

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
STELLA RANCH**

STATE OF TEXAS

COUNTY OF BRAZOS

This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF STELLA RANCH (the "Declaration"), is made effective on the date of filing of this instrument in the Official Records of Brazos County, Texas, by BV Stella Ranch Development, Inc., a Texas corporation, (hereinafter sometimes referred to as "Declarant");

WHEREAS, Declarant is the Developer of certain parcels within the real property in Brazos County, Texas, which is more particularly described and depicted in Exhibit "A", attached hereto and made a part hereof (the "Property");

WHEREAS, Exhibit "A" is a preliminary, conceptual plan of development. It is attached hereto for the purposes of identification and describing the Property. It is not, and should not be interpreted or deemed to be a final plat or a dedication of any property to the public or any municipality.

WHEREAS, Declarant desires to establish and implement plans for a mixed use development providing for various sections or phases, some of which shall be restricted according to covenants requiring residential living, recreation, aesthetic and quality-of-life considerations, and others of which shall be restricted according to covenants requiring non-residential, commercial, agricultural or retail uses, as may be provided herein or in subsequent declarations, amendments or supplements thereto. The purposes of this Declaration are to: protect the Declarant and the Owners against inappropriate development and use of Lots within the Subdivision; provide use, maintenance and repair of compatibility of design of improvements within the Subdivision; secure and preserve sufficient setbacks and space between buildings so as to create an aesthetically pleasing environment; provide for landscaping and the maintenance thereof; and in general to encourage construction of attractive, quality, permanent improvements that will promote the general welfare of the Declarant and the Owners. Declarant desires to impose these restrictions on the Property now and yet retain reasonable flexibility to respond to changing or unforeseen circumstances so as to guide, control and maintain the quality and distinction of this project. The restrictive covenants herein will preserve the best interests of the Declarant, the Owners, and Residents of the Stella Ranch community after completion of all development and construction therein.

WHEREAS the Declarant desires to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future owners of the Property;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that it is hereby that all of the Property shall be held, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, liens, and charges, which are for the purpose of preserving the value and desirability of, and which shall run with, the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and which shall inure to the benefit of each owner thereof; and that each contract or deed that may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to the following covenants, conditions and restrictions regardless of whether or not the same are set out or referred to in said contract, or deed.

ARTICLE 1 DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the following meanings hereinafter specified:

1.01 Architectural Committee. "Architectural Committee" shall mean one or more committees created pursuant to this Declaration to review and approve plans for the construction of Improvements on the Property.

1.02 Architectural Committee Rules. "Architectural Committee Rules" shall mean the Stella Ranch Rules and regulations adopted by the Architectural Committee, as the same may be amended from time to time. There may be separate Stella Ranch Rules for residential phases and Lots and non-residential phases and Lots.

1.03 Articles. "Articles" shall mean Certificate of Formation of Stella Ranch Owners Association, Inc., as that instrument may be amended from time to time, which instrument is filed in the office of the Secretary of State of the State of Texas.

1.04 Assessment. "Assessment" or "Assessments" shall mean such assessments as may be levied by the Association under the terms and provisions of the Declaration.

1.05 Association. "Association" shall mean Stella Ranch Owners Association, Inc., a Texas non-profit corporation, which shall have authority and responsibility for all of the communities and subdivisions of Stella Ranch, as hereafter defined.

1.06 Board. "Board" shall mean the Board of Directors of the Association. Board members may, but need not, be Members of the Association.

1.07 Builder. "Builder" means an individual or entity that purchases a single or multiple Lots from the Declarant for the purpose of constructing Dwellings or Buildings thereon, which Dwellings or Buildings will be offered for sale to purchasers. "Builder" shall not include an individual or entity constructing additions, repairs or maintenance onto a Dwelling or Building already in existence, or replacing a Dwelling after demolition. "Builder" shall include any business entity which is owned in whole or in part by any individual or entity Builder..

1.08 Building. "Building" shall mean a non-residential structure constructed on a Lot intended for non-residential use.

1.09 Bylaws. "Bylaws" shall mean the Bylaws of the Association as adopted by the Board, and from time to time amended.

1.10 Stella Ranch Rules. "Stella Ranch Rules" shall mean the Stella Ranch Rules and regulations adopted by the Board as the same may be amended from time to time.

1.11 Common Areas. "Common Areas" shall mean any land conveyed, leased, dedicated or assigned by Declarant, or a third party with the Association's consent, to the Association for maintenance and operation, including, but not limited to, easements, roads, entryways, roadways, rights-of-ways, parkways, parking lots, driveways, median strips, sidewalks, parks, trails, paths, ponds, creeks, and lakes within the Property, and any areas designated on recorded plats of all or any portion or phase of the Property.

1.12 Declarant. "Declarant" shall mean BV Stella Ranch Development, Inc., a Texas corporation.

1.13 Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.

1.14 Dwelling. "Dwelling" means a main residential structure constructed on a Lot intended for single-family residential use.

1.15 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, pole signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps, walls, tanks, reservoirs, pipes, lines, meters, antennae, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.16 Lease. "Lease" shall mean a written document for a term of at least 90 days between an Owner and tenants occupying the Owner's Lot. No Lease shall be executed by an Owner which applies to a fraction, room, bedroom or portion of a residence.

1.17 Lot. "Lot" or "Lots" shall mean any parcel or parcels of land within the Property shown as a subdivided lot on a recorded plat of the Property, together with all Improvements located thereon.

1.18 Member. "Member" or "Members" shall mean any person(s), entity, or entities holding membership rights to the Association.

1.19 Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage or deed of trust covering any portion of the Property given to secure the payment of a debt.

1.20 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.21 Non-Residential Lots. "Non-Residential Lots" shall mean Lots which shall not be used for residential purposes.

1.22 Occupant Group. "Occupant Group" shall mean one or more persons living on a Lot intended for residential use from among the following:

- a. The Owner or Owners of record of a Lot;
- b. If the Lot is occupied by one or more tenants under a Lease, the Primary Tenant, defined below;
- c. Persons related to such Owner or Owners of record, or the Primary Tenant, within the first degree of relationship;
- d. No more than one other person unrelated to the persons described in (a), (b), or (c).

1.23 Owner. "Owner" or "Owners" shall mean a person or persons, entity or entities, including Declarant, holding a fee simple interest in any Lot on the Property, but shall not include a Mortgagee.

1.24 Person. "Person" or "Persons" shall mean an individual or individuals, entity or entities having the legal right to hold title to real property.

1.25 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or erection of any Improvement, including, but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.

1.26 Primary Tenant. "Primary Tenant" shall mean the tenant named in a Lease of a Lot as the Primary Tenant and registered with the Association, or if no such designation or registration is made, the first tenant listed in the Lease.

1.27 Property. "Property" shall mean the real property in Brazos County, Texas described in Exhibit "A", which is attached hereto and incorporated by reference into this Declaration.

1.28 Public View. "Public View" shall mean a condition, structure, item or improvement located on a Lot that is openly visible from or by (i) an individual standing at ground level of at least one neighboring Lot (such neighboring Lot does not have to be adjacent to the Lot with any such condition, structure, item or improvement), (ii) a Common Area, or (iii) a street.

1.29 Residential Lots. "Residential Lots" shall mean Lots which shall only be used for residential purposes.

ARTICLE 2 DEVELOPMENT OF THE PROPERTY

2.01 Development or Sale by Declarant. In its sole and absolute discretion, Declarant may divide or subdivide the Property into several areas, develop some of the Property, and, at Declarant's option, sell any portion of the Property free of the restrictions set forth in this Declaration.

2.02 Addition of Land. Declarant may, at any time and from time to time, in its sole and absolute discretion, add any other lands to the Property, and upon such addition, this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall apply to the added land, and the rights, privileges, duties and liabilities of the persons subject to this Declaration shall be the same with respect to the added land as they are with respect to the lands originally covered by the Declaration. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Official Records of Brazos County, Texas, a Notice of Addition of Land containing the following provisions:

- a. A reference to this Declaration, which reference shall state the book and page numbers of the Official Records of Brazos County wherein this Declaration is recorded;
- b. A statement that the provisions of this Declaration shall apply to the added land; and
- c. A legal description of the added land.

2.03 Withdrawal of Land. Declarant may, in its sole and absolute discretion, at any time and from time to time, reduce or withdraw areas from the Property, and upon such withdrawal, this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall no longer apply to those lands withdrawn. In order to withdraw lands from the Property hereunder, Declarant shall be required only to record in the Official Records of Brazos County, Texas, a Notice of Withdrawal of Land containing the following provisions:

- a. A reference to this Declaration, which reference shall state the book and page numbers of the Official Records of Brazos County wherein this Declaration is recorded;
- b. A statement that the provisions of this Declaration shall no longer apply to the withdrawn land; and
- c. A legal description of the withdrawn land.

