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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR CLOUD COUNTRY SUBDIVISION UNIT-1**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COMAL §

THAT this Declaration (as hereafter defined) is made on this 22nd day of July, 2013, Declarant (as hereafter defined), who declares and publishes as follows:

WHEREAS, Declarant is the present owner of the Subdivision (as hereafter defined);

WHEREAS, it is the intent of Declarant to establish a uniform plan for maintenance and general appearance of the Subdivision (and prospectively, adjacent tracts of land which may later be subdivided, platted and subjected to this Declaration), to protect the value and enhance the desirability of the Subdivision (and prospectively, adjacent tracts of land which may later be subdivided, platted and subjected to this Declaration) for the benefit of both present and future owners of property within the Subdivision (and prospectively, adjacent tracts of land which may later be subdivided, platted and subjected to this Declaration), and, to this end, to create and establish the Association (as hereafter defined), and delegate thereto the powers to administer and enforce the covenants, restrictions, easements, charges and liens set forth herein.

NOW, THEREFORE, Declarant hereby declares that the Subdivision, and the individual lots that comprise the Subdivision, are held, and shall hereafter be conveyed subject to the Covenants and Restrictions (as hereafter defined) and further, that the Subdivision is hereby subjected to the jurisdiction of the Association. The Covenants and Restrictions shall run with the land comprising the Subdivision and each Lot (as hereafter defined), and shall be binding upon all parties having or acquiring any right, title or interest to the Subdivision or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each and every owner of the Subdivision or any part thereof.

**ARTICLE I
DEFINITIONS**

The capitalized terms listed below shall have the following designated meanings:

Section 1.1. "Association" shall refer to the Home Owners Association for Cloud Country Subdivision Unit-1, Inc., a Texas non-profit corporation, its successors and assigns.

Section 1.2. "Board" shall refer to the Board of Directors of the Association.

Section 1.3. "Builder" shall refer to any person or entity undertaking the construction of a residence on a Lot.

Section 1.4. "Class B Control Period" shall mean the period during which there is a Class B membership in the Association.

Section 1.5. "Committee" shall refer to the Architectural Control Committee created under this Declaration.

Section 1.6. "Community Properties" shall refer to all real property owned by the Association for the common use and benefit of the Owners.

Section 1.7. "Corner Lot" shall refer to a Lot which abuts on more than one street.

Section 1.8. "Covenants and Restrictions" shall refer to the covenants, restrictions, easements, charges and liens, collectively, set forth in this Declaration.

Section 1.9. "Declarant" shall refer to Milestone Cloud Country Development, Ltd., a Texas limited partnership, and its successors and assigns; provided, that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Subdivision without written assignment of the rights of Declarant shall not constitute an assignment of the rights of Declarant hereunder.

Section 1.10. "Declaration" shall refer to this Declaration of Covenants, Conditions and Restrictions, as it may hereafter be amended.

Section 1.11. "Deed Restrictions" shall refer to the covenants, restrictions, easements, charges and liens, collectively, set forth in this Declaration.

Section 1.12. "FHA" shall refer to the Federal Housing Administration.

Section 1.13. "Lot" shall refer to any of the numbered lots shown on the Plat and on which there is or will be built a single-family residence. The term "Lot" shall not include Community Properties. The term "Lots" shall refer to each Lot and all of them.

Section 1.14. "Member" shall refer to every person or entity which holds a membership in the Association, as provided herein.

Section 1.15. "Owner" shall refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not refer to any person or entity holding a lien, easement, mineral interest, or royalty interest burdening the fee simple title to any such Lot.

Section 1.16. "Plat" shall refer to the map or plat of the Subdivision recorded in Volume 9563, Pages 28-30, of the Deed and Plat Records of Comal County, Texas.

Section 1.17. "Subdivision" shall refer to the tract of land that is shown the Plat and identified as Cloud Country Subdivision Unit-1.

Section 1.18. "Street" shall refer to any street, drive, cul-de-sac, boulevard, road, alley, lane, avenue, or any thoroughfare as shown on the Plat.

Section 1.19. "VA" shall refer to the Veterans Administration.

ARTICLE II

HOME OWNERS ASSOCIATION

Section 2.1. *Organization.* Declarant has caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are: (a) the collection, expenditure, and management of the Maintenance Fund; (b) enforcement of this Declaration and the Covenants and Restrictions; (c) the establishment of architectural controls on the design and construction of single-family residences built within the Subdivision; (d) the promulgation of procedures to assure the maintenance of the exterior elements of improvements constructed on the Lots; and (e) the general overall promotion of the health, safety and welfare of the residents within the Subdivision. In addition to controlling the enforcement of this Declaration and the Covenants and Restrictions, the Association shall have the right to impose special assessments to effect needed repair of structures on individual Lots and to conduct those repair operations.

