

**FILED BY  
ALAMO TITLE**

KMP 50012997

**TWO CREEKS  
MASTER DECLARATION OF COVENANTS, CONDITIONS,  
EASEMENTS AND RESTRICTIONS**

**AFTER RECORDING, RETURN TO:**

Sarah Carrington  
Bitterblue, Inc.  
11 Lynn Batts Lane, Suite 100  
San Antonio, Texas 78218

**INDEX TO  
TWO CREEKS MASTER DECLARATION OF COVENANTS, CONDITIONS,  
EASEMENTS AND RESTRICTIONS**

<b>RECITALS.....</b>	<b>1</b>
<b>MASTER DECLARATION.....</b>	<b>1</b>
<b>ARTICLE 1 DEFINITIONS.....</b>	<b>2</b>
<b>ARTICLE 2 PROPERTY SUBJECT TO THIS MASTER DECLARATION.....</b>	<b>4</b>
2.1 Existing Property .....	4
2.2 Annexation of Additional Property .....	5
<b>ARTICLE 3 PROPERTY OWNERS ASSOCIATION.....</b>	<b>6</b>
3.1 Members .....	6
3.2 Voting Rights .....	6
3.3 Board of Directors .....	6
3.4 Notice and Voting Procedures.....	7
3.5 Powers .....	7
3.6 Indemnification .....	8
3.7 Parkway Maintenance .....	8
3.8 No Obligation of Declarant .....	9
<b>ARTICLE 4 OWNERS ASSOCIATIONS .....</b>	<b>9</b>
4.1 HOAs.....	9
4.2 HOA Assessments .....	10
4.3 Additional Development Units .....	10
4.4 Maintenance of Development Units.....	10
<b>ARTICLE 5 ASSESSMENTS .....</b>	<b>10</b>
5.1 Assessments .....	11
5.2 Annual Assessment.....	11
5.3 Special Assessments .....	11
5.4 Amount of Assessment .....	11
5.5 Late Charges.....	12
5.6 Owner's Personal Obligation for Payment of Assessments.....	12
5.7 Assessment Lien and Foreclosure .....	12
5.8 Fines and Damages Assessment.....	14
5.9 Exempt Property.....	15
<b>ARTICLE 6 USE AND OTHER RESTRICTIONS .....</b>	<b>16</b>
6.1 Use Restriction .....	16
6.2 Other Covenants, Conditions and Restrictions.....	16
6.3 General Restrictions Affecting the Property.....	16

<b>ARTICLE 7</b>	<b>DISCLAIMERS.....</b>	<b>19</b>
7.1	"AS IS".....	19
7.2	No Representations or Warranties .....	20
7.3	Security .....	20
<b>ARTICLE 8</b>	<b>ENFORCEMENT.....</b>	<b>20</b>
<b>ARTICLE 9</b>	<b>MISCELLANEOUS .....</b>	<b>20</b>
9.1	Term.....	20
9.2	Amendment.....	20
9.3	Severability.....	21
9.4	Notice .....	22
9.5	Interpretation .....	22
9.6	Omission .....	22
9.7	Gender and Grammar .....	22
9.8	Conflicts.....	22
9.9	Assignment.....	22
9.10	Captions .....	22
9.11	Counterparts.....	23
9.12	Lienholder Consent .....	23

**EXHIBITS:**

- Exhibit A - Property
- Exhibit B - Annexation Area
- Exhibit C - School Tract (11.54 acres)
- Exhibit D - Lienholder Consent
  - Texas Capital Bank, National Association
  - Niemann Family Interests
  - Jefferson State Bank and John Stuart Sitework, Ltd.

M:\data\BB\TwoCreeks\MasterDecl.5.doc

**TWO CREEKS  
MASTER DECLARATION  
OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR TWO CREEKS ("Master Declaration") is made to be effective as of October 31, 2005 ("Effective Date"), by **Bitterblue/Two Creeks Phase 1, Ltd.**, a Texas limited partnership ("Declarant").

**RECITALS**

Declarant desires to create a comprehensive framework for development of a residential community on the Property (as herein defined) and a mixed use development within the Annexation Area (as herein defined) to be known and marketed as *Two Creeks* ("Project"). Declarant further desires to create and carry out a uniform plan for the development of the Project, to create a property owners association as herein provided to oversee the implementation of the uniform plan for the Project, to provide for the creation of a recreation club for the ownership, operation and maintenance of a recreation center for the benefit of the homeowners and residents within the Property, and to provide a mechanism to ensure that sufficient funds are available for the continued maintenance of various areas of the Property, all as more particularly defined and provided for herein.

In furtherance of the above-stated goals, Declarant desires to establish certain covenants and conditions regarding the common operation and development of the Project for the benefit of all of the Property, to establish a property owners' association with respect to the governance of same, and to establish a recreation club for ownership, maintenance and operation of the recreation center. It is specifically contemplated that this Master Declaration will complement and be construed in conjunction with the respective declarations and owners' associations for the Development Units (as herein defined) comprising the Project, and not in lieu thereof.

This Master Declaration shall be binding upon and constitute an encumbrance upon the Property, and shall constitute a covenant running with the title to the Property.

**MASTER DECLARATION**

Declarant hereby declares that all of the Property described herein, or property hereinafter annexed in accordance with the terms hereof, shall be held, sold, conveyed, mortgaged and occupied, subject to the following easements, restrictions, covenants, charges, liens and conditions which are for the purpose of protecting the value and desirability of the Property, and which shall run with the title to the Property and be binding on all parties having any right, title or interest in the Property or any portions thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

## **ARTICLE 1 DEFINITIONS**

The following words, when used in this Master Declaration or in any amended or supplementary Master Declaration, unless the context shall otherwise clearly indicate or prohibit, shall have the following respective meanings:

"Annexation Area" shall mean the real property described in **Exhibit B** hereto which may be annexed and become a part of the Property and subject to this Master Declaration as provided herein.

"Annual Assessment" shall have the meaning ascribed to such term in **Section 5.2** herein.

"Assessments" shall mean, collectively, the Annual Assessment and the Special Assessments established pursuant to **Article V** herein.

"Board" shall mean the Board of Directors of the POA, created in accordance with **Section 3.3** herein.

"Declarant Director" shall mean any Director of the POA designated by the Declarant in accordance with **Section 3.3(b)** herein.

"Declarant" shall mean Bitterblue/Two Creeks Phase 1, Ltd., and its successors and assigns who are designated as such in writing by Declarant pursuant to the terms of this Master Declaration.

"Dedicated Right-of-Way" shall mean the Parkway and such other area in the Property, if any, dedicated to the public for vehicular access through the Property.

"Development Unit" shall mean any specific part of the Property developed as a separate residential development and which has or is contemplated to have a separate Unit Declaration and a separate HOA.

"Exempt Property" shall mean that Property which is not subject to the Assessments, charges and liens created herein, as described in **Section 5.9** herein.

"Governmental Authority" shall mean the Federal government of the United States of America, the State of Texas, including the Texas Commission on Environmental Quality, County of Bexar, City of San Antonio, or any other governmental body, subdivision, agency, authority or property owners' association now or hereafter in existence that has jurisdiction over the Property or any use or activity with respect to the Property.

"Gross Acres" shall mean the total number of acres of land comprising the Property (and the Annexation Area, if any) or any portion thereof, excluding the Exempt Property.

“HOA” shall mean any homeowners association created for any Development Unit formed within the Property, or their respective successors and assigns. Nothing herein shall be construed in any manner to represent if, when, or in what manner any such development will take place or the number of HOAs which may in fact be formed within the Property.

“Improvement” or “Improvements” or “Improving” shall mean all structures or other improvements of any kind whatsoever, whether above or below grade, including, without limitation, buildings, utility installations, walkways, driveways, landscaping, signs, site lighting, site grading and earth movement and any additions, changes or alterations thereto.

“Lot” shall mean any tract or plot of land within the Property, whether platted or unplatted, subject to any Unit Declaration and/or the jurisdiction of any HOA, excluding the Exempt Property.

“Manager” shall have the meaning ascribed to such term in **Section 3.6** herein.

“Master Declaration” shall mean this Two Creeks Master Declaration of Covenants, Conditions and Restrictions, and any amendments, annexations and supplements hereto made in accordance with the terms hereof.

“Member” shall mean any member of the POA or any HOA, as applicable.

“Other Properties” shall mean all portions of the Property except for the Lots and Exempt Property.

“Owner” shall mean the record owner, whether one or more persons or entities, of fee simple title to any lot or tract which is a part of the Property, including, without limitation, contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

“Parkway” shall mean the Dedicated Right-of-Way for Baywater Stage Road and Two Creeks Road, that will provide access to and from the Property to and from Boerne Stage Road.

“Parkway Maintenance” shall have the meaning ascribed to such term in **Section 3.7** herein.

“Parkway Pedestrian, Landscape & Utility Easement” shall mean the approximately twenty foot (20’) pedestrian, landscape and utility easement on each side of the Dedicated Right-of-Way for the Parkway, the perimeter of which is approximately twenty feet (20’) within the property line of each tract adjacent to the Dedicated Right-of-Way in the Parkway.

“Project” shall mean all of the Property subject to this Master Declaration and the jurisdiction of the POA from time to time.

“Property” shall mean the real property in Bexar County, Texas described in **Exhibit A** hereto, and such additions thereto as may hereafter be subject to this Master Declaration and brought within the jurisdiction of the POA, including the Lots, Other Properties, and Exempt Property.

“Property Owners Association” or “POA” shall mean Two Creeks Property Owners Association, Inc., a Texas non-profit corporation, its successors and assigns, whose address is 1600 N.E. Loop 410, Suite 202, San Antonio, Texas 78209, to be created in accordance with **Article III** herein.

“Record of Withdrawal” shall have the meaning ascribed to such term in **Section 3.3(d)** herein.

“Recreation Center” shall mean the real property designated as the Recreational Center on **Exhibit A** hereto, and all improvements to be constructed and situation thereon, for the use and benefit of the Owners of Residential Lots within the Property.