ARTICLE 3
GENERAL RESTRICTIONS APPLICABLE TO RESIDENTIAL LOTS

Notwithstanding anything contained herein to the contrary, the provisions of this Article shall apply only to Residential Lots unless other portions of the Property are specifically included in said provisions.

A. Residential Uses Permitted

Residential Lots within the Subdivision shall be used exclusively for single-family residential purposes. The term "single-family" as used herein shall refer not only to the architectural design of the Dwelling but also to the permitted number of inhabitants, which shall be limited to a single family, as defined below. Single-family shall mean the use of and improvement to a Residential Lot with no more than one building designed for and containing facilities for living, sleeping, cooking, and eating therein. In no case may a Residential Lot contain more than one Dwelling. No multi-family Dwellings may be constructed on any Residential Lot. No Building, Outbuilding or portion thereof shall be constructed for income property or such that Occupants would occupy less than the entire Lot and/or Lot.

It is permitted for Owners to lease a Dwelling in the Subdivision, so long as Occupants are leasing the entire land and improvements comprising the Residential Lot. Leasing a Dwelling for residential purposes shall not be considered a "business", provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than one Dwelling at any time. This provision shall not preclude the Association or an institutional lender from leasing a Dwelling upon taking title following foreclosure of its security interest in the Dwelling or upon acceptance of a deed in lieu of foreclosure. "Leasing" for purposes of this Declaration, is defined as occupancy of a Dwelling by any person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. No fraction or portion of any Dwelling may be leased or rented. All leases must be in writing and shall contain such terms as the Board may prescribe from time to time. All leases shall provide that they may be terminated in the event of a violation of the Declaration or the Dedicatory Instruments by an Occupant or Occupant's family, and the Board, in its sole discretion, may require termination by the Owner and eviction of the Occupant in such event. Rental or lease of the Residential Lot and Dwelling shall not relieve the Owner from compliance with this Declaration or the Dedicatory Instruments.

No Dwelling may be occupied by more than one single family. By way of illustration, the following is an example of an approved single family:

RESIDENT 1 AND RESIDENT 2 RESIDE IN DWELLING. (If the Owner is leasing the Dwelling, at least one of either Resident 1 and Resident 2 shall be the Primary Tenant:

Additional approved residents are:

- a) children of either or both residents;
- b) no more than a total of 2 parents of the residents;
- c) one unrelated person; and
- d) one household employee.

It is not the intent of this provision to exclude from a Residential Lot any individual who is authorized to so remain by any state or federal law. If it is found that this provision is in violation of any law, then this provision shall be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

B. Non-Permitted Uses

1. No trade or business may be conducted in or from any Dwelling or Residential Lot, except such use within a Dwelling where (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling; (b) the business activity conforms to all governmental requirements and other Dedicatory Instruments applicable to the Property; (c) the business activity does not involve visitation to the Dwelling by clients, customers, suppliers or other business invitees or door-to-door solicitation of Occupants of the Subdivision; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision, as may be determined in the sole discretion of the Board. The uses set out in this Section 1 (a) through (d) shall be referred to singularly or collectively as an "Incidental Business Use." At no time may an Incidental Business Use cause increased parking or traffic within the Subdivision. Any increased parking or traffic within the Subdivision as a result of an Incidental Business Use shall be deemed to be a Deed Restriction Violation. A day-care facility, home day-care facility, church, nursery, pre-school, beauty parlor, or barber shop or other similar facility is expressly prohibited.

The terms "business" and "trade" as used in this provision shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the manufacture or provision of goods for or to persons other than the Occupant's family, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does not generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Dwelling shall not be considered a trade or business within the meaning of this Section. This Section does not apply to any activity conducted by the Declarant, or by a Builder with approval of the Declarant, with respect to its development and sale of the Property. Garage sales, attic sales, moving sales, or yard sales (or any similar vending of merchandise) conducted on any Residential Lot more than once per year shall be considered business activity and therefore prohibited. The Association may, but is not required to, adopt Stella Ranch Rules and regulations regarding such sales. Notwithstanding anything contained herein to the contrary, estate sales are expressly prohibited.

2. No vehicles displaying signs or advertising shall be permitted to be parked within Public View in the Subdivision, other than service vehicles contracted by Owners to perform specific services. No vehicles with more than two axles shall be permitted to be parked or stored for a period in excess of twelve (12) hours per week in the Subdivision, without prior written permission of the Board, whose approval may be issued or withheld at its sole and absolute discretion.

3. No livestock, domestic or wild animals, nor plants or crops shall be raised on any Residential Lot, or any portion of the Property for the purpose of breeding or selling same, whether for profit or not. Exchange of such animals, plants or produce for anything of value to the seller shall constitute a sale of the merchandise and therefore prohibited under this provision.

C. Animals and Pets

No animals, livestock, including swine or poultry of any kind, shall be raised, bred, or kept on any portion of the Subdivision, except that dogs, cats, or other usual and common household pets, not to exceed a total of two (2) pets, may be permitted in or on a Residential Lot or in a Dwelling. The foregoing limitation on number of pets shall not apply to hamsters, small birds, fish or other constantly caged

animals kept inside the Dwelling, nor shall it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old. No pets are permitted to roam free. No animals or pets shall be kept, bred, or maintained for any commercial purpose. Dogs and cats shall at all times whenever they are outside a Dwelling and/or fence, be confined on a leash which must be held by a responsible person.

D. Antennas

No exterior antennas, aerials, satellite dishes, or other apparatus for the reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Subdivision, including any Residential Lot, which is visible from any street, Common Area or other Residential Lot unless it is impossible to receive signals from another location. In that event the receiving device may be placed in a visible location as approved by the Architectural Committee. The Architectural Committee may require as much screening as possible while not substantially interfering with reception. No satellite dishes shall be permitted which are larger than one (1) meter in diameter. No exterior antennas, aerials, satellite dishes, or other apparatus which transmit television, radio, satellite, or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property. The Declarant, by promulgating this Section, is not attempting to violate the Telecommunications Act of 1996 (the "1996 Act"), as same may be amended from time to time. This Section shall be interpreted to be as restrictive as possible while not violating the 1996 Act.

In the event that it is impossible to receive a signal from a non-visible location, the installation of antennas shall be subject to Stella Ranch Rules and regulations which may be promulgated by the Board setting out preferred alternate locations for antennas.

Declarant and the Association shall have the right, without the obligation, to erect an aerial, satellite dish, or other apparatus (of any size) for a master antenna, cable, or other communication system for the benefit of all or any portion of the Subdivision, should any master system or systems require such exterior apparatus.

E. Basketball Goals and Backboards

No basketball goal, net and/or backboard may be kept, placed or mounted upon any Residential Lot or kept, placed, attached or mounted to any fence or Dwelling without prior written approval by the Architectural Committee. All basketball goals and/or backboards are subject to the Guidelines as to type, location, and hours of use. All basketball goals and/or backboards shall always be maintained and kept in good condition. If any basketball goal, net and/or backboard is placed within the Subdivision in violation of this Declaration, the Association or its agents shall be authorized to bring the Owner's Residential Lot into compliance with this provision after notice to Owner or Primary Tenant.

F. Exterior Seasonal Decorations

The display of exterior seasonal decorations, by way of illustration but not limited to lights, banners, flags, wreaths, shall be subject to reasonable Stella Ranch Rules and regulations, if any, promulgated by the Board. Such Stella Ranch Rules may address the appearance and length of time of such display. Such display shall be maintained and kept in good condition at all times. If any exterior seasonal decorations are placed, or remain, within the Subdivision in violation of this Declaration or the Dedicatory Instruments, the Board or its agents shall be authorized to bring the Owner's Residential Lot into compliance with this provision after notice to Owner or Primary Tenant.

G. Drilling

No drilling or related operations of any kind shall be permitted upon, under, on or in any Residential Lot, nor shall any wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Residential Lot, including water wells for potable or non-potable uses.

H. Flags and Flagpoles

The size, number, and placement of flagpoles, and the display of flags within the Subdivision, shall be subject to any applicable Guidelines, Stella Ranch Rules or policies adopted by the Board. The Declarant, by promulgating this Section, is not attempting to violate any local, state or federal law. This Section shall be interpreted to be as restrictive as possible while not violating any laws of the State of Texas and/or the United States of America.

