

- 1.07 "ACC" shall mean the Architectural Control Committee.
- 1.08 "Main Roads" shall mean paved surfaces as shown on the recorded subdivision map of the Property.
- 1.9 "Common Areas" all real property owned by the Association ("HOA") for the benefit of and for the common use and enjoyment of the Owners, specifically, including reserves reflected on the plat of the Property. Common Areas shall also include any land conveyed, leased, dedicated or assigned by Declarant, or by a third party with the Association's consent, to the Association for maintenance and operation, including, but not limited to, easements, roads, entry ways, roadways, rights-of-way, parkways, walkways, trees, plants, vegetation, parks, trails, paths, ponds, creeks and lakes within the Property.

ARTICLE II USE RESTRICTIONS AND ARCHITECTURAL CONTROLS

- 2.01 Construction of Improvements. Each Lot shall be used only for single-family residence purposes and improvements for agricultural use as defined hereafter.
- a. The main residence shall be a single-family residential dwelling not to exceed two and one-half (2-1/2) stories in height, a private garage for not more than five (5) cars, and other structures (including guest houses or servants' quarters). Other structures shall not exceed the main residence in height and may be permanently occupied only by a member of the family occupying the main residence on the Lot, or by domestic servants employed on the premises. The design of other structures shall be consistent with the main residence.
 - b. Barns, sheds, storage buildings, and other structures for agricultural use are permitted. These improvements must be specifically approved by the ACC. A barn may include an apartment for domestic servants or a guest living area. These structures must be in similar style to the residence and must not be placed in front of the residence. These structures may not contain more square footage than the residence.
 - c. Recreational vehicles for use as a primary residence are strictly prohibited.
 - d. Manufactured and/or Modular homes are strictly prohibited.
 - e. Carports are prohibited unless specifically approved by the ACC.

2.02 Architectural Control. No buildings or improvements of any character shall be erected or placed or the erection thereof begun, or changes made in the design thereof after original construction, on any Lot until the construction plans and specifications and a site plan showing the location of the structure or improvements have been submitted to and approved, in writing by the ACC, as to compliance with these restrictions, quality of material, harmony of external design with existing and proposed structures and as to location with respect to topography and finish grade elevation and consistent with a design that is compatible with the country setting and style in this area. Unconventional, extreme, and nonconforming design is discouraged. The ACC shall exercise sound discretion when considering contemplated improvements. The initial members of the ACC shall be Tommy Salome, Keith DeBault and David Ferguson. If there exists at any time one or more vacancies in the ACC, the remaining member or members of the ACC may designate successor member(s) to fill such vacancy or

vacancies. The ACC and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event the ACC fails to indicate its approval or disapproval within sixty (60) days after the receipt of the required documents, approval will not be required and the related covenants set out herein shall be deemed to have been fully satisfied. Declarant hereby retains its right to assign the duties, powers and responsibilities of the ACC to the Association when one 50 percent (50%) of all Lots and any other areas annexed to the Property have been conveyed to Owners, and the term "Architectural Control Committee" or "ACC" herein shall include the Association as such assignee. The approval or lack of disapproval by the ACC shall not be deemed to constitute any warranty or representation by the ACC including, without limitation, any warranty or representation relating to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations. The Association may charge a reasonable fee not to exceed the sum of \$250.00 to retain an architect to review plans engineering and specifications for improvements.

2.03 Minimum Square Footage Within Improvements. The living area of the main residential structure (exclusive of outbuildings, guest houses, porches, garages and servants' quarters) shall not be less than two thousand (2,000) square feet. The ACC, at its sole discretion, is hereby permitted to approve deviations in any building area herein prescribed in instances when in its sole judgment; such deviations would result in a beneficial common use consistent with the Subdivision. Such approvals must be granted in writing in recordable form and when given shall become a part of these restrictions to the extent of the particular lot involved.

2.04 Exterior Materials. Unless otherwise approved by the ACC, in its sole and exclusive discretion, the exterior materials of the main residential structure and any attached garage, guest houses, and servants' quarters shall be constructed of Ranch style architecture and be 50% masonry or hardiplank. It is suggested that this 50% be inclusive of the front of said structures.

2.05 Location of the Improvements Upon the Lot. No building or other improvements shall be located on any Lot nearer than:

- a. one hundred (100') to the Main Roads, unless otherwise approved by the ACC; and sixty feet (60') to the side or rear Lot line.
- b. Improvements shall not be constructed in the area between the main dwelling and any main roads.