“Recreation Club” shall mean a Texas non-profit corporation, its successors and assigns, to be created under the laws of the State of Texas, the members of which shall be each HOA (as and when formed), and which shall have the responsibility for the ownership, operation and maintenance of the Recreation Center, with mandatory membership fees for Owners of each Residential Lot, as more fully described in the Declaration and Covenants for the Recreation Center to be filed by Declarant upon formation of the Recreation Club. Nothing herein shall constitute a representation as to if, when or in what manner any such entity shall be formed.

“Residential Lot” shall mean any Lot (whether platted or not) actually used for single-family dwelling, including, without limitation, any single-family attached or detached dwelling home, patio home, garden home, condominium or townhouse unit, and the improvements thereon, located within the Property.

“Residential Purposes” shall have the meaning ascribed to such term in **Section 6.1** herein.

“School Tract” shall mean the real property described in **Exhibit C** attached hereto and incorporated herein.

“Special Assessments” shall have the meaning ascribed to such term in **Section 5.3** herein.

“Unit Declaration” shall mean any declaration for any Development Unit creating specific covenants, conditions and restrictions applicable to such Development Unit.

## **ARTICLE 2**

### **PROPERTY SUBJECT TO THIS MASTER DECLARATION**

2.1 **Existing Property.** All of the Property described in **Exhibit A** shall be subject to and encumbered by this Master Declaration (“Existing Property”).

**2.2 Annexation of Additional Property.** Additional property within the Annexation Area may be annexed and become subject to this Master Declaration from time to time, in accordance with the following terms and conditions:

(a) Declarant, its successors and assigns, shall have the right to bring any or all of the additional properties within the Annexation Area (with the joinder and consent of the fee owner of such property) within the scheme of this Master Declaration, without the consent of any other Owners, Members, or the Board, for a period of twenty-five (25) years after the date of recordation of this Master Declaration. Nothing herein shall obligate Declarant, its successors or assigns, to annex the Annexation Area or any part thereof.

(b) Any other annexation of additional properties not provided for in **Subsection (a)** of this **Section 2.2** shall require the written approval of a majority of the Board of the POA.

(c) Notwithstanding anything herein to the contrary, in the event that the School Tract is no longer owned by Northside Independent School District or a successor public school district and held or used for a public elementary school in accordance with the Declaration of Protective Covenants, imposed by Declarant on the School Tract and recorded in the Real Property Records of Bexar County, Texas, the School Tract shall be automatically annexed and brought within the scheme of this Master Declaration without the joinder or consent of the fee owner of the School Tract, or any other notice or action by Declarant, the Owner of the School Tract, any other Owners, or any other persons. From and after the effective date or any such transfer of ownership or cessation of permitted use, the School Tract shall be subject to all terms, conditions, restrictions, easements, assessments and other matters set forth in this Master Declaration, including the restriction for Residential Purposes, and shall be subject to the jurisdiction of the POA, and the liens and assessments imposed herein.

(d) The annexation of any property within the Annexation Area shall be evidenced by filing of record an appropriate supplementary declaration executed as provided in **Subsections (a), (b) or (c)**, as applicable. The supplementary declaration shall be generally similar to this Master Declaration, and shall extend the terms of this Master Declaration, in whole or in part, to such property. Declarant specifically reserves the right to impose individualized use restrictions and protective covenants for each tract added to the purview of this Master Declaration, which said restrictions and covenants may differ from tract to tract to reflect the different character of the added properties and Declarant's marketing strategy therefor, including, without limitation, supplementary restrictions and provisions applicable to commercial properties. The individualized use restrictions and protective covenants, if any, may be incorporated into the supplementary declaration by which the property is annexed or in a separate instrument. Any additions to the Property made pursuant to this **Section 2.2**, when made, shall automatically extend the jurisdiction, functions, duties and membership of the POA to the properties added and, correspondingly, subject the properties added to the covenants of the supplementary declaration and this Master Declaration.

(e) In the event of any merger or consolidation of the POA with another association, then its properties, rights and obligations may, by operation of law or by lawful articles or agreement of merger, be transferred to another surviving or consolidated association; or, alternatively, the properties, rights and obligations of another association may, by operation of law or by lawful articles or agreement of merger, be added to the properties, rights and obligations of the POA as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants established by this Master Declaration, together with the covenants and restrictions established upon any other properties, as one scheme.

### **ARTICLE 3** **PROPERTY OWNERS ASSOCIATION**

3.1 **Members.** Membership in the POA shall be mandatory for each of the following:

- (a) Each HOA, as and when formed; and
- (b) Each Owner of the Other Properties.

3.2 **Voting Rights.** Each Member of the POA shall have one (1) vote for each Gross Acre contained within the portion of the Property (i) in the Development Unit subject to that HOA, or (ii) in the case of the Other Properties, owned by such Owner.

3.3 **Board of Directors**

a) The affairs of the POA shall be managed by the Board in accordance with the terms of this Master Declaration, the Articles of Incorporation, Bylaws and other governing documents of the POA.

(b) The Board of Directors shall consist of (i) one (1) representative designated by each Member of the POA and (ii) Declarant, or one (1) representative designated by Declarant.

(c) Each Director of the POA will have one (1) vote. All decisions by the Board of Directors shall be by a vote of a majority of the then Directors, unless otherwise expressly provided herein.

(d) Declarant (or its designated representative) may, at any time, in its sole and absolute discretion, withdraw as a Director of the POA by filing a written Notification of Resignation in the Official Public Records of Real Property of Bexar County, Texas with specific reference to this Master Declaration, including recording information pertaining thereto ("Record of Withdrawal"). NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE EXECUTION, DELIVERY AND FILING OF THE RECORD OF WITHDRAWAL AS PROVIDED HEREIN SHALL BE IN THE SOLE AND ABSOLUTE DISCRETION OF DECLARANT, IRRESPECTIVE OF THE EXTENT TO WHICH ANY OR ALL OF THE PROPERTY HAS OR HAS NOT BEEN DEVELOPED. UNDER NO CIRCUMSTANCES WILL ONE OR MORE HOAS,

OWNERS OR OTHER PARTIES HAVE ANY RIGHT TO REQUIRE, FORCE OR OTHERWISE DEMAND THAT DECLARANT (OR ITS DESIGNATED REPRESENTATIVE) EXECUTE, FILE AND DELIVER THE RECORD OF WITHDRAWAL OR OTHERWISE WITHDRAW AS A DIRECTOR OF THE POA.

3.4 **Notice and Voting Procedures.** Quorum, notice and voting requirements of and pertaining to the POA shall be as set forth in the Articles of Incorporation and Bylaws, as either or both may be amended from time to time, and shall be in accordance with applicable Texas law.

3.5 **Powers.** The POA shall have the powers of a Texas nonprofit corporation. It shall further have the power to do and perform any and all acts that may be necessary or proper, for or incidental to, the exercise of any of the express powers granted to it by the laws of Texas or this Master Declaration. Without in any way limiting the generality of the foregoing, the Board, acting on behalf of the POA, shall have the following powers at all times:

(a) To make, establish and promulgate, and in its discretion to amend from time to time, or repeal and re-enact, such rules, regulations, and Bylaws not in conflict with this Master Declaration.

(b) To obtain and maintain in effect, policies of insurance that, in the opinion of the Board, are reasonably necessary or appropriate to carry out the POA's functions, including the insurance contemplated in **Section 3.6** herein.

(c) To keep books and records of the POA's affairs, and to make such books and records, together with current copies of the Master Restrictions available for inspection by the Owners, Mortgagees, and insurers or guarantors of any Mortgage, upon request during normal business hours.

(d) To levy and collect the Assessments and other charges as provided in **Article 5** herein.

(e) To retain and pay for legal and accounting services necessary or proper in the operation of the POA.

(f) To retain and pay for the services of a person or firm ("Manager") to manage and operate the POA, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the POA or may be furnished by the Manager. Each contract entered into between the POA and the Manager will be terminable by the POA without cause upon sixty (60) days written notice to the Manager. To the extent permitted by law, the Board may delegate any other duties, powers and functions to the Manager. **THE MEMBERS HEREBY RELEASE THE POA AND THE MEMBERS OF THE BOARD FROM LIABILITY FOR ANY OMISSION OR IMPROPER EXERCISE BY THE MANAGER OF ANY SUCH DUTY, POWER OR FUNCTION SO DELEGATED.**

(g) To enter into contracts or licenses with any third party on such terms and provisions as the Board will determine, for the Parkway Maintenance as provided in **Section 3.7** herein.

(h) Such other purposes as the Board of the POA, in its sole and absolute discretion, from time to time deems reasonable and in furtherance of the purposes of this Master Declaration.

(i) Within the sole and absolute discretion of the Board of the POA, from time to time, the right, but not the obligation, of enforcement of the covenants, conditions and restrictions contained in this Master Declaration and any Unit Declaration.

(j) In addition to the maintenance specifically provided for herein, such additional maintenance and improvements within the Property as the Board of the POA, in its sole and absolute discretion, may from time to time deem necessary or desirable in the furtherance of this Master Declaration.

**3.6 Indemnification.** To the fullest extent permitted by applicable law but without duplication (and subject to) any rights or benefits arising under the Articles or Bylaws of the POA, the POA will indemnify any person who was, or is, a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal administrative or investigative, by reason of the fact that he is, or was, a director, officer, committee member, employee, servant or agent of the POA, against expenses, including attorneys' fees, court and other costs reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the POA, or (2) with respect to any criminal action or proceeding, has no reasonable cause to believe that his conduct was unlawful.

The Board may purchase and maintain, at the expense of the POA, insurance on behalf of any person who is acting as a director, officer, committee member, employee, servant or agent of the POA against any liability asserted against him or incurred by him in any such capacity, or arising out of his status of such, whether or not the POA would have the power to indemnify him against such liability or otherwise.