I. General Nuisances

No portion of the Subdivision shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, animal, or material be kept upon any portion of the Subdivision that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, comfort, or serenity of the Owners and/or Occupants of surrounding Residential Lots and users of the Common Areas.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Subdivision, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Subdivision. There shall not be maintained any plants, animals, device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Subdivision. No outside burning of wood (except for wood burned in approved outdoor fire pits and fireplaces), leaves, trash, garbage or household refuse shall be permitted within the Subdivision. No speaker, horn, whistle, bell or other sound device, except alarm devices used exclusively for residential monitoring purposes, shall be installed or operated on the Property, unless required by federal, state or local regulation. The use and discharge of firecrackers and other fireworks is prohibited within the Subdivision.

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Residential Lot. The pursuit of hobbies or other visible activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, that might tend to cause disorderly, unsightly, or unkempt conditions, may not be pursued or undertaken on any part of the Subdivision. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work may be permitted provided such activities are not conducted on a regular or frequent basis, and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within twelve (12) hours.

Notwithstanding anything contained herein to the contrary, the Association shall have the right but not the obligation to enter upon any Common Area and/or street right-of-way and remove signs not authorized by the Board in advance, and/or to regulate (including, but not limited to, the prohibition of) street vending and similar non-approved activities.

No portion of the Subdivision shall be used, in whole or in part, in a way that creates a nuisance within the Subdivision. Activities or conditions constituting a nuisance are incapable of exhaustive definition which will fit all cases, but they can include those activities and conditions that endanger life or health, give unreasonable offense to senses, or obstruct reasonable use of property. Those activities or conditions that cause minor and/or infrequent disturbances resulting from ordinary life activities within a deed restricted community are not intended to constitute a nuisance. Whether such activity or condition constitutes a nuisance will be determined by the Board. The Board may adopt Stella Ranch Rules or policies to further define what constitutes a nuisance, as warranted.

J. Generators

The size, number, placement, and other characteristics of standby electric generators within the Subdivision shall be subject to any applicable Guidelines, Stella Ranch Rules or policies adopted by the Board.

K. Monuments and Fences

The Declarant and the Association, including their respective designees, are hereby granted an easement to place, maintain and repair a monument or marker within the Subdivision.

Fencing on all Residential Lots within the Subdivision shall be subject to prior written approval by the Architectural Committee. Unless otherwise set forth herein or in Stella Ranch Rules, no fence, wall, or hedge shall be built or maintained forward of the front wall line of the main structure, not including decorative walls or fences, which are part of the Architectural Committee approved Architectural design of the main structure, and which are not to be built or maintained nearer than the building setback line of any Residential Lot. An exception shall be made in the case of retaining walls not to exceed twenty-four inches (24") above the ground. Notwithstanding the foregoing, the Architectural Committee is empowered to waive the aforesaid height or setback limitation in connection with retaining walls and decorative walls if, in its sole discretion, such waiver is advisable in order to accommodate a unique, attractive or advanced building concept design or material and the resulting decorative wall and/or retaining wall will not detract from the general appearance of the neighborhood, or in the case where a Residential Lot has a side yard which is adjacent to the backyard of an adjacent Residential Lot. No chain-link fences may be built or maintained on any Residential Lot.

Unless otherwise approved by the Architectural Committee or as provided below, any fence built or maintained on any Residential Lot shall be constructed only of standard grade 1" by 6" cedar privacy fence materials with heavy gauge metal posts set in the ground with concrete piers, six (6') feet in height, with the finished (smooth) side facing streets or Common Areas, or adjoining properties which are not part of Stella Ranch, and the rough side facing the interior of any Residential Lot. Maintenance of cedar fencing is the responsibility of the Owner of the Residential Lots on which the fencing is located.

Owners shall be responsible for the maintenance, repair and/or replacement of all fences in existence at the time of transfer from Builder to Owner. Replacement fences shall be of a similar material and design as originally constructed. The maintenance of any portion of a fence which lies between Residential Lots shall be the joint responsibility of the Residential Lot Owners on whose property the fence lies between. In the event an Owner fails to repair, replace or maintain any fence in a manner consistent with the Stella Ranch Rules or this Declaration, in the sole discretion of the Board, the Board shall have the right, but not

the obligation, through its agents, contractors and/or employees to enter such Residential Lot for the repair and/or replacement of such fence after notice to the Owner. Any expense incurred by the Association in effectuating such repairs/replacement shall be the responsibility of the Owner(s) having such obligation to maintain, or will be split evenly between adjoining Residential Lot Owners if a common fence is involved, and shall be secured by the continuing lien on the Residential Lot.

L. Outbuildings

Outbuildings shall not be constructed or placed on a Residential Lot within the Subdivision without the prior written approval of the Architectural Committee. No pre-manufactured buildings, shed or structures will be permitted. Reasonable Guidelines may be established from time to time addressing factors including, but not limited to, the appearance, type, size, quality and location of Outbuildings on a Residential Lot. Generally, proposed outbuildings shall have décor and appearance matching the principal residence building on any Residential Lot, and shall be submitted to the Architectural Committee for approval prior to commencement of construction.

M. Outside Storage and Trash Collection

No equipment, machinery, or materials of any kind or nature shall be stored on any Residential Lot forward of the fence at the front wall of the main structure situated thereon, unless the equipment, machinery or materials is being used temporarily (not more than one week) and is incident to repair or construction of the main structure. All equipment, machinery, and materials shall be properly stored out of sight of every other Residential Lot's main structure immediately after use of such item, and all trash, debris, excess, or unused materials or supplies shall likewise be disposed of immediately off the Residential Lot, or stored out of view until trash collection occurs.

Trash may only be placed outside for collection the evening before collection. Such trash must be contained to protect from animals or spillage and trash cans must be removed from sight the same evening of collection. No outdoor incinerators shall be kept or maintained on any Residential Lot.

N. Parking and Prohibited Vehicles

No commercial vehicles or non-motorized vehicles, by way of example and not limitation, tow trucks, plumbing or similar service type vans or trucks, boat, trailer, marine craft, recreational vehicle, camper rig off of truck, hovercraft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Residential Lot, street, easement, or right-of-way, unless such vehicle or object is completely concealed from Public View inside a garage or enclosure approved by the Architectural Committee.

Passenger automobiles, passenger vans, motorcycles, or pick-up trucks that: (a) are in operating condition; (b) are qualified by current vehicle registration and inspection stickers; (c) are currently licensed and in daily use as motor vehicles on the streets and highways of the State of Texas; (d) do not exceed Eighty inches (80") in height, or One Hundred inches (100") in width and (e) have no advertising or signs located thereon, may be parked in the driveway on a Residential Lot, however, no vehicle shall be parked so as to obstruct or block a sidewalk or be parked on a grassy area. The restriction concerning advertising and signs shall not apply to any vehicles, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a Dwelling in the immediate vicinity. Storage of any vehicles in the street is prohibited. Storage shall mean the parking of a vehicle for the shorter of: (i) seventy-two (72) consecutive hours or (ii) seven (7) days in any calendar month, whichever occurs first.

Vehicles to be parked on a Residential Lot must meet the restrictions of this Declaration, and at all times be operable (unless otherwise completely concealed in an enclosed garage), have current license tags, current state inspection stickers, and comply with current mandatory insurance under the laws of the State of Texas. Any vehicle not in daily use as a motor vehicle on the streets and highways of the State of Texas and not in compliance with the foregoing shall be considered stored on the property and such storage is strictly prohibited unless same is completely concealed in an enclosed garage. A vehicle that cannot physically fit within the designed garage of the Dwelling with the door closed will be construed as a vehicle not incident to residential use of a Residential Lot. Additional Stella Ranch Rules and regulations for the use, maintenance and parking on private and/or public streets may be promulgated by the Board. Vehicles are prohibited from parking in a manner that blocks a public sidewalk.

Recreational vehicles, such as mobile homes, motor homes, campers, and boats are not considered vehicles incident to the residential use of a Residential Lot and therefore are not permitted to be stored outside of the garage or Architectural Committee approved enclosure on a Residential Lot for any period of time greater than forty-eight (48) hours. A recreational vehicle with not more than two (2) axles may be parked in front of or on the Residential Lot for up to forty-eight (48) hours for loading, and unloading only.

Parking of any vehicle other than in a driveway or within an enclosed garage of a Residential Lot or other paved area provided for parking is expressly prohibited. The Owners of any Residential Lot, by virtue of ownership of a Residential Lot within the Subdivision, hereby contractually covenant and agree that the Association has jurisdiction over the public streets within the Subdivision, and shall have the right without the obligation to enforce the ban on parking on the public streets.

