



Office of the Secretary of State

CERTIFICATE OF INCORPORATION OF

Indian Paint Brush Home Owners Association, Inc.
Filing Number: 800171446

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 02/06/2003

Effective: 02/06/2003



Gwyn Shea
Secretary of State

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TTY7-1-1

ARTICLES OF INCORPORATION

OF

INDIAN PAINT BRUSH HOME OWNERS ASSOCIATION, INC.

The undersigned natural person of the age of eighteen years or more, acting as sole incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Article of Incorporation of such corporation:

ARTICLE I.

The name of the corporation is Indian Paint Brush Home Owners Association, Inc.

ARTICLE II.

The corporation is a non-profit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The corporation is organized and shall be operated to act as agent for the property owners of certain real property located in Hays County, Texas, which property is being developed as the subdivision known as "Indian Paint Brush Subdivision" (the "Property"). The corporation is specifically organized to provide homeowner association supervision and operation of the Property and to own, maintain, repair and improve any common areas (as defined in any declaration of restrictive covenants affecting the Property from time to time), and to promote health, safety, and welfare of the residents of Indian Paintbrush Subdivision. The corporation shall be operated exclusively for such purposes, and no part of the corporation's property, whether income or principal, shall

inure to the benefit of, or be disputable to, its members, directors, officers or employees, or any person having a personal or private interest in the activities of the corporation, nor shall any of said person receive or be entitled to receive any payment from the corporation except reasonable compensation for personal services actually rendered in carrying out the corporation's purposes, as set forth in this Article IV. The corporation is organized for nonprofit purposes. Nothing contained in these Articles shall be construed to authorize the corporation to carry on any activity for the profit of its members.

ARTICLE V.

The street address of the initial registered office of the corporation is 12301 Research Blvd., Building 4, Suite 100, Austin, Texas 78759, and the name of its initial registered agent at such address is James Dorney.

ARTICLE VI.

The direction and management of the affairs of the corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors composed of such number of persons as the bylaws may fix. Until changed by the bylaws the original number of directors shall be three (3). The directors shall continue to serve until their successors are selected in the manner provided in the bylaws of the corporation. The names and residences of the persons who shall serve as directors of the corporation until their successors are duly elected and qualified are as follows:

| <u>Name</u> | <u>Address</u> |
|--------------|---|
| James Dorney | 12301 Research Blvd., Building 4, Suite 100, Austin, Texas 78759 |
| Adam Boenig | 12301 Research Blvd., Building 4, Suite 100, Austin, Texas 78759 |

James Giddens

12301 Research Blvd., Building 4,
Suite 100, Austin, Texas 78759

ARTICLE VII.

The corporation shall have members. The membership of the corporation shall be determined as provided in the bylaws, and such bylaws shall define the voting rights, powers and privileges of the members.

ARTICLE VIII.

No member of the corporation shall have the right of cumulative voting at any election of directors or upon any other matter.

ARTICLE IX.

The initial bylaws of the corporation shall be adopted by its Board of Directors. The power to alter, amend or repeal the bylaws or to adopt new bylaws shall be vested in the members, but such power may be delegated by the members to the Board of Directors.

ARTICLE X.

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the corporation's assets exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c)(3) of the Code or as described in Section 170 (e)(1) or (2) of the Code or the corresponding provisions of any future United States Internal Revenue Law, as the Board of Directors shall determine.

Any such assets not so disposed of shall be charged with a charitable public trust and shall be thereafter administered and applied to public charitable purposes by a trustee or trustees to be appointed pursuant to law by a court of competent jurisdiction.

ARTICLE XI.

No director shall be liable to the corporation or its members for monetary damages for an act or omission in the director's capacity as director, except that this Article does not eliminate or limit the liability of a director to the extent the director is found liable for:

- (1) a breach of the director's duty of loyalty to the corporation;
- (2) an act or omission not in good faith that constitutes a breach of duty of the director to the corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;
- (3) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- (4) an act or omission for which the liability of the director is expressly provided by an applicable statute.

Any repeal or modification of this Article shall be prospective only and shall not adversely affect any limitation on the liability of a director of the corporation existing at the time of such repeal or modification.

ARTICLE XII.

The name and street address of the sole incorporator is:

Name

Address

Trey Flourney

1710 West 6th Street
Austin, Texas 78703

EXECUTED BY THE UNDERSIGNED INCORPORATOR on this 5th day of
February, 2003.

Trey Flourney
Trey Flourney, Incorporator



BY-LAWS

OF

INDIAN PAINT BRUSH HOME OWNERS ASSOCIATION, INC.

These By-Laws govern the affairs of Indian Paint Brush Home Owners Association, Inc., a nonprofit corporation organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

ARTICLE I

Offices and Agent

SECTION 1: The registered office of the corporation required by the Texas Business Corporation Act to be maintained in the State of Texas may be, but need not be, identical with the principal office in the State of Texas, as designated by the Board of Directors. The address of the registered office may be changed from time to time by the Board of Directors. The registered agent of the corporation may be changed from time to time by the Board of Directors.

SECTION 2: The address of the initial registered office of the Corporation shall be 12301 Research Boulevard, Bldg. 4, Suite 100, Austin, Texas 78759.

SECTION 3: The principal office for the transaction of the business of the corporation is located at:

12301 Research Blvd., Bldg. 4, Suite 100
Austin, Texas 78759

The Board of Directors has full power and authority to change the principal office from one location to another by noting the changed address and the effective date below:

Dated: _____

Dated: _____

Dated: _____

SECTION 4: The corporation may also have offices at such other places, within or without the State of Texas, where the corporation is qualified to do business, as the Board of Directors may from time to time designate, or the business of the corporation may require.

ARTICLE II

Meetings of Members

SECTION 1. Annual Meeting. Beginning in 2003, the Board of Directors shall hold an annual meeting of the members at 10:00 o'clock a.m. on the 15th day of October each year or at another time or date that the Board of Directors may designate, so long as such meeting takes place within 13 months of the previous annual meeting. If the day fixed for the annual meeting is a Saturday, Sunday, or legal holiday in the State of Texas, the meeting shall be held on the next business day. At the annual meeting, the members shall elect directors and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as possible to conduct the election of directors.

SECTION 2. Special Meetings. Special meetings of the members may be called by the president, the Board of Directors, or not less than 25% of the voting members.

SECTION 3. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the registered office of the corporation in Texas.

SECTION 4. Notice of Meetings. Subject to the provisions of Section 2.11B of the Texas Non-Profit Corporation Act, written or printed notice of any meeting of members, not including the annual meeting, shall be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting. If the corporation has more than 1,000 members at the time the meeting is scheduled or called, notice may be given by publication in any newspaper of general circulation in Hays County, Texas. The notice shall state the place, day, and time of the meeting, who called the meetings, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the corporation, or the officers of persons calling the

meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

SECTION 5. Quorum. Except as may be otherwise provided in Section 2.12B of the Texas Non-Profit Corporation Act, the members holding 1/10 of the votes that may be cast at a meeting who attend the meeting in person or by proxy shall constitute a quorum at that meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

SECTION 6. Actions of Membership. The membership shall try to act by consensus. However, the vote of a majority of voting members in good standing, present and entitled vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law or the By-Laws. A member in good standing is one who has paid all required fees and dues and is not suspended as of the date of the meeting. Voting shall be by ballot or voice, except that any election of directors shall be by ballot if demanded by any voting member at the meeting before the voting begins.

SECTION 7. Proxies. A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

SECTION 8. Voting. The Association shall have two classes of voting membership as follows:

CLASS A: Class A Members shall be all Members who own all or any part of a Lot. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B: The Class B Member shall be Declarant (as that term is defined in the Declaration of Covenants, Conditions and Restrictions for Indian Paintbrush Subdivision). In addition to any votes to which it may be entitled as a Class A Member, the Class B Member shall be entitled to ten votes for each vote allocated to a Class A Member hereunder. On the Declarant Termination Date, the Class B membership shall cease; following the Declarant Termination Date, only Class A membership will exist in the Association. If Declarant assigns its membership interest in the Association under subparagraph 3.1(b) above, such assignee shall thereafter be the Class B Member. Notwithstanding the foregoing, so long as there is a Class B Member, such Class B Member shall not vote in favor of (i) mortgaging the Common Areas (as defined in the Declaration), (ii) dissolution or amendments to these Bylaws or the Articles of Incorporation of the Association, or (iii) merging or consolidating the Association with another entity,

without the consent of VA (as defined in the Declaration) or HUD (as defined in the Declaration) (as applicable), to the extent such entity has a loan which is secured by a Lot.

A member may vote either in person, or unless the Articles of Incorporation otherwise provide, by proxy executed in writing by the member or by his or her duly authorized attorney-in-fact. Where Directors or officers are to be elected by members, such elections may be conducted by mail.

SECTION 9. Voting by Mail. The Board of Directors may authorize members to vote by mail on the election of directors and officers or on any other matter that may be voted on by the members.

SECTION 10. Informal Action by Members. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof.

SECTION 11. Attendance by Telephone. Subject to the provisions of the Texas Non-Profit Corporation Act and these Bylaws concerning notice of meetings and unless otherwise restricted by the Articles of Incorporation or these Bylaws, members may participate in and hold a meeting of such members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE III

Board of Directors

SECTION 1. General Power. The business and affairs of the corporation shall be managed by its Board of Directors except as the Board of Directors shall delegate the power to so manage to the Executive Committee or other committee.

SECTION 2. Number, Tenure and Qualifications. The initial Board of Directors named in the Articles of Incorporation shall serve in their capacity as directors until the first annual meeting of the shareholders of the corporation. Beginning with the first annual meeting of the shareholders, the number of directors composing the Board of Directors shall be THREE (3). Upon resolution of the Board of Directors, the number of directors may be increased or decreased, but no decrease shall have the effect of shortening the term of any incumbent director. Each director shall hold office until the next annual meeting of shareholders, unless earlier removed in accordance with the Articles of Incorporation, By-Laws, or law, and until his successor shall have been elected and qualified. A director need not be a resident of the State of Texas or a shareholder of the corporation.

SECTION 3. Regular Meetings. A regular meeting of the Board of Directors shall be held, without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of the shareholders. The Board of Directors may provide, by resolution, the time and place, either within or

without the State of Texas, for the holding of additional regular meetings without other notice than such resolution.

SECTION 4. Special Meeting. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 5. Notice. Notice of any special meeting shall be given at least two (2) days previous thereto by a written notice delivered personally or mailed to each director at his business address or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because that meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any regular or special meeting of the Board of Directors, need be specified in the notice or waiver of notice of such meeting.

SECTION 6. Quorum. A majority of the number of directors fixed in accordance with Section 2 of this Article II shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but, if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 7. Manner of Acting.

(a) Actions at a Meeting. Except as provided in Paragraph (b) of this Section, and except as provided in Section 12 of this Article, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

(b) Actions Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or the Executive Committee, or any other committee, may be taken without a meeting, if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors, Executive Committee, or other committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

SECTION 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. A vacancy shall be deemed to exist by reason of the death, resignation, failure, or refusal to act by the person elected, or upon

the failure of shareholders to elect directors to fill the unexpired term of directors removed in accordance with the provisions of Section 9 of this Article.