Section 2.2. *Board of Directors and Designated Representatives.* The Association shall act through the Board, which shall manage the affairs of the Association as specified in the Bylaws of the Association. The Board's actions shall be determined by a majority vote; however, the Board may designate a committee of two (2) or more representatives to act for it (the majority of whom shall be directors) and to perform any function the Board as a whole could perform.

No person serving on the Board shall be entitled to compensation for services performed, however, the Board may employ one or more architects, engineers, attorneys, or other consultants to assist the Board in carrying out its duties under this Declaration, and the Association shall pay such consultants for services rendered to the Board. Except as to liability by reason of gross negligence or intentionally malicious acts, no member of the Board shall be personally liable for any actions committed in the scope of services performed as a member of the Board. Notwithstanding any express or implied term or provision of this Declaration, neither Declarant nor the Board shall ever be obligated to enforce any provision of this Declaration, and failure to do so shall never be a ground for any liability for or recovery of any damages against the Declarant, the Board, or any Board member.

Section 2.3. *Membership in the Association.* Every Owner of a Lot shall be a Member of the Association. Lot ownership is the sole requirement for membership, but, except as

provided in Section 2.4 of this Declaration, no Owner shall have more than one vote or membership for each Lot owned. Membership shall be appurtenant to and may not be separated from ownership of the Lot (which is subject to assessment by the Association) and shall automatically pass with the title to the Lot. In the event that the Owner of a Lot is comprised of more than one person and/or entity, then such person(s) and/or entity(ies) shall determine among themselves how the vote for such Lot shall be cast.

Section 2.4. *Voting.* The Association shall have two (2) classes of voting membership:

(a) Class A. Members comprising Class A, with the exception of Declarant, shall all be Owners and shall be entitled to one vote for each Lot owned. When more than one individual or entity holds an ownership interest in a Lot, all such persons shall be Members, but in no event shall they be entitled to more than one vote for each Lot owned.

(b) Class B. Declarant shall be the sole Class B member. As a Class B member, Declarant shall be entitled to three (3) votes for each Lot owned. Notwithstanding anything contained in this Declaration to the contrary, Declarant shall have the right during the Class B Control Period to appoint and remove at any time any or all of the members of the Board, the Committee or any other committee established by the Board or the Committee, as well as the right to disapprove any action, policy or program of the Association, the Board, the Committee or any committee which in the sole and absolute judgment of the Class B member, would tend to impair the rights of Declarant or any Builder or interfere with the development, construction or marketing of any portion of the Subdivision (and any additional properties which may be annexed into jurisdiction of the Association), or diminish the level of services being provided by the Association.. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier: (i) when 100% of the Lots have been conveyed by the Declarant (or its designated assign) to unaffiliated third parties, (ii) the fiftieth (50th) anniversary of the date of this Declaration, or (iii) when the Class B member, in its sole discretion, so determines and records an instrument stating such in the Real Property Records of Comal County, Texas.

Section 2.6. *Inspection of Association Books.* Each Member shall have the right to inspect the books and records of the Association at the Association's office during reasonable office hours upon giving the President of the Association five (5) days prior written notice.

ARTICLE III

ARCHITECTURAL CONTROL COMMITTEE

Section 3.1. *Creation, Purpose and Membership.* There is hereby created an Architectural Control Committee initially comprised of Jacobo Malca, Chesley Swann and Patricia S. Swann, each of whom shall serve until his/her successor is appointed. The Committee shall be responsible for enforcing and maintaining the architectural integrity of improvements constructed on Lots and the quality of workmanship and materials used in the construction of such improvements in conformance with the Covenants and Restrictions. The

duties and powers of the Committee, and any successors or designated representatives as provided in this Declaration, shall cease on the date upon which a residence has been constructed on all Lots in accordance with plans and specifications approved by the Committee. At that time, the Committee shall resign and its duties will thereafter be exercised by the Board or a committee designated by the Board. In the event of the death or resignation of any person serving on the Committee, the remaining person(s) serving on the committee shall designate a successor, or successors, who shall have all the authority and power of his/her or their predecessor(s); provided, however, that this provision shall not apply to a successor committee appointed by the Board. Until such successor member(s) shall have been appointed, the remaining member(s) shall have full authority to perform the duties and responsibilities of the Committee. Declarant shall have the right to appoint and remove all members of the Committee. Items presented to the Committee shall be decided by a majority vote of the members of the Committee.

No person serving on the Committee shall be entitled to compensation for services performed; however, the Committee may employ one or more architects, engineers, attorneys, or other consultants to assist the Committee in carrying out its duties, and the Association shall pay such consultants for services rendered to the Committee. Except as to liability by reason of gross negligence or intentionally malicious acts, no member of the Committee shall be personally liable for any actions taken or omitted in the scope of services performed as a member of the Committee.

