DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SERENITY OAKS UNIT 4

(Except for Certain Prior Lots Sold, Superseding and Replacing Prior Declaration)

This Declaration is made on the date hereinafter set forth by Gale Estates, L.L.C., hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS Declarant is the developer of that certain tract of land known as SERENITY OAKS UNIT 4, being a subdivision containing Lots 107 through 172 and Lot 1004 of Serenity Oaks, Unit 4. Recorded in Document# 202106034827 of the Comal County Map and Plat Records.

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

NOW, THEREFORE, Declarant, owning seventy-five percent (75%) or more of the votes in the Property Owners Association, declares that all of the Property shall be held, sold, conveyed and occupied subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and shall be binding on all parties having any right, title or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof and the owners of the Prior Lots Sold, and (iii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be deemed to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions regardless of whether or not the same are set out or referred to in said contract for deed and the Property shall hereafter be subject to the jurisdiction and assessments of Rayner Ranch Property Owners Association, Inc. on the terms and provisions herein stated.

ARTICLE I
DEFINITIONS

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

1.1 Architectural Control Committee "Architectural Control Committee" shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of improvements upon the Property.

1.2 Articles "Articles" shall mean the Articles of Incorporation of Rayner Ranch Property Owners Association, which shall be filed in the office of the Secretary of State of Texas and as from time to time amended.

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

1.4 Association "Association" or "Master Association" shall mean and refer to Rayner Ranch Property Owners Association, a Texas non-profit corporation, its successors, and assigns. Notwithstanding anything herein to the contrary, the Rayner Ranch Property Owners Association shall consist of members from Unit 4, unless otherwise determined by Declarant.

1.5 Board "Board" shall mean the Board of Directors of the Association.

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

1.7 Common Area "Common Area or Common Areas" shall mean that portion of the Property owned by the Association for the common use and enjoyment of the Members of the Association including but not limited to, all parks, recreational facilities, community facilities, pumps, landscaping, irrigation systems, pavement, streets (to the extent not owned by appropriate governmental authorities), walkways, parking lots, pipes, wires, conduits and other public utility lines situated thereon (to the extent not owned by appropriate governmental authorities or by local utility companies). The Common Areas to be owned by Association shall include (i) those areas of land shown on any recorded plat or its equivalent of the Property or any portion thereof filed or approved by Declarant and identified thereon as "Greenbelt, Reserve, or Amenities Areas"; (ii) the unpaved and landscaped areas of the right of way for any drive within the Subdivision; and (iii) those areas of land and improvements thereon deeded to the Association by Declarant.

1.8 Declarant "Declarant" shall mean Gale Estates, L.L.C.., its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Gale Estates, L.L.C.., as Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

1.9 Design Guidelines "Design Guidelines" shall mean the criteria and guidelines established by the Architectural Control Committee for the construction of landscaping, improvements, and commercial development improvements within the Property.

1.10 Development "Development" means the Property and such other properties subsequently made a part of Serenity Oaks Subdivision by supplemental Declaration.

1.11 Greenbelt or Amenity Area "Greenbelt" or "Amenity Area" shall mean all areas designated by this Declarant to be held as open space for passive or active recreational purposes for the benefit of all Owners.

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

other utilities.

1.13 Lot "Lot" or "Lots" shall mean any parcel or parcels of land within the Property shown as a subdivided lot on a Plat of the Property, together with all improvements located thereon.

1.14 Master Declaration "Master Declaration" or "Declaration" shall mean this instrument, and as it may be amended from time to time.

1.15 Member "Member" or "Members" shall mean any person, persons, entity, or entities holding membership rights in the Association.

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

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

1.18 Owner "Owner" or "Owners" shall mean and refer to a person or persons, entity or entities, excluding Declarant, holding a fee simple interest in all or any portion of the Property, but shall not include a Mortgagee.

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

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

1.21 Plat "Plat" shall mean a final subdivision plat of any portion of the Property recorded in the map and plat records of Comal County, Texas.

1.22 Property "Property" shall mean that real property which is subject to the terms of this Declaration initially described as approximately 89.96 acres of land, known as SERENITY OAKS UNIT 4, Comal County, Texas, as shown on the map or plat recorded in Document# 202106034827 Map Records of Comal County, Texas, and any additional real property which may be hereafter incorporated or annexed under the terms of this Declaration.

1.23 Serenity Oaks Restrictions. "Serenity Oaks Restrictions shall mean collectively (i) this Master Declaration together with any and all Supplemental Declarations as the same may be amended from time to time, (ii) Serenity Oaks Rules, (iii) the Design Guidelines, and (iv) the Articles and Bylaws from time to time in effect, as the same may be amended from time to time.

1.24 Serenity Oaks Rules "Serenity Oaks Rules" shall mean the rules and regulations adopted by the Board as the same may be amended from time to time.

1.25 Sub Association "Sub Association" shall mean any non-profit Texas corporation or unincorporated association, organized, and established by Declarant or with Declarant's approval, pursuant to or in connection with a Supplemental Declaration.

1.26 Subdivision "Subdivision" shall mean and refer to SERENITY OAKS UNIT 4, and such other property within, the development, which has been subdivided and shown on a

map or plat or recorded in the Map or Plat Records of Comal County, Texas, and brought within the scheme of this Declaration in accordance with the provisions of Article II of this Declaration.

1.27 Supplemental Declaration "Supplemental Declaration" shall mean and refer to any declaration of covenants, conditions and restriction which may be recorded hereafter in order (i) to incorporate additional property into the Development, (ii) to subject any area of the Property to further covenants, conditions or restrictions, or (iii) to withdraw land from the Property.