**3.7 Parkway Maintenance.** The Parkway shall be the primary Dedicated Right-of-Way for the Property providing access to and from Boerne Stage Road. Upon completion, the Parkway right-of-way will be dedicated to Bexar County for vehicular access as a Dedicated Right-of-Way. The Parkway (and such other Dedicated Right-of-Way as the Board of the POA from time to time shall deem appropriate), and the Parkway Pedestrian, Landscape and Utility Easement shall be maintained by the POA to the extent of available funds from Assessments, as herein provided (collectively, the "Parkway Maintenance"):

(a) The maintenance and irrigation of landscaping, but specifically excluding any landscaping at the entrance to any Development Unit, Residential Lot, or other development, in which landscaping is particular to that development;

(b) The maintenance of fencing, sidewalks and monuments, but specifically excluding any fencing (other than common fencing along the Parkway or the Parkway Pedestrian, Landscape and Utility Easement), or monuments which are particular to any Development Unit, Residential Lot, or other development;

(c) The maintenance of accent and landscape lighting and monument lighting, but specifically excluding any lighting (other than lighting common to all of the Parkway or the Parkway Pedestrian, Landscape and Utility Easement), which is particular to any Development Unit, Residential Lot, or other development;

(d) Maintenance of crosswalks, if any, in the public right-of-way or in pedestrian sidewalks;

(e) Maintenance of drainage facilities within the public right-of-way;

(f) From time to time, in the sole and absolute discretion of the Board of the POA, asphalt repair in the public right-of-way; and

(g) The maintenance of such other Improvements in or to the Parkway and/or the Parkway Pedestrian, Landscape & Utility Easement, as the Board of the POA, in its sole and absolute discretion, may from time to time deem necessary and appropriate to maintain, and consistent with this **Section 3.7** and this Master Declaration.

3.8 **No Obligation of Declarant.** Declarant shall not be responsible for any of the Parkway Maintenance or any other obligations of the POA, except by Assessment by any HOA of any property owned by Declarant within a Development Unit covered by such HOA.

#### **ARTICLE 4** **OWNERS ASSOCIATIONS**

4.1 **HOAs.** It is contemplated that the Property will be developed as one or more Development Units, each of which may be comprised of Residential Lots, common areas, roads, greenbelts and other areas. Each Development Unit within the Property shall be a member of an HOA, which is formed for one or more such Development Units. Each HOA will have its own Unit Declaration which will, among other things, establish development covenants, conditions and restrictions for that particular Development Unit or Units, and will establish a mechanism for the HOA to collect a sum from the Owners of Residential Lots within that Development Unit sufficient to satisfy the POA Assessments attributable to that Development Unit.

## 4.2 HOA Assessments

(a) Each HOA shall have the right to assess the Residential Lot Owners of that Development Unit in the manner set out in the respective Unit Declaration, and, to the extent the HOA is assessed by the POA, in the manner provided in **Article V** below, and as required for mandatory membership in the Recreation Club.

(b) Assessments by the POA will be assessed against each HOA based upon Gross Acres, as provided in **Article V** below. The Unit Declaration creating each HOA shall specifically require that the HOA for that Development Unit(s) shall independently assess the Residential Lot Owners in such Development Unit(s), in the manner and fashion provided in the respective Unit Declaration, for each such POA Assessment. The HOA will be specifically responsible for the direct payment of such Assessments to the POA. The POA will have no right or obligation to demand payment of the Assessment of the POA from a Residential Lot Owner, except as specifically provided in **Article V** below. Notwithstanding the above, the Assessments of the POA as provided herein shall at all times remain the specific obligation of each HOA and shall be paid to the POA by the HOA.

4.3 Additional Development Units. To the extent that additional property is annexed pursuant to this Master Declaration and additional Development Units are created on the Property, such additional Development Units shall be subject to this Master Declaration, and all of the rights and obligations created herein with respect to a Development Unit shall apply to such Development Unit the same as if such Development Unit was in existence at the time of the filing of this Master Declaration.

4.4 Maintenance of Development Units. Neither Declarant nor the POA shall have any responsibility or obligation to maintain any part of any Development Unit.

## **ARTICLE 5 ASSESSMENTS**

### 5.1 Assessments.

(a) Assessments established by the Board of the POA pursuant to the provisions of this Article 5 will be levied against each portion of the Property except for the Exempt Property in amounts determined pursuant to **Section 5.4** herein. The total amount of Assessments will be determined by the Board pursuant to **Section 5.2** and/or **5.3**.

(b) Each Assessment together with such interest thereon and costs of collection as hereinafter provided, will be the specific obligation of the HOA, and the portion of the Assessment attributable to a Lot or portion of the Other Properties (allocated on a per Gross Acre basis) will be the personal obligation of the Owner of the Property against which the Assessment is attributable and will be secured by a lien hereby granted and conveyed by the Declarant to the POA against each portion of the Property and all Improvements thereon. The POA may enforce payment of such

Assessments in accordance with the provisions of this **Article**. Each Owner of Property will only be liable, and the lien reserved hereunder will only apply, to the portion of the Assessment allocated to such Property on a per Gross Acre basis.

(c) The Board will establish a maintenance fund into which will be deposited all monies paid to the POA and from which disbursements will be made in performing the functions of the POA under this Master Declaration. The funds of the POA must be used solely for purposes authorized by this Master Declaration, as it may from time to time be amended. Nothing contained herein will limit, preclude or impair the establishment of other maintenance funds by an HOA pursuant to any Unit Declaration.

**5.2 Annual Assessment.** Prior to the beginning of each fiscal year, the Board will estimate the expenses to be incurred by the POA during such year in performing its functions and exercising its powers under this Master Declaration, including the Parkway Maintenance and administering and enforcing the covenants and restrictions contained herein, and will estimate the amount needed to maintain a reasonable provision for contingencies and an appropriate replacement reserve, and will give due consideration to any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses will then be levied at the level of Assessments set by the Board in its sole and absolute discretion, and the Board's determination will be final and binding so long as it is made in good faith. At the Board's sole and absolute discretion, the maximum regular Annual Assessments permitted hereunder may be increased by no more than ten percent (10%) per year (which may be cumulative – i.e., 10% for each year not previously increased), unless approved by at least two-thirds in number of the Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for Special Assessments herein.

**5.3 Special Assessments.** In addition to the regular Annual Assessments provided for herein, the Board may levy Special Assessments uniformly against the Property (except for the Exempt Property) to enable the Board to carry out the mandatory functions of the POA under this Master Declaration, upon the approval of at least two-thirds in number of the Members at a meeting called for that purpose, by written notice provided to each Member at least twenty (20) days prior to the meeting, and with at least sixty percent (60%) of the votes in the Association present or represented by proxy at said meeting. If sixty percent (60%) of the votes in the Association are not represented at the meeting, a second meeting may be called with the same notice and the quorum needed for said second meeting shall be thirty percent (30%) in number of the votes in the POA represented in person or by proxy.

**5.4 Amount of Assessment.**

(a) Assessments levied pursuant to **Section 5.2** and **Section 5.3** will be levied uniformly against the Property (except the Exempt Property).

(b) Each HOA shall have the right to assess the residential Lot Owners of that Development Unit in the manner set out in the respective Unit Declaration, and, to the extent the HOA is assessed by the POA, in the manner provided herein.

(c) Assessments by the POA will be assessed against each HOA based upon the number of Gross Acres comprising the Property within such Development Unit, excluding the Exempt Property. The Unit Declaration creating each HOA shall specifically require that the HOA for that Development Unit shall independently assess the Owners in such Development Unit in the manner and fashion provided in the respective Unit Declaration, for each such POA Assessment. The HOA will be specifically responsible for the direct payment of such Assessments to the POA. The POA shall have the right to demand payment of the POA Assessment from an Owner as provided herein. Notwithstanding the above, the POA Assessments as provided herein shall at all times remain the specific obligation of each HOA and shall be paid to the POA by the HOA.

(d) Notwithstanding anything herein contained to the contrary, all Unplatted Property (as herein defined) shall be assessed at the rate of twenty-five percent (25%) of the rate established for the Annual Assessments and Special Assessments hereunder from time to time. For purposes hereof, "Unplatted Property" means those portions of the Property that are not designated as a lot on a plat recorded in the Real Property Records of Bexar County, Texas. From and after the date of recordation of any plat designating such portion of the Property as a platted lot, the lot shall be assessed at the full rate established for the Annual and Special Assessments hereunder. Any approval required of Owners pursuant to **Sections 5.2 and 5.3** herein with respect to the Assessments shall mean only those Owners of Property subject to the full rate for Assessments, and shall not include any Owners of Unplatted Property.

**5.5 Late Charges.** If any Assessment, whether regular or special, is not paid by the due date applicable thereto, the Owner responsible for the payment may be required by the Board, at the Board's election at any time and from time to time, to pay a late charge in such amount as the Board may designate, and the late charge (and any reasonable handling costs) will be a charge upon the Property owned by such Owner, collectible in the manner as provided for collection of Assessments, including foreclosure of the lien against such Property; provided, however, such charge will never exceed the maximum charge permitted under applicable law.

**5.6 Owner's Personal Obligation for Payment of Assessments.** Assessments levied as provided for herein will be the personal and individual debt of the Owner of the Property against which are levied such Assessments. 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 Property will be obligated to pay interest on the amount of the Assessment at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date therefore (or if there is no such highest rate, then at the rate of 1 and 1/2% per month), together with all costs and expenses of collection, including reasonable attorneys fees, court and other costs.

**5.7 Assessment Lien and Foreclosure.** The payment of all sums assessed in the manner provided in this **Article** is, together with late charges as provided in **Section 5.5** and interest as provided in **Section 5.6** herein and all costs of collection, including attorney's fees, court and other costs as herein provided, secured by the continuing Assessment lien granted to the POA pursuant to **Section 5.1(b)** above, and will bind each portion of the Property in the hands of the Owner thereof, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien will be superior to all other liens and charges against such Property, except only for tax liens and all sums secured by a first mortgage lien or first deed of trust lien of record, to the extent such lien secures sums borrowed for the acquisition or improvement of the Property in question, provided such Mortgage was recorded in the Official Public Records of Bexar County, Texas before the delinquent Assessment was due. The POA will have the power to subordinate the aforesaid Assessment lien to any other lien. Such power will be entirely discretionary with the Board, and such subordination may be signed by an officer of the POA. The POA may, at its option and without prejudice to the priority or enforceability of the Assessment lien granted hereunder, prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Property covered by such lien and a description of the Property. Such notice may be signed by one of the officers of the POA and will be recorded in the Official Public Records of Bexar County, Texas.

