

BLUEJACK
NATIONAL

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

BLUEJACK NATIONAL

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EXHIBITS:

- EXHIBIT A-* Legal Description of the Initial Property Subject to Declaration
- EXHIBIT B-* Bylaws of Bluejack National Master Association, Inc.
- EXHIBIT C-* Certificate of Formation of Bluejack National Master Association, Inc.
- EXHIBIT D-* Initial Design Guidelines
- EXHIBIT E-* Legal Description of the Initial Private Open Space
- EXHIBIT F-* Records Production and Copying
- EXHIBIT G-* Payment Plan Guidelines
- EXHIBIT H-* Initial Fine Schedule

these "Covenants"). These Covenants will run with the land and will be binding upon all persons or entities having any right, title, or interest in all or any part of the Property (including Declarant) and their heirs, successors, and assigns, and their tenants, employees, guests, and invitees. These Covenants will inure to the benefit of each Owner.

ARTICLE II DEFINITIONS

The following terms, as used in this Declaration, are defined as follows:

Section 2.1. "*Annexation*" means the process by which portions of the Expansion Property are made subject to this Declaration pursuant to Article XVII below.

Section 2.2. "*Annual Assessment*" means the Assessment levied annually pursuant to Section 9.3.

Section 2.3. "*Assessments*" means the Annual, Special and Default Assessments levied pursuant to Article IX to meet the estimated cash requirements of the Association.

Section 2.4. "*Association*" means the Bluejack National Master Association, Inc., a Texas nonprofit corporation, and any successor of that entity by whatever name.

Section 2.5. "*Bluejack National*" means the community created by this Declaration, consisting of the Property (including any Expansion Property, after annexation of it in accordance with Article XVII) and all of the Improvements located on the Property.

Section 2.6. "*Board of Directors*" or "*Board*" means the Board of Directors of the Association.

Section 2.7. "*Builder*" means any Person which purchases one or more Lots for the purpose of constructing improvements for later sale to consumers or purchases one or more parcels of land within the Property for further subdivision, development, and/or resale in the ordinary course of such Person's business. Any Person occupying or leasing a Lot for residential purposes shall cease to be considered a Builder with respect to such Lot immediately upon occupation of the Lot for residential purposes, notwithstanding that such Person originally purchased the Lot for the purpose of constructing improvements for later sale to consumers..

Section 2.8. "*Building*" means a building or other structure constructed in a Lot.

Section 2.9. "*Building Site*" means the building envelope or area within a Lot delineating the boundaries within which a Building or other Improvement may be located, always subject to the prior written approval of the Design Review Committee.

Section 2.10. "*Bylaws*" means the bylaws of the Association attached hereto as Exhibit B which establish the methods and procedures of its operation, as such bylaws may be amended from time to time.

Section 2.11. "*Certificate*" or "*Certificate of Formation*" means the certificate of formation of the Bluejack National Master Association, Inc., attached hereto as Exhibit C, which have been filed with the Secretary of State of Texas, as such Certificate may be amended from time to time.

Section 2.12. "*Club*" shall mean the Bluejack National Club, Inc., which shall own and operate the Club Property.

Section 2.13. "*Club Property*" shall mean all of the real property owned by the Club or its successors or assigns plus all of the recreational and social facilities constructed thereon, which will be operated by the Club or its successors or assigns and commonly known as the Bluejack National Golf Club, including without limitation, the Golf Course, the golf clubhouse, golf practice facilities, tennis courts, swimming pool and any other recreational facilities offered by the Club. THE CLUB PROPERTY IS NOT PRIVATE OPEN SPACE.

Section 2.14. "*Common Expenses*" means (i) premiums for the insurance carried by the Association under Article XIII; (ii) all other expenses incurred by the Association in administering, servicing, conserving, managing, maintaining, repairing or replacing the Private Open Space and any Improvements located on it; (iii) all expenses expressly declared to be Common Expenses by the Documents; (iv) all expenses lawfully determined to be Common Expenses by the Board of Directors; and (v) all expenses to be allocated among the Owners as provided in Article IX.

Section 2.15. "*County*" means Montgomery County, Texas. Any references to County herein shall also include, as applicable, any other governmental agencies or districts which have jurisdiction over the Property, including the City of Montgomery, the City of Conroe and any municipal utility districts, including the Blaketree Municipal Utility District #1.

Section 2.16. "*Declarant*" means The Bluejack Company, LLC, a Texas limited liability company, or its successors or assigns, including any Successor Declarant to the extent the rights of Declarant are assigned to the Successor Declarant, as provided in Section 2.47.

Section 2.17. "*Declaration of Annexation*" means a declaration prepared and recorded in accordance with the provisions of Article XVII to incorporate Expansion Property within the Property governed by this Declaration.

Section 2.18. "*Default Assessment*" means any Assessment levied by the Association pursuant to Section 9.5 below.

Section 2.19. "*Default Rate*" means an annual rate of interest that is the lesser of (i) five points above the prime rate charged by the Association's bank, and (ii) the maximum rate permitted by applicable law.

Section 2.20. "*Design Guidelines*" means the guidelines and rules published and amended and supplemented from time to time by the Design Review Committee. The initial Design Guidelines are attached hereto as Exhibit D.

Section 2.21. "*Design Review Committee*" or "*Committee*" means the committee formed pursuant to Article VI to maintain the quality and architectural harmony of Improvements in Bluejack National.

Section 2.22. "*Development Rights*" is defined in Section 11.1.2.

Section 2.23. "*Director*" means a member of the Board.