Section 3.2. *Powers, Duties and Authority of the Committee.* No building or other improvements shall be constructed or reconstructed on the Lots, and no exterior alteration therein shall be made until the site plan, the schematic plans and specifications and all other information and documents deemed reasonably necessary by the Committee have been submitted to and approved in writing by the Committee as to conformity and harmony of external design and location in relation to surrounding structures and topography, and as to quality of workmanship and materials, all in accordance with specified restrictions hereinafter set forth. In the event the Committee fails to approve or disapprove the site plan, schematic plan and specifications and other information and documents within thirty-one (31) days after submission to the Committee, approval thereof shall be deemed to have been given and the requirements of submission of final working plans and specifications shall be waived; however, such approval and waiver shall not operate to waive any other Covenants and Restrictions.

The Committee shall have the right to adopt such procedural and substantive rules and regulations, not in conflict with this Declaration, as it may deem necessary or appropriate for the performance of its duties. The Committee shall have the right to specify architectural and aesthetic requirements for improvements and structures to be constructed on the Lots. This includes minimum setback lines, the location, height, and extent of fences and walls or other screening devices, the orientation of structures with respect to Streets, walks, paths and structures on adjacent Lots, and the specification of a limited array of acceptable exterior materials and finishes that may be used in the construction, remodeling or repair of improvements and structures on the Lots, all in accordance with the architectural restrictions set forth in this Declaration. The Committee shall have the right, at its option, to inspect all

work in progress to insure compliance with approved plans, specifications and other matters.

The Committee shall have full power and authority to reject any plans and specifications that do not comply with the architectural restrictions contained in this Declaration, as well as proposed construction that does not meet the Committee's minimum construction and architectural design requirements. The Committee shall also have the power to reject proposed construction that might not be compatible with the overall character and aesthetics of existing construction on the Lots. The Committee shall not be responsible for reviewing any proposed improvement or alteration, nor shall its approval of any plans, specifications or other information or documents be deemed approval thereof from the standpoint of structural safety, engineering soundness or conformance with any rules, regulations, orders, ordinances, statutes or codes other than those set forth in this Declaration.

The Committee shall have the right, exercisable at its sole discretion, to grant variances to the architectural restrictions in specific instances where the Committee in good faith deems that such variance does not adversely affect the architectural and environmental integrity of existing structures on the Lots or the common scheme of the Subdivision and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances shall be in writing, addressed to the Owner requesting the variance, describing the applicable requirement to which the variance is granted, and listing conditions (if any) imposed on the granted variance and indicating the specific reasons for granting the variance. Failure by the Committee to respond within thirty-one (31) days following the receipt of a written request for a variance shall operate as a denial of the variance request. The granting of any variance shall not operate to waive or amend any of the terms or provisions of this Declaration except as to the particular property and the particular instance covered by the variance, and such variance shall not be construed to establish a precedent or future waiver, modification or amendment of the terms and provisions of this Declaration.

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

ARTICLE IV

ARCHITECTURAL RESTRICTIONS

Section 4.1. *Minimum Lot Area.* No Lot shall be divided or subdivided, nor shall any building be erected or placed on any Lot having an area of less than four thousand eight hundred (4,800) square feet; provided, however, that when Declarant is the Owner thereof, Declarant may further divide or subdivide any Lot and convey any easements or other interests less than the whole.

Section 4.2. *Type of Residence.* Only one detached single-family residence of not

more than two (2) stories shall be built or permitted on each Lot. All residences shall have an attached or detached, enclosed garage. Carports on Lots are prohibited. All structures shall be of new construction and no previously occupied structure shall be moved from another location onto any Lot. All residences must be kept in good repair and must be painted when necessary to preserve their attractiveness.

Section 4.3. *Living Area Requirements.* The living area of any single-family dwelling, exclusive of open porches and garages, shall contain not less than eleven hundred (1,100) square feet.

Section 4.4. *Location of Residence on Lot.* Unless otherwise approved in writing by the Committee, all residences on each Lot shall face the Lot line having the shortest dimension abutting a Street (front Lot line). Residences on Corner Lots shall have a presentable frontage on each Street on which they face. Each attached or detached garage shall, unless otherwise directed or permitted by the Committee, face either upon the front Lot line or upon a line drawn perpendicular to the front lot line. Driveway access will be provided from the front Lot line only, except for Corner Lots which may have driveway access from a side Street. No residence shall be located on any Lot nearer to the front Lot line or nearer to the side Street line than the building set back line as shown on the recorded Plat. No residence or other structure shall be located on any utility easement. No residence or other structure may be located nearer than five (5) feet from an interior Lot line.

Section 4.5. *Type of Construction.* Unless otherwise approved in writing by the Committee, the masonry requirements for single and two story dwellings shall be as follows:

One-Story Dwellings. The front exterior wall of all single family dwellings shall be constructed of masonry, exclusive of roofs, eaves, soffits, windows, doors, gables, garage doors and trim work.

Two-Story Dwellings. The front exterior wall of the first floor of all single family dwellings shall be constructed of masonry, exclusive of roofs, eaves, soffits, windows, doors, gables, garage doors and trim work.