ARTICLE II
ADDITIONS TO THE PROPERTY

2.1 Phased Subdivision

(a) Incorporation The Declarant, its successors and assigns, shall have the right at any time prior to December 41, 2021 to incorporate within the scheme of this Declaration additional phases of the Development following the acquisition of such property, or with the consent of the record owner, without the consent or approval of any party, including the Owners of any Lots (other than Declarant).

(b) Filing Supplemental Declarations To evidence the incorporation or annexation of additional property, Declarant shall record a Supplemental Declaration, which shall incorporate this Declaration by reference. Following such incorporation or annexation and the recordation of such additional plat or maps, then and thereafter the Owners of all Lots in the Subdivision shall have the rights, privileges and obligations set forth in this Declaration and each applicable Supplemental Declaration.

2.2 Merger or Consolidation Upon a merger or consolidation of the Association with another association, the Association's 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 property, 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 within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided.

ARTICLE III
GENERAL RESTRICTIONS

All of the Property shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following Covenants, Conditions, and Restrictions:

3.1 Single Family Residential Use Nothing can be built on the property that detracts from the overall feel of the neighborhood. Except as provided below, no building (other than stick built) shall be erected, altered, placed or permitted to remain on any Lot other than one dwelling unit per each Lot to be used only for single family residential purposes. One

guest/servants house may be built provided said guest/servants house contains no more than one-thousand two hundred (1200) square feet, is built after or while the main dwelling is being built and has prior approval of the Architectural Control Committee. All residences must have a garage sufficient to park at least two vehicles, with rear or side entry. Detached garages and workshops must match the house and go to the rear and may not be constructed on the Property prior to the main dwelling being built and workshops may only be constructed or placed out of view of any road, out of view of any Greenbelt area, and behind the intended dwelling site. The Architectural Control Committee prior to being erected, altered, or placed on the Property must approve all structures in writing. The term "dwelling" does not include either double wide homes or manufactured homes, or single wide mobile homes, or prefab houses regardless of whether the same are placed upon permanent foundation, and said homes are not permitted within the Subdivision. All dwellings must have at least two thousand (2000) square feet of living area. All dwellings must be built with new construction materials. Any building, structure or improvements constructed on any Lot shall be completed as to the exterior finish and appearance within eight (8) months from the commencement date.

3.2 Driveways and Garages All driveways shall be constructed of asphalt, exposed aggregated finished concrete, concrete, or brick paver materials unless otherwise approved in writing by the Architectural Control Committee. All garages, including detached garages, will be of the same general construction as the main dwelling and located on the tract according to the Committee approved building site plan and shall be suitable for no less than two (2) automobiles. All garages must be side or rear entry. No Carports shall be allowed. The Architectural Control Committee shall have the absolute authority over the entrance location and sitting of all garages. All driveways and garages must be shown on the plans submitted to the Architectural Control Committee and approved prior to any action being taken.

3.3 Masonry The exterior walls of the main residence constructed on any lot shall be at least seventy-five percent (75%) masonry or masonry veneer, exclusive of door, window, and similar openings. Masonry and masonry veneer include stucco, ceramic tile, clay, brick, rock, and all other materials commonly referred to in the San Antonio, Texas area as masonry, except for chimneys. The exterior of all chimneys shall be one hundred percent (l 00%) masonry or stucco of a type and color matching the exterior walls of the dwelling, but the masonry used on the exterior of the chimney will not include Hardiplank, Hardipanel and Hardishingle or any similar type fiber-cement siding.

3.4 Height No building or structure erected, altered, or placed on, within or in the properties shall exceed the lesser of thirty-five (45) feet in height (measured from the highest point of ground under the structure to the top most part of the roof) nor be more than 2-1/2 stories in height without the written consent of the Architectural Control Committee.

3.5 Set Back Requirements All residences shall be set back at least fifty (50) feet from the front property line, ten (l 0) feet from the side lot lines and twenty (20) feet from the rear lot line. With regard to corner lots, the setback requirement is fifty (50) feet on the front property line and thirty-five (35) feet on all sides adjoining a street. All residences shall be at least twenty-five (25) feet from any Greenbelt or Amenity area regardless of which lot line joins the Greenbelt or amenity area. All improvements, including but not limited to swimming pools and storage buildings, located on a Greenbelt or amenity area

must be set back at least twenty-five (25) feet from the property line adjoining Greenbelt or amenity area. All improvements, including but not limited to swimming pools, fences, and storage buildings, located on Greenbelt lots must be set back at least fifty (50) feet from the property line adjoining the Greenbelt. The Architectural Control Committee may waive or alter any setback line, if the Architectural Control Committee in the exercise of its sole discretion, deems such waiver or alterations necessary to permit effective utilization of its Lot. Any such waiver or alteration must be in writing and recorded in the Official Public Record of Comal County, Texas.

3.6 Construction of Improvements No improvements shall hereafter be constructed upon any of the Property until the Builder, building plans, specifications, plot plans and external design have first been approved by the Architectural Control Committee. An approved builder must be an individual, partnership, or corporation who is engaged in the business of constructing residences on a fulltime basis. Anything herein to the contrary notwithstanding, in the case of single family residences constructed on any Lot, the Architectural Control Committee, in its sole discretion, may limit its review of specific floor plans, and elevations, and upon the Architectural Control Committee's approval of such specific floor plans and elevations, residences may be constructed with the approved floor plans and elevations without the requirement of further review or approval by the Architectural Control Committee.

3.6(a) No improvements shall hereafter be constructed upon any of the property, until the Builder, building plans, specifications, plot plans and external design have first been approved by the Architectural Control Committee. An approved builder must be an individual, partnership, or corporation who is engaged in the business of constructing residences on a full-time basis.