SECTION 9. Removal. At any meeting of the members called expressly for that purpose at which a quorum is present, any Director or the entire Board of Directors may be removed either for or without cause.

SECTION 10. Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director; provided, however, that the amount of any compensation paid to a Director shall be reasonable and shall be only as permitted by the Texas Non-Profit Corporation Act and these Bylaws. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation thereof; provided, however, that any compensation received by a Director for services to the Corporation that is determined in whole or in part to be unreasonable by the Internal Revenue Service shall be reimbursed by such Director to the Corporation, and each Director, by virtue of becoming a Director, agrees to execute and deliver to the Corporation any and all documents reasonably requested by the Corporation in order to provide for such reimbursement.

SECTION 11. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors in which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who
voted in favor of such action.

SECTION 12. Executive and other Committees. The Board of Directors, by resolution adopted by a majority of the Directors in office, may from time to time designate one or more committees, including an Executive Committee, which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation. Each such committee shall consist of two (2) or more persons, a majority of whom are Directors; the remainder need not be Directors. Any non-Director who becomes a member of any such committee shall have the same responsibility with respect to such committee as a Director who is a member thereof. A majority of all the members of any such committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. The Board of Directors shall have the power at any time to change the number and members of such committee, to fill vacancies and to discharge any such committee. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors.

ARTICLE IV

Officers

SECTION 1. Number. The officers of the corporation shall be a president, one or more vice presidents, secretary and treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary, may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except for the president and secretary.

SECTION 2. Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly elected and shall have been qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. Chairman of the Board. The Chairman of the Board, if one is elected, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be prescribed by the Board of Directors, upon written directions given him pursuant to resolutions duly adopted by the Board of Directors.

SECTION 6. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders and of the Board of Directors. He may sign, with the Secretary or any other proper officers of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, bonds, mortgages, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time. He shall further have the authority to appoint and remove, employ and discharge, and prescribe the duties and fix the compensation of all agents, employees and clerks of the corporation, other than the duly appointed officers, subject to the approval of the Board of Directors, and control all of the officers, agents and employees of the corporation, subject to the direction of the Board of Directors.

SECTION 7. Vice Presidents. As may be deemed necessary and as may be elected by the Board of Directors, the Vice-President, if such office is held, shall have the following duties and responsibilities. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or should there be more than one vice president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an assistant secretary, certificates for shares of the corporation, and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8. Secretary. The Secretary shall (a) keep the minutes of the shareholders' and the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws, or as required by law; (c) be custodian of the corporate records and of the seal of the corporation, and see that the seal of the corporation is affixed to all documents, the execution of which, on behalf of the corporation under its seal, is duly authorized; (d) keep a register of the post office address of each shareholder, which shall be furnished to the Secretary by such shareholder; (e) sign with the President or a Vice President certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general, perform all duties incident to the office of the Secretary, and such other duties as from time to time may be designated to him by the President or by the Board of Directors.

SECTION 9. Treasurer. The Treasurer shall have the following duties and responsibilities. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum, and with such surety or sureties, as the Board of Directors shall determine. He shall (a) have charge and custody of, and be responsible for, all funds and securities of the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; and (b) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 10. Compensation; Restrictions on Loans and Dividends. The Corporation may pay compensation in a reasonable amount of its Directors, officers and other agents for services rendered, but only as permitted by the Texas Non-Profit Corporation Act and these Bylaws. The salaries and other compensation of all officers and agents of the Corporation shall be fixed by the Board of Directors. Any compensation paid to any officer of the Corporation in the form of salary, commission, bonus or otherwise that is determined in whole or in part to be unreasonable by the Internal Revenue Service shall be reimbursed by such officer to the Corporation, and each officer, by virtue of becoming an officer, agrees to execute and deliver to the Corporation any and all documents reasonably requested by the Corporation in order to provide for such reimbursement. No dividend shall be paid and no part of the income of the Corporation shall be distributed to its Directors or officers. No loan shall be made by the Corporation to its Directors, officers or employees.

SECTION 11. Bond. If required by the Board of Directors, the Treasurer shall give the Corporation a bond of such type, character and amount as the Board of Directors may require.

ARTICLE V

Committees

SECTION 1. Establishment of Committees. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include two or more directors and may include persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the President its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the By-Laws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Articles of Incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation.
- (d) Authorize the voluntary dissolution of the corporation.
- (e) Revoke proceedings for the voluntary dissolution of the corporation.
- (f) Adopt a plan for the distribution of the assets of the corporation.
- (g) Amend, alter or repeal the bylaws.
- (h) Elect, appoint, or remove a member of a committee or a director or officer of the corporation.
- (i) Approve any transaction to which the corporation is a party and that involves a potential conflict of interest as defined below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.

- (k) Take final action on a matter that requires the approval of the members.

SECTION 2. Authorization of Specific Committees. There shall be the following committees: Membership, Nominating, and Program Committees. The Board of Directors shall define the activities and scope of authority of each committee by resolution.

SECTION 3. Term of Office. Each member of a committee shall continue to serve on the committee until the next annual meeting of the members of the corporation and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

SECTION 4. Chair and Vice-Chair. One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the President of the corporation. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

SECTION 5. Notice of Meetings. Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than five nor more than thirty days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

SECTION 6. Quorum. One-half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during the meeting, the chair may adjourn and reconvene the meeting one time without further notice.

SECTION 7. Actions of Committees. Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or by bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

SECTION 8. Proxies. A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after eleven months from the date of its execution.

SECTION 9. Compensation. Committee members may receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to committee members of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the committee. A committee member may serve the corporation in any other capacity and receive compensation for those services. Any compensation that the corporation pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.

SECTION 10. Rules. Each committee may adopt rules for its own operation not inconsistent with the bylaws of with rules adopted by the Board of Directors.

ARTICLE VI

Transactions of the Corporation

SECTION 1. Contracts. The Board of Directors may authorize any officer or agent of the corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

SECTION 2. Deposits. All funds of the corporation shall be deposited to the credit of the corporation in banks, trust companies, or other depositories that the Board of Directors selects.

SECTION 3. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the corporation's federal and state tax status.

SECTION 4. Conveyance of Land. The Corporation may convey land by deed, with or without the seal of Corporation, signed by the President or any Vice-President or attorney-in-fact of the Corporation when authorized by appropriate resolution of the Board of Directors or Members.

SECTION 5. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 6. Potential Conflicts of Interest. The corporation shall not make any loan to a director or officer of the corporation. A member, director, officer, or committee member of the corporation may lend money to and otherwise transact business with the corporation except as otherwise provided by the

bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the corporation has the same rights and obligations relating to those matters as other persons transacting business with the corporation. The corporation shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the corporation. The corporation shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the corporation without full disclosure of all relevant facts and without the approval of the Board of Directors or the members, not including the vote of any person having a personal interest in the transaction.

SECTION 7. Prohibited Acts. As long as the corporation is in existence, and except with the prior approval of the Board of Directors or the members, no member, director, officer, or committee member of the corporation shall:

- (a) Do any act in violation of the bylaws or a binding obligation of the corporation.
- (b) Do any act with the intention of harming the corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the corporation.
- (d) Receive an improper personal benefit from the operation of the corporation.
- (e) Use the assets of this corporation, directly or indirectly, for any purpose other than carrying on the business of this corporation.
- (f) Wrongfully transfer or dispose of corporation property, including intangible property such as good will.
- (g) Use the name of the corporation (or any substantially similar name) or any trademark or trade name adopted by the corporation, except on behalf of the corporation in the ordinary course of the corporation's business.
- (h) Disclose any of the corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE VII

Books and Records

SECTION 1. Required Books and Records. The corporation shall keep correct and complete books and records of account. The corporation's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the corporation, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- (c) Minutes of the proceedings of the members, Board of Directors, and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addresses of the members, directors, officers, and any committee members of the corporation.
- (e) A financial statement showing the assets, liabilities, and net worth of the corporation at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the corporation for the three most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the corporation's federal, state, and local tax status.
- (h) The corporation's federal, state, and local information or income tax returns for each of the corporation's three most recent tax years.

SECTION 2. Inspection and Copying. Any member, director, officer, or committee member of the corporation may inspect and receive copies of all books and records of the corporation required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the corporation and if the person submits a request in writing. Any person entitled to inspect and copy the corporation's books and records may do so through his or her attorney or other duly

authorized representative. A person entitled to inspect the corporation's books and records may do so at a reasonable time no later than ten working days after the corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the corporation's books and records by members. The corporation shall provide requested copies of books or records no later than ten working days after the corporation's receipt of a proper written request.

SECTION 3. Audits. Any member shall have the right to have an audit conducted of the corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to compel audits so as to subject the corporation to an audit more than once in any fiscal year.

ARTICLE VIII

Fiscal Year

The Board of Directors shall, by resolution, fix the fiscal year of the corporation.

ARTICLE IX

Waiver of Notice

Whenever any notice is required to be given to any shareholder or director of the corporation under the provisions of these By-Laws under the provisions of the Articles of Incorporation, or under the provisions of the Texas Non-Profit Corporation Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

Procedure

Meetings of the members and of the Board of Directors shall be conducted in accordance with the procedure as contained in Robert's Rules of Order, to the extent applicable.

ARTICLE XI

Indemnification of and Insurance Covering Directors, Officers and Other Persons

SECTION 1. Power to Indemnify and to Purchase Indemnity Insurance. To the maximum extent permitted by Article 1396-2.22A of the Texas Non-Profit Corporation Act (without regard, however,

to Section Q, of such Article), the Corporation shall indemnify any person who is or was a director or officer of the Corporation against any and all judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by such person in connection with a proceeding (as defined in Article 1396-2.22A) because of that person's service or status as a director or officer. Further, the Corporation shall pay or reimburse reasonable expenses incurred by a director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by Article 1396-2.22A; provided, however, that payment or reimbursement of expenses pursuant to the procedures set out in Section K of Article 1396-2.22A may be conditioned upon a showing, satisfactory to the Board of Directors in its sole discretion, of the financial ability of the officer or director in question to make the repayment referred to in such Section. Further, the Corporation may indemnify, and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a director, officer, employee or agent to the Corporation, or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Article 1396-2.22A and other applicable law, as the Board of Directors may from time to time determine. The provisions of this section shall not be deemed exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this section shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Corporation in accordance with the provisions of the section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matter occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

ARTICLE XII

Participation of Directors and Officers in Related Business

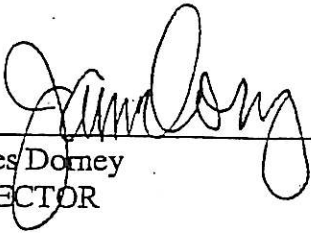
Officers and directors of this corporation may hold positions as officers and directors of other corporations, in related businesses, and their efforts to advance the interest of those corporations will not create a breach of fiduciary capacity to this corporation in the absence of showing of bad faith.