Each Owner, by accepting a deed or ownership interest to any portion of the Property subject to this Master Declaration will be deemed conclusively to have granted a power of sale to the POA to secure and enforce the Assessment lien granted hereunder. Such lien for payment of Assessments may be enforced by the non-judicial foreclosure of the defaulting Owner's Property by the POA in like manner as a real property mortgage with power of sale under Tex. Pro. Code § 51.002. For such purpose, Dale Wilson of Bexar County, Texas, is hereby designated as trustee for the benefit of the POA, with the POA at all times at any time retaining the power to remove any trustee with or without cause and to appoint a successor trustee without the consent or joinder of any other person. The Assessment liens and rights to foreclosure thereof will be in addition to and not in substitution of any other rights and remedies that the POA may have by law and under this Master Declaration, including the rights of the POA to institute suit against such Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or non-judicial, such Owner will be required to pay the costs, expenses and reasonable attorney's fees incurred. The POA will have the power to bid (in cash or by credit against the amount secured by the lien) 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 POA will report to said Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due. The lien hereunder will not be affected by the sale or transfer of any portion of the Property; except, however, that in the event of foreclosure of any first-lien Mortgage securing indebtedness incurred to acquire such Property, the lien for any Assessments that were due and payable before the foreclosure sale will be extinguished, provided that past-due Assessments will be paid out of the proceeds of such foreclosure sale only to the extent that funds are available after the satisfaction of

the indebtedness secured by the first lien Mortgage. The provisions of the preceding sentence will not, however, relieve any subsequent Owner (including any Mortgagee or other purchaser at a foreclosure sale) from paying Assessments becoming due and payable after the foreclosure sale. Upon payment of all sums secured by a lien of the type described in this **Section**, the POA will upon the request of the Owner execute a release of lien relating to any lien for which written notice has been filed as provided above, except in circumstances in which the POA has already foreclosed such lien. Such release will be signed by an officer of the POA. Except as otherwise provided by applicable law, the sale or transfer of any portion of the Property will not relieve the Owner of such Property or such Owner's transferee from liability for any Assessments thereafter becoming due or from the lien associated therewith. If an Owner conveys its Property and on the date of such conveyance Assessments against the Property remain unpaid, or said Owner owes other sums or fees under this Master Declaration to the POA, the Owner will pay such amounts to the POA out of the sales price of the Property, and such sums will be paid in preference to any other charges against the Property other than a first lien Mortgage or assessment liens and charges in favor of the State of Texas or a political subdivision thereof for taxes on the Property which are due and unpaid. The Owner conveying such Property will remain personally liable for all such sums until the same are fully paid, regardless of whether the transferee of the Property also assumes the obligation to pay such amounts.

**5.8 Fines and Damages Assessment.** The Board may assess fines against an Owner for violations of any restriction set forth in this Master Declaration which have been committed by an Owner, an occupant of the Owner's Property, or the Owner or occupant's family, guests, employees, contractors, agents or invitees. Any fine and/or charge for damage levied in accordance with this **Section** will be considered an Assessment pursuant to this Master Declaration. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner. The Board may assess damage charges against an Owner for pecuniary loss to the POA from property damage or destruction of any facilities owned or maintained by the POA. The Manager will have authority to send notices to alleged violators, informing them of their violations and asking them to comply with the rules and/or informing them of potential or probable fines or damage assessments. The Board may from time to time adopt a schedule of fines.

The procedure for assessment of fines and damage charges will be as follows:

- (a) the POA, acting through an officer, Board member or Manager, must give the Owner notice of the fine or damage charge not later than thirty (30) days after the assessment of the fine or damage charge by the Board;
- (b) the notice of the fine or damage charge must describe the violation or damage;
- (c) the notice of the fine or damage charge must state the amount of the fine or damage charge;

(d) the notice of a fine or damage charge must state that the Owner will have thirty (30) days from the date of the notice to request a hearing before the Board to contest the fine or damage charge; and

(e) the notice of a fine must allow the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months.

Fine and/or damage charges are due immediately after the expiration of the thirty (30) day period for requesting a hearing. If a hearing is requested, such fines or damage charges will be due immediately after the Board's decision at such hearing, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

The payment of each fine and/or damage charge levied by the Board against the Owner of any portion of the Property is, together with interest as provided in **Section 5.6** herein and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the POA pursuant to **Section 5.1(b)** of this Master Declaration. Unless otherwise provided in this **Section**, the fine and/or damage charge will be considered an Assessment for the purpose of this **Article**, and will be enforced in accordance with the terms and provisions governing the enforcement of Assessments pursuant to this **Article 5**.

**5.9 Exempt Property.** The following Property will be exempt from the Assessments, charges and liens created herein (collectively, the "Exempt Property"):

(a) The Parkway;

(b) After dedication thereof to the POA in accordance in **Section 6.3(e)** herein, the Parkway Pedestrian, Landscape and Utility Easement;

(c) Portions of the Property designated for common use, greenbelts, common areas, or otherwise designated as non-developable property by an HOA and/or portions of the Property owned by an HOA;

(d) Dedicated Right-of-Way or other publicly dedicated easements or right-of-way;

(e) The Recreation Center; and

(f) Any areas specifically dedicated by the POA for greenbelts for landscaping, for common use, for recreational areas for common use, for drainage, or for utility easements.

The Owners of the Exempt Property will not be Members of the POA or be liable for Assessments, charges or liens which would otherwise be attributable to such Property.

**ARTICLE 6**  
**USE AND OTHER RESTRICTIONS**

6.1 **Use Restriction.** The Existing Property shall be used only for private single family residential purposes ("Residential Purposes"). No professional, business, or commercial activity to which the general public is invited shall be conducted on any portion of the Property or any Lot, except an Owner or occupant of a residence may conduct business activities within a residence so long as: (i) the business activity is conducted without the employment of persons other than the residents of the home constructed on the Lot; (ii) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence, i.e., no sign may be erected advertising the business on any Lot; (iii) the business activity conforms to all zoning requirements for the Development Unit; (iv) the business activity does not involve door-to-door solicitation of residents within the Development Unit; (v) the business does not generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Development Unit which is noticeably greater than that which is typical of residences in which no business activity is being conducted; (vi) the business activity is consistent with the residential character of the Development Unit and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Development Unit; and (vii) the business does not require the installation of any machinery other than that customary to normal household operations. 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 which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required. Leasing of a residence shall not be considered a business or trade within the meaning of this **Subsection**. This **Subsection** shall not apply to any activity conducted by an Owner engaged in the business of constructing homes for resale who acquires the Property or a Lot for the purpose of constructing residences thereon for resale to a third party.

6.2 **Other Covenants, Conditions and Restrictions.** The Property and the development and construction of any Improvements on each Lot therein, shall be subject to the following covenants, conditions and restrictions:

(a) **Access to Parkway.** All curb cuts and other access to the Parkway shall be limited to the access points designated by Declarant, as may be amended by Declarant from time to time.

6.3 **General Restrictions Affecting the Property.**

(a) **Utility Easements.** Upon Declarant's request from time to time, each Owner shall also grant to Declarant or applicable governmental authority, easements

over and across the Property for the purposes of constructing, installing, inspecting, maintaining, repairing and replacing from time to time any and all utility lines, systems and facilities from time to time deemed necessary or appropriate by Declarant for development of the Property or any part thereof; provided that any such easement shall not unreasonably restrict, hinder or delay the Owner's development of or use of Owner's property. Further, Declarant reserves the right, and all Owners agree to cooperate, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, electricity, telephone, sanitary, sewer and drainage), across any Lot or on any portion of the Property as is necessary or efficient to supply all utilities to the Property; provided that any such right-of-way or easement shall not unreasonably restrict, hinder or delay Owner's development or use of Owner's property. Neither the Declarant, nor the POA, nor any member, officer, director, employee or agent thereof, shall be liable for any damage done by any utility company or their assigns, agents, employees or servants, using any easements now or hereafter in existence, whether located on, in, under or through the Property, to fences, shrubbery, trees or flowers or other property now or hereinafter situated on, in, under, or through any designated easement area within the Property.

(b) Edwards Aquifer Recharge Zone. The Property is within the Contributing Zone of the Edwards Aquifer Recharge Zone ("EARZ") and is subject to the rules and regulations of agencies of the State of Texas, including the Texas Commission on Environmental Quality ("TCEQ") and of other governmental authorities, including the City of San Antonio and Bexar County, Texas. Each Owner shall comply with all such rules and regulations now existing or hereafter enacted pertaining to the EARZ.

By acceptance of a deed to any portion of the Property, or initiating construction of a residence or improvements thereon, each Owner and its contractors assume responsibility for complying with all certifications, permitting, reporting, construction, and procedures required under all applicable governmental rules, regulations, and permits, including, but not limited to those promulgated or issued by the Environmental Protection Agency and related to Storm Water Discharges from Construction Sites (See Federal Register, Volume 57, N. 175, Pages 41176 et seq.), and with the responsibility of ascertaining and complying with any applicable regulations, rules, rulings, and determinations of the TNRCC related to the Property, including, without limitation, the provisions of Chapters 325 and 331, Texas Administrative Code, and specific rulings made pursuant to the terms thereof. Each Owner and its contractors shall comply with all governmental regulations, and any plan required by such regulations such as a Storm Water Pollution Prevention Plan, affecting the Property and construction site with which they are associated. Each Owner shall deliver to Declarant a certification of understanding relating to any applicable National Pollutant Discharge Elimination System ("NPDES") permit prior to the start of construction. Each Owner shall comply with the applicable provisions of any water pollution abatement plan ("WPAP") affecting the Property or any portion thereof. No statement herein, nor act or omission by Declarant or the POA shall relieve any Owner and its contractors from such duty of compliance.

(c) Conservation of Natural Environment. Declarant is committed to preserve, protect and enhance the natural environment of the Property. Each Owner shall facilitate Declarant's conservation efforts and agrees, at a minimum, to adhere to the following restrictions during the development and construction of improvements on the Property:

(i) Access and parking of Owner, its representatives and subcontractors vehicles and equipment will be restricted to the proposed pavement areas on the Property or to areas specifically designated for such use by Declarant. There will be no parking on any portion of the Property intended for Lot development, whether or not owned by Owner, or in any greenbelt and/or drainage area.

