DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR RUBY RANCH SUBDIVISION

PREAMBLE

This Declaration of Covenants, Conditions, and Restrictions is made on the 12th day of October, 1995, by TWC Enterprises, Inc., a corporation duly formed and existing in the State of Texas, acting by and through the officer whose signature appears below (who has been duly authorized to execute this instrument on behalf of the corporation), (such corporation being referred to herein as the "Declarant").

RECITALS

1. Declarant is the owner of all that certain real property ("the Property") located in Hays County, Texas, described as shown on Exhibit "A" hereto and incorporated herein for all purposes.

2. The Declarant has devised a general plan for the entire Property as a whole, with specific provisions for particular parts and parcels of the Property. This general plan provides a common scheme of development designed to protect and safeguard the Property over a long period.

3. This general plan will benefit the Property in general, the parcels and lots that constitute the Property, the Declarant, and each successive owner of an interest in the Property.

4. The purpose of these covenants, conditions, and restrictions, in addition to those stated above, is to enhance and protect the value, attractiveness, and desirability of the parcels and lots that constitute the Property, to prevent nuisances and to maintain the desired character of the Property.

5. Therefore, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in furtherance of this general development plan.

NOW THEREFORE, it is declared that all of the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which shall run with the Property.

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ARTICLE I
Definitions

1.01 Subdivision. "Subdivision" means the subdivided real property above described.

1.02 Lot. "Lot" means any of the plots of land, except the "common area", shown on the plan and subdivisions map recorded in Volume 6 and Pages 398-400 of the Official Public Records of Hays County, Texas (the "Map"), on which there is or will be built a single family dwelling.

1.03 Owner. "Owner" means the record owner or owners of the fee simple title to any Lot or portion of a Lot in the Property on which there is or will be built a detached single family dwelling. "Owner" includes contract sellers but excludes persons having only a security interest.


1.05 Member. "Member" means every person or entity who holds membership in the Association.

1.06 Common Area. "Common area" means all real property owned by the Association for the common use and enjoyment of the Owners. The common area to be owned by the Association at the time of conveyance of the first lot is described as follows: all roads/streets shown and described within the boundaries of the Subdivision on the plat or map of such Subdivision as referenced herein.

1.07 Maintenance. "Maintenance" means the exercise of reasonable care to keep roads/streets, improvements, fixtures and related items (as the case may be) in a condition comparable to their original condition, normal wear and tear excepted.

ARTICLE II
Property Subject to Declaration

2.01 Property Subject to Declaration. The real property covered by this Declaration is described in Exhibit "A" attached hereto and incorporated by reference. All of the properties and any right, title or interest therein shall be owned, held, leased, sold and/or conveyed by Declarant, and any subsequent owner of all or any part thereof, subject to this Declaration and the covenants, restrictions, charges and liens set forth herein and in the following manner:

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a. If Declarant or any other person, firm or corporation is the owner of any property which it desires to add to the scheme of this Declaration, it may do so by filing of record a Supplementary Declaration, which shall extend the scheme of the covenants and of this Declaration to such property, PROVIDED HOWEVER, that such covenants and restrictions as applied to the property which is so added may be altered or modified by said Supplementary Declaration, and PROVIDED FURTHER, if property is added to the scheme of this Declaration by any person, firm, or corporation other than Declarant, the Association, acting through its Board of directors, must give written consent thereto. Properties may be added to the scheme of this Declaration if such properties are contiguous to the properties covered by this Declaration. Each Supplementary Declaration shall include a geographical description of the property added.

b. Upon a merger or consolidation of the Association with another association, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may, by operation of law, be added to The Properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration with The Properties together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration pertaining to The Properties except as hereinafter provided.

ARTICLE III
Membership in Association; Voting Rights

3.01 Membership. Each and every Owner of a Lot shall automatically become, and must remain, a member of the Association during such Owner’s period of ownership of such Lot; membership will be appurtenant to and may not be separated from

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ownership of a Lot. A Member of the Association shall be considered to be a Member in good standing and eligible to vote, subject to the conditions set forth herein, if such Member:

a. Has, not less than seven (7) days prior to the taking of any vote by the Association,
1. fully paid all assessments or other charges levied by the Association then due and payable, as such assessments or charges are provided for in the Declaration;

b. Does not have a lien filed by the Association against his/her/its Lot; and

c. Has discharged other obligations to the Association as may be required of Members hereunder.