Notwithstanding anything contained herein to the contrary, the Board may promulgate parking Stella Ranch Rules which may change the dimensions of permitted vehicles and/or the length of time for temporary parking or storage of vehicles. If there is a conflict between this Section and parking Stella Ranch Rules promulgated by the Board, the parking Stella Ranch Rules shall control.

The Association may establish from time to time reasonable Stella Ranch Rules regarding the use, maintenance and parking of vehicles on private and/or public streets, and the Association has discretion to determine the various types of vehicles that fall within the scope of any such Stella Ranch Rules.

O. Play Structures

Play Structures (as defined herein) shall not be constructed or placed on a Residential Lot within the Subdivision without the prior written approval of the Architectural Committee. Guidelines may be established from time to time regarding play forts, play houses, swing sets and other recreational equipment ("Play Structures"), taking into account such factors including but not limited to the overall height, size, location and number of Play Structures placed on a Residential Lot. In setting the Stella Ranch Rules, factors including but not limited to the size and configuration of the Residential Lot, the location of the Residential Lot in the community, the location of the Play Structure on the Residential Lot, the type of fencing on the Residential Lot and visibility of the Play Structure from streets, other Residential Lots, or the Common Areas may be taken into account.

P. Screening

No Owner or Occupant of any portion of the Property shall permit the keeping of articles, goods, materials, utility boxes, refuse, trash, storage tanks, or like equipment on the Property which may be

considered a nuisance or hazard in the sole discretion of the Board. Air conditioners, utility boxes, garbage containers, antennas to the extent reasonably possible and pursuant to the terms set forth herein, or like equipment, shall not be kept in Public View and must be placed in a location first approved in writing by the Architectural Committee. Such screen shall be of a height at least equal to that of the materials or equipment being stored, but in no event shall such screen be more than six feet (6') in height. Added screening must also be provided to shield such stored materials and equipment from grade view from adjacent Dwellings or Common Area. Utility boxes must be screened so that they are not visible from the street and as may be set out in the Guidelines. A combination of trees, hedges, shrubs or fences should be used as screening material, as same may be set out in the Guidelines. All screening designs, locations, and materials are subject to prior written Architectural Committee approval. Any such screening installed must be maintained in a clean and neat manner at all times, and may not detract from the appearance of the Property.

Q. Signs

No sign or emblem of any kind may be kept or placed upon any Residential Lot or mounted, painted or attached to any Dwelling, fence or other improvement upon such Residential Lot so as to be visible from Public View except the following:

1. For Sale Signs. An Owner may erect one (1) sign on his Residential Lot, not exceeding 2'x3' in area, fastened only to a stake in the ground and extending not more than three (3') feet above the surface of such Residential Lot advertising the property for sale.
2. Political Signs. Not more than one sign per political candidate or ballot item, not exceeding 4' x 6' in area, may be erected upon a Residential Lot by the Owner of such Residential Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal, provided that such signs shall not be displayed before the ninetieth day preceding the date of the election and shall be removed before the tenth day after such election.
3. School Spirit Signs. Signs containing information about one or more students residing in the Dwelling and the school they attend shall be permitted so long as the sign is not more than 36" x 36" and is fastened only to a stake in the ground. There may be no more than one sign for each student residing in the Dwelling, and said signs may not be displayed more than ten (10) days in any calendar month, for more than three (3) months in a calendar year.
4. Security Signs/Stickers. Signs or stickers provided to an Owner by a commercial security or alarm company providing service to the Dwelling shall be permitted so long as the sign is not more than 8" x 8" or the sticker is no more than 4" x 4". There shall be no more than one sign and no more than six (6) stickers located on the windows or doors. Stickers shall also be permitted upon windows and doors for a "Child Find" program or a similar program sponsored by a local police and/or local fire department.

All signs and emblems within the Subdivision may be subject to Stella Ranch Rules.

A Builder and/or the Declarant may place certain information and advertising signs on Residential Lots without the prior permission of the Architectural Committee, so long as such signs are similar to those listed as acceptable for Builder use in the Guidelines, and so long as such signs do not otherwise violate this Declaration.

If any sign is placed within the Subdivision, including but not limited to the streets, street rights-of-way, and Common Areas, in violation of this Declaration or the Dedicatory Instruments, the Board or its

agents shall have the right but not the obligation to enter upon any Residential Lot, Residential Lot, street, street right-of-way, or Common Areas and remove and/or dispose of any such sign violation, and in doing so shall not be subject to any liability for trespass, other tort or damages in connection with or arising from such entry, removal and/or disposal nor in any way shall the Association or its agent be liable for any accounting or other claim for such action.

Guidelines may be established from time to time addressing the display of signs, including but not limited to billboards, posters, school activities, political signs, security signs/stickers and advertising devices within the Subdivision. The right is reserved by Declarant to construct and maintain, or to allow Builders to construct and maintain signs and other advertising devices on land they own and on the Common Area as is customary in connection with the sale of developed tracts and newly constructed residential Dwellings. In addition, the Declarant and the Association shall have the right to erect and maintain directional and informational signs along the streets within the Property and identifying signs and monuments at entrances to the Subdivision.

R. Swimming Pools/Spas

No above ground swimming pools are permitted. All swimming pools and spas require prior written approval by the Architectural Committee.

S. Tree Removal

No trees greater than three (3) caliper inches to be measured at a point six (6) inches above grade shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in writing by the Architectural Committee. In the event of an intentional or unintentional violation of this Section, the violator may be required to replace the removed tree with one (1) or more comparable trees of such size and number, and in such locations, as the Board may determine necessary, in its sole discretion, to mitigate the damage.

T. Window Air Conditioning Units

No window or wall type air conditioners shall be permitted to be used, placed or maintained on or in any building on the Residential Lots, with the exception that window or wall type air conditioners shall be permitted for the benefit of a garage if such air conditioning unit is located at the rear of the garage unit and is screened from Public View. All window air conditioning units require prior written Architectural Committee approval as set forth herein.

All livings areas within a home, including any room additions, must be centrally air- conditioned, unless otherwise approved by the Architectural Committee. Units that are alternatives to centrally air-conditioned units must be screened from Public View, and will require Architectural Committee approval.

U. Wind Turbines

No device used to convert wind into energy, including by way of illustration and not limitation, wind turbines, wind pumps, wind chargers and windmills, shall be permitted to be used, placed or maintained in any location within the Subdivision. Provided, however, this provision does not apply to Common Areas within the Subdivision. The Board shall have the sole discretion to determine what devices are prohibited pursuant to this provision.

V. Window Treatments

Within three (3) months of occupying a Dwelling on any Residential Lot, an Owner shall install appropriate window treatments in keeping with the Stella Ranch Rules. Appropriate window treatments would include, by way of illustration and not limitation, curtains and draperies with backing material of white, light beige, cream, light tan, or light gray; blinds or miniblinds of the same colors or natural wood; and/or shutters of the same colors or natural wood. No other window treatment color may be visible from the exterior of the Dwelling. The Board shall have the sole discretion to determine what window treatments are appropriate.

Expressly prohibited both before and after the initial three (3) months of occupancy are any temporary or disposable coverings not consistent with the Stella Ranch Rules, such as reflective materials, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made for or commonly used by the general public for window coverings in a residential subdivision of the same caliber as the Subdivision.

W. No Warranty of Enforceability.

While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article 3 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Residential Lot in reliance upon one or more such restrictive covenants, terms or provisions shall assume all the risks of the validity and enforceability thereof and, by acquiring the Residential Lot, agrees to hold the Declarant harmless therefrom.

**ARTICLE 4
RESIDENTIAL RESTRICTIONS**

4.01 Residential Use. Excluding Common Areas or pavilion or clubhouse areas reserved or owned by the Association or the Declarant, or their assigns, all Residential Lots shall be improved and used solely for residential purposes inclusive of a garage, fencing, and other such improvements as are necessary or customarily incident to residential use. No Owner shall occupy or use his Residential Lot or any Improvements constructed thereon, or permit the same or any part thereof to be occupied or used for any purpose, including religious, other than a private residence for members of the Occupant Group. All Residential Lots within the Property shall be used and improved for single-family residential structures, with no more than one (1) residential dwelling unit per Residential Lot. Anything herein to the contrary notwithstanding, any Residential Lot may be used or improved for a greenbelt, open space or drain field purposes. No Improvement may be constructed upon any Residential Lot that would unreasonably obstruct the view from any other portions of the Property, and the positioning of all Improvements upon Residential Lots within the Property is hereby expressly made subject to Architectural I Committee review. The Architectural Committee may, but shall not be required to, prevent or allow the construction of a proposed Improvement based upon the effect it will have upon the view from any particular Residential Lot. The Architectural Committee may consider the effect the Improvement will have on the Property as a whole, it being expressly understood that neither the Architectural I Committee nor the members thereof shall be liable to any Owner in monetary damages or otherwise due to the construction of any Improvement within the Property or the creating thereby of an obstruction to the view from such Owner's Residential Lot or Residential Lots.