Fiber cement siding is a substitute for masonry.

No garage or accessory building shall exceed in height the dwelling to which it is appurtenant without the prior written consent of the Committee. Every garage and permitted accessory building (except a greenhouse) shall correspond in style and architecture with the dwelling to which it is appurtenant.

Section 4.6. *Temporary Buildings.* Temporary buildings or structures shall not be permitted on any Lot. Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used in connection with the construction and sale of residences, but such facilities shall not be maintained in any Street. Builders constructing improvements on Lots may use garages as sales offices for the time during which such Builders are marketing

homes within the Subdivision. At the time of the sale of a residence by a Builder, any garage appurtenant to such residence used for sales purposes must be reconverted to a garage.

Section 4.7. *Roof Material.* Roofs on all residences and other buildings shall be constructed of fire-resistant, fire-retardant or fireproof material. Exposed metal roof decks which reflect light in a glaring manner such as steel sheets are specifically prohibited.

Section 4.8. *Fences.* No fence or wall shall be erected on any Lot nearer to the Street than the front of the main residential dwelling or the front Lot set-back line, whichever is further from the street. The erection of chain link fences facing upon a Street is prohibited.

Section 4.9. *Grass, Shrubbery and Trees.* The Owner of each Lot shall spot bed or sprig with grass the area between his/her residence and the curb line of each abutting Street. Grass, shrubbery, trees, plantings and weeds shall be maintained and trimmed to prevent unsightly appearance. Dead or damaged trees, which might create a hazard to property or persons, shall (after any necessary notice has been given by the Association) be promptly removed or repaired by the Owner, and if not removed by the Owner upon request by the Association, then the Association may remove or cause to be removed such trees at the Owner's expense and shall not be liable for damage caused thereby. No hedge may be installed or maintained more than three (3) feet in front of the wall of the single-family dwelling which is located on the Lot and closest to the front property line of the Lot.

Section 4.10. *Poles, Masts, Exterior Antennae/Air Conditioners.* No poles, masts, radio or television wires, satellite dishes or antennae shall be placed on any Lot between the residence and an adjoining Street; nor shall poles, masts, antennae, including free-standing antennae, be installed within the envelope of the residence without the express written approval of the Committee. No window or wall type air conditioners visible from any Street shall be permitted to be used, placed or maintained on or in any improvement on any part of any Lot. No satellite dishes visible from any Street or any adjoining Lot shall be permitted on any Lot and no satellite dishes with a dish larger than thirty-six (36) inches in diameter shall be permitted on any Lot.

Section 4.11. *Driveways.* On each Lot the Builder shall construct and the Owner shall maintain at his/her expense the driveway from the garage to the abutting street, including the portion of the driveway in the Street easement, and the Builder shall repair at his/her expense any damage to the Street occasioned by connecting the driveway thereto.

Section 4.12. *Sidewalks.* Before the construction of any residence is complete, the Builder shall construct in all adjacent Street rights-of-ways a concrete sidewalk four (4) feet in width, parallel to the Street curb. The sidewalk shall extend the full width and depth of the Lot and up to the Street curb on Corner Lots. Notwithstanding the foregoing, in the event that the laws, rules or regulations of any governmental authority establish more stringent requirements for location and size of concrete sidewalks, then Builder shall satisfy those more stringent requirements.

Section 4.13. *Curb Ramps.* If required by federal, state, or local law, curbs with accompanying sidewalks shall have curb ramps (depressions in the sidewalk and curb) at all crosswalks to provide safe and convenient movement of physically handicapped persons confined to wheelchairs. Such curb ramps will be provided at the time of construction of any sidewalks and must be constructed in accordance with specifications required by the applicable authority.

Section 4.14. *Screening Fences.* Except as otherwise provided herein, plants, fences or walls utilized in protective screening areas as shown on the Plat, shall be maintained to form an effective screen for the protection of the Subdivision throughout the entire length of such areas by the Owners of the Lots adjacent thereto at their own expense.

Section 4.15. *Traffic Sight Areas.* No fence, wall hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above a Street shall be permitted to remain on any Corner Lot within the triangular area formed by the two (2) lot lines abutting the Street and a line connecting them at points twenty-five (25) feet from their intersection or within the triangular area formed by the Lot line abutting a Street, the edge line of any driveway or alley pavement and a line connecting them at points ten (10) feet from their intersection. No tree shall be permitted to remain within such distances of the intersection unless the foliage line is maintained to meet the sight line requirements set forth above.

Section 4.16. *Private Utility Lines.* All electrical, telephone, and other utility lines and facilities which are located on a Lot, and that are not owned by a governmental entity or a public utility company, shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Committee.