The Board shall have sole responsibility and authority for determining the good standing status of any Member at any time, and shall make such determination with respect to all Members prior to a vote being taken by the Association on any matter. The Board shall have the right and authority, in its sole discretion, to waive the seven (7) days prior payment requirement established herein and require only that such payment be made at any time before such vote is taken if the Board shall determine, in its own judgment, that extenuating circumstances exist which have prevented a particular Member from meeting any or all of the three requirements stated herein at or before seven (7) days in advance of any vote. Any Member not conforming with the provisions of this Article shall be declared by the Board to be not a Member in good standing and unless the time requirement required hereunder is specifically waived by the Board in writing prior to any particular vote being taken, shall be disqualified from voting on matters before the Association until such time as Member in good standing status is attained and so declared by the Board.

The Association shall have two (2) classes of voting membership:

a. CLASS A. The Class A Members shall be all Owners with exception of the Declarant. After the Conversion Date, Declarant shall also become a Class A Member to the extent Declarant is the Owner of a Lot or Lots.

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D. CLASS B. The Class B Member shall be the Declarant. The Class B membership of Declarant shall cease and become converted to Class A membership upon occurrence of the earlier of the following (the "Conversion Date"): 

(i) At September 1, 2005; or 

(ii) Such earlier date as may be established by Declarant in a Supplemental Declaration to be recorded by Declarant. 

Until the Conversion Date, the Class A Members shall not be entitled to vote (except as provided for the levying of Special Assessments under Article IV, Section 4.04 of the Declaration and amendments to the Declaration under Article IX herein). The Class B Member shall be entitled to one (1) vote for each Lot that it owns. 

From and after the Conversion Date (and at anytime with respect to votes pertaining to Special Assessments and amendments to the Declaration), each Class A Member shall be entitled one (1) vote for each Lot that he/she/it owns. Where more than one person or entity owns in any Lot, all such persons collectively shall be a single Member, and the vote for such Member shall be exercised as the several parties shall determine among themselves. 

The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or the Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner. 

ARTICLE IV 
Assessments 

4.01 Lien and personal obligation. Declarant covenants for each Lot within the subdivision, and each owner of a lot is deemed to covenant by acceptance of his or her deed for such lot, whether or not it is so expressed in the deed, to pay to the Association (a) annual assessments and (b) special assessments for capital improvements. Such assessments will be established and collected as provided in this declaration. The annual and 

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special assessments, together with interest, costs, and reasonable attorney fees, will be a charge on the land and a continuing lien on each lot against which an assessment is made. Each such assessment, together with interest, costs, and reasonable attorney fees, will also be the personal obligation of the person or persons who own the lot at the time the assessment falls due, but such personal obligation will not pass to the successors in title of such person or persons unless expressly assumed by them.

4.02 Purpose of annual assessments. The annual assessments levied by the Association will be used exclusively to promote the health, safety, welfare, and recreation of the residents in the subdivision, and for the improvement and maintenance of the common areas situated within the subdivision. Annual assessments will include, and the Association will acquire and pay for out of the funds derived from annual assessments, the following:

(a) Maintenance and repair of the common area, including mowing of roadway right-of-ways.

(b) Lighting necessary for the common area.

(c) Acquisition of equipment for the common area as may be determined by the Association.

(d) Maintenance and repair of the roads/streets shown within the boundaries of the Subdivision on the plat or map of such Subdivision as referenced herein.

(e) Liability insurance insuring the Association against any and all liability to the public, to any owner, or to the invitees or tenants of any owner arising out of their occupation or use of the common area. The policy limits will be set by the Association, and will be reviewed at least annually and increased or decreased in the discretion of the Association.

(f) Workers' compensation insurance to the extent necessary to comply with applicable law.

(g) Any other insurance deemed necessary by the board of directors of the Association.