4.02 Garages and Garage Orientation. No Residential Lot shall have Improvements erected which do not provide for a minimum of a two-vehicle garage with either a single sixteen foot (16') wide door or two eight foot (8') wide doors. All garage doors must meet the Stella Ranch Rules and regulations set out by the Architectural Committee and must have decorative hardware, windows, or decorative wooden construction.

4.03 Outbuildings. Every building, inclusive of such structures as a detached garage, storage building or greenhouse shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition or be completely screened from public view. All such buildings shall be subject to approval by the Architectural Committee. In no instance shall an outbuilding, other than a detached garage, exceed one (1) story in height or have total floor area in excess of ten percent (10%) of the floor area of the main dwelling.

4.04 Building Height and Roof Pitch and Materials. No Improvement greater than thirty-two (32') feet in height may be constructed on any Residential Lot without the prior written approval of the Architectural Committee. For purposes of this paragraph, height shall be measured from the foundation slab of the proposed Improvement to the ridgeline of the roof of the proposed Improvement. Except for covered back porch roofs, roof pitch shall have a minimum of 6/12 (meaning the roof rises six inches (6") for every twelve inches (12") inward toward the peak or ridge). However, a roof pitch of a minimum 3/12 is permitted for accent roofs or shed roofs. All roofs shall use shingles which are minimum 25 year, 3 tab asphalt shingles.

4.05 Building Materials; Dwelling Size; Chimney Construction.

(A) All single family dwellings shall be of recognized standard construction quality, and all exteriors (exclusive of doors, windows and similar openings) shall be constructed as set out below. Unless an exception is granted by the Architectural Committee, all single family dwellings shall contain no less than the 1,200 square feet of enclosed living space, exclusive of all porches (open or covered), decks and garages set out below. Each residence shall include an enclosed attached or detached garage or other structure sufficient to meet the requirements of Sections 3.22 and 4.02 above.

(B) On all single family dwellings, the minimum masonry requirement requires that the front elevation of the structure will be masonry, which may exclude porches and patios. Masonry includes stucco, brick, rock and all other materials commonly referred to in the College Station, Texas area as masonry. Masonry does not include concrete hardy-board siding. Chimneys may be horizontal or clapboard siding (also called "lap" siding) or stucco siding. On side and rear elevations, any siding used shall be cementitious fiber board, to include the following styles: (a) lap siding; (b) board and batten siding; or (c) shingle or shake siding. Particle board siding shall not be allowed.

4.06 Front Elevations. Front elevations of all primary residential structures on any Residential Lot shall have a least one articulation a minimum two feet (2') in depth offset, which may be at any location, including without limitation, garages or entryways.

4.07 Construction in Place. The use of prefabricated materials, including antique homes moved from other locations, shall be allowed only with the prior written approval of the Architectural Committee.

4.08 Setback Requirements. No building shall be located or erected nearer to any Residential Lot line than the building line shown on the recorded plat of the Property subdivision section which includes such Residential Lot.

**ARTICLE 5
GENERAL RESTRICTIONS APPLICABLE TO NON-RESIDENTIAL LOTS**

Notwithstanding anything contained herein to the contrary, the provisions of this Article shall apply only to Non-Residential Lots unless other portions of the Property are specifically included in said provisions.

A. Non-Residential Uses Permitted

Non-Residential Lots within the Subdivision shall be used exclusively for commercial, office, administrative, and retail purposes and for purposes supportive of the Subdivision as a whole, such as water production, drainage and detention.

B. Parking and Traffic

At no time may use within on a Non-Residential Lot cause increased parking or traffic within the areas for Residential Lots in the Subdivision. Any increased parking or traffic within the Subdivision as a result of a use on a Non-Residential shall be deemed to be a Deed Restriction Violation. The Board may, in its sole discretion, establish rules and regulations for parking, driveways and storage of vehicles within the Non-Residential Lots.

C. Flags and Flagpoles

The size, number, and placement of flagpoles, and the display of flags within the Subdivision, shall be subject to Stella Ranch Rules or policies adopted by the Board. The Declarant, by promulgating this Section, is not attempting to violate any local, state or federal law. This Section shall be interpreted to be as restrictive as possible while not violating any laws of the State of Texas and/or the United States of America.

D. General Nuisances

No portion of a Non-Residential Lot shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, animal, or material be kept upon any portion of the Subdivision that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, commercial appeal, or aesthetics of the Owners of surrounding Non-Residential Lots and users of the Common Areas.

No noxious, illegal, or offensive activity shall be carried on upon any Non-Residential Lots, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any Non-Residential Lots. There shall not be maintained any plants, animals, device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Non-Residential Lots. No outside burning of wood

(except for wood burned in approved outdoor fire pits and fireplaces), leaves, trash, garbage or household refuse shall be permitted within the Non-Residential Lots. No speaker, horn, whistle, bell or other sound device, except alarm devices used exclusively for residential monitoring purposes, shall be installed or operated on the Property, unless required by federal, state or local regulation. The use and discharge of firecrackers and other fireworks is prohibited within the Non-Residential Lots.

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Non-Residential Lot. The pursuit of hobbies or other visible activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, that might tend to cause disorderly, unsightly, or unkempt conditions, may not be pursued or undertaken on any part of the Subdivision. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work may be permitted provided such activities are not conducted on a regular or frequent basis, and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within twelve (12) hours.

Notwithstanding anything contained herein to the contrary, the Association shall have the right but not the obligation to enter upon any Common Area and/or street right-of-way and remove signs not authorized by the Board in advance, and/or to regulate (including, but not limited to, the prohibition of) street vending and similar non-approved activities.

No portion of the Subdivision shall be used, in whole or in part, in a way that creates a nuisance within the Subdivision. Activities or conditions constituting a nuisance are incapable of exhaustive definition which will fit all cases, but they can include those activities and conditions that endanger life or health, give unreasonable offense to senses, or obstruct reasonable use of property. Those activities or conditions that cause minor and/or infrequent disturbances resulting from ordinary life activities within a deed restricted community are not intended to constitute a nuisance. Whether such activity or condition constitutes a nuisance will be determined by the Board. The Board may adopt Stella Ranch Rules or policies to further define what constitutes a nuisance, as warranted.

E. Monuments and Fences

Fencing on all Non-Residential Lots within the Subdivision shall be subject to prior written approval by the Architectural Committee. Unless otherwise set forth herein or in Stella Ranch Rules, no fence, wall, or hedge shall be built or maintained forward of the front wall line of the main structure, not including decorative walls or fences, which are part of the Architectural Committee approved Architectural design of the main Building, and which are not to be built or maintained nearer than the building setback line of any Non-Residential Lot. An exception shall be made in the case of retaining walls not to exceed twenty-four inches (24") above the ground. Notwithstanding the foregoing, the Architectural Committee is empowered to waive the aforesaid height or setback limitation in connection with retaining walls and decorative walls if, in its sole discretion, such waiver is advisable in order to accommodate a unique, attractive or advanced building concept design or material and the resulting decorative wall and/or retaining wall will not detract from the general appearance of the Subdivision.

F. Signs

No sign or emblem of any kind may be kept or placed upon any Non-Residential Lot or mounted, painted or attached to any Building, fence or other improvement upon such Non-Residential Lot so as to be visible from Public View unless permitted by the Architectural Committee.

G. No Warranty of Enforceability.

While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article 4 or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Non-Residential Lot in reliance upon one or more such restrictive covenants, terms or provisions shall assume all the risks of the validity and enforceability thereof and, by acquiring the Non-Residential Lot, agrees to hold the Declarant harmless therefrom.

ARTICLE 5
STELLA RANCH OWNERS ASSOCIATION, INC.

5.01 Organization. The Declarant has caused the formation and incorporation of the Association as a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.02 Membership. Any Person or entity upon becoming an Owner shall automatically become a Member of the Association. Membership shall be appurtenant to and shall run with the property interest, which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with title to the said property interest.

5.03 Voting Rights. The right to cast votes and the number of votes which may be cast, for election of directors to the Board and on all other matters to be voted on by the Members shall be calculated as follows:

(A) The Owner, whether one or more (including Declarant), of each Lot within the Property shall have one vote for each Lot so owned. In addition, Declarant shall have one vote for each lot reflected on the preliminary plan or plats of the portions of the Property which have not been platted.