ARTICLE XIV

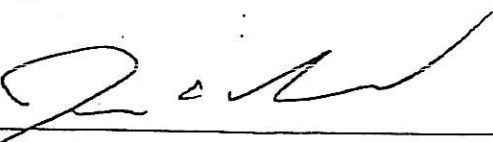
Amendments

The initial By-Laws shall be adopted by the Board of Directors of the corporation. The power to alter, amend, or repeal the By-Laws or adopt new By-Laws shall be vested in the Board of Directors, subject to the provisions of Article II, Section 8 hereof.

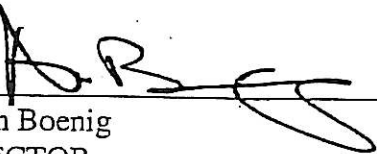
The foregoing By-Laws were adopted by the Board of Directors on the 17th day of March, 2003.

 03-13-03

James Dorney
DIRECTOR



James Giddens
DIRECTOR

 3/14/03

Adam Boenig
DIRECTOR

315827-05
RECORDED BY
NORTH AMERICAN TITLE

RATIFICATION OF DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
INDIAN PAINTBRUSH SUBDIVISION

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF HAYS §

THAT THIS RATIFICATION is made on the date hereinafter set forth by LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership, and Margaret S. George, a single person residing in Hays County, Texas (hereinafter collectively referred to as "Owner"):

WITNESSETH:

WHEREAS, Indian Paintbrush, Ltd. was the owner of certain property heretofore platted and subdivided into that certain residential subdivision known as Indian Paintbrush Subdivision, Phase One the map or plat of which is recorded in Book 10, Pages 369-370, Plat Records, Hays County, Texas (the "Subdivision"); and

WHEREAS, on Feb. 18, 2003, Indian Paintbrush, Ltd., as "Declarant" filed of record in 03004941, Official Public Records of Hays County, Texas, a Declaration of Covenants, Conditions and Restrictions for Indian Paintbrush Subdivision (the "Declaration"); and

WHEREAS, the Property, as defined below, was conveyed to Owner prior to the recordation of the Declaration; and

WHEREAS, it is the right and desire of Owner as the owner of the Property, to ratify and in all respects adopt and encumber the Property with the covenants, conditions and restrictions contained in the Declaration; and

WHEREAS, it is the intent of Owner that in ratifying the Declaration, all of the covenants, conditions and restrictions of the Declaration, shall be adopted, and encumber the Property;

NOW, THEREFORE, Owner hereby ratifies, adopts and encumbers the Property with the covenants, conditions and restrictions contained in the Declaration, as referred to herein the Property shall be defined as the following lots in the Subdivision, to wit:

All lots located in INDIAN PAINTBRUSH SUBDIVISION, PHASE ONE, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded

in Book 10, Pages 369-370, Plat Records, Hays County, Texas owned by Lennar Homes of Texas Land and Construction, Ltd., or Margaret S. George (the "Property").

The covenants, conditions, restrictions, reservations, and easements contained in the Declaration shall be applicable to the Property, and shall run with the land and shall bind all parties having or acquiring any right, title or interest therein or any part thereof, their heirs or successors in title and assigns and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, this Ratification is executed this 19 day of February 2003.

OWNER:

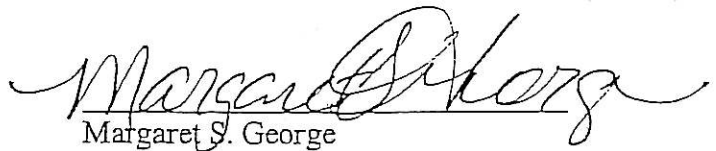
LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.

a Texas limited partnership

By: LENNAR TEXAS HOLDING COMPANY, a Texas corporation

Its general partner

By: _____
Name: _____
Title: _____



Margaret S. George

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, 2003, by _____ of Lennar Texas Holding Company, a Texas corporation, as general partner of Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, on behalf of said corporation and said limited partnership.

NOTARY PUBLIC, State of Texas
My commission expires: _____

in Book 10, Pages 369-370, Plat Records, Hays County, Texas owned by Lennar Homes of Texas Land and Construction, Ltd., or Margaret S. George (the "Property").

The covenants, conditions, restrictions, reservations, and easements contained in the Declaration shall be applicable to the Property, and shall run with the land and shall bind all parties having or acquiring any right, title or interest therein or any part thereof, their heirs or successors in title and assigns and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, this Ratification is executed this 19 day of February 2003.

OWNER:

LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.
a Texas limited partnership

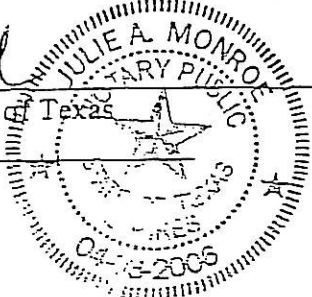
By: **LENNAR TEXAS HOLDING COMPANY**, a Texas corporation
Its general partner

By: [Signature]
Name: _____
Title: CHERYL LEHMAN
ASST SECRETARY

Margaret S. George

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 19th day of FEBRUARY, 2003, by CHERYL LEHMAN, ASST SEC of Lennar Texas Holding Company, a Texas corporation, as general partner of Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, on behalf of said corporation and said limited partnership.

[Signature]
NOTARY PUBLIC, State of Texas
My commission expires: _____


THE STATE OF TEXAS §
 §
COUNTY OF Williamson §

This instrument was acknowledged before me on the 19 day of February, 2003,
by Margaret S. George.

Dawn Schweter
NOTARY PUBLIC, State of Texas
My commission expires: _____



AFTER RECORDING RETURN TO:

NORTH AMERICAN TITLE
1 CHISHOLM TRAIL, SUITE 3100
ROUND ROCK, TEXAS 78681
(512) 255-6559

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Feb 24, 2003 at 02:58P

Document Number: 03005603

Amount 15.00

Lee Carlisle
County Clerk
By
Terry Kleen, Deputy
Hays County

Un: Feb 18, 2003 at 02:18P

Document Number: 03004941

Amount 65.00

Lee Carlisle
County Clerk
By
Terry Kleen, Deputy
Hays County

INDIAN PAINTBRUSH
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

INDIAN PAINTBRUSH
 DECLARATION OF
 COVENANTS, CONDITIONS AND RESTRICTIONS

TABLE OF CONTENTS

| | Page |
|---|---------|
| ARTICLE 1 DEFINITIONS..... | -2- |
| 1.1 Additional Property..... | -2- |
| 1.2 Annexation..... | -2- |
| 1.3 Architectural Committee..... | -2- |
| 1.4 Articles..... | -2- |
| 1.5 Assessment(s)..... | -2- |
| 1.6 Association..... | -2- |
| 1.7 Beneficiary..... | -2- |
| 1.8 Board..... | -2- |
| 1.9 Building..... | -2- |
| 1.10 Bylaws..... | -2- |
| 1.11 Common Area..... | -2- |
| 1.12 Declarant..... | -2- |
| 1.13 Declaration..... | -3- |
| 1.14 HUD..... | -3- |
| 1.15 Improvement..... | -3- |
| 1.16 Lot(s)..... | -3- |
| 1.17 Manager..... | -3- |
| 1.18 Member..... | -3- |
| 1.19 Mortgage..... | -3- |
| 1.20 Owner(s)..... | -3- |
| 1.21 Plans and Specifications..... | -3- |
| 1.22 Subdivision..... | -4- |
| 1.23 Supplemental Declaration..... | -4- |
| 1.24 VA..... | -4- |
| ARTICLE 2 RESTRICTIONS..... | -5- |
| 2.1 Residential Use; Construction, Alteration or Removal of Improvements..... | -5- |
| 2.2 Building Height..... | -5- |
| 2.3 Building Materials; Natural Building Materials Required for Certain Lots; Residence Size; Mailboxes..... | -5- |
| 2.4 Governmental Requirements..... | -6- |
| 2.5 Subdividing..... | -6- |
| 2.6 Signs..... | -6- |
| 2.7 Rubbish and Debris..... | -6- |
| 2.8 Noise; Nuisances..... | -6- |
| 2.9 Condition and Repair of Improvements and Landscaping..... | -7- |
| 2.10 Hazardous Activities: Fertilizers, Pesticides and Herbicides..... | -7- |
| 2.11 Vehicles; Unsightly Articles; Temporary Structures..... | -8- |
| 2.12 Animals..... | -8- |

| | | |
|-----------|--|------|
| 2.13 | Fences..... | -9- |
| 2.14 | Carports; Garages..... | -9- |
| 2.15 | Underground Utility Lines..... | -9- |
| 2.16 | Exterior Lighting..... | -9- |
| 2.17 | Landscaping..... | -9- |
| 2.18 | General Restrictions..... | -10- |
| 2.19 | Exclusions and Special Restrictions..... | -10- |
| ARTICLE 3 | COMMON AREAS..... | -10- |
| 3.1 | Title to Common Areas..... | -10- |
| 3.2 | Maintenance of Common Areas Included in Regular Annual Assessment..... | -10- |
| ARTICLE 4 | ARCHITECTURAL COMMITTEE..... | -11- |
| 4.1 | Membership and Duties of Architectural Committee..... | -11- |
| 4.2 | Term..... | -11- |
| 4.3 | Declarant's Rights of Appointment..... | -11- |
| 4.4 | Review of Construction, Alteration or Removal of Improvements..... | -11- |
| 4.5 | Actions of the Architectural Committee..... | -13- |
| 4.6 | No Waiver of Future Approvals..... | -13- |
| 4.7 | Waiver..... | -13- |
| 4.8 | Nonconforming or Unapproved Improvements..... | -13- |
| 4.9 | Nonliability of Architectural Committee and Board Members..... | -14- |
| 4.10 | Address..... | -14- |
| ARTICLE 5 | INDIAN PAINTBRUSH HOMEOWNERS ASSOCIATION..... | -15- |
| 5.1 | Organization..... | -15- |
| 5.2 | Membership..... | -15- |
| 5.3 | Voting Rights..... | -15- |
| 5.4 | Duties of the Association..... | -15- |
| 5.5 | Powers and Authority of the Association..... | -16- |
| 5.6 | Power to Indemnify and to Purchase Indemnity Insurance..... | -17- |
| ARTICLE 6 | ASSESSMENTS..... | -18- |
| 6.1 | Assessments..... | -18- |
| 6.2 | Regular Annual Assessments..... | -18- |
| 6.3 | Special Assessments..... | -19- |
| 6.4 | Owner's Personal Obligation for Payment of Assessments..... | -19- |
| 6.5 | Assessment Lien and Foreclosure..... | -19- |
| 6.6 | Assessment Upon Transfer..... | -20- |
| ARTICLE 7 | FINES..... | -21- |
| 7.1 | Fines..... | -21- |
| 7.2 | Damage Charges..... | -21- |
| 7.3 | Notices and Schedule of Fines..... | -21- |
| 7.4 | Procedure..... | -21- |
| 7.5 | Date Due..... | -22- |
| 7.6 | Minimum Fine..... | -22- |
| 7.7 | Amendment of Procedure..... | -22- |

| | | |
|-----------|--|-----------------|
| ARTICLE 8 | MISCELLANEOUS..... | -22- |
| 8.1 | Term..... | -22- |
| 8.2 | Amendment..... | -22- |
| 8.3 | Reservation of Right to Expand..... | -22- |
| 8.4 | Supplemental Declaration..... | -22- |
| 8.5 | Approval of HUD/VA..... | -22- |
| 8.6 | Rights of Declarant..... | -23- |
| 8.7 | No Warranty of Enforceability..... | -23- |
| 8.8 | Notices..... | -23- |
| 8.9 | Interpretation..... | -23- |
| 8.10 | Exemption of Declarant; Utility Easements..... | -24- |
| 8.11 | Assignment of Declarant..... | -24- |
| 8.12 | Enforcement and Nonwaiver..... | -24- |
| 8.13 | Alternative Dispute Resolution..... | -25- |
| 8.14 | Construction..... | -26- |