Section 2.24. "*Documents*" means the basic documents creating and governing Bluejack National, including, but not limited to, this Declaration, the Certificate of Formation and Bylaws, the Design Guidelines, the Rules and any other procedures, rules, regulations or policies adopted under such documents by the Association, all as may be amended from time to time.

Section 2.25. "*Dwelling Unit*" means a dwelling unit as defined in the Master Plan.

Section 2.26. "*Expansion Property*" means such additional real property now owned or in the future acquired by Declarant (including any Successor Declarant) as Declarant may make subject to the provisions of this Declaration, by duly recorded Declaration of Annexation.

Section 2.27. "*First Mortgage*" means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 2.28. "*First Mortgagee*" means the holder of record of a First Mortgage.

Section 2.29. "*Golf Course*" means the 18-hole championship Golf Course known as "Bluejack National Golf Club" to be built and operated by Club on the Club Property.

Section 2.30. "*Improvement(s)*" means all Buildings, parking areas, loading areas, fences, walls, hedges, plantings, lighting, poles, driveways, roads, ponds, lakes, trails, gates, signs, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, road construction, utility improvements, removal of trees or plantings, and any new exterior construction or exterior improvement which may not be included in the foregoing. "Improvement(s)" does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearances. "Improvement(s)" does include both original improvements and all later changes and improvements.

Section 2.31. "*Lot*" means (i) a parcel of land designated as a lot or (ii) a portion of the Property designated as a Unit on the Master Plan or any Plat of the Property or of any Expansion Property which the Declarant makes subject to this Declaration. The streets, roads, and Private Open Space on any Plat shall not be considered to be separate Lots.

Section 2.32. "*Maintenance Fund*" means the fund created by Assessments and fees levied pursuant to Article IX below to provide the Association with the funds required to carry out its duties under this Declaration.

Section 2.33. "*Manager*" means such person or entity retained by the Board of Directors to perform certain functions of the Board pursuant to this Declaration or the Bylaws.

Section 2.34. "*Master Plan*" means the Master Plan of the Bluejack National Planned Unit Development, as approved by the appropriate authorities of the County, as amended and supplemented from time to time.

Section 2.35. "*Member*" means any person or entity holding membership in the Association.

Section 2.36. "*Mortgage*" means any mortgage, deed of trust, trust indenture, contract for deed, or other document which is recorded in the office of the Clerk and Recorder of Montgomery County, Texas, and which encumbers any portion of the Property or interest therein as security for the payment of a debt or obligation.

Section 2.37. "*Mortgagee*" means any person named as a beneficiary or mortgagee under a Mortgage, or any successor to the interest of any such person under such Mortgage. In the case of a contract for deed, the seller shall be considered the "Mortgagee" and the buyer shall be considered the "Owner."

Section 2.38. "*Owner*" means the owner of record (including Declarant), whether one or more persons or entities, of fee simple title to any Lot or, if the Lot is subject to one or more contracts for deed, the owner of the purchaser's interest in the most recent contract for deed, but "Owner" does not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or other proceedings.

Section 2.39. "*Period of Declarant Control*" means the period beginning on the date this Declaration is first recorded in the office of the Clerk and Recorder of Montgomery County, Texas, and ending on the earlier of: (a) the date which is 25 years later, (b) the date on which the Declarant has platted all of the Expansion Property and sold 95% of the Lots in each of the Plats or (c) such earlier date as the Declarant determines, in Declarant's sole discretion, as evidenced by a recorded instrument. When Declarant has determined that no additional property shall be considered Expansion Property, Declarant shall so notify the Association in writing. The period of Declarant Control may be reinstated or extended by agreement between Declarant and the Association, subject to whatever terms, conditions, and limitations the Board of Directors may impose on the subsequent exercise by Declarant of the Special Declarant Rights. After the termination of the Period of Declarant Control, Declarant, if still an Owner, will continue to have all the rights and duties ordinarily given to Members under this Declaration.

Section 2.40. "*Person*" (whether or not in capitalized form) means a natural person, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or combination of the foregoing.

Section 2.41. "*Plat*" means any engineering survey or surveys of all or part of the Property (including Expansion Property), together with such other diagrammatic plans and information

regarding the Property as may be required by applicable law, or as may be included in the discretion of Declarant, as each such survey may be amended and supplemented from time to time, and all as recorded in the office of the Clerk and Recorder for Montgomery County, Texas.

Section 2.42. "*Private Open Space*" means any real property described in the attached *Exhibit E* and any other property in which the Association owns an interest for the common use, benefit and enjoyment of some or all of the Members and such other persons as may be permitted to use the Private Open Space under the terms of this Declaration or any contract with the Association. Such interest owned by the Association may include, without limitation, estates in fee, estates for terms of years, or easements.

Section 2.43. "*Property*" means and includes the property described on *Exhibit A* and initially subjected to this Declaration, and also refers to any additional real property that may be incorporated in the Project from time to time and made subject to these Covenants pursuant to the provisions of this Declaration.

Section 2.44. "*Property Management Representative*" means the person designated by the Manager with primary responsibility to perform the duties and functions of the Manager.

Section 2.45. "*Rules*" means the rules and regulations adopted by the Association from time to time as provided in Section 5.3.

Section 2.46. "*Special Assessment*" means an Assessment levied pursuant to Section 9.4.

Section 2.47. "*Special Declarant Rights*" is defined as set forth in Section 11.1 below.