2.06 Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site with the privilege of placing or constructing improvements on such composite building site, in which case setback lines shall be measured from the resulting combined Lot lines rather than from the singular Lot lines.

2.07 Easements. As shown on the recorded plat, easements for installation and maintenance of utilities are reserved (or will be reserved) by Declarant, and no structure of any kind shall be erected upon any of said easements. In addition to the easements shown on the recorded plat, Declarant reserves the following easements along the common boundaries of the Property and all public or private roads surrounding or going through **Rancho Lorena**.

- a. As shown on the recorded plat, the easements for the Main Roads are wider than the actual paved surface of the Main Roads. The Main Roads shall be constructed according to plans and specifications approved by McLennan County, Texas, for maintenance by McLennan County, Texas. However, each Lot Owner shall be solely responsible for the maintenance of any driveways from a Main Road to the Lot from that point where such driveways tie into the Main Road.

- b. Additionally, each lot owner is responsible to cut the grass and maintain the easement and or ditch area that borders their property.

2.08 Prohibition of Trade and Offensive Activities. No retail, industrial, multifamily construction, office building, or mixed use commercial construction is allowed on any lot. Any and all commercial development and commercial business is strictly prohibited. Noxious or offensive activities of any sort including loud noises or anything done on any Lot that may be or become an annoyance or a nuisance to the neighborhood shall not be permitted.

2.09 Use of Temporary Structures. No structures of a temporary character, mobile home, trailer, tent, shack, garage, barn or other outbuildings shall be used on any Lot at any time as a primary residence. Buildings used for accessory or storage purposes shall be limited to not more than two and one-half (2-1/2) stories in height and shall be subject to approval of the ACC. Temporary structures may be used as building offices and for related purposes during the construction period. Such structures, shall be inconspicuous and slightly, and shall be removed immediately after completion of construction. A barn with living quarters may be built before the main residence with ACC approval.

2.10 Storage of Automobiles, Boats, Trailers and other Vehicles. No boat trailers, boats, travel trailers, automobiles, campers or vehicles of any kind shall be semi-permanently or permanently stored in the public street right-of-way or on driveways. Storage of such items and vehicles must be screened from public view, either within the garage, barn, or behind a fence which encloses the rear of the Lot. No inoperable boat trailers, boats, travel trailers, automobiles, campers or vehicles of any kind shall be semi-permanently or permanently stored on any Lot.

2.11 Mineral Extraction. The excavation, mining, or removal of soil, sand, gravel, rock, peat, sod, or other surface minerals by any surface mining method is prohibited, except that construction materials, such as rock, dirt, sand, gravel, may be taken for the purposes of maintaining existing roads and facilities or in connection with other activity permitted herein on the Property is allowed to the extent permitted by applicable law. Mining or production of subsurface minerals, such as oil and gas, is strictly prohibited.

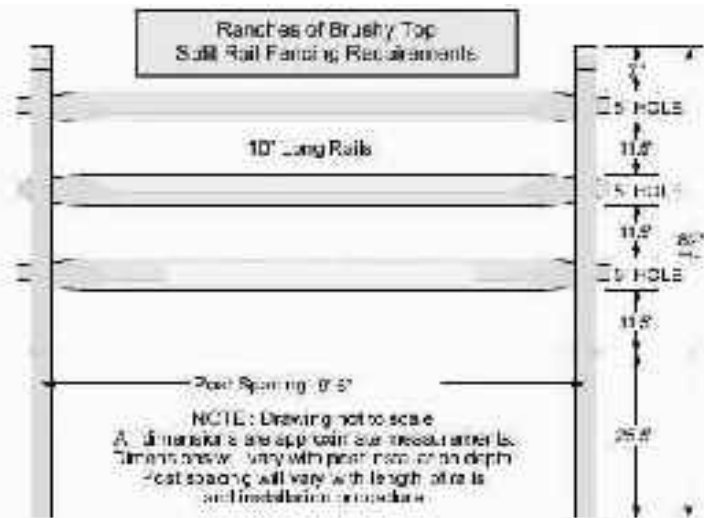
2.12 Agricultural Use. For purposes hereof, the term "agricultural use" shall be limited as follows:

- a. Raising of livestock and poultry shall be permitted; however, commercial feed lot type operations and commercial poultry & swine operations are strictly prohibited.
- b. Livestock shall be limited to one (1) animal unit per acre, except sheep or goats which shall be limited to two (2) animal units per acre shall be allowed.
- c. Any animal with un-weaned offspring shall be deemed and considered to be a single animal unit. Otherwise each head of cattle or other livestock shall be deemed to a single animal unit.
- d. Dogs, cats or other common household pets are excluded from the term "livestock" and "animal unit", provided they are kept, or maintained for non-commercial purposes.
- e. All lots, pens, and other areas where cattle or livestock are kept or raised shall be kept and maintained in a neat and clean condition reasonably free from odors and shall be periodically sprayed or otherwise treated to restrict and minimize flies and other insects so as not to become a nuisance to Owners of the Lots.