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(h) A standard fidelity bond covering all members of the board of directors of the Association and all other employees of the Association in an amount to be determined by the board of directors.

(i) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay pursuant to the terms of this declaration or by law, or which will be necessary or proper in the opinion of the board of directors of the Association for the operation of the common areas, for the benefit of lot owners, or for the enforcement of these restrictions.

4.03 Maximum annual assessment.

(a) Until January 1 of the year immediately following the conveyance of the first lot by Declarant to an owner, the maximum annual assessment will be One Hundred Twenty and 00/100 Dollars ($120.00).

(b) From and after January 1 of the year immediately following the conveyance of the first lot by Declarant to an owner, the maximum annual assessment may be increased each year not more than fifteen percent (15.0%) above the maximum assessment for the previous year without a vote of the members.

(c) From and after January 1 of the year immediately following the conveyance of the first lot by Declarant to an owner, the maximum annual assessment may be increased above fifteen percent (15.0%) by the vote or written assent of a majority of each class of members.

(d) The board of directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

4.04 Special assessments for capital improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement on the common area, including fixtures and personal property related to such area. Any such assessment must be approved by a majority of each class of members.

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4.05 Notice and quorum for membership action authorized under Sections 4.03 and 4.04. Written notice of any meeting called for the purpose of taking any action authorized by Section 4.03 or 4.04 will be sent to all members not less than ten (10) nor more than thirty (30) days in advance of such meeting. In the event the proposed action is favored by a majority of the votes cast at such meeting, but less than the requisite majority of each class of members, members who were not present in person or by proxy may give their assent in writing within ten (10) days after the date of such meeting.

4.06 Uniform rate of assessment. Both annual and special assessments must be fixed at a uniform rate for all lots.

4.07 Commencement and collection of annual assessments. The annual assessments will commence on the date of the conveyance by the Declarant to the Owner of each such Lot. The first annual assessment will be adjusted according to the number of months remaining in the calendar year. The board of directors will fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of the due date of the assessment and will fix the dates such amounts become due. Assessments may be made payable monthly. Notice of the annual assessments will be sent to every owner subject to the assessment. The Association will, on demand and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessment against a specific Lot has been paid, and may (but is not obligated to), on or before February 15 of each year, cause to be recorded in the office of the county clerk of Hays County, a list of delinquent assessments as of that date.

4.08 Effect of nonpayment of assessments; remedies of the Association. Any assessment not paid within thirty (30) days after the due date will be deemed in default and will bear interest from the due date at the rate of ten percent (10.0%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for by nonuse of the common area or abandonment of the owner's lot. All sums assessed in the manner provided in this Article but unpaid, shall, together with interest as provided herein and the cost of collection, including reasonable attorney's fees and costs of court, thereupon become a continuing lien and charge on the property covered by such assessment, which shall bind such property in the hands of the Owner, and the Owner's heirs, devisees, personal representatives, successors and assigns. The

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aforesaid lien shall be superior to all other liens and charges against the said property, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed for the improvement of the property in question. The Association shall have the power to subordinate the aforesaid assessment lien to any other lien. To evidence the aforesaid assessment lien, the Association shall 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 shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Hays County, Texas. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent as set forth above and may be enforced by the foreclosure of the defaulting Owner's property by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of assessment lien as provided above, or the Association may institute suit against the owner personally obligated to pay the assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs expenses, and reasonable attorney's fees incurred.

4.09 Subordination of assessment lien to deeds of trust. The assessment lien provided for in this declaration will be subordinate to the lien of any first deed of trust. A sale or transfer of any lot will not affect the assessment lien. However, the sale or transfer of any lot pursuant to foreclosure of a deed of trust, whether judicial or by exercise of power of sale, will extinguish the assessment lien as to payments which become due prior to such sale or transfer. No sale or transfer will relieve such lot from liability for any assessments thereafter becoming due or from the lien of such assessments.

4.10 Common Properties Exempt. All Common Properties as defined herein, and any common properties of any other association designated on any recorded plat filed by Declarant, and all portions of The Properties owned by or otherwise dedicated to any political subdivision, shall be exempted from the assessments and lien created herein.