Section 2.48. "*Successor Declarant*" means any party or entity to whom Declarant assigns any or all of its rights, obligations or interest as Declarant, as permitted by Section 22.7 and evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Montgomery County, Texas, designating such party as a Successor Declarant, signed by the transferor and the transferee. Upon such recording, Declarant's rights and obligations under the Declaration will cease and terminate to the extent provided in such document, and all such rights and obligations shall be transferred to and assumed by the Successor Declarant to the extent provided in such document.

Section 2.49. "*Supplemental Covenants*" means additional or further restrictive covenants imposed on a portion or portions of the Property from time to time.

Section 2.50. "*Unit*" means a portion of the Property, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, townhomes, condominiums, cluster homes, patio or zero lot line homes, and single family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include Private Open Space or property dedicated to the public. In the case of an unplatted parcel of land, such parcel

shall be deemed to be a single Unit until such time as a subdivision Plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such Plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not encompassed by such Plat shall continue to be treated in accordance with this paragraph. The term "Unit," does not include references to groupings of platted lots as such term may be used in: (i) the Master Plan; (ii) Plats of the Property; or (iii) other plans depicting all or any portion of the Properties.

ARTICLE III THE BLUEJACK NATIONAL PLANNED COMMUNITY

Section 3.1. *Establishment of Planned Community.* By this Declaration, Bluejack National is established as a planned community. Declarant reserves the Development Right to incorporate a total of up to 500 Lots within Bluejack National in accordance with Article XVII below.

Section 3.2. *Declaration of Lot Boundaries.* The boundaries of each Lot are delineated on the Plat, and each Lot is identified by the number or address noted on the Plat.

Section 3.3. *Plat.* The Plat will be filed for record in the office of the Clerk and Recorder of Montgomery County, Texas. The Plat may be filed as a whole or as a series of Plats from time to time. Any Plat filed subsequent to the first Plat will be termed a supplement to the Plat, and the numerical sequence of each supplement will be shown on it.

ARTICLE IV ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 4.1. *Membership.* Every Owner, by virtue of being an Owner, and for so long as such Person is an Owner, will be a Member of the Association. Membership will be appurtenant to and may not be separated from ownership of any Lot. No Owner, whether one or more Persons, will have more than one membership per Lot owned, but all of the Persons owning each Lot will be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. The owner of the Club Property shall be considered an Owner and shall be a Member of the Association with all of the same privileges and duties of the other Owners and Members, except that the owner of the Club Property shall be entitled to fifteen (15) votes in the Association and; for the purpose of Assessments, the Club Property shall be treated as fifteen (15) Lots and shall pay Assessments accordingly.

Section 4.2. *Transfer of Membership.* An Owner may not transfer, pledge or alienate its membership in the Association in any way except upon the sale or encumbrance of Owner's Lot, and then only to the purchaser or Mortgagee of such Lot.

Section 4.3. *Classes of Membership.* Initially, the Association will have one class of voting membership, composed of all Owners, including Declarant, except that the Owner of the Club Property shall have such additional rights and responsibilities as expressly provided in this Declaration. The Bylaws may set forth additional classifications of membership from time to time,

except no additional classifications shall be created during the Period of Declarant Control unless the Declarant agrees in writing to any new or different class.

Section 4.4. *Voting Rights.* All Members will be entitled to vote on Association matters on the basis of one vote for each Lot owned, except that the owner of the Club Property shall be entitled to fifteen (15) votes. When more than one person holds an interest in any Lot, all such persons will be Members. The vote for such Lot may be exercised by one person as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to his Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot. Any Owner of a Lot that is leased may assign his voting right to the tenant, provided that a copy of the instrument of assignment is furnished to the Secretary of the Association prior to a meeting in which the tenant exercises the voting right. Voting will either be in person, by proxy or by absentee ballot. In the event of a proxy or absentee ballot received via email, the Secretary of the Association shall determine vote validity. Electronic or internet voting is permitted pursuant to procedure established by the Board.

Section 4.5. *Appointment of Officers and Directors by Declarant/Club.* Until the expiration of the Period of Declarant Control, Declarant will retain the exclusive powers to appoint, remove and replace Directors and officers of the Association; provided, however, on or before the 120th day after 75% of the Lots on all the Plats have been sold to Owners other than Declarant, at least one-third of Directors will thereafter be elected by Members other than Declarant. Notwithstanding the foregoing, Declarant may voluntarily surrender the right to appoint, remove and replace Directors and officers of the Association before the end of the Period of Declarant Control by providing a notice to that effect to the Association and otherwise complying with the procedures for termination of this Special Declarant Right, as set forth in the Bylaws. However, upon voluntarily terminating this Special Declarant Right in advance of the expiration of the Period of Declarant Control, Declarant may require that specified actions of the Association or the Board, as described in an instrument executed and recorded by Declarant in the office of the Clerk and Recorder of Montgomery County, Texas, be approved by Declarant before those actions become effective. After expiration of the Period of Declarant Control or Declarant's voluntary surrender of the right to appoint, remove and replace Directors of the Association, the Club shall have the right to appoint, remove and replace one Director of the Association.

Section 4.6. *Notice of Membership.* Any Person, on becoming a Member, will furnish the Secretary of the Association with a photocopy or certified copy of the recorded instrument or such other evidence as may be specified by the Board under the Bylaws or the Rules, vesting the Person with the interest required to make the Person a Member. At the same time, the Member will provide the Association, in writing, with the single name and address to which the Association will send any notices given pursuant to the Documents. The Member will state in such notice the voting interest in the Association to which the Member believes the Member is entitled and the basis for that determination. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Member will give a new written notice to the Association containing all of the information required to be covered in the original notice. The

Association will keep and preserve the most recent written notice received by the Association with respect to each Member.