INDIAN PAINTBRUSH
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

WITNESSETH

WHEREAS, INDIAN PAINTBRUSH, LTD., a Texas limited partnership (hereinafter called "Declarant"), is the owner of INDIAN PAINTBRUSH SUBDIVISION, ~~PHASE ONE~~, a subdivision located in Hays County, Texas, according to the map or plat thereof recorded in Book 10, Pages 369-370, Plat Records, Hays County, Texas (the "Property");

WHEREAS, the purpose of this instrument is to guard against the erection of poorly designed or proportioned structures and the use of unsuitable materials, to encourage and secure the erection of attractive improvements which are harmonious with their sites and in general, to enhance the economic value of the Property; and

WHEREAS, Declarant desires to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future owners of the Property, and, in furtherance thereof, Declarant hereby adopts and establishes the following declaration of covenants, conditions and restrictions to apply uniformly to ownership, encumbrance, lease, use, occupancy, enjoyment and conveyance of the Property.

NOW, THEREFORE, it is hereby declared that all of the Property shall be owned, encumbered, leased, used, occupied, enjoyed, and conveyed subject to the following covenants, conditions and restrictions, 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 the right, title or interest in or to the property or any part thereof, their heirs, administrators, legal representatives, successors and assigns, and shall inure to the benefit of the owner thereof.

ARTICLE I
DEFINITIONS

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

1.1 Additional Property. Any future phases of the Subdivision which it may become desirable to annex into this Declaration.

1.2 Annexation. "Annexation" shall mean the process by which the Additional Property is made subject hereto pursuant to Article 7.4 hereof.

1.3 Architectural Committee. "Architectural Committee" shall mean the committee created pursuant to this Declaration as provided in Article 4 hereof.

1.4 Articles. "Articles" shall mean the Articles of Incorporation of the Association, which have been or shall be filed in the office of the Secretary of State of the State of Texas, as the Articles may from time to time be amended.

1.5 Assessment(s). "Assessment(s)" shall mean assessment(s) levied by the Association and includes both regular and special assessment(s) as provided in Article 6 hereof.

1.6 Association. "Association" shall mean Indian Paintbrush Homeowners Association, Inc., a Texas non-profit corporation.

1.7 Beneficiary. "Beneficiary" shall mean a mortgagee or a beneficiary under a deed of trust.

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

1.9 Building. "Building" shall mean a structure, including a residence, having a roof supported by columns or walls for the shelter, support or enclosure of persons or property.

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

1.11 Common Areas. "Common Areas" shall mean (i) any Lot or area designated as such on the final plat of the Subdivision, (ii) any Lot which may be designated as a Common Area by Declarant in an amendment or amendments hereto, and (iii) all joint use access easements shown on the recorded plats of the Subdivision.

1.12 Declarant. "Declarant" shall mean Indian Paintbrush, Ltd., a Texas limited partnership, and its duly authorized representatives and successors or assigns; provided, however, any assignment of the rights of Declarant must be expressly set forth in a written instrument recorded in the Official Public Records of Hays County, Texas. The mere conveyance of a portion of the Property without such a written, recorded assignment of the rights of the Declarant shall not be sufficient to constitute an assignment of the rights of the Declarant hereunder.

1.13 Declaration. "Declaration" shall mean this instrument, as this instrument may from time to time be amended or supplemented.

1.14 HUD. "HUD" shall mean and refer to the Department of Housing and Urban Development.

1.15 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to Buildings, outbuildings, storage

sheds, patios, tennis courts, swimming pools, garages, storage buildings, playscapes, treehouses, swing sets, fences, screening walls, retaining walls, stairs, steps, porches, mailboxes, walkways, driveways, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, exterior lighting fixtures and equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennae, aerials, satellite dishes, wind generators, solar collectors, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, and other utilities.

1.16 Lot(s). "Lot" or "Lots" shall mean the lot or lots of land within the Property as established on the final recorded plat for the Subdivision.

1.17 Manager. "Manager" shall mean the person, firm or corporation, ~~if any~~, employed by the Association pursuant to this Declaration and delegated the duties, powers, and functions of the Association as provided in Article 5.5(c) hereof.

1.18 Member. "Member" shall mean any person or entity who is a member of the Association.

1.19 Mortgage. "Mortgage" shall mean any mortgage or deed of trust covering any portion of the property, including and Lot or Lots, voluntarily given by an Owner to secure the payment of a debt.

1.20 Owner(s). "Owner(s)" shall mean any person or entity, including the Declarant, holding record legal title to a fee simple interest in any portion of the Property, including any Lot or Lots, but shall not include any Beneficiary whose sole interest in the Property or a portion thereof is derived from a Mortgage.

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

1.22 Subdivision. "Subdivision" shall mean **INDIAN PAINTBRUSH SUBDIVISION, PHASE ONE**, a subdivision in Hays County, Texas, as shown on the map or plat thereof recorded in Book 10, Pages 369-370, Plat Records, Hays County, Texas, **SAVE AND EXCEPT**, Lot 47, which is specifically excluded from the terms and conditions of this Declaration. "Subdivision" shall also mean and refer to any future phase annexed into this Declaration.

1.23 Supplemental Declaration. "Supplemental Declaration" shall mean the instrument by which the Annexation of Additional Property into this Declaration may be accomplished.

1.24 VA. "VA" shall mean and refer to the Veteran's Administration.

ARTICLE 2 RESTRICTIONS

Except for the Common Areas, all of the Property shall be owned, encumbered, leased, used, occupied, enjoyed, and conveyed subject to the following limitations and restrictions:

2.1 Residential Use: Construction, Alteration or Removal of Improvements.

(a) All Lots shall be improved and used solely for single family residential use and accessory uses, including, without limitation, a garage, fencing and such other improvements as are necessary or customarily incident to residential use. No manufacturing, trade, business, commerce, industry, profession or other occupation whatsoever may be conducted or carried on in any portion of the Property or in any improvement thereon. Notwithstanding the foregoing, Owners may work from home provided that there is no storage of inventory for sale, retail business conducted, or client and/or visitor meetings incidental to business conducted in any Building. No Improvement constructed on a Lot may be used as an apartment house, flat, lodging house or hotel, but such Improvements may be leased for single-family residential purposes for a minimum term of six (6) months.

(b) No Improvement may be constructed, altered or removed on or from any Lot or portion of the Property without the prior written approval of the Architectural Committee. Any action, other than normal maintenance, which in any way alters the exterior appearance of any Improvement, including, without limitation, its color, or which involves the removal of any Improvement or the alteration of the landscaping on a Lot, shall be performed only with the prior approval of the Architectural Committee.

(c) No Improvement shall be allowed on any Lot that is of such size or architectural design or that involves the use of such landscaping, color schemes, exterior finishes and materials and similar features as to be incompatible with the residential development in the Subdivision and the surrounding area.

2.2 Building Height. No Improvement greater than thirty-five feet (35') in Height may be constructed on any Lot. For purposes of this Article 2.2, Height means the vertical distance from the "foyer" or "entry level floor" of a Building to the highest point of the coping of a flat roof or to the deck line of a mansard roof or to the average height of the highest gable on a pitched or hipped roof, or if none of the preceding, then to the highest point of the Improvement.

2.3 Building Materials: Residence Size; Mailboxes.

(a) All single family residences shall be of recognized standard construction quality, and all first floor exterior walls shall be constructed of at least twenty five percent (25%) masonry (exclusive of areas above the roof line, recessed porches, eaves, soffits, windows, gables and trim work). Second floor exterior walls, being walls above eight feet (8') from the top of the slab (where applicable) shall total not less than twenty five percent (25%) masonry (exclusive of areas above the roof line, recessed porches, eaves, soffits, windows, gables and

trim work). Roofing materials must be of high grade and quality and consistent with the exterior design, color and appearance of other Improvements within the Property. At a minimum, 20-year guaranteed roofing material shall be required. All windows shall contain clear or slightly tinted, non-reflective glass. The term "masonry" shall include brick, stone, stucco, hardi-plank, and any other building material specifically approved in writing by the Architectural Committee.

(b) Each single-family residence constructed in the Property shall contain not less than one thousand two hundred (1,200) square feet of enclosed living space, exclusive of porches and patios (open or covered), decks and garages. The first floor of any two-story residence shall contain at least eight hundred (800) square feet of total living area.

(c) If a collective mailbox arrangement is not utilized for ~~all of the~~ Subdivision, any housing for individual mailboxes constructed in front of a residence shall be architecturally integrated with the residence, which such mailbox is to serve and shall be of similar construction and form to such residence.

(d) Any Building located on a Lot, including but not limited to, outbuildings, storage sheds and storage buildings, but excluding the single family residence located on such Lot, shall not exceed one hundred fifty (150') square feet, and shall not exceed ten (10') feet in height. For purposes of this section "height" shall be calculated by measuring the distance from the ground to the highest point on the Building. Any such Building shall be of the same architectural design and constructed of the same materials and in the same color scheme as the residence located on the Lot. Approval of any such Building shall be in the sole and absolute discretion of the Architectural Committee on a case by case basis, and approval may be withheld even if the proposed Building complies with all requirements and restrictions contained in this Declaration.

2.4 Governmental Requirements. All improvements and construction shall comply with all applicable governmental laws, ordinances and regulations.

2.5 Subdividing. No Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole thereof be conveyed by an Owner without the prior written approval of the Architectural Committee; provided, however that 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 Committee.

2.6 Signs. Except for the permanent entrance sign for the Subdivision, no sign of any kind shall be displayed to the public view without the prior written approval of the Architectural Committee, except for signs which are part of Declarant's overall marketing plan for the Property. The Architectural Committee may permit signs of any type advertising portions of the Property for sale or lease and it may set standards for the same. The Declarant or the Association, or their representatives may enter upon any Lot and remove any unapproved signs from any portion of the Property without prior written notice to the Owner of such Lot, and the Declarant, the Association, or their representatives shall not be liable to any Owner or other person in relation to the removal of such signs.

2.7 Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other property or to its occupants. Refuse, garbage and trash shall be kept at all times in covered containers and all such containers shall at all times be kept within an enclosed structure or appropriately screened from view of all adjacent property and public and private rights-of-way; provided, however, garbage containers shall be permitted to be placed outside of enclosed structures and may be removed from screened areas a maximum of two (2) times each week, for no longer than twelve (12) hours each time, for garbage collection.