(ii) All construction activity and storage of materials will be contained within the limits of the Property owned by such Owner or in areas specifically designated for such use by Declarant.

(iii) All tree trimming cuts and other damage inflicted to trees will be immediately covered with a tree pruning compound approved by Declarant.

(iv) No vehicle, trailer, equipment or materials will be allowed within any common area of the Property unless specifically approved by Declarant.

(v) All trees and natural areas within areas designated as buffer or greenbelts in any Development Unit or in the Parkway Pedestrian, Landscape and Utility Easement will be protected during construction with temporary fencing or other barricade approved by Declarant.

(vi) Each Owner accepts responsibility for maintenance of the Property and will provide for regular pick-up and off-site disposal of all trash, rubbish, garage, debris, and unusable building materials during the construction period. Each Owner will provide sanitary bathroom facilities to accommodate its contractors and subcontractors during the construction period. It is the goal of the Declarant to at all times maintain the Property in a clean and respectable manner. If any Owner unreasonably violates this objective, Declarant, at its sole option and discretion, may upon three (3) days prior written notice to such Owner, initiate the cleanup or place facilities on the Property necessary to maintain the referenced goal at the sole cost and expense of such Owner. Each Owner will be responsible for keeping all adjacent streets, easements, rights-of-

way, and greenbelts free of debris originating from its property. Declarant agrees to use reasonable efforts to prevent other builders on the Property from dumping debris on the Property.

(vii) Natural ground cover, trees and vegetation are to be protected and maintained to the extent practicable on the Property. No Owner shall engage in

clearing, cutting, or removal of natural growth on the Property not owned by it without Declarant's prior written permission.

(d) Endangered Habitat. Each Owner will be responsible for compliance with all statutes, ordinances or regulations affecting the Property concerning habitat of endangered or protected plants, animals or species.

(e) Parkway Pedestrian, Landscape and Utility Easement. Each Owner shall be responsible for the initial design and installation of all landscaping and other Improvements on the Parkway Pedestrian, Landscape and Utility Easement on its property, including, without limitation, irrigation systems. No landscaping or other Improvements shall be installed within the Parkway Pedestrian, Landscape and Utility Easement until a landscaping plan shall have been submitted to and approved in writing by the Declarant. Each Owner shall complete the initial landscaping and Improvements on the entire frontage of the Parkway Pedestrian, Landscape and Utility Easement within ninety (90) days after completion of the first road connecting the Development Unit to the Parkway. Upon completion of the installation of the landscaping and Improvements by Owner as provided herein, the Owner of any Development Unit within the Property shall dedicate the Parkway Pedestrian, Landscape and Utility Easement along the entire Parkway frontage of its property to the POA. Upon dedication of the Parkway Pedestrian, Landscape and Utility Easement by the Owner to the POA, the POA shall be responsible for maintenance thereof in accordance with **Article III** herein.

(f) Maintenance Easements. There is hereby reserved to Declarant and the POA, a five foot (5') wide easement along the entire boundary of each Lot abutting the Parkway Pedestrian, Landscape and Utility Easement, for the purposes of constructing, installing, inspecting, maintaining, repairing and repairing from time to time the fencing along the Parkway Pedestrian, Landscape and Utility Easement.

## **ARTICLE 7** **DISCLAIMERS**

7.1 **"AS IS"**. Each prospective purchaser of any Lot ("Purchaser," whether one or more) is responsible for thoroughly inspecting and examining such Lot in which such Purchaser is interested, and for conducting such investigations of such Lot as such Purchaser may deem necessary for evaluation of the acquisition of such Lot. By completing the acquisition of any Lot, each Purchaser is acknowledging that such Purchaser is acquiring such Lot on an "AS IS" and "WHERE IS" and "WITH ALL FAULTS" basis. By acquiring any such Lot, each Owner will be obligated to indemnify and hold harmless Declarant, the POA, and their respective officers, directors, shareholders, partners, managers, contractors, employees and agents from and against any claims, costs, fees, expenses, damages or liabilities that an Owner, and/or its family, employees, guests, invitees, contractors and/or agents may suffer or incur as a result of, arising out of, or related to any condition on, in or under such Lot, including but not limited to caves, sinkholes, streets, trees, projectiles and other dangerous objects, within or near any street, right-of-way, or drainage facilities. Each current and future Owner unconditionally releases Declarant, and its officers, directors, shareholders,

members, partners, contractors or agents from any known or unknown, present or future, claim or cause of action arising out of or related to caves, sinkholes, trees, projectiles and other dangerous objects, within or near any street, right-of-way or drainage facilities.

7.2. **No Representations or Warranties.** By the acceptance of a deed to any Lot, the grantee therein takes the property in "AS IS" condition, except for the warranties of title as provided and limited therein; and Declarant and the POA make no representations as to the physical condition, layout, footage, expenses, zoning, presence of any hazardous substance or endangered species, or any other matter affecting or related to the Property, or any other warranties, express or implied, of merchantability, marketability, fitness or suitability for a particular purpose or otherwise except as set forth and limited herein. Any implied warranties are expressly disclaimed and excluded.

7.3 **Security.** No provision herein contained or referred to shall be construed as creating any warranty by Declarant that the security to be provided by or paid for by the POA hereunder will not result in thefts, robberies and/or vandalism in or on the Property.

## **ARTICLE 8** **ENFORCEMENT**

Declarant, the POA, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Master Declaration. Failure by the Declarant or the POA or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, nor will there exist any liability against Declarant, the POA, or any Owner for failing to enforce any covenant or restriction herein contained.

## **ARTICLE 9** **MISCELLANEOUS**

9.1 **Term.** The terms, covenants, conditions, restrictions, easements, charges, and liens set out in this Master Declaration will run with and bind the Property, and will inure to the benefit of and be enforceable by the POA, and every Owner, including Declarant, and their respective legal representatives, heirs, successors, and assigns, for a term beginning on the date this Master Declaration is recorded in the Official Records of Bexar County, Texas, and continuing through and including January 1, 2051, after which time this Master Declaration will be automatically extended for successive periods of ten (10) years unless a change (the word "change" meaning a termination, or change of term or renewal term) is approved in a resolution adopted by Members entitled to cast at least seventy percent (70%) of the total number of votes of the Association, voting in person or by proxy at a meeting duly called for such purpose, written notice of which will be given to all Members at least thirty (30) days in advance and will set forth the purpose of such meeting; provided, however, that such change will be effective only upon the recording of a certified copy of such resolution in the Official Public Records of Bexar County, Texas. Notwithstanding any provision in this **Section** to the contrary, if

any provision of this Master Declaration would be unlawful, void, or voidable by reason of any Texas law restricting the period of time that covenants on land may be enforced, such provision will expire twenty one (21) years after the death or the last survivor of the now living descendants of Elizabeth II, Queen of England.

9.2 **Amendment.** This Master Declaration may only be amended as follows:

(a) The Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Master Declaration by any instrument in writing duly signed, acknowledged, and filed for record for the purpose of (i) correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, or inadvertent omission, provided that any such amendment shall be consistent in all material respects with and in furtherance of the general plan and scheme of development as evidenced by this Master Declaration; (ii) bringing any provision into compliance with any applicable governmental statute, rule, regulation, or regulatory or judicial determination; (iii) enabling any title insurance company to issue title insurance coverage on any portion of the Property; or (iv) complying with any requirements promulgated by local, state or federal governmental agency or utility provider.

(b) This Master Declaration may be amended from time to time by the recording in the Official Public Records of Bexar County, Texas, of an instrument executed and acknowledged by the president and secretary or other authorized officers of the Board of the POA setting forth the amendment and certifying that such amendment has been approved by Declarant (unless Declarant has withdrawn as a Director in accordance with **Section 3.3(d)** herein), as follows:

(i) So long as Declarant is a Director of the POA, upon the affirmative vote of two-thirds in number of the then Directors of the POA so long as the Declarant Director, in its sole and absolute discretion, concurs in such decision; or

(ii) If Declarant is not a Director of the POA (that is, Declarant has withdrawn as a Director in accordance with **Section 3.3(d)** herein), then upon the following:

(A) Written approval of two-thirds in number of the Directors of the Board of the POA; and

(B) The approval of seventy percent (70%) of the aggregate votes held by the Members of the POA. HOA approval shall only be obtained through a meeting of each such HOA called in the manner provided for in its Bylaws, by providing specific written notice to its Members of the purpose of such meeting, with each such Member voting in person or by proxy; and

(iii) Not less than ten (10) days prior written notice of any such change is provided to each Director of the POA and to each Member of the POA.

9.3 **Severability.** If any of the covenants, conditions or terms of this Master Declaration shall be found void or unenforceable for whatever reason by any court of law or of equity, then every other covenant, condition or term herein set forth shall remain valid and binding, provided that in such event, Declarant and all of the then Owners of the Property shall, to the fullest extent possible, modify such covenant, condition or term to the extent required to carry out the general intention of this Master Declaration and to impart validity to such covenant, condition or term.

9.4 **Notice.** Whenever written notice to an Owner is permitted or required hereunder, such shall be given by the mailing of such to the Owner at the address of such Owner appearing on the records of the POA, unless such Owner has given written notice to the POA of a different address, in which event such notice shall be sent to the Owner at the address so designated. Such notice shall conclusively be deemed to have given by the POA by placing same in the United States mail, properly addressed, whether received by the addressee or not.

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

9.6 **Omission.** 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 Master Declaration shall be omitted herefrom, 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.

9.7 **Gender and Grammar.** The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make provisions herein apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

9.8 **Conflicts.** If there is any conflict between the provisions of this Master Declaration, the Articles of Incorporation, the Bylaws, or any rules and regulations adopted pursuant to the terms of such documents, or any Unit Declaration, the provisions of this Master Declaration will govern.