3.7 Roofing Materials The roofing surface of all principal and secondary structures including garages and domestic living quarters shall be of slate, stone, concrete tile, clay tile, or other tile of a ceramic nature, composition shingles with a thirty (40) year dimensional shingles or better; or they may be standing or batten seam, left natural or painted a color approved by the Architectural Control Committee. The Architectural Control Committee shall have the authority and sole discretion to approve other roof treatments and materials if the form utilized will be harmonious with the surrounding homes and subdivision as a whole.

3.8 Color the Architectural Control Committee prior to use must approve all exterior color schemes on any structure, so that they are harmonious with other properties in the subdivision. Nothing shall be approved that will detract from the overall feel of the neighborhood.

3.9 Fences Walls and fences must be approved prior to construction by the Architectural Control Committee and, unless otherwise permitted by the Architectural Committee, must be constructed of wood, masonry, masonry veneer, wrought iron or a combination thereof. All wooden fences (except cedar and redwood) must be painted, and the Architectural Control Committee must approve the color of such paint. All walls and fences, if any, constructed on Greenbelt lots must be approved prior to construction by the Architectural Control Committee. All fences shall be a minimum of four (4) feet and a maximum of six and-a-half (6.5) feet in height and shall not extend closer to the street than the front line of the dwelling unit. Any fence closer to the street than the front line of the dwelling unit shall be no more than four and-a-half (4.5) feet in height and be constructed in an ornamental design. All individual mailboxes (if approved by the postal department) must be of masonry construction and approved by the Architectural Control Committee. No barbed,

smooth, hog, chicken or like material/wire fencing is permitted on property, except that the Architectural Control Committee may allow an Owner to attach light gauge wire fencing not exceeding fifty-four (54) inches in height to the inside bottom portion of other approved fencing. Chain link fences will not be allowed as perimeter fencing but may be used for dog runs so long as they are out of sight of the road and/or Greenbelt and are approved by the Architectural Control Committee.

3.10 Construction in Place All improvements, including but not limited to dwellings and fences, constructed on the Property shall be built in place on the applicable Lot and the use of prefabricated materials shall be allowed only with the prior written approval of the Architectural Control Committee.

3.11 Subdividing, Combining Two or More Lots No Lot shall be further divided or subdivided without the prior written consent of the Architectural Control Committee, Developer and the Comal County Commissioners, if required; provided, however, when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey an easement or other interest less than the whole, all without the approval of the Architectural Control Committee. Lots may be combined into one Lot for building purposes and the interior common boundary line shall be extinguished by filing a recordable document of record, joined by the Declarant, or Architectural Control Committee, declaring the same to be extinguished. Thereafter, all set back lines shall refer to the exterior property lines. Combined Lots shall nevertheless be considered as separate Lots for assessment purposes, unless otherwise determined by the Architectural Control Committee. Public utility and drainage easements are exempt from this provision.

3.12 Repair of Buildings All improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof.

3.13 Alteration or Removal of Improvements Any construction, other than normal maintenance, which in any way alters the exterior appearance of any improvement, or the removal of any improvement, shall be performed only with the prior written approval of the Architectural Control Committee.

3.14 Drainage Any person or persons will not impair natural established drainage patterns of streets, Lots, or roadway ditches. Driveway culverts must be installed and be of sufficient size to afford proper drainage of ditches without backing water up into the ditch or diverting flow. Drainage culvert installation is subject to the inspection and approval of the Architectural Control Committee and to County requirements, including any permits, as necessary.

3.15 Temporary Structures No tent, shack, garage, barn, basement, trailer, motor home or other temporary building, improvement or structure shall be placed upon the Property without the prior written approval of the Architectural Control Committee. Notwithstanding, the Developer reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Subdivision as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements within the Subdivision.

3.16 Mining and Drilling No portion of the Property shall be used for the purposes of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth.

3.17 Antennas No exterior radio or television antennas or aerial or other devices, designed to receive telecommunication signals, including but not limited to, radio,

television, or microwave signals which are intended for cable television, network television receptions, or entertainment purposes shall be erected or maintained, except by Declarant, without the prior written approval of the Architectural Control Committee, which shall not be unreasonably withheld. Exterior television reception equipment is limited to what is typically referred to as "Small Dish" antenna systems and is subject to final approval of the Architectural Control Committee. No antenna or other receiving device shall extend ten feet above the highest point of the roof. Nothing herein shall be construed to conflict with the rules and regulations set forth by the Federal Communications Commission, which will govern in the event ofconflict.

3.18 Signs No signs, advertising, billboards or advertising structures, including for sale signs, of any kind may be erected or maintained on any Lot without the consent in writing of the Architecture Control Committee. Builders may place a pre-approved sign that does not exceed four (4) feet by four (4) feet advertising a model home on the Lot. No sign shall be nailed to a tree and all signs must be properly maintained. Declarant or any member of such Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Lot in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability for trespass or other tort in connection therewith, or arising from such removal.

3.19 Rubbish and Debris No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. Refuse, garbage, and trash shall always be kept in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view. In the event the Owner shall fail or refuse to keep, or cause to be kept such Owner's property or any improvements thereon free from rubbish or debris of any kind, and such failure or refusal shall continue for fifteen (15) days after delivery of written notice thereof, then the Rayner Ranch Property Owner's Association may enter upon such property and remove or correct the same at the expense of the property owner and any such entry shall not be deemed a trespass.

3.20 Noise No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security or public safety purposes) shall be located, used or placed on any of the Property such that it becomes or will become clearly audible at the property line of adjoining Lots. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

3.21 Hazardous Activities No activities shall be conducted on the Property and no improvements constructed on the property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property, from view from public or private thoroughfares and adjacent properties.