2.8 Noise: Nuisances. 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 its occupants. No noxious or offensive activity shall be conducted on any portion of the Property. The Board, in its sole discretion, shall determine whether an action or activity constitutes a violation of this Article 2.8.

2.9 Condition and Repair of Improvements and Landscaping. All Improvements upon the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof. All windows in any Improvement on the Property shall have draperies, blinds or shutters installed by the resident or Owner thereof. Within sixty (60) days of completion of construction on any Lot, all landscaping on such Lot shown on the Plans and Specifications for the Improvements on such Lot shall be completed and shall at all times thereafter be kept in neat and well groomed condition and appearance, with all trees, shrubs and plantings properly pruned, yards regularly mowed, edged and raked and all areas kept free of trash, debris, weeds and overgrowth. Each Owner shall keep all trees, shrubs, grass, and plantings in such Owner's Lot or Lots free of disease and insects consistent with good horticultural practice. Without limiting the generality of the foregoing each Owner shall promptly treat oak trees on their Lots that show symptoms of oak wilt or other life-threatening diseases in a manner consistent with good horticultural practice. The Board, in its sole discretion, shall determine whether the provisions of this Article 2.9 have been satisfied.

2.10 Hazardous Activities: Fertilizers, Pesticides and Herbicides.

(a) No activities shall be conducted or allowed to exist on any portion of the Property and no Improvements shall be constructed on the Property, which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, activities that are expressly prohibited include (1) mining, quarrying, drilling, boring, or exploring for removing water, oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth, (2) the use or discharge of firecrackers or other fireworks within the Property, (3) the use or storage of gasoline, oil or any similar type of flammable liquids in other than closed tanks with capacities of five (5) gallons or less within an enclosed structure or permanently screened from view, provided, however, only such liquids and gases as are customarily used for residential purposes shall be allowed on the Property, (4) any activities which may be offensive or hazardous by reason of odor, fumes, dust, smoke, noise, vibration or pollution, or which are hazardous by reason of excessive danger, fire, or explosion, (5) hunting, trapping and the discharge of firearms or other weapons including air rifles, pistols

and projectiles, (6) open fires in other than a contained barbecue unit for cooking purposes, while attended and in use, or within a safe and well designed interior or exterior fireplace, (7) the use of bows and arrows, crossbows, slingshots, darts or other projectile devices, or (8) the discharge or leakage of any type of hazardous or toxic chemical or material, such as oil, fertilizers, pesticides or herbicides, provided, however, only such materials as are customarily used for residential purposes shall be allowed on the Property.

(b) No fertilizers, pesticides or herbicides other than those generally available for consumer use and approved by an agency, such as the Food and Drug Administration, for the purpose intended shall be placed, used or stored on any Lot. All Owners using any such materials shall strictly comply with all instructions provided with such materials and shall take proper precautions placing, using and storing such materials so that such materials are contained at all times and do not result in the unnecessary discharge thereof into any water table or onto any other Lot.

2.11 Vehicles; Unsightly Articles; Temporary Structures.

(a) Passenger vehicles, boats or boats on trailers, motorcycles and scooters owned or used by an Owner shall not be parked or left on any portion of the Property other than such Owner's garage or driveway for longer than twelve (12) hours at a time. No mobile homes, boats, busses, trucks (other than passenger vehicle trucks), boat trailers, graders, tractors or wagons shall be parked or placed on any Lot at any time; provided, however, construction equipment may be left on a Lot during construction on such Lot, but shall be removed as soon as such equipment is no longer needed in such construction. 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 rights-of-way for longer than forty-eight (48) hours at a time.

(b) No junk vehicles or equipment, spare vehicle or equipment parts or other article deemed to be unsightly by the Board shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private rights-of-way. All garden maintenance equipment shall be kept at all times, except when in actual use in an enclosed structure or screened from view of adjoining property and public and private rights-of-way. No recreational equipment, including but not limited to swing sets, playscapes, skate boards, bicycles, skate board or bicycle ramps, basketball hoops and nets or badminton nets, shall be permitted in the front yard of any residence on the Property. Gardens shall be permitted for household use only and shall not be permitted in the front yards of residences. No repair or maintenance work shall be done on any garden maintenance equipment or on any vehicle (other than minor emergency repairs) except in an enclosed garage or other structure. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household materials shall be appropriately screened from view and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse of trash shall be kept, stored or allowed to accumulate on any portion of the Property except within an enclosed structure or appropriately screened from view. Notwithstanding the foregoing, portable and permanent basketball goals shall be allowed in the front yard of a Lot, provided that such basketball goals shall be kept or installed behind the setback lines as shown on the final plat of the Subdivision, and that when a portable basketball goal is not in use, such basketball goal shall be kept in the garage, side yard, back yard

or as near to the wall of the residence fronting the street as practicable. Permanent basketball goals shall be maintained in a neat and orderly manner.

(c) No tent, shack, barn or other temporary Improvement shall be placed upon any portion of the Property; provided, however, that temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained with the prior written approval of the Architectural Committee, such approval to include the nature, size, duration and location of such structure.

2.12 Animals. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept on any Lot. Only the keeping of ordinary household pets such as dogs and cats, not to exceed two (2) each in number, is allowed; however, no breeding, raising, or boarding of such pets is permitted on any Lot. No pit bull terriers or other dangerous breed of dogs as determined by the Board in its sole discretion may be kept on any Lot for any period of time. All pets permitted by this Declaration to be kept on a Lot shall at all times be properly vaccinated and cared for. No poultry or livestock of any kind may be kept on any Lot for any period of time. All pets shall be kept on the Owner's Lot and shall not be allowed to roam loose, and Owners having pets shall keep their Lot and all other Lots free of offensive or unsanitary accumulations of waste from their pet.

2.13 Fences. Chain link and other open mesh, wire type fences may not be constructed or maintained on any Lot. The Architectural Committee may, in its discretion, prohibit the construction of any proposed fence, or specify the materials of which any proposed fence must be constructed, or require that any proposed fence be screened by vegetation or otherwise so as not to be visible from other portions of the Property. No fences may be constructed which will interfere with the water drainage within any drainage easements shown on the recorded plats of the Subdivision.

2.14 Carports; Garages. No carports shall be erected or permitted to remain on any Lot. Each residence constructed on a Lot shall have attached to it an enclosed garage that shall be large enough to accommodate at least two (2) full size passenger automobiles. All garage doors shall be kept in the closed position when the Owner or occupant of the Lot is not using the garage for ingress and egress.

2.15 Underground Utility Lines. No utility lines or wires, including, but not limited to, wires or other devices for the communication or transmission of telephone, electric current or power or cable television, shall be erected, placed or maintained on or upon any Lot unless the same shall be contained in conduit or cables that are installed and maintained underground or that are concealed in, under or on Buildings; provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of Improvements which have been previously approved in writing by the Architectural Committee. The installation method, including, but not limited to, location, type of installation equipment, trenching method and other aspects of installation for both temporary and permanent utility lines and wires shall be included in the Plans and Specifications for all Improvements.

2.16 Exterior Lighting. All exterior lighting on any Improvement must be approved by the Architectural Committee; provided, however, Christmas and other holiday lights shall be permitted without prior approval during the month of December each year, but must be removed by January 15 of the next year. No lighting shall be permitted that constitutes a nuisance or hazard to any Owner or occupant of any Lot. The Board in its sole discretion shall determine whether the provisions of this Article 2.16 have been satisfied.

2.17 Landscaping. All front yards shall be fully sodded with grass prior to occupancy of any Building on any Lot.

2.18 General Restrictions.

(a) All Buildings constructed on the Property shall be built in place on the Lot.

(b) There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and the prior written approval of Architectural Committee is obtained.

(c) All Building foundations on slopes of fifteen percent (15%) or greater or on fill placed upon such slopes shall utilize design and construction practices certified by a registered professional engineer qualified to practice in such field and such design shall be delivered to the Architectural Committee with the Plans and Specifications.

(d) Once commenced, construction shall be diligently pursued to completion so that no construction is left in a partially completed condition any longer than reasonably necessary. All construction materials and debris shall promptly be cleared from each Lot upon completion of construction thereon.

2.19 Exclusions and Special Restrictions.

(a) The Common Areas shall be completely exempt from all of the restrictions set forth in this Article 2.

ARTICLE 3 COMMON AREAS

3.1 Title to Common Areas. Declarant shall convey title to the Common Areas to the City of Kyle or the Association, as appropriate, by deed or by dedication on the final recorded plat of the Subdivision.

3.2 Maintenance of Common Areas Included in Regular Annual Assessment. The Association shall provide maintenance, replacement, repair and care for the Common Areas, including landscaping and plants thereon. By way of illustration, such improvements may include, but not necessarily be limited to, fences, walls, lighting and other facilities considered necessary for the overall illumination or security of the Property. The maintenance provided for

in this Article shall be considered as services due each Owner in consideration of the Assessments levied against the Owner's Lot. However, in the event that the need for any such maintenance, replacement or repair performed by the Association, in the judgment of the Board, is caused through the willful or negligent act of the Owner or the Owner's family, guests, or invitees, the cost of such maintenance, replacement or repair shall become a Special Assessment to which the Owner's Lot is subject.

ARTICLE 4 ARCHITECTURAL COMMITTEE

4.1 Membership and Duties of Architectural Committee.

(a) The Architectural Committee shall be composed of not more than three (3) persons. The following persons are hereby designated as the initial members of the Architectural Committee: James Giddens, James Dorney, and Adam Boenig.

(b) The Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board. The Architectural Committee shall review Plans and Specifications submitted for its review and such other information as it may require. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set forth herein and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. The Architectural Committee shall not be responsible for inspecting any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval of any Improvement as to structural safety, engineering soundness or conformance with any building or other codes.

4.2 Term. Each member of the Architectural Committee shall hold office for two (2) calendar years or until such time as he has resigned or has been removed and his successor has been appointed.

4.3 Declarant's Rights of Appointment. Declarant, its successors and assigns, shall have the right to appoint and remove all members of the Architectural Committee. Declarant may delegate this right to the Board by written instrument. Thereafter, the Board shall have the right to appoint and remove all members of the Architectural Committee.

4.4 Review of Construction, Alteration or Removal of Improvements.

(a) Whenever in this Declaration the approval of the Architectural Committee is required, the Architectural Committee shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts, materials, construction samples and other information which it considers, in its sole discretion, to be relevant. Prior to commencement of any construction, alteration or removal of any Improvement on any Lot, the Plans and Specifications therefore shall be submitted to the Architectural

Committee, and construction, alteration or removal thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. All such construction, alteration or removal shall conform to the approved Plans and Specifications.

(b) An Owner, other than Declarant, proposing to construct, alter or remove an Improvement on any Lot, shall submit an application to the Architectural Committee together with two (2) sets of the Plans and Specifications for such construction, alteration or removal and the application fee described herein below. Within thirty (30) days after receipt by the Architectural Committee of such Plans and Specifications, it shall act on the Plans and Specifications as follows.:

(i) The Architectural Committee may request in writing that ~~the~~ Owner submit to it such additional materials, construction samples and information that the Architectural Committee considers relevant in reviewing the Plans and Specifications for compliance with this Declaration. Until receipt by the Architectural Committee of all information requested by it, it may postpone review of such Plans and Specifications. Upon receipt of all such information requested by it, the Architectural Committee shall act upon such Plans and Specifications within thirty (30) days. The written request of the Architectural Committee for additional information shall be binding upon the Architectural Committee as a complete list of such information if the additional information is received by it within sixty (60) days of its request. The Architectural Committee may request the additional information described above herein at any time it receives revised Plans and Specifications; provided, however, such request shall be limited to the additional or revised items therein and not to items previously reviewed by the Architectural Committee unless such items are affected by such revision.