(B) In addition to the votes to which Declarant is entitled by reason of Subparagraph (A) of this Section, for every such vote, Declarant shall have three (3) additional votes until such time as the votes described in Subparagraph (A) of this section, owned by Owners other than Declarant, total in the aggregate ninety percent (90%) of the total number of votes outstanding under Subparagraph (A) (the "Transition Date"). Thereafter Declarant shall only have votes if any, to which it is entitled under Subparagraph (A) of this section.

5.04 Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to any limitations upon the exercise of its power as are expressly set forth in this Declaration. Without in any way limiting the generality of the two preceding sentences, the Association, and the Board acting on behalf of the Association, shall have the following powers at all times:

(A) Stella Ranch Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Stella Ranch Rules and Bylaws, not in conflict with this Declaration, as it deems proper to address any and all aspects of its functions. The Association shall have the authority to establish committees pertaining only to specific sections of Stella Ranch. Any committee, which elects to oversee a particular section, shall have the power to establish

section Stella Ranch Rules, which shall apply only to sections over which the committee has oversight. Any such section Stella Ranch Rules may be more restrictive than the provisions hereof, but shall not be less restrictive.

(B) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out Association functions.

(C) Records. To keep books and records of the Association's affairs.

(D) Assessments. To levy Assessments as provided in Article 7 below.

(E) Right of Entry and Enforcement. To enter at any time in an emergency, or in a non-emergency, after ten (10) days' written notice, without being liable to any Owner, upon any Lot and into any Improvement thereon for the purpose of enforcing the Stella Ranch Declarations for the purpose of erecting, maintaining or repairing any Improvement to conform to the Stella Ranch Declarations, and the expense incurred by the Association in connection with the entry upon any Lot and the work conducted thereon (i) shall be a personal obligation of the Owner of the Lot entered upon, (ii) shall be a lien upon the Lot entered on and Improvements thereon, and (iii) shall be enforced in the same manner and to the same extent as provided in Article 7 hereof for regular and special Assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the names of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Stella Ranch Declarations. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Stella Ranch Declarations; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

(F) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper for the operation of the Association.

(G) Delegation to Committees. To set up one or more committees as authorized by the Texas Non-Profit Corporation Act, as the same is amended from time to time.

(H) Employees. To engage such employees as may be reasonably necessary in the management of the Association and the performance of its duties.

(I) Community Fund. To maintain the Community Fund derived from Community Fund Fees in a segregated account for the purpose of investing in the future of Stella Ranch and the surrounding community, to support the functions of the Association and to enhance services and resources to the community throughout the sponsorship of programs, activities and events in and around Stella Ranch. It is the goal of the Community Fund to be available for assisting the Association and non-profit entities, community projects and organizations, and generally enhance the quality of life for Owners and occupants of Stella Ranch in the discretion of the Board. In exercising such discretion, the Board will attempt to adapt and provide the most relevant enrichments to the overall environment of Stella Ranch and the surrounding community. The Board will evaluate various options for program enhancements or supplementation which will contribute the greatest benefit to the overall community. Without limitation on the discretion of the Board, the following examples of projects or purposes for which the Community Fund may be

disbursed are (a) community outreach programs, social services and other charitable causes; (b) preservation of natural areas, historical sites, educational programs and activities; (c) support for recreational leagues, community networks, festivals and holiday celebrations; and recycling and cultural programs; and (d) programs which advance the arts, music, crafts, student scholarships, and improvement of infrastructure and recreation within Stella Ranch.

5.05 Landscape and Maintenance. The Association shall be authorized to landscape, maintain and repair easements, rights-of-way, common areas, entryways, sidewalks, paths, trails, detention ponds, lakes, waterfall pumps, irrigation equipment, water wells, entrance buildings, and other areas of the Property, as appropriate.

5.06 Common Areas.

(A) Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have the following duties:

- i. To accept, own, operate and maintain all Common Areas which may be conveyed or leased to it by Declarant, together with any Improvements of any kind or purpose located in said areas; and to accept, own, operate and maintain all other property, real and personal, conveyed or leased to the Association by Declarant; and to maintain in good repair and condition all lands, Improvements, and other Association property owned by or leased to the Association, whether by Declarant or by other Persons.
- ii. To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon individual Members of the Association. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.
- iii. To execute mortgages, both construction and permanent, for construction of Improvements on property owned by or leased to the Association, and to accept lands in Common Areas, whether or not improved, from Declarant subject to such mortgages or by assuming such mortgages. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner deemed appropriate by the borrower, whether Declarant or the Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien, as deemed appropriate by borrower, whether Declarant or the Association, on the Improvements to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees, assessment of Members, or otherwise, or any combination thereof, as may be deemed appropriate by Declarant or the Association, as the case may be, but subject to the limitations imposed by this Declaration.

(B) In addition to, and not in limitation of, the power and authority of the Association as set forth in Section 5.04 of this Declaration, the Association, acting through the Board, shall have the power and authority:

- i. To grant and convey portions of Association property, including fee title, leasehold estates,

easements, right-of-way, and/or mortgages, to any person or entity for the purpose of constructing, erecting, operating or maintaining the following:

- (a) Parks, parkways or other recreational facilities or structures;
- (b) Roads, streets, walks, driveways, trails and paths;
- (c) Lines, cables, wires, conduits, pipelines or other means of providing utilities;
- (d) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or
- (e) Any similar public, quasi-public or private Improvements.

Nothing contained in this subparagraph, however, shall be construed to permit use or occupancy of any Common Area or Improvement in a way that would violate applicable use and occupancy restrictions imposed by other provisions of this Declaration, or by any statute, rule, regulation, ordinance or other law of any governmental entity, including but not limited to Stella Ranch Rules and orders of the Brazos County Municipal Utility District No. 1, Texas Water Development Board, Texas Water Commission, and the Texas Commission on Environmental Quality ("TCEQ").

- ii. To pay for water, sewer, garbage removal, landscaping, gardening and all other utilities, services and maintenance for the property of the Association, or within city-owned parks, parkways, entrance ways, or street rights of way which the Association desires to maintain or pay for, in the best interest of the Association and the aesthetic appearance of the subdivision as a whole.
- iii. To pay for any other services necessary or proper in the performance of Association functions, and to pay for any other taxes or assessments that the Association or the Board is required to secure or to pay for, pursuant to applicable law, the terms of this Declaration, or the Articles or Bylaws of the Association.
- iv. To own and operate any and all types of facilities for both active and passive recreation.
- v. To construct new Improvements or additions to Association properties, subject to the approval of the Architectural Committee as required in this Declaration.
- vi. To enter into contracts with Declarant, other property owners associations with regard to other lands, and other persons, on such terms and provisions as the Board shall determine, to operate and maintain any of the Common Areas, to allow use by owners of land subject to the jurisdiction of other property owners associations, or to provide any service or perform any function on behalf of Declarant or the Association in connection with the purposes of the Association, on such terms as the Board may determine.
- vii. To acquire and own and to dispose of all manner of real and personal property, whether by purchase, grant, lease, gift or otherwise.
- viii. To borrow funds from banks, private lenders or Declarant, for such amounts and on such

terms as the Board, in its sole discretion, shall deem appropriate, for the purpose of carrying out the Association's powers, responsibilities, and obligations set out herein or otherwise permitted by law, and to secure such loans with assets of the Association (including, without limitation, liens on the Common Areas) as reasonably necessary to achieve the purposes of the Association. Such loans may be obtained to meet obligations of the Association when assessment or other funds are insufficient to meet necessary expenses, or to make capital improvements within the Common Areas. It is anticipated that the Association will borrow funds from the Declarant for the cost of amenities and construction of improvements within the Common Areas, from time to time, including prior to Transition Date, and such loans are expressly permitted.

- ix. To contract with private or public trash collection services or companies for residential trash collection with Stella Ranch, and to include the cost of such collection within the assessments required in Article Seven.
- x. Subject to the approval of the Declarant during the Development Period, the Association has or may hereafter enter into an agreement with a service provider for the provision of cable television and/or other communication services in order to obtain access to benefits and services for the benefit of Owners located in Stella Ranch. Payment for services and benefits provided pursuant to video, data and/or communication service agreements executed pursuant to this provision will be made from Assessments levied and collected by the Association pursuant to the authority granted herein, and such Assessments shall be supported by the lien created herein. While Owners are free to obtain the same or similar services from a provider of their choice, no Owner may avoid paying any portion of Assessments levied based on non-use of video, data or communication services provided and paid for by the Association with Assessments. The Declarant may be an owner, in whole or in part, of the service provider of the video, date or communication services with whom the Association reaches such agreement.