4.11 No obligation of Declarant to pay Assessments. Notwithstanding anything contained herein to the contrary, Declarant shall have no obligation or duty to pay the annual or special assessments provided for herein as a result of its initial ownership of any Lot or Lots in the Subdivision.

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4.12 Accounts of Association. The Association shall establish at least two (2) separate bank accounts for the following purposes:

(a) Normal operating expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.

(b) Reserve for maintenance, repair and/or replacement relating to Common Areas (including, but not limited to the roads/streets in the Subdivision) which shall include funds for maintenance, repair or replacement required because of damage, wear or obsolescence.

The Association may have such other accounts as it deems appropriate. The Board of Directors of the Association may invest the funds in any account of the Association as it deems appropriate. In making any such investments, the Board of Directors shall use the standards set forth in the Texas Trust Code for trustees of trusts.

4.13 Allocation of Assessments. At least one-half (1/2) of the annual assessments paid by the Members of the Association shall be placed in the reserve account described in Section 4.12 (b) above; subject to such requirement, the Board of Directors of the Association shall determine the exact amount from year to year to place in such reserve account.

4.14 Declarant's Payment to Reserve Account. For the purpose of assisting with the maintenance, repair or replacement of the roads/streets in the Subdivision, Declarant shall pay into the reserve account described in Section 4.12 (b) above the sum of $300.00 at the initial sale of each Lot in the Subdivision by Declarant; provided, however, in the event that the roads/streets in the Subdivision are dedicated to public use, Declarant shall cease paying such sum to the reserve account from the initial sale of each Lot in the Subdivision and shall have no further obligation to do so from and after the date that such roads/streets are dedicated to public use.

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5.01 Owner's easements of enjoyment. Every Owner of a Lot will have a right and easement of enjoyment in and to the common area which will be appurtenant to and will pass with the title to such Lot, subject to the following rights:

(a) The right of the Declarant (or its assigns), for a period of 10 years from the date that the Subdivision receives final approval by the Commissioner's Court of Hays County, Texas, to dedicate or transfer all or any part of the roads/streets shown within the boundaries of the Subdivision on the plat or map of such Subdivision as referenced herein to public use (provided, however, Declarant has no obligation and makes no representation that such roads/streets will ever be dedicated for public use); and,

(b) The right of the Association, upon the expiration of Declarant's right to dedicate as set forth above, to dedicate or transfer all or any part of the roads/streets shown within the boundaries of the Subdivision on the plat or map of such Subdivision as referenced herein to public use.

(c) The reservation by Declarant (and its successors and assigns) of an easement over the roads/streets shown and described on the subdivision plat referenced herein.

(d) All rights, conditions and other matters of record and filed in the Official Public Records of Hays County, Texas.

5.02 Delegation of use. Subject to such limitations as may be imposed by the bylaws of the Association (provided, however, such bylaws may not prevent the Owner from accessing his/her/its Lot), each Owner may delegate the right of enjoyment in and to the common areas and facilities to the members of the owner's family, and to guests, tenants, and invitees.

5.03 No partition. There will be no judicial partition of the common area, nor will Declarant, the Association or any Owner or any other person/entity acquiring any interest in the

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Subdivision or any part of it, seek judicial partition of the common area.

ARTICLE VI
Architectural Control

6.01 Architectural Control Committee. The Association shall have an Architectural Control Committee which shall consist of three natural persons, and who shall be appointed by the Board of Directors of the Association. The Board of Directors of the Association shall determine the qualifications necessary to serve on the Architectural Control Committee in their sole discretion. Any and all members of such committee may be removed by the Board of Directors without cause and the Board of Directors shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Architectural Control Committee.

6.02 Approval of Plans and Specifications. No improvement, as set forth below, shall be erected, constructed, placed, altered, maintained or permitted to remain on any Lot until plans and specifications have been submitted to and approved by the Architectural Control Committee. The Architectural Control Committee must review and approve such plans and specifications for which the Architectural Control Committee approval is required, including all of the following improvements on a Lot:

(a) Any single family residence, building, fence, wall or other structure.

(b) Any exterior addition, change or alteration to any single family residence, building, fence, wall or other structure.