3.22 Unsightly Articles Vehicles No article deemed to be unsightly by the Architectural Control Committee shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, busses, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times, except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any

automobile (other than minor emergency repairs), except in enclosed garages or other structures. No automobiles or other vehicles may be parked in excess of seventy-two (72) hours on any roadway within the Subdivision. Service areas, storage areas, loading areas, compost piles and facilities for hanging, drying or rinsing clothing or household fabrics shall be appropriately screened from view from public or private thoroughfares, the golf course and adjacent properties and no lumber, grass, plant, waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the property except within enclosed structures or appropriately screened from view from public or private thoroughfares and adjacent properties.

3.23 Mobile Homes, Travel Trailers and Recreational Vehicles No mobile homes shall be parked or placed on any Lot at any time, and no travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or public or private thoroughfares for more than seventy-two (72) hours. Notwithstanding, the Declarant reserves the right to maintain such structures/vehicles within the Subdivision as, in its sole discretion, may determine to be necessary or convenient while selling Lots.

3.24 Animals-Household Pets No animals, including pigs, potbellied pigs, hogs, swine, pigeons, poultry, fowl, wild animals, horses, cattle, sheep, goats, ferrets, weasel or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property. Owners shall only have a reasonable number of household pets. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on any portion of the Property other than the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large, and all animals shall be kept within the enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects and waste at all times. Such enclosed areas shall be constructed in accordance with plans approved by the Architectural Control Committee, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property.

3.25 Hunting No hunting is allowed in the subdivision, no discharge of handguns, rifles, shotguns or other firearms, pellet, or air guns, bows or crossbows, or other weapons and firearms, are allowed.

3.26 Construction Activities Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event any dispute regarding such matters, a temporary waiver of the applicable provision may be

granted by the Architectural Control Committee, provided that such waiver shall be only for the reasonable period of such construction.

3.27 Compliance with Provisions of the Serenity Oaks Restrictions Each Owner shall comply strictly with the provisions of the Serenity Oaks Restrictions as the same may be amended from time to time. Failure to comply with any of the Serenity Oaks Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief, or both, maintainable by the Board on behalf of the Association or by an aggrieved Owner.

3.28 Rentals Nothing in the Declaration shall prevent the rental of any entire Lot and the improvements thereon, by the Owner thereof for residential purposes.

3.29 Model Homes Notwithstanding anything herein contained, Builders shall be allowed to construct model homes as long as such model homes conform to these restrictions.

3.30 Prohibition of Offensive Activity No activity, whether for profit or not, shall be conducted on any Lot which is not related to single-family residential purposes. All commercial activities are specifically prohibited. Notwithstanding, this restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision.

3.31 No Warranty of Enforceability While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article III or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom. In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, without liability to the Owner, or any occupant or otherwise, enter upon said Lot, and cause to be removed, such garbage, trash, and rubbish or do any other thing necessary to secure compliance with this Declaration at the expense of Owner. Payment for the charges by such Owner shall be payable on the first day of the next calendar month.

3.32 Maintenance of Residence. No residence shall be permitted to become an eyesore either by looking run-down in appearance, e.g. faded paint, tom screens, etc. Owners hereby agree to keep their residence in a good state of repair and further agrees that in the event their residence becomes unsightly, they will remedy the situation within thirty (40) days of notification by the Rayner Ranch Property Association, its successors or assigns or designee. This also includes the yard which must be maintained in a good and clean nature.

3.33 Utility Lines All utilities, including but not limited to electric lines, to the property must go underground from the street to the residences.

ARTICLE IV
USE RESTRICTIONS

4.1 General. Except as provided below, the Property shall be improved and used solely for single-family residential uses, or for Greenbelt or Amenity Areas, Greenbelt or Amenity Areas may, subject to the approval of Declarant, be improved and used for active and passive recreational purposes for the primary benefit of Owners and occupants of portions of the property; provided, however that as to any specific area, Declarant may, in its sole and absolute discretion, permit other improvements and uses, including without limitations sales and office facilities.

4.2 Minimum Yards. The location of all improvements located on a Lot shall be subject to approval of the Architectural Control Committee. Minimum yard and setback requirements may be established in excess of those shown on the plat or contained in City ordinances by the Architectural Control Committee or by Declarant through a Supplemental Declaration in order to maximize open areas, pedestrian and vehicular movement and to benefit the overall appearance of the Property.

4.3 Greenbelt or Amenity Areas. No land with any Greenbelt or Amenity Areas shall be improved, used, occupied, except in such a manner as shall have been approved by the Architectural Control Committee, in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy, and improvements. Access to any Greenbelt or Amenity Area may be limited to persons currently paying Assessment Fees and other charges, or otherwise conditioned or restricted or made available to Non-Owners all on such terms and conditions as the Association may determine in its sole discretion.

4.4 Recreational Improvements. Any proposed construction of recreational improvements within a Greenbelt or Amenity Area shall be subject to approval of the Architectural Control Committee.

ARTICLEV
SERENITY OAKS-RAYNER RANCH PROPERTY OWNERS ASSOCIATION, INC.

5.1 Organization. The Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Master Association, as a nonprofit corporation under the laws of the State of Texas. The Master Association shall be created for the purposes, charged with the duties, governed by the provisions, and vested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Nothing in this Declaration shall prevent the creation, by provisions therefore in Supplemental Declarations executed and recorded by Declarant or any other person or persons authorized by Declarant of sub- associations to own, develop, assess, regulate, operate, maintain or manage the Property subject to such Supplemental Declaration.

5.2 Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject, by covenants or record, to Assessments by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and

may not be separated from any ownership of any Lot, which is subject to assessment, by the Association. Ownership of such Lot shall be the sole, qualification for membership.

Any Mortgage or Lien Holder who acquired title to any Lot, which is a part of the Property through judicial or non-judicial foreclosure, shall be a Member of the Association. It is understood that the Development may be developed in phases or sections, and upon completion of development of each individual section or phase by Declarant, such completed section or phase or any part thereof shall, at the option and election of the Declarant, be incorporated within the scheme of the Declarant and become bound hereby and a part hereof, which incorporation shall be evidenced by the filing of the Supplement Declaration.