(ii) If the Architectural Committee approves such Plans and Specifications, it shall mark both sets of the Plans and Specifications "Approved" with the date thereof, and retain one set for its records and return one set to the Owner. The Owner must commence construction of the Improvements shown in approved Plans and Specifications within ninety (90) days of the Architectural Committee's approval thereof or such approval shall lapse. Upon written request of an Owner, the Architectural Committee shall grant up to two (2) thirty (30) day extensions of such approval.

(iii) If the Architectural Committee disapproves such Plans and Specifications, it shall mark both sets of the Plans and Specifications "Disapproved" with the date thereof, and retain one set for its records and return one set to the Owner, with a written statement of all of the items that were found not to comply with the Declaration. Thereafter, the Owner shall submit to the Architectural Committee two (2) revised sets of Plans and Specifications, with notations thereon sufficient to identify the revised portions, and the Architectural Committee shall act on such revised Plans and Specifications within thirty (30) days after receipt by it of such revised Plans and Specifications. The written

statement on non-complying items shall be binding upon the Architectural Committee as a complete list of such items if revised Plans and Specifications with changes conforming to such statement are received by it within sixty (60) days of the date of such statement. The Architectural Committee may disapprove revised Plans and Specifications submitted to it according to the provisions hereof; provided, however, the Architectural Committee shall only disapprove the revised Plans and Specifications based on the revised or additional items therein and not based on items previously reviewed by the Architectural Committee.

(iv) If the Architectural Committee fails to act on any Plans and Specifications submitted to it within thirty (30) days after receipt by the Architectural Committee of all information requested by it in connection with such Plans and Specifications, approval of the matters submitted to it shall be presumed.

(c) The Board shall establish and may thereafter amend from time to time an application fee that shall be paid in cash by each Owner at the time of submittal of any application and Plans and Specifications to the Architectural Committee. Such fee may be in different amounts based upon the activity proposed in such application. Such fee shall not exceed the reasonable costs and expenses of the Board and the Architectural Committee for the processing and review of Plans and Specifications.

4.5 Actions of the Architectural Committee. The Architectural Committee may, by resolution unanimously adopted in writing, designate one (1) or two (2) of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Committee. In absence of such designation, the vote of a majority of all of the members of the Architectural Committee taken at a meeting shall constitute an act of the Architectural Committee. In the event that the members of the Architectural Committee cannot agree by majority vote on any matter submitted to them, the matter may be raised at any meeting of the Members of the Association and decided by a majority of those present, provided that a quorum is present.

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

4.7 Waiver. The Architectural Committee may grant such waivers of any of the restrictions contained in this Declaration as it considers appropriate based upon the quality and design of a proposed Improvement; provided, however, it shall not grant a waiver of the restrictions contained in Articles 2.1, 2.2, 2.5, and 2.10 hereof.

4.8 Nonconforming or Unapproved Improvements. The Architectural Committee at its option may inspect all work in progress to ensure compliance with approved Plans and

Specifications. The Architectural Committee may require any Owner to restore such Owner's Lot to the condition existing prior to construction, alteration or removal of any Improvement thereon, including, without limitation, the demolition and removal of any unapproved or nonconforming Improvement, if such Improvement was constructed or altered in violation of this Article 4. In addition, the Architectural Committee may, but has no obligation to, cause such restoration, demolition, and removal of any such Improvement, and levy the amount of the cost thereof as a special individual assessment against the Lot upon which such unapproved or nonconforming Improvement was constructed or altered.

4.9 Nonliability of Architectural Committee and Board Members. Notwithstanding anything to the contrary in this Declaration, neither the Architectural Committee nor the members thereof, nor the Board nor the members thereof, shall be liable to any Owner or any other third party due to the construction of any Improvement within the Property or the creation thereby of an obstruction to the view from such Owner's Lot or Lots.

4.10 Address. Plans and Specifications shall be submitted to the Architectural Committee in care of Lennar Homes of Texas Land and Construction, Ltd., 12301 Research Boulevard, Building 4, Suite 100, Austin, Texas 78759, Attention: Architectural Committee, or such other address as may be designated from time to time in writing by the Architectural Committee.

ARTICLE 5 INDIAN PAINTBRUSH HOMEOWNERS ASSOCIATION, INC.

5.1 Organization. The Association is a non-profit corporation created by Declarant for the purposes, and charged with the duties and vested with the powers, prescribed by law and set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

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

5.3 Voting Rights. The Association shall have one or more classes of voting membership as further described in the Bylaws of the Association. All voting rights shall be subject to the provisions and restrictions set forth in the Bylaws. Upon written request by an Owner of a Lot, the Association shall provide a true, complete copy and correct copy of the Bylaws certified by an officer of the Association to such Owner.

5.4 Duties of the Association. Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have and perform each of the following duties:

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

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

(c) To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Association Bylaws, Rules and regulations for the governance of the Subdivision, not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions.

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

(e) To maintain, repair, replace, clean, inspect and protect the Common Areas including all water quality control equipment and joint use access easements as depicted on the recorded plats of the Subdivision, and security gates, landscaping, lighting, signage and other Improvements located therein or thereon.

(f) To maintain, repair, replace and protect the entrance sign to the Subdivision.

(g) To pay all utilities provided to the Common Areas and/or the entrance to the Subdivision.

(h) To carry out and enforce all duties of the Association set forth in this Declaration.

(i) To pay all expenses incurred by the Architectural Committee and/or the Association.

5.5 Powers and Authority of the Association. The Association shall have the powers of a Texas non-profit corporation, 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 that may be necessary or proper, for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration. Without in any way limiting the generality of the two preceding sentences, the Association and the Board acting on behalf of the Association, shall have the power and authority at all times as follows:

(a) To levy Assessments as provided in Article 5 below.

(b) To enter at any time in an emergency, or in a non-emergency after forty-eight (48) hours written notice, without being liable to any Owner, upon any Lot or into any Improvement thereon, for the purpose of enforcing this Declaration or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to this Declaration, and the expense incurred by the Association in connection with the entry upon any Lot or Improvement and maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be secured immediately by a lien upon the Lot entered upon and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article 6 hereof for regular and special Assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction otherwise, or to restrain and enjoin, any breach or threatened breach of this Declaration. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce this Declaration; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant its agents contractors, successors or assigns.

(c) To retain and pay for the services of a Manager to manage and operate the Association, to the extent deemed advisable by the Board. To the extent permitted by law, the Association and the Board may delegate any duties, powers and functions to the Manager. The Members hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

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

(e) To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law or the terms of this Declaration.

(f) To enter into contracts with Declarant and with other persons on such terms and provisions as the Board shall determine, and to acquire and own, and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

(g) To establish reasonable fines for violation of this Declaration or any Rules and regulations of the Association, without limiting the rights of the Association to seek any other remedies. Such fines shall be deemed Special Assessments pursuant to Article 6 hereof.

5.6 Power to Indemnify and to Purchase Indemnity Insurance. The Association shall indemnify and may reimburse and/or advance expenses and/or purchase and maintain insurance or any other arrangement on behalf of any person who is or was a director or officer of the Association against any liability asserted against such person and incurred by such person in such a capacity or arising out of his status as such a person to the maximum extent permitted by Article 1396 §2.22A of the Texas Non-Profit Corporation Act, as such Act may from time to time be amended (without regard, however, to Section Q of such Article with respect to officers

of the Association who are not directors of the Association). Further, the Association may indemnify and/or reimburse and/or advance expenses and/or purchase and maintain insurance or any other arrangement on behalf of any person, other than any person who is Director of the Association, who is or was an officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trustee, employee benefit plan or other enterprise, against any liability asserted against such person and incurred by such person in such a capacity or arising out of his status as such a person, to such extent (or, in the case of officers of the Association, to such further extent), consistent with applicable law, as the Board may from time to time determine. The provisions of this Article 5.6 shall not be deemed exclusive of any other rights to which any such person may be entitled under any Bylaw, agreement, insurance policy, vote of Members or otherwise.

ARTICLE 6 ASSESSMENTS

6.1 Assessments.

(a) The Association may from time to time levy Assessments against each Lot, whether or not such Lot is improved. The amount of Assessments shall be equal and uniform among all Lots; provided, however, that no Assessments shall ever be levied hereunder against any Lot owned by Declarant or any Common Areas.

(b) Where an Owner's obligation to pay Assessments first arises after the commencement of the year or other period for which an Assessment was levied, such Assessment shall be in a prorated amount proportionate to the fraction of the year or other period remaining after said date.

(c) Each purchaser of any Lot, by acceptance of a deed therefore, shall be deemed to covenant to pay to the Association each Assessment levied hereunder against such Lot, whether or not such covenant shall be expressed in any such deed or other conveyance. Each unpaid Assessment together with interest thereon and costs and expenses of collection thereof, including, without limitation, reasonable attorneys' fees, as hereinafter provided, shall be the personal obligation and debt of the Owner of the Lot against which the Assessment was levied.

(d) The obligation to pay Assessments levied by the Association hereunder is part of the purchase price of each Lot when sold to an Owner. An express vendor's lien is hereby retained to secure the payment of each and every Assessment levied hereunder, and each such vendor's lien to be superior and paramount to any homestead or other exemption provided by law. The Association may enforce the payment of Assessments in accordance with the provisions of this Article 6.

(e) The Assessments shall be used exclusively for the purpose of promoting the comfort, health, safety and welfare of the Owners, the maintenance and improvement of the

Subdivision, and for carrying out the purposes of the Association as stated herein or as otherwise provided in the Articles of the Association.

6.2 Regular Annual Assessments. Prior to the beginning of each fiscal year for the Association, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under this Declaration, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. The Association shall then levy assessments sufficient to pay such estimated net expenses as herein provided, and the amount of such Assessments as determined by the Board shall be final and binding so long as such determination is made in good faith. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year for the Association for which such Assessments are payable, or during such fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion. Provided, however, that the Assessments levied against each Owner may not be increased more than twenty percent (20%) from the preceding year's Assessments, and in no event shall the Assessments levied against each Owner be increased by more than FOUR HUNDRED AND NO/100 DOLLARS (\$400.00) from the preceding year's Assessments.

6.3 Special Assessments. In addition to the regular Assessments provided for above, the Association may levy special Assessments whenever in the Board's sole opinion such special Assessments are necessary to enable the Board to carry out the functions of the Association under this Declaration. The amount of any special Assessments shall be determined by the Board in its sole discretion and shall be due and payable in any manner as the Board may designate.