(c) Any landscaping or grading of any Lot or Lots.

6.03 Application for Approval. To obtain approval to do any of the work described in Paragraph 6.02, an Owner must submit in writing an application to the Architectural Control Committee showing the plans and specifications for the proposed work. Such plans and specifications shall detail the nature, shape, height, materials, colors and location of the proposed work. Any other matter must specifically describe the activity for which Architectural Control Committee approval is sought. The plans and specifications to be so submitted shall include the following:

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a. A plot showing the location of all improvements, structures, walks, patios, driveways, fences and walls.

b. Exterior elevations.

c. Exterior materials, colors, textures, and shapes.

d. Structural design.

e. Parking area and driveway plan.

f. Screening, including size, location, and method.

The Architectural Control Committee may reasonably require additional information from the person seeking approval in order to properly evaluate the request. The decision of the Architectural Control Committee in approving or rejecting any application shall be final, conclusive, and binding on the applicant.

6.04 Standard For Review. The Architectural Control Committee shall review written applications for proposed work in order to (1) ensure conformity of the proposal with these covenants, conditions and restrictions (2) ensure harmony of external design in relation to surrounding structures and topography. An application can be rejected for providing insufficient information. The Committee shall have broad, discretionary authority to interpret and apply these standards. In rejecting an application, and upon written request, the Committee shall detail the reasons for rejection and suggest how the applicant could remedy the deficiencies.

6.05 Failure of Committee to Act. If the Architectural control Committee fails either to approve or reject an application for proposed work within fifteen (15) days after submission, then application shall be deemed to be rejected.

6.06 Limitation of Liability. No member of the Architectural Control Committee shall be liable to any Owner, mortgagee, or other person or entity for any damage, loss, or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings, specifications or other matter for which Architectural Control Committee approval is sought; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings or specifications; or (c) the development of any Lot; provided the member of the

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Architectural Control Committee has acted in good faith based upon information known to him or her and in the absence of gross negligence or intentionally wrongful conduct.

ARTICLE VII
Exterior Maintenance

7.01 Duty of Maintenance. Each Owner or occupant (including lessees) of a Lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that Lot so owned or occupied including buildings, improvements and grounds in connection therewith, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

a. Prompt removal of all litter, trash, refuse, and wastes.

b. Keeping driveways in good repair.

c. Complying with all government health and policy requirements.

d. Repair of exterior damages to improvements.

7.02 Enforcement. If, in the opinion of the Association any such Owner or Occupant has failed in any of the foregoing duties or responsibilities, then the Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the care and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association through its authorized agent or agents shall have the right and power (but not the duty) to enter onto the premises and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owner and Occupant (including lessees) of a Lot on which such work is performed shall jointly and severally be liable for the cost of such work and shall promptly reimburse the Association for such cost. If such owner or occupant shall fail to reimburse the Association within 30 days after receipt of a statement for such work from the Association, then said indebtedness shall be a debt of all of said persons jointly and severally, and shall constitute a lien against the Lot on which said work was performed. Such lien shall have the same attributes as the lien for assessments and special assessments set forth in Article IV,

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Section 4.08 above, which provisions are incorporated herein by reference, and the Association shall have identical powers and rights in all respects, including but not limited to the right of foreclosure.

ARTICLE VIII
Use Restrictions and Architectural Standards

8.01 Residential Use Only. All lots shall be used for single-family residential purposes only. Notwithstanding the foregoing, Declarant, as well as any other person engaged in the construction and sale of residences on the Property, shall have the right, during the construction and sales period, to use facilities as may be reasonably necessary or convenient for its business purpose of constructing and selling residences on the Property.

8.02 Type of Buildings Permitted. No building shall be erected, altered or permitted on any Lot other than one detached single-family dwelling not to exceed two stories in height with a private garage (whether attached or detached) (or carport) for at least two automobiles, a guest house, detached utility building or barn and such other structures as may be approved by the Architectural Control Committee. Notwithstanding the foregoing, Declarant, shall have the right, during the construction and sales period, to construct and maintain such facilities as may be reasonably necessary or convenient for its business of construction and selling dwelling units on the Property, including, but not limited to, offices and storage areas. The main residence must be constructed before or at the same time as any outbuildings (i.e., garages, carports, barns, guest houses, etc.).