9.9 **Assignment.** Declarant expressly reserves the right to assign its rights as Declarant hereunder, in whole or in part, to any successor-in-interest of its ownership of any of the Property or its rights of development of any of the Property, provided such assignment is evidenced in writing and signed by Declarant.

9.10 **Captions.** The captions employed herein are for convenience only and are not intended to in any way limit or amplify the terms and provisions hereof.

IN WITNESS WHEREOF, the undersigned have executed this Master Declaration as of the Effective Date set forth above.

**DECLARANT:**

**BITTERBLUE/TWO CREEKS PHASE 1, LTD.,** a Texas limited partnership

By Its General Partner:  
BITTERBLUE, INC.,  
a Texas corporation

By: \_\_\_\_\_

Lloyd A. Denton, Jr., President

STATE OF TEXAS

COUNTY OF BEXAR

The foregoing instrument was acknowledged before me on November 4, 2005, by Lloyd A. Denton, Jr., President of Bitterblue, Inc., a Texas corporation, as General Partner of Bitterblue/Two Creeks Phase 1, Ltd., a Texas limited partnership, on behalf of said limited partnership.



*Sarah E. Carrington*  
\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT A**

**PROPERTY**

1. All of the Lots and property comprising 36.16 acres, more or less, described and shown on the Subdivision Plat (No. 050105) of Two Creeks, Unit-1 (Planned Unit Development), in Bexar County, Texas, recorded in Volume 9567, Pages 58-61, Deed and Plat Records of Bexar County, Texas.
2. All of the Lots and property comprising 25.30 acres, more or less, described and shown on the Subdivision Plat (No. 050106) of Two Creeks, Unit-2 (Planned Unit Development), in Bexar County, Texas, recorded in Volume 9567, Pages 62-65, Deed and Plat Records of Bexar County, Texas.

## EXHIBIT B

### ANNEXATION AREA

All of the 309.6 acre tract in Bexar County, Texas, described in the field notes set forth below, except the Existing Property described in Exhibit A to this Master Declaration.

#### FIELD NOTES

#### FOR

A 309.6 acre or 13,485,554 square feet more or less, tract of land being comprised of a 205.22 acre tract recorded in Volume 5145, Pages 554-558 of the Deed Records of Bexar County, Texas, a 90.000 acre tract save and except a 9.88 acre tract recorded in Volume 4725, pages 1375-1378 of the Official Public Records of Real Property of Bexar County, Texas, a 11.853 acre tract and a 3,400 acre tract, both recorded in Volume 5485, pages 1764-1768 of the Official Public Records of Real Property of Bexar County, Texas out of the GEO M. Petty Survey No. 28, Abstract 598, County Block 4712, the Jas M. McCulloch Survey No. 29, Abstract 528, County Block 4711, and the C. Carmonia Survey No. 300, Abstract 153, County Block 4733, all in Bexar County, Texas.

**BEGINNING:** At the southeast corner of the said 205.22-acre tract, same being a point on the north right-of-way line of Boerne Stage Road (variable width right-of-way, 100-ft. min.) and the southeast corner of the herein described tract;

**THENCE:** Along and with the north right-of-way line of said Boerne Stage Road the following bearings and distances:

Northwesterly, along the arc of a curve to the left, said curve having a radial bearing of S 22°41'45" W, a radius of 1482.69 feet, a central angle of 11°29'11", a chord bearing and distance of N 73°02'50" W, 296.74 feet, an arc length of 297.24 feet to a point;

N 78°47'25" W, 398.80 feet to a point;

Along the arc of a curve to the right, said curve having a radial bearing of N 11°12'35" E, a radius of 1382.69 feet, a central angle of 22°29'43", a chord bearing and distance of N 67°32'34" W, 539.39 feet, an arc length of 542.87 feet to a point;

N 56°17'42" W, 147.90 feet to a point;

Along the arc of a curve to the right, said curve having a radial bearing of N 33°42'18" E, a radius of 1382.69 feet, a central angle of 10°37'52", a chord bearing and distance of N 50°58'46" W, 256.18 feet, an arc length of 256.55 feet to a point;

N 45°39'50" W, 851.71 feet to a point;

N 46°08'50" W, 1500.86 feet to a point;

N 47°37'50" W, 715.77 feet to a point;

Along the arc of a curve to the right, said curve having a radial bearing of N 42°22'10" E, a radius of 2814.93 feet, a central angle of 5°29'59", a chord bearing and distance of N 44°52'51" W, 270.10 feet, an arc length of 270.20 feet to a point;

N 42°07'51" W, 84.98 feet to a point;

THENCE: N 00°33'07" W, departing from the said north right-of-way line of Boerne Stage Road, 492.63 feet to a point in the south line of the Scenic Oaks Subdivision Unit-2 as recorded in Volume 8600, pages 163-164 of the Deed and Plat Records of Bexar County, Texas;

THENCE: Along and with the south and east lines of the aforementioned Scenic Oaks Unit-2 Subdivision the following bearings and distances:

S 55°01'03" E, 196.62 feet to a point;

S 74°06'06" E, 32.55 feet to a point;

N 85°12'50" E, 438.16 feet to a point;

N 80°23'42" E, 168.50 feet to a point;

N 79°31'18" E, 129.84 feet to a point;

N 80°48'35" E, 140.68 feet to a point;

N 82°32'49" E, 175.53 feet to a point;

N 87°06'05" E, 118.38 feet to a point;

N 88°50'18" E, 181.47 feet to a point;

N 88°57'14" E, 234.36 feet to a point;

N 89°06'09" E, 399.79 feet to a point;

N 89°27'34" E, 363.81 feet to a point;

S 89°24'47" E, 100.21 feet to a point;

S 87°01'59" E, 200.31 feet to a point;

S 87°29'10" E, 66.13 feet to a point;

N 00°54'25" E, 318.37 feet to a point;

N 00°36'52" E, 935.63 feet to a point;

N 01°17'06" E, 132.76 feet to a point;

THENCE: N 72°49'32" E, departing from the east line of said Scenic Oaks Unit-2 Subdivision 2265.09 feet to a point on the east line of Interstate Highway 10;

THENCE: Along and with the said east right-of-way line of IH-10 the following bearings and distances:

S 30°47'53" E, 515.92 feet to a point;

S 22°01'53" E, 597.07 feet to a point;

S 30°47'58" E, 178.82 feet to a point;

THENCE: S 00°21'09" W, departing from the said east right-of-way line 790.86 feet to a point;

THENCE: S 05°36'32" W, 95.55 feet to a point;

THENCE: N 89°56'11" W, 468.72 feet to a point;

THENCE: N 89°56'11" W, 335.95 feet to a point;

THENCE: S 89°22'20" W, 914.16 feet to a point;

THENCE: S 00°22'49"E, 541.47 feet to a point;

THENCE: S 00°34'21" E, 1103.11 feet to a point;

THENCE: S 00°39'36" E, 1032.67 feet to a point;

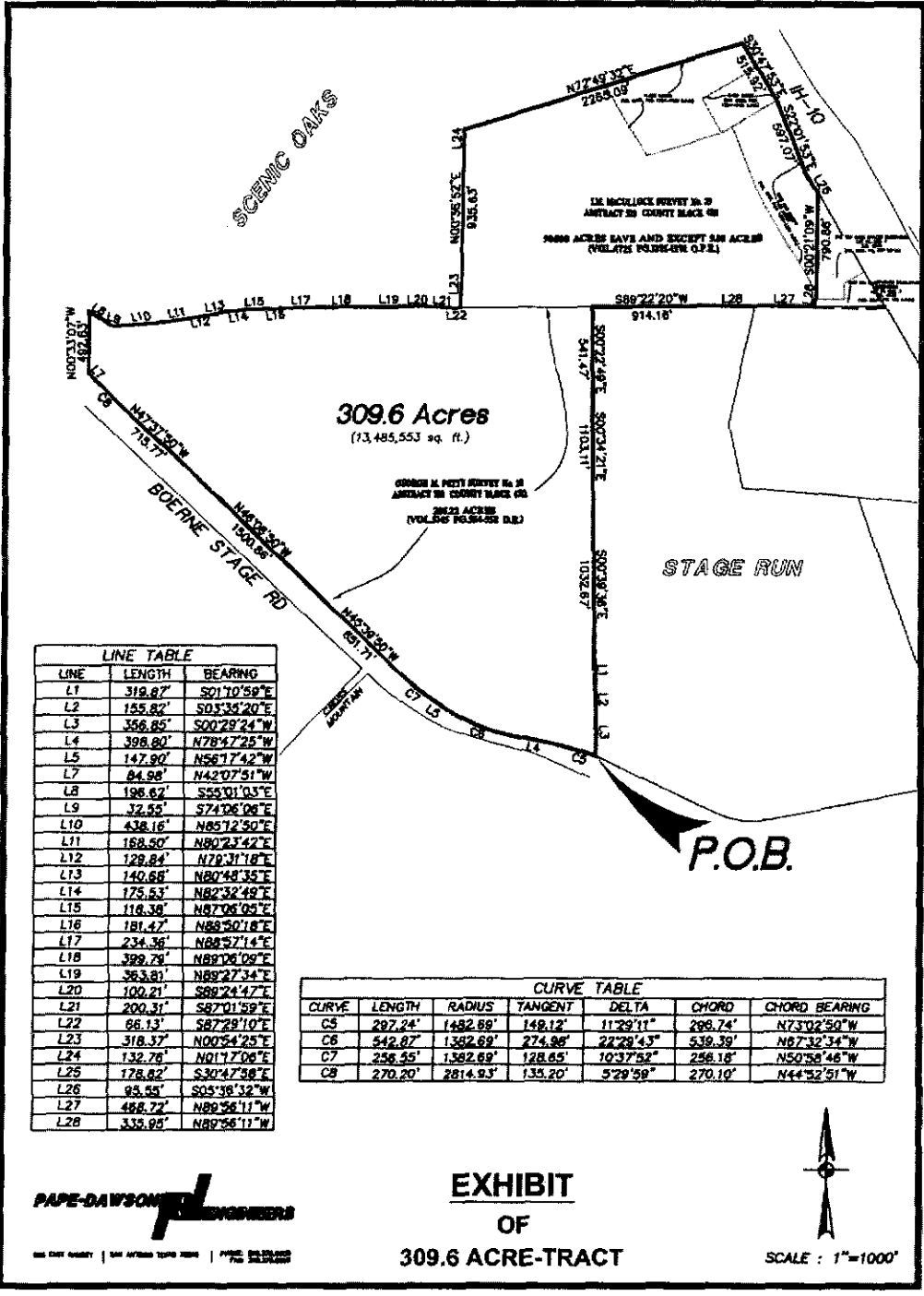
THENCE: S 01°10'59" E, 319.87 feet to a point;