5.07 Agreement with Brazos County Municipal Utility District No. 1 or City of College Station, State of Texas, and County of Brazos. The Declarant, as the agent of the Association, or the Association, may enter into one or more agreements with the Brazos County Municipal Utility District No. 1 or the City of College Station or State of Texas or Brazos County, with respect to (1) the landscaping and maintenance of portions of public streets, highways, utility easements or rights of way, or (2) the dedication of any drainage basin, park or other common area within the property for municipal maintenance. The Association shall accept, without further requirement or documentation, said agreement and the requirements and benefits associated therewith, for any agreement reached by the Declarant.

5.08 Merger or Other Agreements. The Association may enter into agreements to merge, consolidate, combine and cooperate with other property owners associations with jurisdiction over other lands not subject to the Declaration. Such agreements shall be on such terms as the Board shall determine, including, without limitation, agreements to merge the Association with such other associations; to cooperate in the maintenance of Common Areas, to allow use of Common Areas by residents of other lands subject to the jurisdiction of other associations; and to make loans, enter contracts, charge user fees, or enter into leases with other associations providing for use or improvement of Common Areas; on such terms as the Board in its sole discretion may determine.

5.09 Indemnification. The Association shall indemnify any director, officer, or member of a committee duly appointed pursuant to the Articles or Bylaws who by reason of the fact that such person is or was a

director, officer or member of such a committee of the Association was, is, or is threatened to be made, a named defendant or respondent in (i) any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral, or investigative, (ii) any appeal in such an action, suit, or proceeding, and (iii) any inquiry or investigation that could lead to such an action, suit, or proceeding (hereinafter a "Proceeding"), and against all judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with any such Proceeding to the fullest extent permitted by the Texas Non-Profit Corporation Act, as amended and in effect from time to time. Such authorization of indemnification shall be deemed to be mandatory and deemed to constitute authorization of indemnification and advancement of expenses to the fullest extent permitted by the Texas Non-Profit Corporation Act, as amended and in effect from time to time.

ARTICLE 6 ARCHITECTURAL COMMITTEE

6.01 Membership of Architectural Committee. The Architectural Committee shall consist of not less than three (3) and no more than six (6) voting members ("Voting Members") and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as the Voting Members deem appropriate. The following persons are hereby designated as the initial Voting Members of the Architectural Committee:

6.02 Action by Architectural Committee. Items presented to the Architectural Committee shall be decided by a majority vote of the Voting Members.

6.03 Advisory Members. The Voting Members may from time to time designate Advisory Members.

6.04 Term. Each member of the Architectural Committee shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed as provided herein.

6.05 Declarant's Rights of Appointment. Until the Transition Date as defined in Section 5.03(B), Declarant, its successors or assigns shall have the right to appoint and remove all Voting Members of the Architectural Committee, which persons need not be drawn from Association Members. Notwithstanding the preceding sentence, Declarant may delegate its right of appointment, or any portion thereof, to the Board by written instrument before such date. Whenever the Transition Date occurs, thereafter, the Board shall have the right to appoint all Voting Members. At such time as the Board gains the right to appoint and remove Voting Members of the Architectural Committee, or any portion of this right, a majority of the Voting Members so appointed shall be drawn from Members of the Association. Advisory Members shall, when reasonably possible, be drawn from Members of the Association

6.06 Adoption of Stella Ranch Rules. The Architectural Committee may adopt such procedural and substantive Stella Ranch Rules, not in conflict with this Declaration, as it deems necessary or proper for the performance of its duties, including but not limited to a building code, a fire code, a housing code, and other similar codes.

6.07 Review of Proposed Construction. Whenever in this Declaration the approval of the Architectural Committee is required, the Architectural Committee shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts that, in its sole and absolute discretion, are relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications

therefore shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications. Until receipt by the Architectural Committee of any information or document deemed necessary by the Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. Upon receipt of all necessary information, the Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other related duties assigned or authorized by this Declaration, including at its option inspection of construction in progress to assure its conformance with previously approved Plans and Specifications. The Architectural Committee shall have the express authority to perform fact-finding functions hereunder and shall have the power to construe and interpret any covenant herein that may be vague, indefinite, uncertain or capable of more than one construction. The Architectural Committee may, in its review of Plans and Specifications and such other information as it deems proper, consider whether any proposed Improvement upon a Lot would unreasonably obstruct the view from other portions of the Property. The Architectural Committee may, but shall not be required to, disapprove any Improvement upon any Lot that would unreasonably obstruct the view from any other portion of the Property. No Improvement shall be allowed on any Lot which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes and materials and similar features as to be incompatible with residential development within the Property and the surrounding area. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set forth in the preceding sentence and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. The Architectural Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans and Specifications be deemed an endorsement, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes not of its authorship.

6.08 Actions of the Architectural Committee. The Architectural Committee may, by resolution unanimously adopted in writing, designate one or two of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Committee. In the absence of such designation, the vote of a majority of all the members of the Architectural Committee taken without a meeting shall constitute an act of the Architectural Committee.

6.09 No Waiver of Future Approvals. The approval or consent of the Architectural Committee of any Plans and Specifications for any work done or proposed, or in connection with any other matter requiring the approval or consent of the Architectural Committee, shall *not* be deemed to constitute a waiver of any right to withhold approval or consent as to any other Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

6.10 Work in Progress. The Architectural Committee may at its option inspect all work in progress to insure compliance with approved Plans and Specifications.

6.11 No Liability for Architectural Committee Members. Neither the Architectural Committee nor any member thereof shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Architectural Committee's duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Committee or its members, as the case may be. Neither the Architectural Committee nor any member thereof shall be liable to any Owner due to the construction of any Improvements within the Property, or the creation thereby of any obstruction of the view from such Owner's Lot or Lots.

6.12 Address. Plans and Specifications shall be submitted to the Architectural Committee in care of _____, or in care of such other person at such other address

as may be designated by Declarant or the Board, as the case may be, from time to time.

6.13 Failure to Act. In the event the Architectural Committee or its designated representative fails to approve or disapprove any Plans and Specifications within ten (10) days after the same have been submitted to it, complete with all other information requested by the Architectural Committee in connection with such submission, approval shall be assumed.

6.14 Variances. Notwithstanding any other provision of this Declaration, in order to prevent undue hardship upon the Owner or Owners of any individual Lot or Lots upon the Property, variance from any restrictions set out in this Declaration may be granted by a unanimous decision of the Architectural Committee in a written instrument to be duly acknowledged, if and when such a variance shall ever be granted.

6.15 Governmental Agency Approval. Nothing in this Declaration shall be construed to relieve any Owner from securing such approvals, certificates and/or permits as may be required by law in connection with the construction of any Improvements on any Lot.

6.16 Relationship with Association. The Architectural Committee has been created pursuant to this Declaration to perform certain functions specified herein relating to the review and approval of Plans and Specifications for Improvements built on the Property. The Architectural Committee does not exercise the authority of the Board, and shall not do so unless and until (i) the Board shall have duly appointed a majority of Board members to the Architectural Committee, and (ii) the Board shall by unanimous resolution, duly recorded in the records of the Association, make the Architectural Committee a committee of the Board in accordance with the Texas Non-Profit Corporation Act.

ARTICLE 7 FUNDS AND ASSESSMENTS

7.01 Assessments.

(A) The Association, acting through the Board, may from time to time levy Assessments against each Lot whether or not improved. The level of Assessments shall be equal and uniform between all Lots, provided, however, that no Assessments hereunder shall be levied against Declarant, or against Lots owned by a Builder for the first year of such Builder's ownership of such Lots. Furthermore, the Association may levy a lesser Assessment against vacant Lots or Lots with improvements under construction, in the Board's sole discretion.

(B) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.

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

7.02 Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited

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

7.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Stella Ranch Declaration, including but not limited to the cost of maintenance and improvement of all entry ways, landscaping, greenbelts, common areas, median strip, and right-of-way maintenance, the cost of enforcing the Stella Ranch Declaration, the cost of trash collection and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's funds. Assessments sufficient to pay such estimated note expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time, and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion.

7.04 Special Assessments. In addition to the regular annual Assessments provided for above, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Stella Ranch Declaration. The amount and due date of any special Assessments shall be at the reasonable discretion of the Board.