Section 4.17. *Signs.* No signs, billboards, posters or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Committee other than (a) one sign of not more than the ten (10) square feet advertising the particular Lot on which the sign is situated for sale or rent, and (b) one sign of not more than ten (10) square feet to identify the particular Lot as may be required by FHA or VA during the period of actual construction of a single-family residential structure thereon. The right is reserved by Declarant to construct and maintain, or to allow Builders within the Subdivision to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings and the overall marketing or construction plans or activities for the Subdivision. The Association shall have the right to erect identifying signs on Community Properties at each entrance to the Subdivision.

Section 4.18. *Mailboxes.* All mail receptacles, house numbers and similar items used in the Subdivision must be harmonious with the overall character and aesthetics of the improvements constructed on the Lots in the Subdivision.

Section 4.19. *Disposal of Trash.* No trash, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in

sanitary refuse containers constructed of metal, plastic, or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened by planting or fencing. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his/her expense.

Section 4.20. *Building Materials.* No Lot shall be used for the storage of any materials whatsoever, except that material used in the construction of improvements to be erected on any Lot may be placed upon such Lot at the time construction is commenced. During initial construction of residences within the Subdivision, building materials may be placed or stored outside the front property line, adjacent to the Street. Building materials may remain on Lots for a reasonable time, so long as the construction progresses without undue delay after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. Under no circumstances shall building materials be placed or stored on any Street.

ARTICLE V

USE RESTRICTIONS

Section 5.1. *Residential Use.* Each and every Lot is hereby restricted to residential dwellings for single-family residential use only. No residence shall be occupied by more than one (1) single family. No business, professional, commercial, or manufacturing use or activity shall be made of or conducted upon any of the Lots, even though such business, professional, commercial, or manufacturing use be subordinate or incident to use of the premises as a residence. No structure other than one single-family residence and its outbuildings shall be constructed, placed on, or permitted to remain on any Lot. As used herein, the term "residential use" shall be construed to prohibit the use of any Lot for duplex houses, garage apartments for rental purposes or apartment houses. Garage sales or yard sales (or similar vending of merchandise) conducted on any Lot shall be considered a business activity and is, therefore, prohibited.

Section 5.2. *Animals and Livestock.* No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot. Consistent with its use as a residence, dogs, cats or other household pets may be kept on a Lot, provided that they are not kept, bred, or maintained for any business purposes and further provided that no more than three (3) such pets shall be kept on a Lot.

Section 5.3. *Nuisances.* No noxious or offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to residents of the Subdivision.

Section 5.4. *Storage and Repair of Vehicles.* No boat, mobile home, motor home, travel trailer, trailer, boat rigging, truck larger than a three-quarter (3/4) ton pickup, recreational vehicle, bus, or unused or inoperable automobiles shall be parked or kept in the Street adjacent to any Lot or on any Lot within view of the Street or any adjoining property. No Owner of any Lot or any visitor or guest of any Owner shall be permitted to perform work on automobiles or other vehicles in driveways or Streets other than work of a temporary nature. For the purposes of the foregoing the term "temporary" shall mean that the vehicle shall not remain in driveways or Streets in excess of forty-eight (48) hours.

Section 5.5. *Permitted Hours for Construction Activity.* Except in an emergency or when other unusual circumstances exist, as determined by the Board, outside construction work or noisy interior construction work shall be permitted only between the hours of 6:00 A.M. and 10:00 P.M.

Section 5.6. *Mineral Production.* No drilling, developing operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil, natural gas or water shall be permitted upon any Lot. Declarant waives his right to use the surface of any Lot for the exploration, development or production of oil, gas, or other minerals or water from the mineral estate, if any, owned and retained by Declarant.

Section 5.7. *Noise.* No speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used, or placed on any of the Subdivision.

Section 5.8. *Firearms, Fireworks.* No firearms or fireworks shall be discharged or used within the Subdivision.

Section 5.9. *Pools.* No above-ground pools shall be erected, constructed or installed on any Lot.

ARTICLE VI

ENFORCEMENT/MAINTENANCE

Section 6.1. *General.* The Declarant, the Board, the Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, the Covenants and Restrictions. Failure of the Declarant, the Board, the Association or any Owner to enforce any of the provisions herein contained shall in no event be deemed a waiver of right to do so thereafter.

Section 6.2. *Owner Maintenance.* Each Owner further covenants and agrees to maintain, paint, repair, replace and care for the roofs, gutters, downspouts, fences, exterior

building surfaces, the foundation and structural members of all improvements on his/her Lot in a neat and attractive manner and in a state of good repair. The exterior appearance of all structures shall be maintained in strict conformity with the improvements erected on other adjacent Lots and all repairs or replacements shall be of similar quality materials that are consistent with the existing architectural style.

Section 6.3. *Owner Repair or Reconstruction.* Each Owner further covenants and agrees that in the event of loss or damage to the improvements on a Lot, the Owner of such Lot shall either (a) proceed promptly to repair or to reconstruct the damaged improvements in a manner consistent with the original construction or such other plans and specifications as approved by the Association, or (b) clear the Lot of all damaged structures, debris, and ruins and thereafter maintain the Lot in a neat and attractive, landscaped condition.