THENCE: S 03°35'20" E, 155.82 feet to a point;

FIELD NOTES  
309.6 Acres  
Page 4 of 4

THENCE: S 00°29'24" W, 356.85 feet to the POINT OF BEGINNING containing 309.6 acres of land in Bexar County, Texas, **said tract being described based on record information and not a survey made on the ground. This description is not intended for the transfer of real property.**

PREPARED BY: Pape-Dawson Engineers, Inc.  
JOB NO.: 5605-00  
DATE: May 3, 2004  
DOC ID: 560500:Word:FN040503a1



**309.6 Acres**  
(13,485,553 sq. ft.)

LINE TABLE		
LINE	LENGTH	BEARING
L1	318.87'	S01°10'59"E
L2	155.82'	S03°35'20"E
L3	356.85'	S00°28'24"W
L4	398.80'	N78°47'25"W
L5	147.90'	N56°17'42"W
L7	84.98'	N42°07'51"W
L8	198.62'	S55°01'03"E
L9	32.55'	S74°06'06"E
L10	438.16'	N85°12'50"E
L11	188.50'	N80°23'42"E
L12	129.84'	N78°31'18"E
L13	140.68'	N80°48'35"E
L14	175.53'	N82°32'49"E
L15	118.38'	N87°06'05"E
L16	181.47'	N88°50'18"E
L17	234.36'	N88°57'14"E
L18	389.78'	N89°06'09"E
L19	383.81'	N89°27'34"E
L20	100.21'	S89°24'47"E
L21	200.31'	S87°01'59"E
L22	66.13'	S87°28'10"E
L23	318.37'	N00°54'25"E
L24	132.78'	N01°17'06"E
L25	178.82'	S30°47'58"E
L26	95.55'	S05°38'32"W
L27	488.72'	N89°56'11"W
L28	335.95'	N89°56'11"W

CURVE TABLE						
CURVE	LENGTH	RADIUS	TANGENT	DELTA	CHORD	CHORD BEARING
C5	297.24'	1482.69'	148.12'	11°29'11"	286.74'	N73°02'50"W
C6	542.87'	1382.69'	274.98'	22°28'43"	538.39'	N87°32'34"W
C7	258.55'	1382.69'	128.65'	10°37'52"	258.18'	N50°58'46"W
C8	270.20'	2814.93'	135.20'	5°29'59"	270.10'	N44°52'51"W



**EXHIBIT**  
**OF**  
**309.6 ACRE-TRACT**



SCALE : 1"=1000'

Date: May 03, 2006, 11:47am User: D. J. [unclear]  
 File: C:\Users\jordan\Documents\309.6 Acres\309.6 Acres.dwg

**EXHIBIT C**  
**SCHOOL TRACT**



FIELD NOTES  
FOR

A 11.54 acre, or 502,668 square feet more or less, tract of land being out of that 205.22 acre tract described in conveyance to Fred Niemann and wife, Virginia Niemann recorded in Volume 5145, Pages 554-558 of the Deed Records of Bexar County Texas, out of the George M. Petty Survey No. 28, Abstract 598, County Block 4712 of Bexar County, Texas. Said 11.54 acre tract being more fully described as follows with bearings being based on the North American Datum of 1983 (CORS 1996), from the Texas Coordinate System established for the South Central Zone.

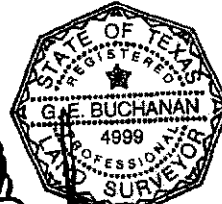
- BEGINNING:** At a set ½" iron rod with a yellow cap marked "Pape-Dawson", said point being on the north right-of-way line of Baywater Stage, a proposed variable width right-of-way dedicated in the Two Creeks, Unit-1 Subdivision (Plat No. 050105), said ½" iron rod located S 89°26'24"W, a distance of 136.65 from the southeast corner of proposed Lot 28, Block 27 of said Two Creeks, Unit-1 P.U.D. and the southeast corner of the herein described tract;
- THENCE:** N 00°33'36"W, along and with the west line of the herein described tract, a distance of 385.15 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- THENCE:** S 89°26'17"W, over and across proposed said Lot 28, a distance of 20.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", on the east right-of-way line of Two Creeks, a proposed 60-foot right-of-way dedicated in the said Subdivision;
- THENCE:** N 00°33'43"W, along and with the proposed east right-of-way line of said Two Creeks, at a distance of 123.62 feet passing the northwest corner of proposed said Lot 28 and continuing for a total distance a distance of 199.11 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a northwest corner of the herein described tract;
- THENCE:** N 36°05'39"E, a distance of 13.33 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson", a northwest corner of the herein described tract, from which a found ½" iron rod at the southeast corner of Lot 33 of the Scenic Oaks Unit II Subdivision recorded in Volume 8600, Pages 163-164 of the Deed and Plat Records of Bexar County, Texas, the southeast corner of a 90.000 acre tract recorded in Volume 4725, Pages 1375-1378 of the Official Public Records of Real Property of Bexar County, Texas, bears N 06°03'46"E, a distance of 1077.86 feet;

**PAPE-DAWSON ENGINEERS, INC.**

555 East Ramsey | San Antonio, Texas 78215 | Phone: 210.375.9000 | Fax: 210.375.9010 | [info@pape-dawson.com](mailto:info@pape-dawson.com)

- THENCE: N 89°11'27"E, a distance of 580.04 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- THENCE: N 89°04'25"E, a distance of 284.01 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- THENCE: S 00°33'43"E, a distance of 288.92 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- THENCE: S 13°14'18"W, a distance of 195.55 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- THENCE: S 00°16'07"E, a distance of 120.44 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" from which a found ½" iron rod at the southwest corner of Lot 51 of the Stage Run Subdivision, Unit 5 recorded in Volume 9564, Pages 38-39 of the Deed and Plat Records of Bexar County, Texas, the northwest corner of a 1.5 acre tract recorded in Volume 4163, Pages 286-287 of the Official Public Records of Real Property of Bexar County, Texas, bears S 13°44'57"E, a distance of 1527.28 feet;
- THENCE: S 89°26'06"W, a distance of 361.80 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";
- THENCE: S 89°26'24"W, a distance of 442.95 feet to the POINT OF BEGINNING and containing 11.54 acres in Bexar County, Texas. Said tract being described in accordance with a survey made on the ground and a survey map prepared by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.  
DATE: August 22, 2005  
JOB No.: 9195-05  
DOC.ID: N:\Survey\05\15-9200\9195-05\DOC\9195-05FN.doc



*G.E. Buchanan*  
08/22/2005

EXHIBIT D

LIENHOLDER CONSENT

The undersigned ("Lienholder"), being the owner and holder of existing mortgage(s) and liens upon and against the Property, or any portion thereof, subject to this Master Declaration, being described in the Deeds of Trust for the benefit of Lienholder recorded in Volume 10830, Page 1313 and Volume 10830, Page 1341, Real Property Records of Bexar County, Texas, and as may be further amended from time to time, and acting solely as mortgagee and lienholder and at the specific request of the Declarant, does hereby consent to and join in the foregoing Master Declaration for the sole purpose of subordinating the liens held by Lienholder to all of the provisions of the foregoing Two Creeks Master Declaration of Covenants, Conditions, Easements and Restrictions. Each Owner who accepts title to any of the Property hereby acknowledges that Lienholder is not a party to this Master Declaration except for the sole purpose of subordinating its liens as set out herein, and specifically and unconditionally releases and discharges Lienholder from any claims or liability with respect to, or arising out of, the Master Declaration, except as to actions which may hereafter be taken by Lienholder as a successor to the interest of Declarant.

Executed to be effective as of October 31, 2005.

LIENHOLDER:

TEXAS CAPITAL BANK, NATIONAL  
ASSOCIATION

By: 

Name: Laurie Griffith

Title: EVP

STATE OF TEXAS

COUNTY OF BEXAR

The foregoing instrument was acknowledged before me on November 4  
2005, by Laurie Griffith, EVP of Texas Capital Bank, National  
Association, a national banking association, on behalf of said banking association.

  
Notary Public, State of Texas



EXHIBIT D

LIENHOLDER CONSENT

The undersigned ("Lienholder"), being the owner and holder of existing mortgage(s) and liens upon and against the Property, or any portion thereof, subject to this Master Declaration ("Declaration"), being described in the Deed of Trust for the benefit of Lienholder recorded in Volume 10830, Page 1299, Real Property Records of Bexar County, Texas, and as may be further amended from time to time, and acting solely as mortgagee and lienholder and at the specific request of the Declarant, does hereby consent to and join in the foregoing Declaration for the sole purpose of subordinating the liens held by Lienholder to all of the provisions of the foregoing Declaration. The sole purpose and effect of this subordination shall be limited to ensuring that the Declaration shall survive foreclosure of Lienholder's lien, and that any sale of the Property at foreclosure will be made subject to this Declaration. Each Owner who accepts title to any of the Property hereby acknowledges that Lienholder is not a party to this Declaration except for the sole purpose of subordinating its liens as set out herein, and specifically and unconditionally releases and discharges Lienholder from any claims or liability with respect to, or arising out of, the Declaration, except as to actions which may hereafter be taken by Lienholder as a successor to the interest of Declarant. Notwithstanding any other language to the contrary, the provisions of this Lienholder Consent may not be amended without Lienholder consent, and to the extent of any conflict with the Declaration, the language of this Lienholder Consent shall prevail.

Executed to be effective as of October 31, 2005.