6.4 Owner's Personal Obligation for Payment of Assessments. Each regular and Special Assessment provided for herein shall be the personal and individual debt of the Owner of the Lot against which such Assessment was levied. No Owner, other than Declarant, may exempt himself from personal liability for such Assessments. In the event of default in the payment of any Assessment, the Owner of the Lot against which such Assessment was levied shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect of the amount of the Assessment from the due date thereof (or if there is no such highest rate, then at the rate of eighteen percent [18%] per month) together with all costs and expenses of collection, including, without limitation, reasonable attorneys' fees.

6.5 Assessment Lien and Foreclosure.

(a) The payment of each unpaid Assessment levied hereunder together with interest thereon as provided in Article 6.4 hereof and the costs and expenses of collection, including reasonable attorneys' fees, as herein provided, is secured by a continuing lien and charge on the Lot against which such Assessment was levied. Such lien for payment of Assessments shall bind such Lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors or assigns, and shall be superior to all other liens and charges against such Lot, except only for tax liens, and all sums unpaid on any first lien Mortgage securing sums borrowed for the purchase or improvement of such Lot, provided such

Mortgage was recorded in the Official Public Records of Hays County, Texas, before such Assessment was due. The Association shall have the power, in the Board's sole and absolute discretion, to subordinate the aforesaid lien for payment of Assessments to any other lien. Any such subordination shall be signed by and officer of the Association and recorded in the Official Public Records of Hays County, Texas. Upon the written request of any Beneficiary holding a lien on any Lot that is superior to the lien for payment of Assessments as provided herein, the Association shall report to said Beneficiary the amount of any Assessments levied against such Lot remaining unpaid for a period of more than thirty (30) days after the same are due, provided, however, that no such Beneficiary shall have a duty to collect any Assessments. Failure to pay such Assessments shall not constitute a default under a first lien Mortgage.

(b) To evidence the aforesaid lien for payment of Assessments, the Association may prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, a description of the Lot encumbered by the lien and the name of the Owner of such Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the Official Public Records of Hays County, Texas. The aforesaid lien for payment of such Assessments becomes delinquent. The Association may enforce such lien by the foreclosure sale of the defaulting Owner's Lot in like manner as a foreclosure of a mortgage or contractual lien on real property as provided in Section 51.002 of the Texas Property Code, as the same may be amended or modified, or the Association may institute suit against the Owner personally obligated to pay the Assessment for monetary damages and/or for the judicial foreclosure of the aforesaid lien. The Owner of the affected Lot shall be required to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Association in connection with any foreclosure proceeding, whether judicial or non-judicial. The Association shall have the power to bid on any Lot at any foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

(c) The liens for payment of Assessments provided for herein shall not be affected or extinguished by the sale or transfer of any Lot, whether by judicial or non-judicial foreclosure sale or otherwise; provided, however, that in the event of foreclosure of any first lien Mortgage superior to the lien for the delinquent Assessment, the lien for the delinquent Assessment will be extinguished, and the delinquent Assessment shall be paid out of the proceeds of such foreclosure sale only to the extent that funds are available after the satisfaction of the first lien Mortgage. The extinguishing of any lien for payment of Assessments as herein provided will not relieve any Owner from the obligation to pay Assessments subsequently becoming due and payable.

6.6 Assessment Upon Transfer. The Association shall collect an Assessment of One Hundred Fifty and No/100 Dollars (\$150.00) per Lot from each purchaser of a Lot at the time of each closing of such Lot. Such Assessment shall be due and payable on each Lot each time ownership of such Lot is transferred. Provided however, that no such Assessment shall be assessed upon the sale or transfer of a Lot to a builder-engaged in the business of homebuilding in the Subdivision, who intends to build a residence on such Lot for sale to a home buyer.

ARTICLE 7 FINES

7.1 Fines. The Board may assess fines against an Owner for violations of the restrictions or standards of conduct contained in this Declaration, the Bylaws or the Rules, committed by an Owner, an occupant of the Owner's dwelling, or the Owner or occupant's family, guests, employees, contractors, agents, tenants or invitees. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner.

7.2 Damage Charges. The Board may assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of Common Area, common elements or common facilities by the Owner or the Owner's family, guests, agents, occupants or tenants.

7.3 Notices and Schedule of Fines. The Association manager shall have the authority to send notices to alleged violators informing them of the violations and asking them to comply with the Declaration, Bylaws and/or Rules and/or informing them of potential or probable fines or damage assessments. The Board may from time to time adopt a schedule of fines for minor or recurring violations, but the Board may vary any fine depending on the special circumstances of each case.

7.4 Procedure. The procedure for assessment of fines and damage charges shall be as follows:

- (a) The Association, acting through an officer, director, Board member or agent, must give the Owner certified mail, return receipt requested, notice of the fine or damage charge;
- (b) The notice of the fine or damage charge must describe the violation or damage;
- (c) The notice of the fine or damage charge must state the amount of the fine or damage charge;
- (d) The notice of a fine or damage charge must state that the Owner may, no later than thirty (30) days after receipt of the notice, request a hearing before the Board; and
- (e) The notice of a fine or damage charge must allow the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months. A reasonable time to cure is not necessary in a notice of damage charge.

7.5 Date Due. Fine and/or damage charges are due immediately after the expiration of the 30-day period for requesting a hearing; or if a hearing is requested, such fines or damage charges shall be due immediately after the Board's decision at such hearing, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

7.6 Minimum Fine. The minimum fine for each violation shall be \$25.00. Fines may be assessed for each day of violation.

7.7 Amendment of Procedure. The Board may amend this fining procedure by Rule as necessary to comply with state or local law.

ARTICLE 8 MISCELLANEOUS

8.1 Term. This Declaration, including all of the covenants, conditions and restrictions hereof, shall continue in force and effect until January 1, 2050, unless amended as herein provided. After January 1, 2050, this Declaration, including all such covenants, conditions and restrictions, shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least three-fourths (3/4) of the Lots.

8.2 Amendment.

(a) This Declaration may be amended by Declarant acting alone so long as Declarant holds at least one (1) Lot in the Association

(b) In addition to the method provided in Article 8.2(a), this Declaration may be amended by the recording in the Official Public Records of Hays County, Texas, of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by enough other Owners entitled to cast a vote so that the total number of Owners approving the amendment equal at least eighty percent (80%) of the number of votes entitled to be cast pursuant to Article 5.3.

8.3 Reservation of Right to Expand. Declarant reserves the right, but shall not be obligated, to expand this Declaration to include all or part of the Additional Property.

8.4 Supplemental Declaration. Annexation may be accomplished by a Supplemental Declaration, which shall extend the scheme of this Declaration to the Additional Property. The procedure for supplementing the Declaration shall be the same procedure as set forth in Article 7.2(a) hereof for amending the Declaration.

8.5 Approval of HUD/VIA. Notwithstanding the foregoing, during the existence of the Class B Membership (as that term is defined in the Bylaws), annexation of Additional Property, dedication of Common Areas to the Association, and amendment of this Declaration shall

require the prior approval of HUD/VA to the extent such entity has a loan which is secured by a Lot. Further, Declarant intends that the Property shall comply with all requirements of all mortgagees wishing to make, purchase or guarantee loans or other extensions of credit secured by mortgages or deeds of trust against any of the Lots in the Property and, also, to comply with all applicable statutes, ordinances and rules and regulations of all quasi-governmental and governmental bodies having jurisdiction. Declarant and all Owners therefore agree that, notwithstanding anything to the contrary contained herein, in the event the Property or any of the Property documents do not comply with the requirements or regulations of any institutional lender who is or desires to become a mortgagee (including, without limitation, the requirements of HUD/VA) or with any applicable statute, ordinance or rule or regulation, the Declarant, while there exists a Class B Membership, shall have the power (on behalf of the Association and each and every Owner) to amend the terms of this Declaration and the Bylaws of the Association and/or to enter into any agreement with any institutional lender (or their designees) reasonably required by any of such institutional lenders to allow the Property to comply with such requirements or regulations, or simply in order to comply with any applicable statute, ordinance or rule or regulation.

8.6 Rights of Declarant. All rights and authority granted to Declarant hereunder shall continue until the earlier to occur of (a) June 1, 2013, or (b) the date on which at least 75% of the Lots (including any Additional Property annexed into this Declaration) have been deeded from a homebuilder to an individual homeowner (such earlier date, the "Declarant Termination Date"). On the Declarant Termination Date, all rights and authority granted to Declarant hereunder shall vest in, and thereafter be exercised by the Association, except for rights and authority, which by their terms cease to exist hereunder on or prior to such date.

8.7 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 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.

8.8 Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the person at the address given by such person to the Association for the purposes of service of notices, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such a person to the Association.

8.9 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Subdivision and of promoting and effectuating the fundamental concepts of the Subdivision set

forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

8.10 Exemption of Declarant: Utility Easements.

(a) Notwithstanding anything in this Declaration to the contrary, Declarant shall not in any way be subject to the control of or under the jurisdiction of the Board, the Association or the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of Improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Property.

(b) Declarant reserves the right to locate, construct, erect and maintain or cause to be located, constructed, erected and maintained in and on any areas owned by Declarant sewer and other pipelines, conduits, wires and any Improvement relating to a public utility function, subject to Article 2.15 hereof, with the right of access to the same at any time for the purposes of repair and maintenance.

(c) All Lots will be subject to an easement of ingress and egress for the benefit of the Declarant, its employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of each Lot in the Property as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon an adjacent Lot or Lots in the Property, provided that such easement will terminate 12 months after the date the last Lot owned by Declarant in the Subdivision is conveyed to an Owner by the Declarant.

8.11 Assignment of Declarant. Notwithstanding anything 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. Such assignment shall be evidenced by a written instrument, executed by Declarant and the assignee, recorded in the Official Public Records of Hays County, Texas.

8.12 Enforcement and Nonwaiver.

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

(b) Every act or omission whereby any provision of this Declaration is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined by any Owner (at his own expense), Declarant or the Board.

(c) Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, Occupancy or use of any portion of the Property is hereby declared

to be a violation of this Declaration and subject to all of the enforcement procedures set forth herein.

(d) The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of this Declaration.

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

8.13 Alternative Dispute Resolution. In the event of any dispute, ~~controversy~~ or claim between or among, Declarant, any Owner or Owners, the Association and/or the Architectural Committee relating to or arising out of any provision of this Declaration, the parties to the dispute shall meet in a good faith effort to resolve the dispute through negotiations. In the event the parties are unable to resolve the dispute through negotiations, such matter shall be submitted to and settled by such form of extra-judicial dispute resolution as the parties can mutually agree. To the fullest extent allowed by law, this clause shall be specifically enforceable under applicable laws to mandate the parties' use of a means of resolving disputes other than formal judicial proceedings. In the event the parties are unable to agree on another such form of dispute resolution, any dispute, controversy or claim arising out of any provision of this Declaration shall be submitted to binding arbitration following these procedures:

(a) The arbitration shall take place in the City of Austin, Travis County, Texas.

(b) Pending the outcome of arbitration, there shall be no changes made in the language of this Declaration.

(c) The arbitration shall be initiated by any party to the dispute, claim or controversy giving written notice requesting arbitration to the other party or parties thereto, which notice shall include a precise statement of the matter to be arbitrated.