8.03 Design Minimum Floor Area, Exterior Walls, Garages and Driveways. Any residence, excluding guest houses, constructed on a Lot must have a ground floor area of not less than two thousand (2000) square feet for a single story dwelling and one thousand four hundred (1400) square feet for a two story dwelling; provided, the first and second floors of a two story dwelling shall not have less that two thousand (2000) square feet. The minimum square footage called for herein shall be exclusive of open or screened porches, terraces, patios, driveways, carports, and garages. No building taller than two stories shall be permitted. The exterior walls of the main residence, whether it is a single story or a two story residence, shall consist of not less than 75% masonry construction (exclusive of windows, doors and gables). All roofs for the main residence shall be constructed of one of the following: (a) a minimum of 25 year

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dimensional composition shingle, (b) metal, (c) tile, or (d) equivalent quality; and all requiring the approval of the Architectural Control Committee. Notwithstanding the foregoing, log homes will not be subject to the 75% masonry requirement. Garages, whether attached or detached, and carports must be side or rear entry (i.e., the entry may not face a street); and any side or carport that faces a street must be faced with material that is architecturally compatible with the main residence and approved by the Architectural Control Committee. Any detached garage or carport shall be compatible with the architectural style and building material of the main residence. Driveways shall: (a) not intersect roads, streets or thoroughfares within 30 feet of intersections; (b) have a minimum width of 10 feet; and, (c) be constructed of reinforced concrete (according to acceptable building standards) from the edge of the pavement of the street to the front property line, and be constructed of asphalt (according to acceptable building standards) or reinforced concrete (according to acceptable building standards) from the front property line to the main residence. Any street-side mailbox permitted must be enclosed in the same masonry as the main residence.

8.04 Setbacks. No building shall be located on any Lot nearer to the front Lot line than sixty feet or nearer to the side street line than sixty feet nor any nearer to the rear lot line than sixty feet. For purposes of this covenant, eaves, steps, and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of the building on any Lot to encroach upon another Lot. The Architectural Control Committee may grant variances as circumstances may reasonably dictate.

8.05 Consolidation. No Lot shall be resubdivided. Any person owning two or more adjoining Lots may consolidate those Lots into a building site, with the privilege of constructing improvements, as permitted by this Declaration, as if the consolidated Lots were one original platted lot. If two or more lots are consolidated, the building setback requirements of Paragraph 7.04 shall apply to the resulting building site as if it were on original platted lot; provided, the building setback line along the common border of the Lots that are consolidated shall no longer be effective for so long as the Lots are consolidated into a single building site.

8.06 Easement. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Map of the Subdivision as referenced above. The right of use for ingress and egress shall be available at all

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times over any dedicated easement for the purpose of installing, operating, maintaining, repairing, or removing any utility or any obstruction placed in such easement that would interfere with the installation, maintenance, operation, or removal of such utility. No utility company, water district, political subdivision, or other authorized entity using these easements shall be liable for any damage done by them or their assigns, agents, employees, or servants, to shrubbery, trees, flowers, or to other property of the Owner situated in the easement.

8.07 Noxious or Offensive Activities Prohibited. No noxious or offensive activity shall be conducted on any Lot that may be or may become an annoyance or nuisance to the neighborhood. Without limiting the foregoing, no fireworks or firearms may be discharged or used anywhere in the Subdivision or on any Lot located in the Subdivision. Provided, however, nothing contained herein shall prevent anyone from protecting or defending themselves or others, as may be provided or permitted by law.

8.08 Prohibited Residential Uses. No structure not approved for residential use by the Architectural Control Committee, including but not limited to trailers, mobile homes, motor homes, basements, tents, shacks, garages, and other outbuildings and accessory structures, shall be used on any Lot at any time as a residence, either temporarily or permanently.

8.09 Signs. No signs of any type shall be allowed on any Lot except one sign of not more than five square feet advertising the property for sale or rent and such other signs as may be permitted by the Architectural Control Committee, including signs of reasonable size designating the occupants of the Lot. However, Declarant, shall have the right, during the construction and sales period, to construct and maintain signs advertising the construction and sale.