LIENHOLDER:

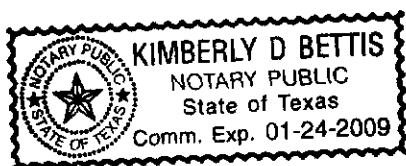
NFP Partnership, a Texas general partnership

By: James C. Niemann, Trustee  
James C. Niemann, Trustee

STATE OF TEXAS

COUNTY OF Dallas

This instrument was acknowledged before me on October 27th, 2005 2005, by James C. Niemann, Trustee of NFP Partnership, a Texas general partnership, on behalf of said partnership.




Kimberly D. Bettis  
Notary Public/State of Texas

COUNTERPART SIGNATURE PAGE  
TO  
LIENHOLDER CONSENT

LIENHOLDER:

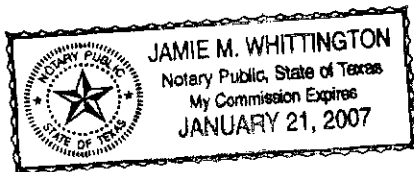
The Virginia Niemann Trust, the Larry Niemann Trust, the Fred Niemann, Jr., Trust, the James C. Niemann Trust and the Linda Niemann Wittig Trust, each such Trust established under the Will of Fred Niemann, Sr.

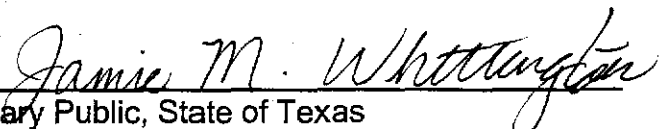
By:   
Fred Niemann, Jr., Co-Trustee

STATE OF TEXAS

COUNTY OF Travis

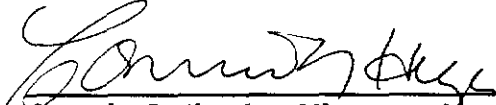
This instrument was acknowledged before me on October 31, 2005, by Fred Niemann, Jr., Co-Trustee of The Virginia Niemann Trust, the Larry Niemann Trust, the Fred Niemann, Jr., Trust, the James C. Niemann Trust and the Linda Niemann Wittig Trust, each such Trust established under the Will of Fred Niemann, Sr., on behalf of each said Trust.



  
Notary Public, State of Texas

COUNTERPART SIGNATURE PAGE  
TO  
LIENHOLDER CONSENT

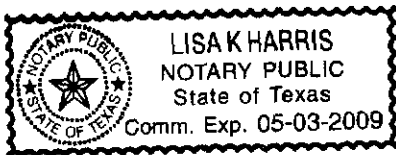
LIENHOLDER:

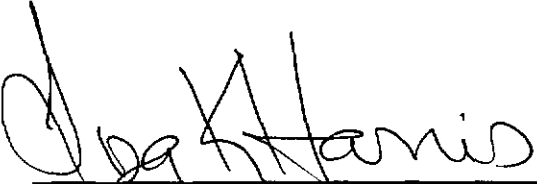
  
\_\_\_\_\_  
Connie Catherine Niemann Heyer, dealing  
with her sole and separate property

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on October 31,  
2005, by Connie Catherine Niemann Heyer.



  
\_\_\_\_\_  
Notary Public, State of Texas

COUNTERPART SIGNATURE PAGE  
TO  
LIENHOLDER CONSENT

LIENHOLDER:

  
Sherry Suzanne Niemann, a single woman  
Willerson

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on October 28<sup>th</sup>,  
2005, by Sherry Suzanne Niemann.

  
Notary Public, State of Texas



COUNTERPART SIGNATURE PAGE  
TO  
LIENHOLDER CONSENT

LIENHOLDER:

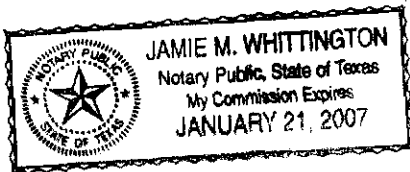


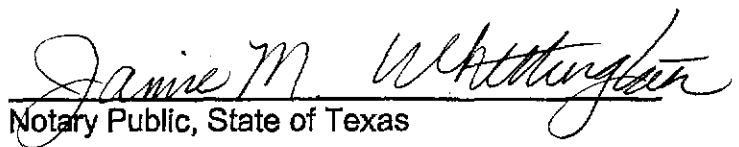
Nancy Nicole Niemann, a single woman

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on Oct 31,  
2005, by Nancy Nicole Niemann.




  
Notary Public, State of Texas

COUNTERPART SIGNATURE PAGE  
TO  
LIENHOLDER CONSENT

LIENHOLDER:

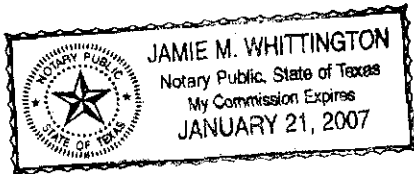
Frederick Allen Niemann, III, Mary Elizabeth Niemann, Joseph Michael Wittig, Sherry Ann Wittig, Tracy Lynn Ogle Wittig, and James C. Niemann

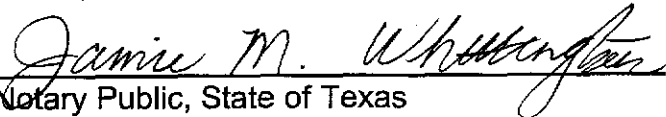
By:   
Fred Niemann, Jr., Attorney-In-Fact

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on October 27, 2005, by Fred Niemann, Jr., Attorney-In-Fact for Frederick Allan Niemann, III, Mary Elizabeth Niemann, Joseph Michael Wittig, Sherry Ann Wittig, Tracy Lynn Ogle Wittig, and James C. Niemann.




  
Notary Public, State of Texas

COUNTERPART SIGNATURE PAGE  
TO  
LIENHOLDER CONSENT

LIENHOLDER:

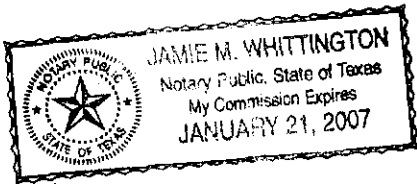
Michael Emerson Niemann

By:   
Fred Niemann, Jr., Custodian for  
Michael Emerson Niemann, a minor

STATE OF TEXAS

COUNTY OF Travis

This instrument was acknowledged before me on October 27  
2005, by Fred Niemann, Jr., as Custodian for Michael Emerson Niemann, a minor.



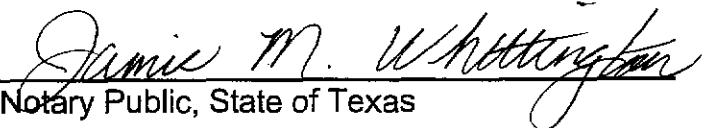
  
Notary Public, State of Texas

EXHIBIT D

LIENHOLDER CONSENT

The undersigned (collectively, the "Lienholder"), being the owner and holder of existing mortgage(s) and liens upon and against the Property, or any portion thereof, subject to this Master Declaration, being described in the following documents for the benefit of Lienholder:

Mechanic's Lien Contract, recorded in volume 10830, page 2007, Real Property Records of Bexar County, Texas,  
Subordination and Agreement to Provide Notice of Default, recorded in Volume 10380, Page 2023, Real Property Records of Bexar County, Texas,  
Modification and Extension Agreement, recorded in Volume 11717, Page 1298, Real Property Records of Bexar County, Texas, and  
Collateral Assignment of Note and Lien, recorded in Volume 11717, Page 1284, Real Property Records of Bexar County Texas;

and as may be further amended from time to time, and acting solely as mortgagee and lienholder and at the specific request of the Declarant, does hereby consent to and join in the foregoing Master Declaration for the sole purpose of subordinating the liens held by Lienholder to all of the provisions of the foregoing Two Creeks Master Declaration of Covenants, Conditions, Easements and Restrictions. Each Owner who accepts title to any of the Property hereby acknowledges that Lienholder is not a party to this Master Declaration except for the sole purpose of subordinating its liens as set out herein, and specifically and unconditionally releases and discharges Lienholder from any claims or liability with respect to, or arising out of, the Master Declaration, except as to actions which may hereafter be taken by Lienholder as a successor to the interest of Declarant.

Executed to be effective as of October 31, 2005.

LIENHOLDER:

JEFFERSON STATE BANK

By: *Danny B Butler*  
Name: DANNY B BUTLER  
Title: EVP

STATE OF TEXAS

COUNTY OF BEXAR

The foregoing instrument was acknowledged before me on NOVEMBER 9TH 2005, by DANNY B BUTLER EVP of Jefferson State Bank, a state banking association, on behalf of said banking association.

ANNIE VILLARREAL  
Notary Public, State of Texas  
My Commission expires  
August 25, 2009

*Annie Villarreal*  
Notary Public, State of Texas

JOHN STUART SITEWORK, LTD., a Texas  
limited partnership


By Its General Partner:  
Stuart and Beach Management, Inc., a Texas  
corporation

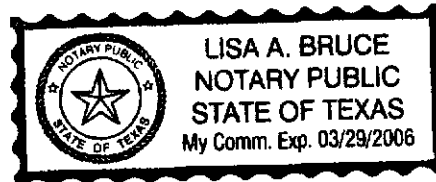
By:   
John C. Stuart, President

STATE OF TEXAS

COUNTY OF BEXAR

The foregoing instrument was acknowledged before me on November 9, 2005, by  
John C. Stuart, President of Stuart and Beach Management, Inc., a Texas corporation, as sole General  
Partner of John Stuart Sitework, Ltd., a Texas limited partnership, on behalf of said limited partnership.

  
Notary Public, State of Texas



Doc# 20050270647  
# Pages 45  
11/18/2005 14:10:32 PM  
e-Filed & e-Recorded in the  
Official Public Records of  
BEXAR COUNTY  
GERRY RICKHOFF COUNTY CLERK

Fees 188.00

STATE OF TEXAS  
COUNTY OF BEXAR  
This is to Certify that this document  
was e-FILED and e-RECORDED in the Official  
Public Records of Bexar County, Texas  
on this date and time stamped thereon.  
11/18/2005 14:10:32 PM  
COUNTY CLERK, BEXAR COUNTY TEXAS



*Gerry Rickhoff*