- f. All pens, houses, and other areas where poultry including chickens, geese, ducks, turkey, and guineas are raised shall be kept and maintained in a neat and clean condition reasonably free from odors and shall be periodically sprayed or otherwise treated to restrict and minimize flies and other insects so as not to become a nuisance to Owners of the Lots.
- g. No pistol, rifle, shotgun or other firearm or explosives or other device capable of killing or injuring or causing property damage shall be discharged on any part of the Property.
 - 1. The Association has the right to adopt rules and regulations concerning the use of firearms on the Property.
 - 2. Recreational hunting is strictly prohibited; in order to promote safety.
- h. The Association has the right to adopt rules and regulations concerning the use of unlicensed motorcycles, go-carts and similar motorized vehicles and may at its discretion eliminate their use if such operation creates a safety hazard, excessive noise or annoyance to Owners of the Lots.

Commercial activity, whether for profit or not, open to the public or business invitees, is prohibited. Similarly, except for limited agricultural use as above provided, commercial use that involves, directly or indirectly, the storage, warehousing and/or distribution of goods or services is prohibited. See Section 8 above.

2.13 Walls, Fences and Hedges. As part of the common scheme and plan as shown on the recorded plat, owner is not required to fence, however, if owner chooses to fence, each Lot having frontage on the Main Roads shall be fenced and constructed as specified hereafter ("the Main Road Fence"). The specifications for the Main Road Fence are as follows:



Any other privacy or hedges that of the Lots from the

Roads must be approved by the ACC prior to commencing construction. Any privacy walls, fences, or hedges erected on a Lot by Declarant, or its assigns, shall pass ownership with title to the Lot, and it shall be Owners of the Lots responsibility to maintain said walls, fences, or hedges thereafter. Hurricane-type or chain-link fences are strictly prohibited and forbidden. Any other fencing besides The Main Road fence must be approved by the ACC. Privacy fence is encouraged, but any other options must be approved by the ACC.

2.14 Lot Maintenance. The Owner or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary healthful, attractive manner and shall in no event use any Lot for storage of material and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind or the burning thereof (except as such burning is permitted by law) of any such materials is prohibited. Each Lot owner shall arrange for at least weekly garbage, rubbish and trash pickup from the Lot as long as such service is not provided and required by a municipality. The Association may, at its option, require each Lot Owner to purchase trash service from one service and charge for such service as part of the assessments described in Article III hereof. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assigns, may without liability to Owner or occupant, but without being under any duty to so do, in trespass or otherwise, enter upon said Lot, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt thereof. Any unpaid amount shall bear interest at the lesser of the highest rate allowed by law or eighteen percent (18%) per annum. The owner shall maintain the main road right-of-way running along the roads from corner point to corner point of owner's property. FROM PROPERTY LINE TO THE EDGE OF THE ROAD PAVEMENT. Maintaining includes but is not limited to cutting of the drainage ditches, keeping the easement area clean and free of debris and trash

2.15 Trash containers, dumpsters or any object holding or storing trash. Trash containers, dumpsters or any object holding or storing trash must be out of site of the all public or private roads surrounding or going through **Rancho Lorena**. Storing or placing and trash containers, dumpsters or any object holding or storing trash at or near driveway near the road, or the road frontage of property is strictly prohibited.

Moveable Trash containers may be put at the entrance near the road, the night before or the morning of a scheduled trash pickup day by a hired garbage company and hauler. The moveable containers shall be removed from the road area the same day of the trash pickup day.

2.16 Mail boxes. Community Mail Boxes will be provided in a central location at the request of the US Postal Service. Any special needs or apparatus to receive deliveries or used to hold materials or items for pick up, must be approved by the ACC.

2.17 Roofing Materials. The roof of all buildings (including any garage or servants' quarters) shall be constructed or covered with composition shingles, metal or slate acceptable to and approved by the ACC. Any other type of roofing material shall be permitted only at the sole discretion of the ACC upon written request.