Section 6.4. *Enforcement of Exterior Maintenance.* In the event of violation of any Covenant or Restriction by any Owner or occupant of any Lot and the continuance of such violation after ten (10) days written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, the Association shall have the right (but not the obligation), through its agents or employees, to repair, maintain and restore the Lot and the exterior of the residence and any other improvement located thereon at the expense of the Lot Owner. To the extent necessary to prevent rat infestation, diminish fire hazards and accomplish any of the above needed repair, maintenance and restoration, the Association shall have the right, through its agents and employees, to enter any residence or improvements located upon such Lot. The Association may render a statement of charges to the Owner or occupant of such Lot for the reasonable cost of such work. The Owner and occupant agree, by their purchase and occupation of the Lot, to pay such statement immediately upon receipt. The reasonable cost of such work, plus interest thereon at ten percent (10%) per annum, shall become a part of the assessment payable by the Owner of said Lot and payment thereof shall be secured by the Contractual Lien herein retained. The Association, its agents and employees shall not be liable, and are hereby expressly relieved from any liability for trespass or other tort in connection with the performance of the maintenance and other work authorized herein.

ARTICLE VII

EASEMENTS

Section 7.1. *Existing Easements.* The Plat dedicates for use as such, subject to the limitations set forth therein, certain Streets and easements shown thereon, and the Plat further establishes dedications, limitations, reservations and restrictions applicable to the Lots. Further, Declarant and Declarant's predecessors in title have heretofore granted, created and dedicated by various recorded instruments, certain other easements and related rights affecting the Lots. All dedications, limitations, restrictions and reservations shown on the Plat and all grants and dedications of easements shown thereon and any grants and dedications of easements and related rights previously made by Declarant and Declarant's predecessors in title affecting the Lots 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 Lot or part of the Subdivision.

Section 7.2. *Changes And Additions.* Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements in the Subdivision. 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, easements for public utility purposes, (including without limitation, gas, electricity, telephone, drainage and television cables) in favor of any person or entity furnishing or to furnish utility services to the Lots, along any front, rear or side Lot line, which easements shall have a maximum width of ten (10) feet; provided, however, that easements along side Lot lines shall straddle such Lot lines with five (5) feet on each side of such side Lot line.

Section 7.3. *Title To Easements And Appurtenances Not Conveyed.* Title to any Lot conveyed by Declarant by contract, deed, or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way, or any pipes, lines, poles, or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or his agents or employees, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Subdivision, and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

Section 7.4. *Installation And Maintenance.* There is hereby created an easement upon, across, over and under all of the Lots for ingress and egress in connection with installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, telephones, electricity, gas and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, on, above, across and under the Lots within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this Section, no sewer, electrical lines, water lines, or other utilities or appurtenances thereto may be installed or relocated on the Lots until approved by Declarant or the Board. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat and to trim overhanging trees and shrubs located on portions of the Lots abutting such easements.

Section 7.5. *Emergency And Service Vehicles.* An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles, and other service vehicles to enter on the Lots to allow the personnel engaged in such activities to properly perform their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees and management personnel to enter

the Lots to render any service.

ARTICLE VIII

MAINTENANCE AND SPECIAL ASSESSMENTS

Section 8.1. *Creation Of The Lien and Personal Obligation For Assessments.* The Declarant hereby covenants for each Lot and each Owner of any Lot, by acceptance of a deed to the Lot, whether or not it shall be expressed in the deed or other evidence of the conveyance, that the Owner shall pay the Association any special or capital assessments as hereinafter described. The Declarant also covenants for each Lot and each Owner of any Lot that the Owner shall pay a maintenance assessment or charge equal to his pro rata share of the cost to defray the maintenance and preservation of Community Properties, and the costs associated with the enforcement and implementation of this Declaration by the Board, the Association and/or the Committee.

These charges and assessments are to be determined, fixed, and collected as hereinafter provided, and together with such interest thereon and cost of collection thereof, shall be a charge on the land and shall be secured by a continuing lien (the "Contractual Lien") upon the Lot against which such assessments or charges are made. Each such assessment or charge, together with any applicable interest, costs, and reasonable attorney's fees shall also be and remain the personal obligation of the individual or individuals who owned the particular Lot at the time the assessment or charge became due, notwithstanding any subsequent transfer of title to such Lot. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them.