5.3 Voting Rights. The Association shall have two classes of voting membership.

(a) Class A Lots. Class A Lots shall all lots except Class B Lots, as the same is hereafter described. Each Class A Lot shall entitle the Owner of said lot one (I) vote. When more than one person owns an interest (other than a leasehold or security interest) in any lot, all such persons shall be members and the voting rights appurtenant to said lot shall be exercised as they, among themselves, determine.

(b) Class B Lots. Class B Lots shall be all lots owned by Declarant, which have not been converted to Class A Lots as, provided in paragraphs (I) or (2) below. The Declarant shall be entitled to twenty (20) votes for each Class B Lot owned by Declarant. The Class B lots shall cease to exist and shall be converted to Class A Lots.

(1) When the total number of votes appurtenant to the Class A Lots equals the total number of votes appurtenant to the Class B Lots; provided, the Class B Lots shall be reinstated with all rights, privileges and responsibilities, if after conversion of the Class B Lots to Class A lots hereunder, additional land containing more lots is annexed to the existing property hereof; or

(2) On December 41, 2021, whichever event shall last occur.

When Class B Lots cease to exist and are converted to Class A Lots, Declarant shall have the same voting rights as other owners of Class A Lots.

(c) Notwithstanding any other provisions to the contrary herein if it shall appear any time prior to December 41, 2021, that the voting formulas herein above established shall result in the Owner of lots other than Declarant being privileged to cast in the aggregates as many as, or more votes than the aggregate number privileged to be cast by Declarant, then, in such event, Declarant shall be privileged to cast a total number of votes equal to the number of votes which all other Owners are entitled to cast, plus one additional vote. After December 41, 2021, the number of votes which Declarant shall be privileged to cast, shall be determined in accordance with subsections (a) and (b) of this article.

5.4 Powers and Authorities of the Association. The Master Association shall have all the powers provided for profit corporations, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which 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.

The Master Association and the Board, acting on behalf of the Master Association, shall have the power and authority at all times as follows;

(a) Serenity Oaks-Rayner Ranch Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Rayner Ranch Rules and Bylaws, not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions.

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

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

(d) Assessments. To levy Assessments as provided in Article VII below. An Assessment is defined as that sum which must be levied in the manner and against the property set forth in Article VII hereof, in order to raise the total amount for which the levy in question is being made.

(e) Enforcement. The Master Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or restrain and enjoin, any breach or threatened breach of the Serenity Oaks Restrictions. The Master Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Serenity Oaks Restrictions; provided, however, that the Board shall never be authorized to expend any Master Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

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

(g) Collection for Sub-associations. To collect on behalf of and for the accounting of any Sub-association (but not to levy) any assessment made by the Sub-association created pursuant to this Declaration.

(h) Conveyances. To grant and convey to any person or entity the real property and/or other interest therein, including fee title, leasehold estates, easements, rights-of-way, or mortgages out of, in, on, over or under any Common Area for the purpose of constructing, erecting, operating, or maintaining the following:

(I) Parks, parkways, landscaping, or other recreational facilities or structures;

(2) Roads, streets, walks, driveways, trails and paths;

(3) Lines, cables, wires, conduits, pipelines, or other devices for utility purposes;

(4) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines;

(5) Any similar public, quasi-public or private improvements or facilities; provided, however, that the Master Association shall not convey fee simple title in and to, or mortgage all or any portion of the Common Areas without consent of at least sixty seven percent (67%) of the Owners (excluding Declarant).

Nothing above contained, however, shall be construed to permit use or occupancy of any improvement or other facility in a way, which would violate applicable use and occupancy restrictions imposed thereon by other provisions of this Declaration.

(i) Manager. To retain and pay for the services of a person or firm ("The Manager") to manage and operate the Master Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Master Association or may be furnished by the Manager. To the extent permitted by law, the Master Association and the Board may delegate any other duties, powers, and functions to the Manager. The members of the Master Association hereby release the Master Association and the members of the Board from any liability for any omission or improper exercise by the Manager of any such duty, power, or function so delegated,

(j) Association Property Services. To pay for water, sewer, garbage, removal, landscaping, gardening, and all other utilities, services, and maintenance for all Common Areas, to maintain and repair easements, roads, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes and other areas of the Property, as appropriate and the maintenance of which has not been accepted by the appropriate Governmental Entity; and to own and operate any and all types of facilities for both active and passive recreation.

(k) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Master Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, of the Articles or Bylaws of the Master Association.

(l) Construction on Association Property. To construct new improvements or additions to Common Areas, subject to the approval of the Board and the Architectural Control Committee as provided in this Declaration.

(m) Contracts. To enter into contracts with Declarant and other persons on such terms and provisions, as the Board shall determine, to operate and maintain any Greenbelt or Amenity Area or to provide any service to perform any function on behalf of Declarant or any person.

(n) Property Ownership. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

5.5 Maintenance and Landscape Authority. The Master Association shall maintain all streets and roadways within the Property, which have been completed but not accepted by the appropriate governmental entity for maintenance. In addition the Master Association shall be authorized to landscape, maintain and repair all easements, access easements, rights-of-way, median strips, sidewalks, paths, trails, detention ponds, the Private Drainage Easements of record in Document #202106026121 of the Official Public Records of Comal County, Texas, and other areas of the Property, as appropriate. The Master Association shall maintain all Greenbelt or Amenity Areas dedicated to the Master Association for maintenance, by or with consent of the Declarant. The Master Association shall also maintain any landscaped medians and boulevard areas, not fronting lots, located in the streets or public right-of-way.