8.10 Oil Development and Mining Prohibited. No oil well drilling, development, or refining, and no mineral quarrying or mining operations of any kind shall be permitted on any Lot. No oil well, tank, tunnel, mineral excavation, or shaft shall be permitted on any Lot. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals shall be erected, maintained, or permitted on any Lot.

8.11 Rubbish, Trash and Garbage. No Lot shall be used or maintained as a dumping ground for rubbish or trash. All garbage and other waste shall be kept in sanitary containers. There shall be no burning or incineration of trash, garbage, or other

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8.12 Sewage Disposal. No individual sewage disposal systems shall be permitted on any Lot unless the system is designed, located and constructed in accordance with the requirements, standards and recommendations of the relevant governmental authority. Approval of the system as installed shall be obtained from that authority.

8.13 Water Supply. No individual water-supply system shall be permitted on any Lot unless the system is located, constructed and equipped in accordance with the requirements, standards, and recommendations of the applicable governmental authority. Approval of the system as installed shall be obtained from that authority. Any structure housing a water-supply system for the Lot must conform with the general architectural style and color of the main residence as determined by the Architectural Control Committee.

8.14 Sight Distance at Intersections. No fence, wall, hedge, or shrub planting that obstructs sight lines at elevations between two and six feet above the roadway shall be placed or permitted to remain on any corner lot in the triangular area formed by the street property lines and a line connecting them at points twenty-five feet from the intersection of the street lines, or in the case of rounded property corner, from the intersection of the street property lines as extended. No tree shall be permitted to remain within such distances of intersections unless the foliage line is maintained to meet the sight line requirements set forth above. The requirement of this paragraph may be varied by written approval of the Architectural Control Committee.

8.15 Animals. No animals (which term includes reptiles, fowl, or livestock) shall be raised, bred or kept on any Lot for commercial purposes. However, the equivalent of one (1) animal unit per two (2) acres may be kept on each Lot for non-commercial purposes if the animal is owned by the Lot Owner, the Lot Owner's family, a tenant or tenant's family of the Lot Owner and if the animal's Owner resides on the Lot. An "animal unit" shall have the same meaning as that term is defined by the Hays County Agricultural Extension Service. No animals shall be boarded on the Lot unless owned by the occupant of the Lot, whether for compensation or not. No animal shall be allowed to make an

(Restrictive Covenants)
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unreasonable amount of noise or to become a nuisance. Upon the written request of any Owner, the Architectural Control Committee shall conclusively determine, in its sole and absolute discretion, whether for the purposes of this paragraph, a particular animal is permitted or whether the number of animals on any such property is reasonable. Except when an animal is under the immediate personal supervision and command of its owner or handler, every animal shall be kept physically restrained from leaving the lot of the owner or handler of such animal. Allowing an animal to leave the premises of its owner or handler while not under the personal supervision and command of said owner or handler is hereby declared to be a nuisance. Animals may not be kept on a lot prior to the owner living in and occupying the main residence.

8.16 Fences Walls Hedges and Utility Meters. Any fence that fronts a street must be of a decorative nature and be constructed of metal, wood or masonry as approved by the Architectural Control Committee and must be maintained in a neat or orderly fashion. No chain link fence may be placed on the lot boundaries or within the building set back lines nor in front of the main residence.

8.17 Trucks, Buses, Boats, Campers, Recreational Vehicles and Trailers. No vehicle of any kind shall be left parked in the street in front of any lot, except for construction and repair equipment while a residence or residences are being built or repaired in the immediate vicinity. No truck (except for pick-up trucks), bus (except a passenger van for personal use), boat, camper, recreational vehicle, trailer, disabled or unregistered vehicle shall be parked on the driveway or any portion of the lot in such manner as to be visible from the street.

8.18 Prohibited Activities. No professional business, or commercial activity to which the general public is invited shall be conducted on any lot.

8.19 Wood-Burning Stoves and Fireplaces. No fireplace or wood-burning stove shall be installed or used on any lot unless it meets the requirements, standards, and recommendations of the applicable governmental authority.

