) days after the date when due shall incur a late charge in an amount as may be determined by the Board from time to time and shall also commence to accrue simple interest at the rate of twelve per cent (12%) per annum. In the event an Owner fails to pay an Assessment within ten days (10) after the due date thereof, the Board of Directors of the Association may send the delinquent Owner notice of such payment due. If the delinquent Owner fails to pay the amount due within thirty (30) days after the date of mailing of such notice, the Board of Directors may elect to file a claim of lien against the Lot of the delinquent Owner by recording notice setting forth: (a) the amount of the claim of delinquency; (b) the late charges, interest and costs of collection (including reasonable attorneys' fees) which have accrued thereon; (c) the legal description and municipal address of the Lot against which the lien is claimed; and (d) the name of the Owner of the Lot as shown upon the records of the Association.

The notice of lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall be prior to any declaration of homestead rights and any other lien, encumbrance or Mortgage encumbering the Lot; provided, however, that a previously recorded First Mortgage encumbering the Lot shall be and remain prior and superior in all respects to the lien, encumbrance or Mortgage encumbering the Lot. The lien shall secure all amounts set forth in the notice of lien, as well as all subsequently accruing amounts (including reasonable attorneys' fees). The lien shall continue until the amounts secured by it and all subsequently accruing amounts (including attorneys' fees) are fully paid or otherwise satisfied. When all amounts claimed under the notice of lien and all other costs (including reasonable attorneys' fees) and Assessments which 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 releasing the lien. Unless paid or otherwise satisfied, the lien may be foreclosed in the manner for foreclosure of mortgages in the State of TEXAS. The lien shall not be affected by any sale or transfer of the Lot, except that any such sale or transfer pursuant to a foreclosure of a previously recorded First Mortgage shall extinguish the lien, but it shall not relieve the purchaser or the transferee of the Lot from liability for, or the Lot from the lien of, any Assessments, late charges, interest and costs of collection (including reasonable attorneys' fees) made thereafter. Any delinquent Assessments and costs of collection (including reasonable attorneys' fees) which are extinguished by the foregoing provision may be reallocated by the Association and assessed to all Lots as a common expense. In the event that the Assessment remains unpaid after sixty (60) days from the original due date the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this Article shall be in favor of the Association, and each Owner, by his acceptance of a deed or other conveyance to Lot, vests in the Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of immovable property. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot, and an Owner shall remain personally liable for Assessments, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his Lot.

7.

GENERAL PROVISIONS

7.1 Interpretation of Restrictions. These Restrictions, including all obligations, covenants, Restrictions, servitudes and conditions, shall, to the maximum extent permissible by law, be strictly enforced, construed, and interpreted to provide authority to the Declarant, the Association and the Committee to create and maintain the Subdivision. The letter of these Restrictions shall be enforceable even when violations hereof are technical and apparently minor in nature.

7.2 Knowing Violation of Restrictions. In the event of a knowing or intentional violations of these Restrictions or in the event of a continuing violation of these Restrictions after receipt, by the violator or Owner of the Lot on which the violation occurs, of written notice of a violation, the party bringing a successful action to enforce these Restrictions by injunction, declaratory judgment, or otherwise shall be entitled to recover from the violator, or Owner of the lot, reasonable attorneys' fees to be fixed and awarded by the court.

7.4 Amendment of Restrictions by Developer. The Developer reserves the right to amend these Restrictions one or more times in any manner or for any purpose deemed necessary or appropriate in the sole discretion of the Developer. Any amendment of these Restrictions shall be in writing and shall be effective when filed for recordation with the County Clerk. The amendment may increase or decrease lot sizes, square footage requirements, or other amendments as determined by the Developer to be in furtherance of the development of the Subdivision.

7.5 Amendment of Restrictions by Owners. Except as may otherwise be provided in these Restrictions, any covenant, condition, restriction, servitude or other provision contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by a vote of Members of the Association holding at least two-thirds (2/3) of the voting power of the Association, present in person or by proxy at a duly constituted meeting. The amendment may increase or decrease lot sizes, square footage requirements, or other amendments as determined by the voting group to be in furtherance of the development of the Subdivision. Notwithstanding the above to the contrary, however, so long as the Developer is an Owner of a Lot or Lots in the Subdivision, there shall be no amendment to these Restrictions without the written consent of the Developer on the amendment document.

7.6 Notices. Any notice required to be sent to any Owner under the provisions of these Restrictions shall be deemed to have been properly given and completed when mailed, postpaid, to the last known address of the house on a Lot in the Subdivision, or if there is no house on a Lot, the address which the Owner of such lot have given the Secretary of the Association for mailing of notices. If no address has been given the Secretary for mailing of notices for lots which do not have a house thereon, then notices are not required to be made to the Owner of such Lot, but may be sent to the person who appears as Owner on the records of the Tax Assessor for Bell County, Texas at the time of mailing at the address shown on such Assessor's records.

7.7 Enforcement. If any Owner, his agents, employees, heirs, successors, or assigns, or anyone acting on his behalf, shall violate or attempt to violate any of the provisions hereof, it shall be lawful for any Owner, the Association or the Developer to prosecute any proceeding at law or in equity against such an Owner violating or attempting to violate any such obligations, covenant, restrictions, servitudes and conditions and to prevent him or them from so doing by a mandatory or prohibitory injunction without the necessity of providing bond, each Owner being deemed, by purchase of any Lot, to have waived and relinquished any right to require the posting of bond. However, the availability of injunctive relief shall not preclude (or be precluded by) any other available remedy for any violation or threatened violation, including, without limitation, the recovery of damages. Failure of any person or entity to enforce any provision of these Restrictions shall, in no event, be deemed to be a waiver of the right to do so thereafter against such violating Owner or any other Owner which may participate in a similar violation at a future date.

7.8 Severability. Invalidation of any one of these reservations, restrictions, covenants or conditions by judgment or court order shall in no way affect any other provision of these Restrictions, all of which shall remain in full force and effect.

9.

COMMON AREAS

9.1 Common Areas. The Developer may in the future convey to The Arbors Homeowners Association, certain Common. Neither the Developer nor the Association has planned on or budgeted to build any playground equipment or other facilities on the Common Areas (although, the Association may later decide by vote to build such facilities and pay for the same by special assessments or dues as otherwise set forth in these Restrictions). It shall be the responsibility of the Association to maintain, insure with liability insurance, make rules for the use of and supervise the use of the Common Areas the Association will own.

By purchase of a Lot in the Subdivision, each such Owner is deemed to have released and held harmless the Developer, and Association Officers and Board of Directors, for any liability for the construction, condition, maintenance and use of the Common Areas, including any personal injury or death of persons that use, maintain or are otherwise on or in the Common Areas and the facilities thereof. The Board of Directors of the Association shall establish rules and regulations for use of the Common Areas, which rules and regulations must be adhered to by the Owners and their invitees and which rules and regulations may be amended and changed from time to time by the Board of Directors of the Association.

10.

ADJACENT LAND

10.1 Adjacent Land. The property to the east and north of the First Filing is targeted for further development under The Arbors of River Springs development plan with equal or higher standards for the First Filing of the subdivision, and therefore is expected to continue residential construction on that adjacent property.

THUS DONE AND SIGNED in Bell County, Texas, on the day, month and year first above written:

Stellar Innovations Inc

By: _____
Mark Rendon, President

Notary Public

My commission expires _____

After Recording Send to:
Stellar
PO Box 292
Belton, TX. 76513