5.6 Lighting. The Master Association shall pay for electrical service and for all other costs and expenses necessary to operate and maintain the lighting within street right-of- ways and Greenbelt and Amenity Areas and on Common Properties.

5.7 Common Areas. Subject to and in accordance with this Declaration, the Master Association, acting through the Board, shall have the following duties:

(a) To accept, own, operate and maintain all Greenbelt and Amenity Areas which may be conveyed or leased to it by Declarant, together with all Improvements of whatever kind and for whatever purpose which may be located in said area; and to accept, own, operate and maintain all other Common Areas, real and personal, conveyed or leased to the Master Association by the Declarant and to maintain in good repair and condition all lands, improvements and other Master Association property owned by or leased to the Master Association. Such maintenance shall include, but not be limited to, mowing and removal of rubbish or debris of any kind.

(b) To construct, maintain, repair, and replace landscape improvements and irrigation systems which public rights-of-way pursuant to agreements with the county or other appropriate governmental authority.

(c) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Master Association, to the extent that such taxes and assessments are not levied directly upon the members of the Master Association. The Master Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(d) Upon the approval of two-thirds (2/4rds) of the Owners (excluding Declarant), to execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Master Association. Additionally, the Master Association may accept lands in Greenbelt and Amenity Areas, whether or not improved from Declarant subject to such mortgages or by assuming such mortgages. Financing may be affected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any form or manner as may be deemed appropriate by the borrower, whether Declarant or the Master Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien as shall be deemed appropriate by borrower, whether Declarant or the Association, on the improvements or other facility to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees or Assessment paid by the members of the Master Association, as the case may be, but subject to the limitations imposed by this Declaration.

(e) To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment on all real and personal property owned by the Master Association, in such amounts as the Board shall deem appropriate.

5.8 Indemnification. The Master Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was director, officer, committee member, employee, servant or agent of the Master Association against expenses, including attorney's fees, 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 (l) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Master Association, and (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceedings by settlement or upon a plea of Nolo Contendre, or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Master Association, and with to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, servant or agent of the Master Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Master Association would have the power to indemnify him against such liability hereunder or otherwise.

ARTICLE VI
ARCHITECTURAL CONTROL COMMITTEE

6.1 Approval of Plans and Specifications. No improvements shall be commenced, erected, constructed, placed or maintained upon any lot, nor shall any exterior addition to or change or alteration therein be made until the Plans and Specifications therefore shall have been submitted to and approved by the Architectural Control Committee in accordance herewith.

6.2 Membership of Architectural Control Committee. The Architectural Control Committee shall consist of not less than two (2) or more than seven (7) voting members ("Voting Members") and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as Declarant or its successors or assigns deems appropriate. Declarant will appoint all Voting Members prior to the Control Transfer Date.

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

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

6.5 Term. At such time as ninety percent (90%) of all the Lots in all units of Serenity Oaks are conveyed by Declarant (from time to time hereafter referred to as the Control Transfer Date"), the Declarant shall cause an instrument transferring control to be placed

of record in the Official Public Records of Comal County, Texas (which instrument shall include the Control Transfer Date and shall appoint not less than three (4) members to form the Architectural Control Committee. Thereafter annually the Association shall elect three (4) members. Additionally, the Declarant shall have the right to discontinue the exercise of the architectural control privileges and arrange for the transfer to the Association at any time prior to the Control Transfer Date by filing a statement and instrument to such effect in the Official Public Records of Comal County, Texas.

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

6.7 Review of Proposed Construction. Whenever in this Declaration, or in any Supplemental Declaration, the approval of the Architectural Control Committee is required, it shall consider all of the Plans and Specifications for the improvements or proposal in question and all other facts and information which, in its sole discretion, it considers relevant, and may require an Owner to provide such other information as it deems relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction or any improvement on the Property or any portion thereof, the Plans and Specifications therefore shall be submitted to the Architectural Control Committee, and construction thereof may not commence unless and until the Architectural Control Committee has approved such Plans and Specifications in writing. The Architectural Control Committee may postpone review of the Plans and Specifications until such time as the Architectural Control Committee has received all information requested. The Architectural Control Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Control Committee. The Architectural Control Committee shall not be responsible for reviewing any proposed improvements, nor shall its approval of any Plans and Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes. The Architectural Control Committee has no responsibility to ensure that improvements are in fact constituted in accordance with the Plans and Specifications therefore approved.

6.8 Variances. The Architectural Control Committee may grant variances from compliance with any of the provisions of this Declaration or any Supplemental Declaration, when, in the opinion of the Architectural Control Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property, and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument in recordable form and must be signed by a majority of the Voting Members. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Lots for any purpose except as to the particular property and in the particular instance covered by the variance,

and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

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

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

6.11 Certificates of Compliance. Upon completion of any improvement approved by the Architectural Control Committee and upon written request by the Owner of the Lot, the Architectural Control Committee shall issue a Certificate of Compliance in a form suitable for recordation. The Certificate shall identify the Lot and the improvements, the use or uses to be conducted thereon, and that the Plans and Specifications were approved by the Architectural Control Committee pursuant to which the improvements were made and shall specify that the Improvements comply with the approved Plans and Specifications. The Certificate shall be construed to certify the acceptability, sufficiency or approval by the Architectural Control Committee of the actual consideration of the improvements or the workmanship or material thereof, nor will said certificate be deemed or considered a warranty, or that the construction workmanship, material and design of the improvements is adequate or fit for its intended use and purpose, or that the improvements were in fact constructed with the approved set of Plans and Specifications. Preparation and recordation of such certificate shall be at the expense of the Owner of the improved Lot.