8.20 Poles, Masts and Antennas. No poles, masts, antennas, or satellite dishes of any type, size, or height shall be installed on any lot unless within the envelope of a building and approved by the Architectural Control Committee.

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(Ruby Ranch Subdivision)
8.21 Access to FM 967. There shall be no access allowed or permitted directly onto Texas State Highway FM 967 from any Lot in the Subdivision that adjoins such highway (i.e., no roadways, driveways, entrances, etc., may be constructed from any Lot in the Subdivision so as to allow access directly onto Texas State Highway FM 967 from such Lot). All access to Texas State Highway FM 967 from any Lot in the Subdivision must be by way of the roads/streets that are shown on the subdivision plat of such Subdivision as referenced herein and nothing contained herein shall be construed so as to prohibit or restrict access to Texas State Highway FM 967 by way of such roads/streets.

ARTICLE IX
General Provisions

9.01 Enforcement. The Declarant, the Association or any Owner shall have the right (but not the duty) to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations imposed by this Declaration; such enforcement shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right of enforcement either with respect to the violation in question or any other violation. All waivers must be in writing and signed by the party to be bound.

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

9.03 Covenants Running With the Land. These easements, restrictions, covenants, and conditions are for the purpose of protecting the value and desirability of the Property. Consequently, they shall run with the real property and shall be binding on all parties having any right, title, or interest in the Property in whole or in part, and their heirs, successors, and assigns. These easements, covenants, conditions, and restrictions shall be for the benefit of the Property, each Lot, and each Lot Owner.

9.04 Duration and Amendment. The covenants, conditions, and restrictions of this Declaration shall be effective for a term of 20 years from the date this Declaration is recorded, after which period the covenants, conditions, and restrictions
shall be automatically extended for successive periods of 10 years subject to termination by an instrument signed by the Owners of more than 50 percent of the Lots. The covenants, conditions and restrictions of this Declaration may be amended by an instrument signed by the Owners of more than 75 percent of the Lots. Neither any amendment nor any termination shall be effective until recorded in the real property records of Hays County, Texas, and all requisite governmental approvals, if any, have been obtained.

9.05 Attorney's Fees. If any controversy, claim, or dispute arises relating to this instrument, its breach, or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees, and costs.

9.06 Liberal Interpretation. This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the Property.

9.07 Subordination. No breach of any of the conditions contained in these declarations or reentry by reason of such breach will defeat or render invalid the lien of any deed of trust made in good faith and for value as to the subdivision or any lot in it; provided, however, that such conditions will be binding on any owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

This Declaration is executed this the 12th day of October, 1995.

TWC Enterprises, Inc., a Texas corporation

By: 
Printed Name: TERI LEE WIMMER
Title: VICE-PRESIDENT

(Restrictive Covenants) (Ruby Ranch Subdivision)
Acknowledgment

State of Texas
County of Travis

This instrument was acknowledged before me on the 12th day of October, 1995, by JERRY KIMMEN, Vice-President, of TWC Enterprises, Inc., a Texas corporation, on behalf of such corporation.

[Signature]
Notary Public, State of Texas
Notary's Stamp with Printed Name
and Commission Expiration Date:

AFTER RECORDING, RETURN TO:

TWC Enterprises, Inc.
1900 FM 967
Buda, Texas 78610

(Restrictive Covenants)
(Ruby Ranch Subdivision)
EXHIBIT "A"

(Attached to Declaration of Covenants, Conditions, and Restrictions For Ruby Ranch Subdivision)

All of the property shown on and described on that map or plat of record in Volume 6, Pages 398-400 of the Plat Records of Hays County, Texas, said map or plat referred to and incorporated herein for all relevant and pertinent purposes; and such property including Lots One (1) through Twelve (12), Block "A", Lots One (1) through Twenty-Two (22), Block "B", and Lots One (1) through Eight (8), Block "C", Ruby Ranch, Phase One, a subdivision in Hays County, Texas, according to the map or plat of record in Volume 6, Page 398-400, Plat Records of Hays County, Texas.