7.05 Capitalization Fee. Each purchaser of a Lot within Stella Ranch, other than the Declarant and any Builder, hereby covenants and agrees to pay to the Association a capitalization fee, which shall be an amount equal to one hundred percent (100%) of the then-current Annual Assessment (the "Capitalization Fee"), unless otherwise determined by the Board. Such Capitalization Fee shall be payable to the Association at the closing of the transfer of title to a Lot and shall not be prorated. The Capitalization Fee shall be in addition to, not in lieu of, the Annual Assessment and shall not be considered an advance payment of such Annual Assessments. The payment of the Capitalization Fee shall be secured by the continuing lien set forth herein and shall be collected in the same manner as Assessments. The transferring Owner shall notify the Association's Secretary, or managing agent, of a pending title transfer at least seven days prior to the transfer. Such notice shall include the name of the purchaser, the date of title transfer, and other information as the Board may require. The Capitalization Fee may be used by the Association for any purpose, which in the Association's sole discretion is for the benefit of Stella Ranch, including the placement of such Capitalization Fee in a reserve account.

7.06 Community Fund Fee. The Board shall have the authority to establish and collect a Community Fund Fee from a transferring Owner upon each transfer of title to a Lot within Stella Ranch, except transfers by (a) Declarant; (b) a Builder, (c) from one co-Owner to another; (d) by passage of title through a decedent's estate to surviving spouse or heir; or (e) a lender pursuant to a foreclosure of a mortgage; all of which shall be exempt. Such Community Fund Fee shall be payable to the Association at the closing of the transfer of the Lot and shall be secured by the Association's lien for Assessments established in this Declaration. The transferring Owner shall notify the Association's Secretary, or managing agent, of a pending title transfer at least seven days prior to the transfer. Such notice shall include the name of the purchaser, the date of title transfer, and other information that the Board may require. The Board, from time to time, shall determine the amount of the Community Fund Fee. The Community Fund Fee may be set by resolution of the Board upon a fee based in whole or in part on a percentage of the sales price of the

Lot; provided, any such Community Fund Fee shall be not greater than two percent (2%) of the sales price of the Lot, as indicated on the settlement agent's closing statement. The amount of the initial Community Fund Fee shall be one-half of one percent (0.5%) of the sales price of the Lot, and shall remain at this level until such time as the amount is changed by resolution of the Board. The Community Fund Fee shall be charged to the transferring Owner of a Lot (subject to the exemptions set out above), shall be due on the day of closing of a Lot and shall be delinquent if not paid in full on the day of closing for said Lot.

7.07 Owner's Personal Obligation for Payment of Assessments. The regular and special Assessments provided for herein shall be the personal and individual debt of the owner of the Lot covered by such assessments. Except as otherwise provided in Section 7.01(A) hereof, no Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the owner of the Lot shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from due date thereof (or if there is no such highest rate, then at the rate of 1-1/2% per month), together with all costs and expenses of collection, including reasonable attorney's fees.

7.08 Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but not paid by the Owner, shall, together with interest as provided in Section 7.07 hereof and the cost of collection, including attorney's fees as herein provided, thereupon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust filed of record, securing in either instance sums borrowed for the acquisition or improvement of the Lot in question. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and an officer of the Association, duly authorized by the Board, shall effectuate such subordination. To evidence an Assessment lien, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien, and a description of the Lot. Such notice shall be signed by an officer of the Association, duly authorized by the Board, and shall be recorded in the office of the County Clerk of Brazos County, Texas. Such lien for payment of Assessments shall attach with the priority above set forth from the date such payment becomes delinquent, and may be enforced subsequent to the recording of a notice of Assessment lien as provided above, by the foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property, or the Association may institute suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorney's fees incurred by the Association. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee, the Association shall report to said Mortgagee the status of any Assessments relating to the Mortgagee's mortgage and remaining unpaid for longer than thirty (30) days after due.

ARTICLE 8 EASEMENTS

8.01 Reserved Easements. All dedications, limitations, restrictions, and reservations shown on any plat covering all or any portion of the Property and all grants and dedications of easements, rights-of-way, restrictions, and related rights made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth

herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most effectively, efficiently and economically developing and marketing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, common areas, rights-of-way and easements for public utility purposes (including, without limitation, gas, cable, water, electricity, telephone and drainage), in favor of any person or entity, along and on either or both sides of any Lot line, any such easement having a maximum width of seven and one-half feet (7-1/2') on each side of such Lot line.

8.02 Installation and Maintenance. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, if any, no structure or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities; or in the case of drainage easements, which may change the direction or flow of water through drainage channels in such easements. The easement area of each Lot, if any, and all Improvements in such area shall be maintained continuously by the Owner of the Lot, except for those Improvements for which a public authority or utility company is responsible. Neither Declarant nor any utility company using the easements herein or referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants to shrubbery, trees, lawns or flowers or other property of the Owners situated on the land covered by said easements.

8.03 Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity reasonably relating to the construction, maintenance, operation or repair of any facility in any such easement area.

8.04 Drainage Easements. Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the Architectural Committee thereon require. Each Owner further covenants not to disturb any trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat. There shall be no construction of Improvements, temporary or permanent, in any drainage easement, except as may be approved in writing by the Architectural Committee.

8.05 Blanket Easement. An easement is hereby retained in favor of the Association over all Lots and the Common Areas for the purpose of enforcing the Stella Ranch declaration in accordance with Section 5.04(E) hereof, and for the construction of a common cable television system, a common sprinkler system, maintenance of landscaping, or any other item for the common benefit of the Owners. An easement is further granted for the purpose of repairing and maintaining any such system so constructed. An entry upon any Lot or the Common Areas to effectuate the foregoing purposes shall not be deemed as trespass.

ARTICLE 9 MISCELLANEOUS

9.01 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2064, unless amended as herein provided. After December 31, 2064, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended as provided in Section 9.03 below or terminated by a

written instrument executed by the Owners of at least three-fourths (3/4) of the Lots within the Property then subject to this Declaration, and filed of record in the Official Records of Brazos County, Texas.

9.02 Dissolution. Upon termination of this Declaration in accordance with Section 9.01 above, the Association shall be dissolved. In the event of any such dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to any appropriate public agency to be used for purposes similar to those of the Association with respect to the Common Areas. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

9.03 Amendment.

(A) By Declarant. This Declaration may be amended by the Declarant, acting alone, until July 1, 2034, and thereafter until the Transition Date, if later. No amendment by Declarant shall be effective until there has been recorded in the Official Records of Brazos County, Texas, an instrument executed and acknowledged by Declarant and setting forth the amendment, and, if amended after the end of the Development Period, an instrument executed and acknowledged by the Secretary of the Association, certifying that the Declarant had the requisite number of votes.

(B) By Owners. In addition to the method in Section 9.03 (A), after July 1, 2034, this Declaration may be amended by the recording in the Official Records of Brazos County of an instrument executed and acknowledged by the President and Secretary of the Association setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least sixty percent (60%) of the number of votes entitled to be cast pursuant to Section 5.03 hereof.

9.04 Notices. Any notice permitted or required by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

9.05 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the fundamental concepts of the Property set forth in this Declaration. This Declaration shall be construed, governed and enforced under the laws of the State of Texas.

9.06 Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to (i) excavate and grade, (ii) construct and alter drainage patterns and facilities, (iii) construct any and all other types of Improvements, sales and leasing offices, and similar facilities, and (iv) post signs incidental to construction, sales, and leasing anywhere within the Property.

9.07 Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights, and duties under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights, and duties hereunder.

9.08 Enforcement and Nonwaiver.

(A) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board shall have the right to enforce any and all of the provisions of the Stella Ranch Declaration. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.

(B) Nonwaiver. The failure to enforce any provision of the Stella Ranch Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.

(C) Liens. The Association shall have the right, when appropriate in this judgment, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance with this Declaration.

9.09 Construction.

(A) Restrictions Severable. The provisions of the Stella Ranch Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.

(B) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine, and neuter.

(C) Sole and Absolute Discretion. Notwithstanding anything herein to the contrary, whenever a party to this Declaration is entitled to exercise its "sole and absolute discretion", such discretion may be exercised by that party for any reason or for no reason, whether such discretion is arbitrary, uncontrolled or unreasonable. Any parties' exercise of its "sole and absolute discretion" shall be final and shall not be subject to appeal or be subject to adjudication by a court of law, arbitration, mediation, or otherwise.

(D) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, sections or articles.

(E) Deadlines on Business Day. If any deadline in this Declaration should fall on a Saturday, Sunday or a Texas or federal holiday, such deadline shall automatically be extended to the next business day.

(F) Choice of Law. This Declaration shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, Declarant has executed this Declaration to be effective as of the day of _____, 2024.

DECLARANT:

BV Stella Ranch Development, Inc., a Texas corporation

By: _____

Printed Name:

Title: President

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on the ____ day of _____, 2024, by _____, President of BV Stella Ranch Development, Inc., a Texas corporation, on behalf of said corporation, in the capacity therein stated.

NOTARY PUBLIC, State of Texas