2.18 Maximum Height of Antennae. No electronic antenna or device of any type other than an antenna for receiving normal television signals shall be erected, constructed, placed or permitted to remain on any Lot, residences, or buildings except as approved by the ACC. Television antennae may be attached to the residence provided, however, such antenna must be located to the rear of the roof ridge line, gable or center line of the principal dwelling. Freestanding antennae must be attached to and located behind the rear wall or on a sidewall of the main residential structure. No antennae, either freestanding or attached, shall be permitted to extend more than fifty feet (50') from ground level and must have ACC approval as to the placement of the antennae on the lot. No portion of any Lot shall be sold, leased, conveyed, or in any manner transferred for use as a wireless or cellular communication facility. Declarant reserves the right to construct a centralized antenna at a height to provide wireless internet service to each lot.

2.19 Re-subdivision. Subdividing of lots is strictly prohibited. A Lot Owner, who owns two or more contiguous Lots, may combine said Lots to form one Lot through re-

plating. The original Lot lines which are being removed or fall within this combined Lot shall be released of building setbacks providing there are no existing utilities along these lines at the time of re-plating. All subdividing and re-plating must be approved by the ACC and platted to the rules, laws and regulations of Blanco County and the State of Texas.

2.20 Septic Systems. Prior to occupancy of a home, or any livable building each Lot Owner shall construct, install and maintain a septic tank and soil absorption system in accordance with the specifications for same as established by the laws of the State of Texas, Texas Commission on Environmental Quality and the rules and regulations of McLennan County, Texas. If such septic system complies with such specifications, but still emits foul or noxious odors or unsafe liquid onto streets, ditches or adjoining lots, such system shall be modified so as to eliminate such foul or noxious odors or unsafe liquid.

2.21 Water System. Water wells may be drilled and maintained in accordance with the laws of the State of Texas and the rules and regulations of McLennan County, Texas.

2.22 Hydrology. Lot Owner must request in written form and the ACC must grant written approval prior to any and all construction of any lake, ponds or other water bodies. No pollution of surface water, natural watercourses, lakes, ponds, marshes, subsurface water or any other water bodies shall be permitted nor shall activities be conducted.

2.23 Destruction of Plants, Disturbance of Natural Habitat. Lot Owner shall have the right to cut and remove diseased trees, shrubs and plants and to cut firebreaks. Lot Owner shall also have the right to cut and remove trees, shrubs, or plants a) to accommodate habitat management activities, including prescribed burning to reduce brush, b) to maintain existing improvements and as necessary in the construction of Improvements on the Property, and c) trees 8" or more in diameter require written approval of the ACC.

2.24 Billboards. No signs or billboards shall be placed on the Property, except that signs, whose placement, number, and design do not significantly diminish the scenic character of the Property, may be displaced to state the names and address of the Property and the names of persons living on the Property, to advertise the Property for sale or rent, and to post the Property to control unauthorized entry or use. Permitted signs as described in this subparagraph shall be no larger than two (2) feet by three (3) feet, unless otherwise approved by the ACC, which approval shall not be unreasonably withheld.

ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS

3.01 Creation of the Lien and Personal Obligation of Assessments. Declarant, in the case of each Lot owned within the Property hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, for repayment of funds borrowed and used in payment of capital improvements, (3) other assessments for mowing lots or removing trash. Such assessments shall be established and collected as hereinafter provided. The annual, monthly, and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. Appropriate recitations in the deed conveying each Lot will evidence the retention of a vendor's lien by Declarant for the purpose of securing payment of said charge assigned to the Association without recourse on Declarant in any manner for the payment of said charge and indebtedness. Declarant/Owner and general partner shall be exempt from all assessments.

3.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners of the Lots within the Property and for the improvements and maintenance of the Common Area, if any.

3.03 First Assessment Payment and Maximum Annual Assessment. Assessments will begin immediately following the conveyance of the first Lot to an Owner. The maximum annual assessment (not including assessments for water and trash, service and other special assessments) shall be the sum of \$120 of each Lot. From and after January 1, of the second year immediately following the conveyance of the first Lot in the Subdivision, to an Owner, the maximum annual assessment may be increased ten percent (10%) of the maximum assessment for the previous year by an affirmative vote of fifty percent (50%) of the votes of the Owners of the Lots, each Owner or Owners of the Lots being entitled to one vote per each Lot owned, who are voting in person or by proxy, at a meeting duly called for such purpose. The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum. Declarant may exclude any Lot that is sold to an adjoining landowner for agricultural use only from maintenance assessments for so long as such Lot is used for agricultural use only but not otherwise.