Section 8.2. *Rates of Assessment.* Except as otherwise provided herein, the annual maintenance assessments on all Lots shall be fixed at uniform rates for Lots of like kind. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the annual maintenance assessment for each vacant Lot shall be the sum of Fifty and No/100 Dollars (\$50.00) and the annual maintenance assessment for each Lot upon which improvements have been commenced shall be the sum of Four Hundred and No/100 Dollars (\$400.00). From and after that date, the maintenance assessment for all Lots (vacant or otherwise) may be adjusted as follows:

- (a) The Board shall, at least thirty (30) days in advance of each fiscal year, prepare a budget covering the estimated the total maintenance costs and expenses of the Association for the next fiscal year. This amount is to be divided by the total number of Lots in the Subdivision. The resulting figure is the annual maintenance assessment per Lot. If an Owner owns more than one Lot, such Owner's total annual maintenance assessment shall be the annual maintenance assessment per Lot multiplied by the total number of Lots owned by such Owner.
- (b) The maximum annual maintenance assessment may be increased each year by not more than ten percent (10%) above the maximum maintenance

assessment for the previous year without a vote of the Members.

(c) The maximum annual maintenance assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for that purpose.

(d) The Board may fix the maintenance assessment at an amount not in excess of the maximum.

The judgment of the Board in establishing its annual budget and annual assessments and other charges, and the actions of the Board associated with the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

Section 8.3. *Date of Commencement And Determination of Maintenance Assessment.*

The maintenance assessment provided for herein shall commence for all Lots on that date (which shall be the first day of a month) fixed by the Board as the date of commencement. A Lot Owner's first maintenance assessment shall be adjusted according to the number of months remaining in the then current calendar year, and shall be paid in equal monthly installments on the first day of each calendar month. Once the construction of improvements are completed on a Lot, subsequent monthly maintenance assessments shall be paid at the rate for improved Lots. The Board shall fix the amount of the maintenance assessment at least thirty (30) days in advance of each fiscal year. Written notice of the maintenance assessment shall be sent to every Owner on or before January 15 of the year to which the maintenance assessment is applicable.

Section 8.4. *Special Assessments.* In the event an Owner fails to maintain the exterior of improvements located on his/her Lot in conformance with the provisions of Section 4.2 of this Declaration, the Association, after approval by two-thirds (2/3) vote of the Board shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore any improvements erected thereon. The cost of such exterior maintenance shall constitute a special assessment to which such Lot is subject. The special assessment shall be due in full upon presentment in writing to the Owner whose Lot has been repaired, maintained or restored by the Association.

Section 8.5. *Assessments for Capital Improvements.* In addition to the assessments authorized above, the Association may, in any assessment year, levy an assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, including the improvement of the Community Properties, the purchase of additional real or personal property and any fixtures related thereto, that will contribute to the health, safety and welfare of the Owners and the Subdivision as a whole, provided that any such assessment must be approved by a two-thirds (2/3) vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose. Except as otherwise provided herein, such assessments shall be fixed at uniform rates for Lots of like kind.

Section 8.6. *Effect Of Nonpayment Of Assessments; Remedies Of The Association.* Any assessments or charges which are not paid when due shall be delinquent. If an assessment or charge is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same, or to foreclose the Contractual Lien herein retained against the Lot. Interest shall accrue on past due assessments at the maximum rate permitted by law. Costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. Each Owner, by his acceptance of a Deed to a Lot, accepts the Lot and title thereto as being subject to the Association's right to levy and collect the assessments provided for in this Declaration. The Owner's acceptance of a Deed also constitutes the granting of a Contractual Lien in favor of the Association to secure the payment of all assessments (whether for maintenance, special purpose or capital improvements) and charges, and expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such assessments and charges as a debt and to enforce the Contractual Lien by all methods available for the enforcement of such liens, including judicial foreclosure by an action brought in the name of the Association or through a non-judicial foreclosure pursuant to Section 51.002 of the Texas Property Code. Non-judicial foreclosure of the Contractual Lien, however, shall not be effective against any interest of the United States Government or its agencies in any Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of the Lot or the refusal to permit the Association to perform the maintenance/repair activities upon the Owner's Lot.

Section 8.7. *Certification by the Association.* The Association upon written request, and for a reasonable charge, shall furnish a certificate, signed by an officer of the Association, verifying the status of any assessments due and owing on any specified Lot.

Section 8.8. *Subordination of Lien to Mortgages.* As hereinabove provided, the title to each Lot shall be subject to the Contractual Lien securing the payment of all assessments and charges due the Association. The Contractual Lien shall not, however, be superior to any valid purchase money lien or a valid lien securing the cost of construction of home improvements. Sale or transfer of any Lot shall not affect the Contractual Lien; provided, however, the sale or transfer of any Lot pursuant to a judicial or non-judicial foreclosure under the aforesaid superior liens shall extinguish the Contractual Lien securing such assessment or charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the new Owner thereof from liability for any charges or assessments thereafter becoming due or from the Contractual Lien thereof.

Section 8.9. *Exempt Property.* Any portion of the Subdivision or the adjacent Streets that are dedicated to, and accepted by, a local public authority, and any portion of the Subdivision owned by a charitable or non-profit organization that is exempt from taxation by the laws of the State of Texas, shall be exempt from the assessments and charges created in this Declaration. Notwithstanding the foregoing, no Lot that is used as a residence shall be exempt from the assessments and charges.