Section 4.7. *Owner's and Association's Addresses for Notices.* All Owners of each Lot will have one and the same registered mailing address to be used by the Association or other Owners for notices, demands and all other communications regarding Association matters. The Owner or Owners of a Lot will furnish the registered address to the Secretary of the Association within five days after receiving title to the Lot. The registration will be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interests of all Owners of the Lot. If no address is registered or if all of the Owners cannot agree, then the address of the Lot will be deemed the registered address until another registered address is furnished as required under this Section. If the address of the Lot is the registered address of the Owners, then any notice will be deemed duly given if delivered to any person occupying the Lot or sent to the Lot by any other means specified for a particular notice in any of the Documents, or if the Lot is unoccupied, if the notice is held and available for the Owners at the principal office of the Association. All notices and demands intended to be served upon the Board of Directors will be sent to the address of the Association or such other address as the Board may designate from time to time by a notice delivered to all Owners in accordance with this Section. All notices given under this Declaration will be sent by personal delivery, which will be effective upon receipt; by overnight courier service, which will be effective one business day following timely deposit with a courier service; or by regular, registered or certified mail, postage prepaid, which will be effective three days after deposit in the U.S. mail.

Section 4.8. *Compliance with Documents.* Each Owner and resident will abide by and benefit from the provisions, covenants, conditions, and restrictions contained in the Documents.

ARTICLE V POWERS AND DUTIES OF ASSOCIATION

Section 5.1. *Association Management Duties.* Subject to the rights and obligations of Declarant as set forth in this Declaration and to the rights and obligations of the other Owners, the Association will be responsible for the administration and operation of the Project and this Declaration. The Board of Directors will exercise for the Association all powers, duties and authority vested in or obligated to be taken by the Association and not reserved to Declarant or the other Members by this Declaration, the other Documents, or other applicable law.

Section 5.2. *Private Open Space.*

5.2.1. *Conveyance by Declarant.* On or before the date on which Declarant conveys any Lot to another party, Declarant will convey to the Association, by written instrument recorded with the Clerk and Recorder of Montgomery County, Texas, the Private Open Space more fully described on the attached *Exhibit E*, including any Improvements located on and the rights and easements appurtenant to such property. From time to time before the expiration of the Period of Declarant Control, Declarant may, but will not be obligated to, convey to the Association, by written instrument recorded with the Clerk and Recorder of Montgomery County, Texas, other parts of the Property (including the Expansion Property) as Private Open Space.

5.2.2. *Use of Private Open Space.* The Private Open Space generally is designated by this Declaration for the common use, benefit and enjoyment of the Owners and their families, tenants, employees, guests and invitees, and such other persons as may be permitted to use the Private Open Space by agreement established under Sections 5.2.6 or 5.2.7 below or otherwise.

5.2.3. *No Dedication to the Public.* Nothing in this Declaration or the other Documents will be construed as a dedication to public use, or a grant to any public municipal or quasi-municipal authority or utility, or an assumption of responsibility for the maintenance of any Private Open Space by such authority or utility, absent an express written agreement to that effect.

5.2.4. *Association's Responsibility for Private Open Space.* The Association, subject to the rights and obligations of the Owners set forth in this Declaration, will be responsible for the management and control of the Private Open Space and all Improvements on the Private Open Space (including furnishings and equipment related thereto), and will keep it in good, clean, and attractive condition and repair consistent with the standards of Bluejack National.

5.2.5. *Declarant's Right to Perform/or the Account of the Association.* In the event the Association does not repair or maintain the Private Open Space, Declarant will have the right, but not the obligation, to perform such duties for the Association. In that event, Declarant will be entitled to reimbursement from the Association of all costs incurred by Declarant, such reimbursement being due within 30 days after the receipt by the Association of an invoice from Declarant, itemizing the costs incurred. After expiration of the 30-day period allowed for payment, Declarant may collect interest on the amount due at the Default Rate.

5.2.6. *Declarant's Agreements Regarding Private Open Space.* Upon the transfer by Declarant to the Association of any Private Open Space as provided in this Declaration, Declarant may agree under the terms of the transfer that the Association will be required to contract with organizations operating within or in the vicinity of Bluejack National, to allow use of all or part of the Private Open Space under such terms and for such charges as may be acceptable to Declarant and such association or other organizations. Any use of the Private Open Space by Owners and their families, tenants and guests, and such other persons permitted access to the Private Open Space will be subject to any applicable Rules governing the Private Open Space.

5.2.7. *Association's Agreements Regarding Private Open Space.* The Association, acting through the Board of Directors, may grant easements, rights-of-way, leases, licenses and concessions through or over the Private Open Space without the independent approval by the Owners. Without limiting the generality of the foregoing, the Association may grant such rights to suppliers of utilities serving the Project or property adjacent to the Project, and to developers or owners of property adjacent to the Project for the purpose of accommodating minor encroachments onto the Private Open Space or other purposes that do not unreasonably interfere with the use and enjoyment of the Private Open Space by the Owners.

Section 5.3. *Rules and Regulations.*

5.3.1. From time to time and subject to the provisions of the Documents, the Board of Directors may adopt, amend and repeal rules and regulations, to be known as the "Rules," governing, among other things and without limitation:

- (i) The use of the Private Open Space and Lots; and
- (ii) The use of private roads, if any, within Bluejack National that are not designated as Private Open Space.

A copy of the Rules in effect will be distributed to each Member of the Association, and any change in the Rules will be distributed or made available to each Member within a reasonable time following the effective date of the change.