ARTICLE VII
FUNDS AND ASSESSMENTS

7.1 Assessments.

(a) Except as herein provided Assessments established by the Board pursuant to the provisions of this Article VII shall be levied on a uniform basis against each Lot with the property. At this time there is established a one-time assessment of $1,800.00 per lot to recover capital costs associated with providing the infrastructure and other required improvements to provide water service to each Lot. This impact fee is paid directly to the Declarant and shall not be prorated but due in its entirety on the date of the purchase of the Lot, and there is also a yearly assessment of $250.00 per lot and said $250.00 assessment may be increased by ten percent (10%) per year. The Assessments, along with the one-time impact fee of $1,800.00, attorney's fees, cost of collections, court costs, late fees and interest shall constitute a continuing lien upon the Lot covered by such unpaid Assessment, and such lien shall be for the benefit of the Association.

(b) Each unpaid Assessment together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the Owner of the Property against which the Assessment falls due, and shall become a lien against each such Lot and all improvements thereon. Master Association may enforce payment of such assessments in accordance with the provisions of this Article.

(c) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment is levied,

the Assessment shall be prorated as of the date when said obligation first arose to the duration of the Assessment year other period remaining after said date.

7.2 Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid the Master Association and from which disbursements shall be made in performing the functions of the Master Association under this Declaration. The fund of the Master Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds by a Sub-association pursuant to any Supplemental Declaration.

7.3 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Master Association during such year in performing its functions under the Serenity Oaks Restrictions, including but not limited to, the cost of all maintenance, the cost of providing street lighting, the cost of enforcing Serenity Oaks Restrictions and the reasonable provisions for contingencies and appropriate replacement reserves less any expected income or any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of the Assessment set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Master Association may at any time, and from time to time, levy further Assessments in the same manner as aforesaid. Owners who own multiple lots only need to pay for one annual assessment amount, no matter how many lots are owned. The owner's name, as it is recorded on the property deed, needs to be exactly the same for each multiple lot owned; if not, the owner will forfeit this exemption and they will pay the full assessment amount for each lot they own that does not have the exact same name recorded on the county deed records. All such regular Assessments shall be due and payable to the Master Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such manner as the Board may designate in its sole and absolute discretion.

7.4 Owner's Personal Obligation for Payment of Assessments. The regular Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may except himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest on the amount of the Assessment from the due date at a percentage of six percent (6.0%) per annum, together with all costs, and expenses of collection, including reasonable attorney's fees.

7.5 Creation of Lien and Personal Obligation. In order to secure the payment of the Assessments Charged, and other charges and assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot which may be foreclosed on by non-judicial foreclosure, pursuant to the provision of Section 51.002 of the Texas Property Code (and any successor statute); and each such Owner hereby expressly grants the Association a power of sale in connection with such statute. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of written instrument executed by the President or any Vice-

President of the Association and filed for record in the Real Property Records of Comal County, Texas. In event that the Association has determined to non-judicially foreclose the lien pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, or the Association's agent, shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended. Upon request by Association, the Trustee shall give any further notice of the foreclosure sale as may be required by the Texas Property Code as then amended, and shall convey such Lot to the highest bidder for cash by General Warranty Deed. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and reasonable Trustee's fees; second from such proceeds there shall be paid to the Association an amount equal to the amount in default; third, the Owner's Mortgagees, and fourth, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and such occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in action of forcible detainer and the issuance of a writ of restitution thereunder. In the event of non-payment by any Owner of any Assessment or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien and exercising the remedies provided, upon ten (I 0) days prior written notice to such non-paying Owner, exercise all other rights and remedies available at law or in equity. It is the intent of the provisions of this Section 7.5 to comply with the provisions of Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale, and in the event of the amendment of Section 51.002 of the Texas Property Code hereafter, the President or any Vice-President of the Association, acting without joinder of any other Owner or Mortgagee or other person may, by amendment to this Declaration file in the Real Property Records of Comal County, Texas, amend the provisions hereof so as to comply with said amendment to Section 51.002 of the Texas Property Code.

7.6 Notice of Lien. In addition to the right of the Association to enforce the Assessments or other charge or assessment levied hereunder, the Association may file a claim or lien against the Lot or the delinquent Owner by recording a notice ("Notice of Lien") (a) setting forth the amount of the claim of delinquency, (b) the interest thereon, (c) costs of collection which have accrued thereon, (d) the legal description and street address of the Lot against which the lien is claimed and (e) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an Officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board to cover the preparation and recordation of such release of lien instrument.

7.7 Liens Subordinate to Mortgages. The lien described in this Article VII shall be deemed subordinate to a first lien or other liens of any bank, insurance company, savings and loan association, university, pension and profit sharing trusts or plans, or any other third party lender, including the Declarant, which may have heretofore to may hereafter lend money in good faith for the purchase, or improvement of any Lot and any renewals,

extension, rearrangement or refinancing thereof. Each such Mortgagee of a Mortgage encumbering a Lot who obtains title to such Lot pursuant to the remedies provided in the deed of trust or mortgage, or by judicial foreclosure shall take title to the Lot free and clear of any claims for unpaid Assessments or other charges against such Lot which accrued prior to the time such holder acquired title to such Lot. No such sale or transfer shall relieve such holder from liability for any Assessments or other charges thereafter becoming due or from the lien thereof. Any other sale or transfer of a Lot shall not affect the Association's lien for Assessments or other charges. The Association shall make a good faith effort to give each such mortgage sixty (60) days advance written notice of the Association's proposed foreclosure of lien described in Section 7.5 hereof, which notice shall be sent to the nearest office of such Mortgagee by prepaid United States registered or Certified Mail, return receipt requested, and shall contain a statement of the delinquent Maintenance Charge or other charges or assessments upon which the proposed action is based provided, however, the Association's failure to give such notices shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VII.