Section 8.10. *No Owner Exemption.* No Owner may waive or otherwise exempt itself from liability for the assessments provided for herein by non-use of the Community Properties or the abandonment of the Lot owned by such Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or the Board under this Declaration or for any inconvenience or discomfort arising from the satisfaction of obligations of the Association.

Section 8.11. *Declarant Not Liable.* Notwithstanding anything contained in this Declaration to the contrary, Declarant shall not be liable to pay and no Lot owned by Declarant shall be subject to any assessment or charge under this Declaration.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. *Term.* This Declaration and these Covenants and Restrictions shall run with the land and shall be binding upon all parties and all persons claiming under them until the fiftieth (50th) anniversary of the date of this Declaration, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the Owners (including the Declarant) of seventy-five percent (75%) of the Lots has been recorded in the Real Property Records of Comal County, Texas, agreeing to terminate or modify the Covenants and Restrictions.

Section 9.2. *Severability.* Invalidation of any one or more of these Covenants and Restrictions by judgment or other court order shall not affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

Section 9.3. *Gender and Grammar.* The singular and the plural, wherever used herein shall be construed to mean or include one or more, when and as applicable, and the necessary grammatical changes required to make the provisions hereof apply to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

Section 9.4. *Paragraph Headings.* The headings and subdivision titles of this Declaration are for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

Section 9.5. *Interpretation.* If any word, clause, sentence, paragraph, or other part of this Declaration shall be susceptible of more than one or more of conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration is the intended interpretation and such interpretation shall govern.

Section 9.6. *Omissions.* If any punctuation, word, clause, sentence, or provision

necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision appearing in this Declaration shall be omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

Section 9.7. *Notices.* Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered upon the earlier of actual receipt by the addressee or on the third (3rd) business day after same is deposited in an official receptacle of the United States Postal Service, sent certified mail, return receipt requested, postpaid, addressed to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

Section 9.8. *Amendment.* This Declaration may be amended unilaterally at any time and from time to time by the Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial determination; (b) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration.; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration, or (d) if any other purpose, provided that the amendment has no material adverse effect upon any right of any Owner or that the Owner or Owners so affected have consented thereto. In all other instances, this Declaration may be amended during the initial period ending on the fiftieth (50th) anniversary of the date of this Declaration, by an instrument executed by the Owners of ninety percent (90%) of the Lots and thereafter by the Owners of seventy-five percent (75%) of the Lots.

Section 9.9. *Governing Law.* This Declaration shall be construed under and governed by the laws of the State of Texas.

Section 9.10 *Exemption of Declarant.* Notwithstanding anything in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any be subject to the control of or under the jurisdiction of the Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct any and alter drainage patterns and facilities, to construct any and all other types of improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Subdivision.

Section 9.11 *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.

Section 9.12 *No Warranty of Enforceability.* While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representations as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

ARTICLE X

ANNEXATION/STAGED DEVELOPMENT

Declarant shall have the unilateral right, privilege and option, but not the obligation, at any time and from time to time to annex additional properties owned by Declarant into the jurisdiction of the Association by the Declarant's execution and filing in the Real Property Records of Comal County of an instrument expressly stating the Declarant's intention to annex additional property and describing such additional property. Upon annexation, the Owners of land in such annexed property will be entitled to the use and benefit of all Community Properties and such Owners and annexed land shall be subject to the assessments imposed hereby on a uniform basis, consistent with the provisions of this Declaration. The funds resulting from any assessment, whether annual, special or capital, levied against any property hereafter annexed into the jurisdiction of the Association may be combined with the funds collected from the Owners of Lots in the Subdivision and may be used for the benefit of all property and all Owners in the manner hereinabove provided.

IN WITNESS WHEREOF, this Declaration is executed as of the date first written above.

DECLARANT:

MILESTONE CLOUD COUNTRY DEVELOPMENT, LTD.,
a Texas limited partnership

BY: Milestone Properties, Inc.,
a Texas corporation, Its General Partner

By: _____

Jacobo Malca, President

THE STATE OF TEXAS

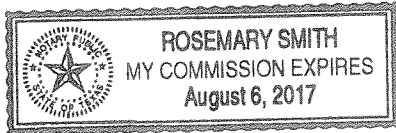
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COUNTY OF HARRIS

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This instrument was acknowledged before me on this 22nd day of July, 2013 by Jacobo Malca, President of Milestone Properties, Inc., a Texas corporation, in its capacity as general partner of MILESTONE CLOUD COUNTRY DEVELOPMENT, LTD., a Texas limited partnership, in said capacities and on behalf of said corporation and partnership.



Rosemary Smith
Notary Public, State of Texas

Filed and Recorded
Official Public Records
Joy Streater, County Clerk
Comal County, Texas
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