5.3.2. *Enforcement.* The Board of Directors will provide for enforcement of the Rules as set forth in the Bylaws and in accordance with state law.

Section 5.4. *Cooperation with Municipality/Districts.* The Association will cooperate in all respects with any municipality or special district to enable both the Association and the municipality/district to most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time such municipality/district, if any, and the Association each may use the services of the other in the furtherance of its obligations, and each may contract with another to better provide for such cooperation. If either the Association or a municipality/district should fail or refuse to provide the services which it is obligated to provide under its respective formative documents for any reason, then the other, as permitted by law and to the best of its ability, may assume that obligation until such time as the entity primarily obligated is able to resume its functions, and the acting entity may charge the other a reasonable fee for the provision of such services.

Section 5.5 *Water and Sanitary Sewer Facilities.*

5.5.1. *Sanitary Sewer-Initial Construction.* Each Lot shall be served by sanitary sewer service. Declarant shall be responsible for the initial construction of the sewer mains; the service line check valve and shutoff valve located at or near the property line of each Lot; and the service line running between the sewer main and these valves. Each Owner shall be responsible for the initial construction of all sewer facilities located on that Owner's Lot, including but not limited to the service line running from the house to the service line check valve and shutoff valve located at or near the property line; and, if required, the pump and pumping system and appurtenances needed to pump the sewage from the house to the sewer main and any control and alarm panels, wiring and electrical connections relating to the pumping system. If a pumping system is required, the Owner shall install a pumping system which is in compliance with applicable requirements of the County.

5.5.2. *Sanitary Sewer- Ongoing Maintenance.* On completion, the sewer mains will be conveyed to, owned, operated, repaired, maintained, and replaced by the County. On

completion, each Owner shall be responsible for the operation, repair, maintenance and replacement of all sewer facilities other than the sewer main, including but not limited to the facilities located on that Owner's Lot, the service line check valve and shutoff valve located at or near the property line, and the service line running from those valves to the sewer main. Each Owner agrees to install, operate, repair, maintain and replace the sewer facilities for which the Owner is responsible in such a manner as to cause no injury to other property or the overall sewer system, and to be in compliance with any ordinances, rules and regulations adopted by the County concerning the sewer system.

5.5.3. *Sanitary Sewer - Fees.* On completion of the sewer improvements in accordance with the regulations of the County, the County has agreed to provide sanitary sewer service to each Lot. Each Owner shall pay directly to the County such amounts for sanitary sewer service, including monthly charges, hook-up fees and all other fees and charges as may be set from time to time by the County relating to sanitary sewer service.

5.5.4. *Water Service- Initial Construction.* Each Lot shall be served by a water system owned and operated by the County. Declarant shall be responsible for the initial construction of the water mains; the shutoff valve (curb stop) located at or near the property line of each Lot; and the service line running between the water main and the shutoff valve. Each Owner shall be responsible for the initial construction of all water facilities located on that Owner's Lot, including but not limited to the service line running from the house to the shutoff valve located at or near the property line; and, if required, the individual pressure reducing valve and appurtenant shutoff valves, pipes and fittings.

5.5.5. *Water Service- Ongoing Maintenance.* On completion, the water mains will be conveyed to, owned, operated, repaired, maintained, and replaced by the County. On completion, the shutoff valve and the service line running between the water main and the shutoff valve will be conveyed to, owned by, and subject to the control of the County, but each Owner shall be responsible for the repair, maintenance and replacement of the shutoff valve and the service line running between the water main and the shutoff valve. In addition, each Owner shall be responsible for the operation, repair, maintenance and replacement of all water facilities located on that Owner's Lot, including but not limited to the service line running from the house to the shutoff valve located at or near the property line; and, if required, the individual pressure reducing valve and appurtenances. Each Owner agrees to install, operate, repair, maintain and replace the water facilities for which the Owner is responsible in such a manner as to cause no injury to other property or the overall water system, and to be in compliance with any rules and regulations adopted by the County concerning the water system, although the Association shall have no obligation to insure an Owner's compliance with such rules and regulations.

5.5.6. *Water Service- Fees.* Each Owner shall pay to the County such amounts for water service, including monthly charges, hook-up fees and all other fees and charges as may be set from time to time by the County relating to water service.

5.5.7. *Water Meter.* Water usage shall be separately metered for each Lot. Each Owner shall be responsible for furnishing a water meter, purchased from the County, and for the installation, operation, repair, maintenance and replacement of the water meter so that the water

meter will at all times be in compliance with the applicable requirements of the County, although the Association shall have no obligation to insure an Owner's compliance with such requirements. Each Owner shall cooperate in permitting the County to periodically read the water meter to determine water usage. The County may, but shall not be required to, take into account the amount of water usage in determining the fees and charges to be made for sewer and/or water service.

Section 5.6. *Delegation by the Association.*

5.6.1. *Manager.* The Association may employ or contract for the services of a Manager to act for the Association and the Board and the officers according to the powers and duties delegated to the Manager pursuant to the Bylaws or resolution of the Board. Neither the Board nor any officer of the Association will be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board. The Manager may be the Declarant or a person related to Declarant.

5.6.2. *Committees.* The Association may delegate any of its rights, duties or responsibilities to any committee or other entity (in addition to the Design Review Committee) that the Board may choose to form. These committees, excluding the Design Review Committee, will be advisory in nature. Creating committees goes hand in hand with the growth and maturity of Bluejack National. Committees come in all shapes, sizes and functions and may be temporary or long term as the need dictates. From time to time, committee members may be called upon to participate in Board Meetings. Committee members are volunteers and shall not expect or receive any financial gains as a result of their community volunteer services. The purpose of a committee is to assist and make recommendations to the Board.