3.04 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of the Owners of the Lots who are voting in person or by proxy at a meeting duly called for this purpose.

3.05 Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be mailed (by U.S. first class mail) to all Owners of the Lots not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners of the Lots or of proxies entitled to cast sixty percent (60%) of all the votes of the Owners of the Lots shall constitute a quorum. If the required quorum is not present at any such meeting, the meeting shall be adjourned but another meeting may be called subject to the same notice requirement, but the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum applicable in the case of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting.

3.06 Rate of Assessment. All Lots in the Subdivision shall commence to bear their applicable maintenance fund assessment simultaneously and Lots in the Subdivision that are owned by Declarant are exempt from assessment. Lots that are occupied by residents shall be subject to the annual assessment determined by the Board of Directors in accordance with the provisions of Sections 3 and 7 hereof. Lots in the Subdivision that are not occupied by a resident or which are owned by a builder, or a building company, shall be assessed at the rate of one-half (1/2) of the annual assessment above. The rate of assessment for an individual Lot, within a calendar year, can change as the character of ownership and the status of the occupancy by a resident changes, and the applicable assessment for such Lot shall be prorated according to the rate required during each type of ownership. The rate of assessment for water and trash service shall be set by the Declarant or the Board of Directors of the Association, whichever is in charge of such at the time.

3.07 Date of Commencement of Assessments: Due Dates. The annual and monthly assessments provided for herein shall commence immediately upon the conveyance of the first Lot to an Owner, a builder or building company by Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the then current calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U. S. first class mail) to every Owner subject thereto. The Board of Directors shall establish the payment dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the

Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

3.08 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at the lesser of the highest rate allowed by law or eighteen percent (18%) per annum. The Association may bring action at law against the Owner personally obligated to pay the assessment, or foreclose the lien against the Lot involved. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area, if any, or abandonment of his Lot.

3.9 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage, subordinate mortgage for home or other improvements, or home equity mortgage, existing at any time upon the particular lot involved. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but such lien shall exist as, and constitute, a separate and distinct charge and lien on each Lot.

ARTICLE IV **GENERAL PROVISIONS**

4.01 Enforcement. All restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration shall run with the land. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

4.02 Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, if any, which shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:

- a. The right of the Association to charge reasonable admission and other fees for the use of the Common Area, if any.
- b. The right of the Association to suspend the voting rights and right to use of the Common Area, if any, by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days from each infraction of its published rules and regulations.
- c. The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners of the Lots. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of the Owners of the Lots agreeing to such dedication or transfer has been recorded in the Deed Records of McLennan County, Texas.

4.03 Delegation of Use. In accordance with the Bylaws of the Association, any Owner may delegate his right of enjoyment to the Common Area and facilities, if any, to the members of his family, his tenants or contract purchasers who reside on the owners property.

4.04 Amendment. The covenants and restrictions of this Declaration shall run with the land, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration may be amended during the first fifty (50) year period by an instrument signed by those Owners of the Lots owning not less than ninety percent (90%) of the Lots, and thereafter by an instrument signed by those Owners of the Lots owning not less than seventy-five percent (75%) of the Lots. Declarant may amend this Declaration without approval or consent of Owners of the Lots by an instrument signed by it any time during a period ending on the earlier of ten (10) years from the date hereof or when the Declarant has sold ninety percent (90%) of the Lots. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Deed Records of McLennan County, Texas.

4.05 Annexation. Declarant may annex additional residential property and/or Common Area to the Property without approval or consent of Owners of the Lots.

4.06 Gender and Number. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

4.07 Headings. The paragraph entitlements hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such paragraphs.

4.08 Execution by the Association. The Association, by joining in the execution hereof agrees to be bound by all the terms and provisions of this Declaration.

4.09 Lien holder. **WELLS FARGO BANK** ("Lienholder") joins herein solely for the purpose of subordinating the liens held by it of record upon the Property to the covenants, conditions and restrictions hereby imposed by Declarant with, however, the stipulation that such subordination does not extend to any lien or charge imposed by or provided for in this Declaration.