ARTICLE VIII
EASEMENTS

8.1 Reserved Easements. All dedications, limitations, restrictions and reservations shown on a Plat and all grants, dedications of easements, rights-of-way, restrictions and related rights, made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time from time to time, rights-of-way, and easements for public utility purposes (including without limitation, gas, water, cable television, electricity, telephone and drainage), in favor of any person or entity, along and on either sides of any Lot lien, which said easement shall have the maximum width of 10.00 feet on each side of such Lot line.

8.2 Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the easement area affecting the Property for ingress and egress in connection with installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, cable television, telephones, electricity and appurtenances thereto, by virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto and to trim trees, limbs or overhanging vegetation on, above, across and under the Property, which is dedicated utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any improvement. Notwithstanding any provision contained in this section, no sewer, electrical lines, water lines, or other

utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Control Committee.

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

8.4 Surface Area. Each Owner shall maintain the surface area of all easements located within their Lot and all improvements located therein except for such improvements for which a public authority or utility company is responsible. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any Owner or to the Master Association for any damage done by them or any of them or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in such easement area.

8.5 Title to Easement and Appurtenances Not Covered. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways or Greenbelt or Amenity Area or any drainage, water, gas, sewer, storm sewer, electrical light, electrical power, telegraph or telephone way, or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Property, and the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public services corporation or to any other party is hereby expressly reserved by Declarant.

8.6 Greenbelt or Amenity Areas. Each Owner shall have an easement of use and enjoyment in and to all Greenbelt and Amenity Areas, which shall be appurtenant to and shall pass with title to each Owner's Lot, subject to the following restrictions.

(a) The Right to the Master Association to suspend the Owner's voting rights and right to use the Greenbelt or Amenity Areas for any period, during which any Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Master Association;

(b) The Right of the Master Association to dedicate or transfer all or any part of the Greenbelt or Amenity Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by a majority vote of the Members;

(c) The Right of the Master Association to borrow money for the purpose of improving the Greenbelt or Amenity Areas and, in furtherance thereof, to mortgage the Greenbelt or Amenity Areas, all in accordance with the Articles and Bylaws;

(d) The Right of the Master Association to make reasonable rules and regulations regarding the use of the Greenbelt of Amenity Areas and any facilities thereon, and;

(e) The Right of the Master Association to contract for services with third parties on such terms as the Master Association may determine.

ARTICLE IX
MISCELLANEOUS

9.1 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 41, 2021, unless amended as herein provided. After December 41, 2021, this Declaration, including all such covenants, conditions and restrictions shall be automatically extended for successive periods often (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least three-fourths (4/4ths) of the Lots within the Property then subject to this Declaration.

9.2 Non-liability of Board and Architectural Control Committee Members. Neither the Architectural Control Committee, nor any member thereof, nor the Board nor any member thereof, shall be liable to the Master Association or to any Owner or to any other person for any Joss, damage or injury arising out of their performance of the Architectural Control Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Control Committee or its members, as the case may be. Neither the Architectural Control Committee nor the members thereof shall be liable to any Owner due to the construction of any improvements within the Property.

9.3 Amendment.

(a) By Declarant. This Declaration or any Supplemental Declaration may be amended by the Declarant acting alone until December 41, 2021, or until the Declarant no longer holds fifty-one percent (51%) of the Votes of the Master Association, whichever occurs last. No amendments by Declarant after December 41, 2021, shall be effective until there has been recorded in the Official Public Records of Comal County, Texas, an instrument approved and executed and acknowledged by Declarant and setting forth the amendment, and an instrument executed and acknowledged by the President and Secretary of the Board certifying that the Declarant and requisite number of votes. Notwithstanding the foregoing, Declarant may amend this Declaration at any time (i) to correct typographical and grammatical errors, and (ii) in order to comply with VA or FHA requirements forapproval of the Property.

(b) By Owners. In addition to the method in Section 9.4(a), after December 41, 2021, this Declaration may be amended by the recording in the Official Public Records of Comal County, Texas, an instrument approved and executed and acknowledged by the President and the Secretary of the Master Association, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast as least sixty percent (60%) of the number of votes to be cast pursuant to Section 5.4 hereof, excluding the votes eligible to be cast by the Declarant.

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

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

9.6 Mergers and Consolidations. The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that such merger, consolidation or annexation shall have the consent (in writing or at a meeting duly called for such purpose) of those Members entitled to cast not less than two-thirds (2/4rds) of the votes of the Association.

9.7 Exemption of Declarant. Notwithstanding any provision of this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Architectural Control Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate or grade, to construct and after drainage patterns and facilities have been constructed to construct any and all other types of improvements anywhere within the Property, however, the construction of sales and leasing offices and the posting of a sign advertising the sale and leasing of the Lots by Declarant shall be limited to Lots owned by the Declarant and reasonable portions of the
Greenbelt areas.

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

9.9 Enforcement and Non-Waiver.

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

(b) Non-Waiver. The failure to enforce any provision of the Serenity Oaks Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.

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

9. 10 Construction

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

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

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

GALE ESTATES, L.L.C.,
A Texas Limited Liability Company, by:

_____
Elizabeth C. Gale, President or
Jason R. Gale, Vice President

STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared Elizabeth C. Gale, President or Jason R. Gale, Vice President of Gale Estates, L.L.C., a Texas Limited Liability Company known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated and as the act and deed of said Partnership.

GIVEN under my hand and seal of office this the 9th day of June, 2021.

LIDIA S. ORTEGA
ID #125995226
My Commission Expires
February 07, 2023

Lidia S. Ortega
Notary Public in and for the State of Texas

Filed and Recorded
Official Public Records
Bobbie Koepp, County Clerk
Comal County, Texas
06/29/2021 11:20:21 AM
JESSICA 25 Page(s)
202106034828
Bobbie Koepp