5.6.3. *Limitation.* Any delegation by the Board under this Section is subject to compliance with the Bylaws and the requirement that the Board, when so delegating, will not be relieved of its responsibilities under the Documents.

Section 5.7. *Ownership of Personal Property and Real Property for Common Use.* The Association, through action of its Board of Directors, may acquire, hold and dispose of personal property and real property. The Board, acting on behalf of the Association, will accept any real or personal property, leasehold or other property interests within Bluejack National and conveyed to the Association by Declarant.

Section 5.8. *Roads and Streets.* All roads and related rights of way shown on the Plat shall be private, and the Association shall be responsible for maintaining all such private roads and rights of way (except private driveways located within Lots on the Property, which shall be the responsibility of the Owner of the Lot). The cost of such maintenance will be Common Expenses and will include repair and replacement of such private roads, as well as periodic maintenance of the surface and regular trash removal from all drive areas except private driveways located within Lots on the Property. The Board will cooperate with the applicable traffic and fire control officials to post roads and streets with traffic control, fire lane, and parking regulation signs. The Association shall also be responsible for maintaining all paths, walkways, bike paths, landscaping, irrigation and other improvements constructed by Declarant or the Association and located within the private road right-of-way-areas shown on the Plat; provided, however, that upon the issuance

or deemed issuance of a Certificate of Compliance with respect to a particular Lot in accordance with Section 6.8.3, the Owner of such Lot shall maintain all landscaping and improvements on that portion of private right-of-way between the Lot boundary and the nearest curb or pavement edge of the adjoining street(s) or the nearest fence, wall or berm constructed on the adjacent Private Open Space.

Section 5.9. *Books and Records.* The Association will make available for inspection and copying by Owners and Mortgagees, upon reasonable notice and upon receipt of a written request stating the purpose of the request, during normal business hours or under other reasonable circumstances, current copies of the Documents, and the general books, records, and financial statements of the Association prepared pursuant to the Bylaws, but excluding any records of a private nature including private records of any Owner. The Association may require that a Member of the Board or a representative of the Manager must be present at all times and may charge a reasonable fee related to the review and copying of any Documents. The initial records production and copying policy is attached hereto as Exhibit F.

Section 5.10. *Reserve Account.* The Association will establish a separate reserve account and maintain an adequate reserve fund from Annual Assessments levied pursuant to Section 9.3 below for maintenance, repair or replacement of the Private Open Space and Improvements located within the Private Open Space that must be replaced on a periodic basis and for any other facilities made available to the Association that must be replaced on a periodic basis with contribution from the Association.

Section 5.11. *Working Capital Account.* In order to provide the Association with adequate working capital funds, the Association will collect at the time of the sale of each Lot an amount equal to one-fourth (1/4) of the Annual Assessments at the rate in effect at the time of the sale. This amount shall be deposited into an account and disbursed therefrom to the Association for use in covering expenses incurred by the Association pursuant to the terms of the Documents. Such payments to this fund will not be considered advance payments of Annual Assessments.

Section 5.12. *Successor to Declarant.* The Association will succeed to all of the rights, duties and responsibilities of Declarant under this Declaration upon termination of the Period of Declarant Control. Notwithstanding the preceding sentence, the Association will not succeed to any rights of Declarant regarding any portion of the Expansion Property which has not then been incorporated into the Property.

Section 5.13. *Implied Rights and Obligations.* The Association will perform all of the duties and obligations imposed on it expressly by the Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Documents or reasonably necessary to satisfy any such duty or obligation. The Association may exercise any other right or privilege (i) given to it expressly by the Documents, (ii) reasonably to be implied from the existence of another right or privilege given expressly by the Documents, or (iii) reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

Section 5.14. *Security.* The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to enhance the security of the Property. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, NOR SHALL SUCH PARTIES BE HELD LIABLE FOR ANY LOSS OR DAMAGE FOR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. THE ASSOCIATION, DECLARANT, ANY SUCCESSOR DECLARANT, AND DESIGN REVIEW COMMITTEE MAKE NO REPRESENTATION OR WARRANTY THAT ANY SYSTEMS OR MEASURES, INCLUDING ANY MECHANISM, DEVICE OR PERSON EMPLOYED TO LIMIT OR RESTRICT ACCESS TO THE PROPERTIES CANNOT BE COMPROMISED OR CIRCUMVENTED; OR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ANY CASE PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND ALL TENANTS, GUESTS AND INVITEES OF ANY OWNER, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION, ITS BOARD, COMMITTEE MEMBERS, DECLARANT OR ANY SUCCESSOR DECLARANT, ARE NOT INSURERS AND THAT EACH PERSON WITHIN THE PROPERTIES ASSUME ALL RISKS FOR PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS THEREOF, RESULTING FROM ACTS OF THIRD PARTIES.