4.10 Declarant Right to Enforce Restrictions. Declarant retains the right to enforce deed restrictions by Declarant or Declarant's agent being an additional member to the board of directors for a period of 10 years after all tracts are sold. Declarant will advise board of directors of the Association of any failure to comply with the deed restrictions and bylaws. Declarant may enforce deed restrictions and bylaws of the Declaration of Covenants, Conditions, and Restrictions for Rancho Lorena. Declarant or Declarant's Agent must remain actively engaged in board function, defined as attending 90% of all meetings in person.

ARTICLE V COMMON AREA

5.01 Common Areas' Purpose. The Common Areas are for the use, pleasure, enjoyment and outdoor recreation of all Owners.

5.02 Owner's Right of Use and Easement of Enjoyment Every Owner shall have a right to use and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every lot or tract subject to the following provisions:

5.03 Use Restrictions for Common Area. No Owner shall use the Common Areas in any manner that would (a) interfere with their purpose, (b) alter or change their look, terrain, environment or ecosystem, (c) constitute a public or private nuisance, (d) interfere with the use and enjoyment of the other Owners, or (e) violate any of the following Restrictions:

- a. No cutting of or removal any trees, plants, bushes, or any of the natural vegetation and habitat in the Common Area is allowed.
- b. No altering of the soils, embankments, hills, creeks, streams and land in the Common Area is allowed
- c. No buildings or structures, temporary or permanent, shall ever be erected, placed or permitted on any and all Common Areas.
- d. No hunting, trapping, capturing, (except fishing) caging, interference with or killing of any animals in the Common Area is allowed for any reason.
- e. Without the approval of the Association or Declarant, no machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Common Areas for any reason in connection with the use or maintenance, of common areas maintained by the Association; provided however, such machinery or equipment may be placed, operated or maintained by any governmental or quasi-governmental agency, or by a public utility, in the performance of its legitimate functions.
- f. No sign, advertisement, billboard or advertising structure of any kind shall be placed, maintained or displayed on any Common Areas
- g. The association has the right to adopt rules and regulations concerning the use of unlicensed motorcycles, go-carts, four wheeler, and similar motorize all terrain vehicles and may at its discretion eliminate use if such operation creates a safety hazard, excessive noise or annoyance to Owners of the lots/tracts of land.

5.04 Common Areas Fees. The Association shall have the right to charge reasonable fees for the use of the Common Areas in order to preserve and maintain the natural habitat, terrain, landscaping, wildlife, ponds, lakes, creeks.

5.05 Transfer of Common Area. Association to dedicate or transfer all or any part of the Common Areas, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association so long as the purpose of the Common Areas area described in 5.01 and 5.02 is maintained and preserved. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of the Owners of the Lots agreeing to such dedication or transfer has been recorded in the Deed Records of Blanco County, Texas.

5.06 Delegation of Use. In accordance with the Bylaws of the Association, any Owner may delegate his right of enjoyment to the Common Area to the members of their family, relatives or contract purchasers who reside on the property.

5.07 Land Adjacent to Common Area. For all property adjacent to Common Areas, all landscaping shall be designed so as to protect and promote, as far as practicable, the natural local landscape environment through use of native materials, natural drainage, indigenous plant selection and site design. All landscaping design shall:

(A) Wherever possible, save and incorporate into the Drawings and Specifications existing trees and trunk diameters of four (4) or more inches. To insure the viability of these trees, soil compacting, trenching and/or cut and fill shall be avoided, to the greatest extent possible, in the area defined by trees' drip line.

(B) Maintain or enhance, wherever possible, existing vegetation within drainage easements to prevent erosion, siltation, or impediment of runoff augmented by development

5.08 Annexation. Declarant may annex additional Common Areas to the Property without approval or consent of Owners of the Lots.

SIGNED _____, 2009

**DECLARANT:
SALOME-DEBAULT, L.P.**

By: Salome-DeBault Management Inc., General Partner

By: Tommy Salome, President

THE ASSOCIATION:

**RANCHO LORENA
HOME OWNERS ASSOCIATION, INC.**

By: Tommy Salome, President

LIENHOLDER:

Wells Fargo Bank

By:

Name:

Title:

THE STATE OF TEXAS
COUNTY OF McLennan

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This instrument was acknowledged before me on _____, 2009, by _____, President of _____, Inc. General Partner of Rancho Lorena Limited Partnership.

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF McLennan

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This instrument was acknowledged before me on _____, 2009, by _____, President of Rancho Lorena Land Owners Association, Inc.

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF McLennan

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This instrument was acknowledged before me on _____, 2009 by _____, _____ of _____ Bank.

Notary Public, State of Texas