(d) Within five (5) days of receiving notice of the written request for arbitration, the receiving party or parties shall designate in writing to the initiating party the name of an arbitrator who meets the requirements set forth herein below. The initiating party shall have five (5) days to object to the named arbitrator by designating in writing to the receiving party the name of another arbitrator who meets the requirements set forth herein below. The receiving party shall have five (5) days to object to the named arbitrator by giving written notice to the initiating party, in which case within five (5) days after the receipt of the written objection the two previously nominated arbitrators shall designate an arbitrator by giving written notice of their choice to the receiving and initiating parties.

(e) The arbitrator shall designate the time and place of the hearing which must occur within thirty (30) days of the arbitrator's selection. The arbitrator shall give twenty (20) days written notice of the hearing to the parties to the dispute, claim or controversy. The parties

may be represented by attorneys at the hearing. The arbitrator shall make a decision within seven (7) days after the hearing and communicate that decision in writing to each party who participated in the hearing.

(f) The request for arbitration must be made within a reasonable time after the dispute, claim or controversy has arisen. In no event may the request for arbitration be made after the date when institution of legal or equitable proceedings based on such dispute, claim or controversy would be barred by the applicable statute of limitations.

(g) Anyone designated as an arbitrator (i) must be an impartial third party who has the training or qualifications required by the laws of the State of Texas and (ii) must not be personally acquainted with any of the parties to the dispute, claim or controversy.

(h) The arbitrator shall assess such costs against the party or parties who do not prevail.

8.14 Construction.

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

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

(c) All captions and titles used in this Declaration are intended solely for 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.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of this the 12th day of FEBRUARY 2003.

DECLARANT:

INDIAN PAINTBRUSH, LTD.
a Texas limited partnership

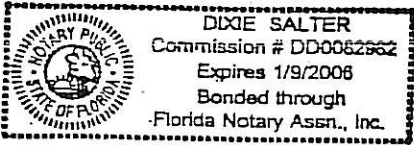
By: IPGP, LLC
a Texas limited liability company

By: Steven Thomas
Steven Thomas, Member/Manager

By: Robert S. Nester
Robert S. Nester, Member/Manager

FLORIDA
THE STATE OF ~~TEXAS~~ §
§
COUNTY OF ~~SARASOTA~~

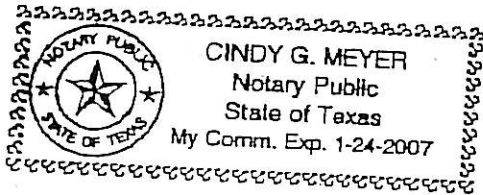
This instrument was acknowledged before me on the 12 day of February, 2003, by Steven Thomas, Member/Manager of IPGP, LLC, a Texas limited liability company, as general partner of Indian Paintbrush, Ltd., a Texas limited partnership, on behalf of said company and limited partnership.



Dixie Salter
NOTARY PUBLIC, State of ~~Texas~~ Florida
My commission expires: 1/9/06

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the 17 day of February, 2003, by Robert S. Nester, Member/Manager of IPGP, LLC, a Texas limited liability company, as general partner of Indian Paintbrush, Ltd., a Texas limited partnership, on behalf of said company and limited partnership.



Cindy G. Meyer
NOTARY PUBLIC, State of Texas
My commission expires: _____

AFTER RECORDING RETURN TO:

SUPPLEMENTAL DECLARATION
FOR THE ANNEXATION OF
INDIAN PAINTBRUSH PHASE 2
INTO INDIAN PAINTBRUSH DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS

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§
§
§
§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF HAYS

RECITALS

WHEREAS, the Indian Paintbrush Declaration of Covenants, Conditions and Restrictions was recorded in Document No. 03004941, Official Public Records, Hays County, Texas (the "Declaration"), subjecting Indian Paintbrush Subdivision, Phase 1, a subdivision of record in Hays County, Texas, according to the map or plat thereof recorded in Book 10, Page 369-370, Plat Records, Hays County, Texas, to the covenants, conditions and restrictions stated therein; and

WHEREAS, the final plat for Indian Paintbrush Subdivision, Phase 2 has been recorded; and

WHEREAS, said Phase 2 is a part of the "Additional Property" as that term is defined in the Declaration; and

WHEREAS, pursuant to Section 7.4 of the Declaration, the Declarant may annex the Additional Property into the Declaration according to the procedures set forth in Section 7.2(a) thereof; and

WHEREAS, Declarant desires to annex Indian Paintbrush Subdivision, Phase 2 into the Declaration; and

WHEREAS, Declarant holds at least one (1) Lot in the Association; and

NOW, THEREFORE, it is hereby declared that:

(i) the Declaration is hereby modified and confirmed, making the following described property subject to all covenants, conditions and restrictions of the Declaration:

INDIAN PAINTBRUSH SUBDIVISION, PHASE 2, a subdivision of record in Hays County, Texas, according to the map or plat thereof recorded in Book 11, Page 109-110, Plat Records, Hays County, Texas (the "Annexed Property").

(ii) the Annexed Property shall be held, sold, conveyed and occupied subject to the Declaration, which is for the purpose of protecting the value and desirability of, and which shall run with the Annexed Property and shall be binding on all parties having any right, title and interest to the Annexed Property or any part thereof; and (iii) each contract or deed which may hereinafter be executed with regard to the Annexed Property or any part thereof shall conclusively be held to have been executed and delivered and accepted subject to the Declaration regardless of whether or not the same are set out or referred to in said contract or deed.

Executed this 29th day of July, 2003.

DECLARANT

INDIAN PAINTBRUSH, LTD.
a Texas limited partnership

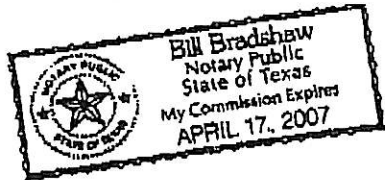
By: **IPGP, LLC**
a Texas limited liability company

By: Steven Thomas Individually & as attorney in fact for Robert Sharpe
Name: STEVEN THOMAS
Title: MANAGING MEMBER

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 29th day of July, 2003, by STEVEN THOMAS, MANAGING MEMBER of IPGP, LLC, a Texas limited liability company, as general partner of Indian Paintbrush, Ltd., a Texas limited partnership, on behalf of said limited partnership AND RN THE COMPANY NEEDED SIGNATURE.

[Signature]
NOTARY PUBLIC, State of Texas
My commission expires: _____



AFTER RECORDING RETURN TO:

Gracy Title Company
524 N. Lamar Suite 200
Austin, Texas 78703

Doc Bk Vol Pg
03023714 OPR 2275 122

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Jul 30, 2003 at 10:57A

Document Number: 03023714

Amount 13.00

By
Lynn Curry
Lee Carlisle, County Clerk
Hays County

SUPPLEMENTAL DECLARATION
FOR THE ANNEXATION OF
INDIAN PAINTBRUSH PHASE 3
INTO INDIAN PAINTBRUSH DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS

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§
§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF HAYS

RECITALS

WHEREAS, the Indian Paintbrush Declaration of Covenants, Conditions and Restrictions was recorded in Document No. 03004941, Official Public Records, Hays County, Texas (the "Declaration"), subjecting Indian Paintbrush Subdivision, Phase 1, a subdivision of record in Hays County, Texas, according to the map or plat thereof recorded in Book 10, Page 369-370, Plat Records, Hays County, Texas, to the covenants, conditions and restrictions stated therein; and

WHEREAS, the final plat for Indian Paintbrush Subdivision, Phase 2 has been recorded; and

WHEREAS, said Phase 3 is a part of the "Additional Property" as that term is defined in the Declaration; and

WHEREAS, pursuant to Section 7.4 of the Declaration, the Declarant may annex the Additional Property into the Declaration according to the procedures set forth in Section 7.2(a) thereof; and

WHEREAS, Declarant desires to annex Indian Paintbrush Subdivision, Phase 2 into the Declaration; and

WHEREAS, Declarant holds at least one (1) Lot in the Association; and

NOW, THEREFORE, it is hereby declared that:

(i) the Declaration is hereby modified and confirmed, making the following described property subject to all covenants, conditions and restrictions of the Declaration:

INDIAN PAINTBRUSH SUBDIVISION, PHASE 3, a subdivision of record in Hays County, Texas, according to the map or plat thereof recorded in Book 11, Page 234-235, Plat Records, Hays County, Texas (the "Annexed Property").

(ii) the Annexed Property shall be held, sold, conveyed and occupied subject to the Declaration, which is for the purpose of protecting the value and desirability of, and which shall run with the Annexed Property and shall be binding on all parties having any right, title and interest to the Annexed Property or any part thereof; and (iii) each contract or deed which may hereinafter be executed with regard to the Annexed Property or any part thereof shall conclusively be held to have been executed and delivered and accepted subject to the Declaration regardless of whether or not the same are set out or referred to in said contract or deed.

(iii) Lennar Homes of Texas Land and Construction, Ltd., hereby joins in the execution of this Supplemental Declaration to evidence its agreement and acknowledgement of this Supplemental Declaration and that the Annexed Property is hereby subjected to the Declaration.

Executed this 17th day of February, 2004.

DECLARANT

INDIAN PAINTBRUSH, LTD.
a Texas limited partnership

By: IPGP, LLC
a Texas limited liability company

By: Robert S. Nestor
Name: Robert S. Nestor
Title: Manager

AGREED AND ACKNOWLEDGED:

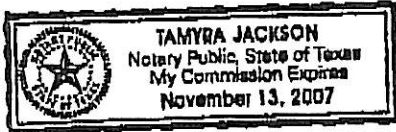
**LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD.**
A Texas limited partnership

By: LENNAR TEXAS HOLDING COMPANY
A Texas corporation, its general partner

By: Tim B. Aase
Name: Tim B. Aase
Title: VICE PRESIDENT

THE STATE OF TEXAS §
§
COUNTY OF Hays §

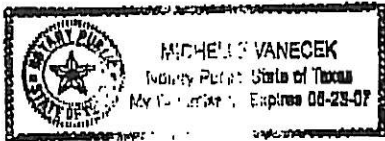
This instrument was acknowledged before me on the 13th day of February, 2004, by Robert S. Nester, manager of IPGP, LLC, a Texas limited liability company, as general partner of INDIAN PAINTBRUSH, LTD., a Texas limited partnership, on behalf of said limited partnership.



Tamyra Jackson
NOTARY PUBLIC, State of Texas
My commission expires: November 13, 2007

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 11th day of February, 2004, by Jim Adger, Vice President of LENNAR TEXAS HOLDING COMPANY, a Texas corporation, as general partner of LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership, on behalf of said limited partnership.



Michelle Vanecek
NOTARY PUBLIC, State of Texas
My commission expires: 6-23-07

AFTER RECORDING RETURN TO:

RETURN TO:
NORTH AMERICAN TITLE
12901 Research, Building 4, Ste. 120
Austin, TX 78759

Filed for Record in:
Hays County
On: Feb 19, 2004 at 12:37P
Document Number: 04004356
Amount: 18.00
Receipt Number - 95138
By:
Rebecca Hall, Deputy
Lee Carlisle County Clerk
Hays County