Section 5.15. *Use of Recreational Facilities.* Each Owner acknowledges that certain recreational facilities such as parks or bike and hike trails, are or may be provided within the Private Open Space for the use and enjoyment of the Owners and residents, and their respective families, tenants, and invitees. Inclusion of a recreational facility in this Section 5.15 shall not, under any circumstances, obligate the Declarant or the Association to provide such facility, nor shall the omission of any type of recreational facility from this Section 5.15 prevent the Declarant or the Association from providing such facility at a later time. EACH OWNER HEREBY ACKNOWLEDGES THAT THERE ARE RISKS ASSOCIATED WITH THE USE OF ANY SUCH RECREATIONAL FACILITIES AND THAT ALL USERS OF SUCH FACILITIES ARE SOLELY RESPONSIBLE FOR SUCH RISK. EACH OWNER, BY ACCEPTING A DEED TO A LOT, ACKNOWLEDGES THAT HE OR SHE HAS NOT RELIED UPON THE REPRESENTATIONS OF DECLARANT OR THE ASSOCIATION WITH RESPECT TO THE SAFETY OF ANY RECREATIONAL FACILITIES OR OTHER PRIVATE OPEN SPACE WITHIN THE PROPERTIES. The Association may, but shall not be obligated to, contract with, employ or otherwise provide, from time to time, a lifeguard or other monitoring personnel or equipment to be present or operational at any recreational facility within the Property. Each Owner acknowledges that the presence of such personnel shall not create a duty on the part of Declarant or the Association to provide for, insure or guarantee the safety of any user of the facility. Each Owner acknowledges that the presence of such monitoring personnel shall not in any way alter the risks assumed by each Owner, his or her family members, tenants, other residents of Owner's Lot and guests of any such Persons, which risks shall continue to be assumed by the user of the recreational facility.

Section 5.16. *Construction Activities.* All Owners are hereby placed on notice that Declarant, any affiliate of Declarant and/or its agents, contractors, subcontractors, licensees and

other designees, successors or assignees, may be, from time to time, conducting excavation, construction and other activities within or in proximity to the Property. By the acceptance of a deed or other conveyance or Mortgage, leasehold, license, easement or other interest, and by using any portion of the Property, each Owner automatically acknowledges, stipulates and agrees (a) that none of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, under any applicable covenants or at law generally, (b) not to enter upon, or allow their children or other Persons under their control or direction to enter upon (regardless of whether such entry is trespass or otherwise) any property within or in proximity to any portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours), (c) Declarant, any affiliate of Declarant and all of their agents, contractors, subcontractors, licensees and other designees, successors and assignees, shall not be liable but, rather, shall be held harmless, for any and all losses and damages (compensatory, consequential, punitive or otherwise), injuries or deaths arising from or relating to the aforesaid activities, and (d) any purchase or use of any portion of the Property has been and will be made with full knowledge of the foregoing.

Section 5.17. *Provision of Services.* The Association may provide for services and facilities for the Members and their Lots, and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Board may charge use and service fees for any services and facilities provided at the option of an Owner, or may include the costs thereof in the Association's budget as a Common Expense and assess it as part of the Annual Assessment, as applicable. By way of example, such services and facilities might include landscape maintenance, child care, pest control service, cable television or satellite service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities. Nothing herein shall be construed as a representation by Declarant or the Association as to what, if any, services or facilities shall be provided. In addition, the Board shall be permitted to modify or cancel existing services or facilities, unless otherwise required by the Documents.

Section 5.18. *Relation with Other Properties.* The Association may enter into contractual agreements or covenants to share costs with any neighboring property, including, without limitation, the Club Property to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Private Open Space maintenance.

ARTICLE VI DESIGN REVIEW COMMITTEE

Section 6.1. *Committee and Guidelines.* There is hereby established a Design Review Committee (the "Committee"), which will be responsible for the establishment and administration of Design Guidelines to facilitate the purposes and intent of this Declaration. The Committee may amend, repeal and augment the Design Guidelines from time to time, in the Committee's sole discretion. The Design Guidelines will be binding on all Owners and other persons governed by this Declaration. The initial Design Guidelines are attached hereto as *Exhibit D*. The Design Guidelines may include, among other things, those restrictions and limitations set forth below:

6.1.1. Procedures for making application to the Committee for design review approval, including the documents to be submitted and the time limits in which the Committee must act to approve or disapprove any submission.

6.1.2. Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required under the Design Guidelines.

6.1.3. Designation of the Building Site on a Lot, establishing the maximum developable area of the Lot.

6.1.4. Minimum and maximum square foot areas of living space that may be developed on any Lot.

6.1.5. Landscaping regulations, with limitations and restrictions prohibiting the removal or requiring the replacement of existing trees, the use of plants indigenous to the locale, and other practices benefitting the protection of the environment, aesthetics and architectural harmony of Bluejack National;

6.1.6. General instructions for the construction, reconstruction, refinishing or alteration of any Improvement, including any plan to excavate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Property, addressing matters such as waste storage, trash removal, equipment and materials storage, grading, transformers and meters.

6.1.7 Consideration of whether the proposed improvement adjacent to the Golf Course will have an adverse effect on the Golf Course, whether by restriction of view, hazards to persons or otherwise.

Section 6.2. *Committee Membership.* The Committee will be composed of up to five (5) persons, at least one of whom must be an architect, engineer or similar professional whose compensation, if any, shall be established from time to time by the Board. The Committee need not include any Member of the Association. All of the members of the Committee will be appointed, removed, and replaced by Declarant, in its sole discretion, until the expiration of the Period of Declarant Control or such earlier time as Declarant may elect to voluntarily waive this right by notice to the Association, and at that time the Board of Directors will succeed to Declarant's right to appoint, remove, or replace the members of the Committee.

Section 6.3. *Purpose and General Authority.*

6.3.1. *General.* The Committee will review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the Design Guidelines and such rules and regulations as the Committee may establish from time to time to govern its proceedings. No Improvement will be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor will any construction, repair or reconstruction be commenced until plans for the Improvements shall have been approved by the Committee; provided, however, that Improvements that are completely within a Building and not visible from

outside the Building may be undertaken without such approval. All Improvements will be constructed only in accordance with approved plans.

6.3.2. *Committee Discretion.* The Committee will exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, quality and type of construction, seals, materials, color, location on the Building Site, height, grade and finished ground elevation, and the schemes and aesthetic considerations set forth in the Design Guidelines and the other Documents. The Committee, in its sole discretion, may excuse compliance with such requirements as are not necessary or appropriate in specific situations and may permit compliance with different or alternative requirements.

6.3.3. *Binding Effect.* The actions of the Committee in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, will be conclusive and binding on all interested parties.

Section 6.4. *Organization and Operation of Committee.*

6.4.1. *Term.* The term of office of each member of the Committee, subject to Section 6.2, will be one year, commencing January 1 of each year, and continuing until his successor shall have been appointed. Should a Committee member die, retire or become incapacitated, or in the event of a temporary absence of a member, a successor may be appointed as provided in Section 6.2.

6.4.2. *Chairman.* So long as Declarant appoints the Committee, Declarant will appoint the chairman. At such time as the Committee is appointed by the Board of Directors, the chairman will be elected annually from among the members of the Committee by a majority vote of the members. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint or elect a successor, or if the absence is temporary, an interim chairman.

6.4.3. *Operations.* The Committee chairman will take charge of and conduct all meetings and will provide for reasonable notice to each member of the Committee prior to any meeting. The notice will set forth the time and place of the meeting, and notice may be waived by any member.

6.4.4. *Voting.* The affirmative vote of a majority of the members of the Committee will govern its actions and be the act of the Committee.

6.4.5. *Expert Consultation.* The Committee may avail itself of other technical and professional advice and consultants as it deems appropriate, and the Committee may delegate its plan review responsibilities, except final review and approval, to one or more of its members or to consultants retained by the Committee. Upon that delegation, the approval or disapproval of plans and specifications by such member or consultant will be equivalent to approval or disapproval by the entire Committee.

6.4.6. *Improvements Adjacent to the Club Property.* The Club shall be given at least 10 days' notice of all meetings of the Committee wherein the construction or improvement

under consideration (or any portion thereof) is contiguous to the Club Property. If, in the reasonable opinion of the Club, the construction or modification being reviewed has a material adverse impact on the Golf Course whether by restriction of view, hazards to person or otherwise, then, in that event, the Club may, within 10 days of the meeting at which the Committee considered such construction or improvement, disapprove the proposed construction irrespective of the approval of same by the Committee. The Committee shall notify the Owner in writing of the objection of the Club, and the Owner shall resubmit to the Committee the proposed construction or modification so as to take into account the objection of the Club.

Section 6.5. *Expenses.* Except as provided in this Section below, all expenses of the Committee will be paid by the Association and will constitute a Common Expense. The Committee will have the right to charge a fee for each application submitted or resubmitted to it for review and for each request for a Certificate of Compliance, in an amount which may be established by the Committee from time to time, and such fees will be collected by the Committee and remitted to the Association to help defray the expenses of the Committee's operation. In addition, the Association may engage outside consultants and other professionals to review submissions, the cost of which shall be borne by the person or entity making the submission or request.

Section 6.6. *Other Requirements.* Compliance with the Bluejack National design review process is not a substitute for compliance with County building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses, and permits as may be required prior to commencing construction. Further, the establishment of the Design Review Committee and procedures for architectural review will not be construed as changing any rights or restrictions upon Owners to maintain and repair their Lots and Improvements as otherwise required under the Documents.

Section 6.7. *Limitation of Liability.* Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and the Committee shall not bear any responsibility for ensuring (i) structural integrity or soundness of approved construction or modifications, (ii) compliance with building codes and other governmental requirements, or (iii) conformity of quality, value, size or design among Lots. The Committee will use its own judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Committee nor any individual Committee member will be liable to any person for any official act of the Committee in connection with submitted plans and specifications, except to the extent the Committee or any individual Committee member acted with malice or harmful intent. Approval by the Committee does not necessarily assure approval by the appropriate governmental board or commission for the County. Notwithstanding that the Committee has approved plans and specifications, neither the Committee nor any of its members will be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the Improvements. The Committee's approval of any application shall not be deemed to be a representation or warranty that the construction or modification of any improvement pursuant to such approval will be free of defects in the quality of materials or labor provided or in its design. Each Owner should obtain whatever soil reports, foundation studies, and/or engineering studies the Owner deems necessary to determine the adequacy of construction of any improvement prior to the purchase of a Lot. Neither the Board, the Design Review Committee, nor any agent thereof, nor Declarant, nor any of its

partners, employees, agents or consultants will be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events the Committee will be defended and indemnified by the Association in any such suit or proceeding which may arise by reason of the Committee's review or decision in accordance with the provisions of Section 1396-2.22.A of the Texas Non-Profit Corporation Act, as amended (but, in the case of any such amendment, only to the extent that such amendment permits broader indemnification than permitted prior to such amendment).

Section 6.8. *Enforcement.*

6.8.1. *Inspection.* Any member or authorized consultant of the Design Review Committee, or any authorized officer, Director, employee or agent of the Association may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect Improvements constructed or under construction on the Lot to determine whether the Improvements have been or are being built in compliance with the Documents and the plans and specifications approved by the Design Review Committee.

6.8.2. *Certificate of Compliance Upon Completion of Construction.* Before any Improvements on a Lot may be occupied, the Owner of the Lot will be required to obtain an acknowledged certificate, in recordable form, setting forth generally whether, to the best of the Committee's knowledge that the Improvements on a particular Lot have been substantially completed in accordance with the plans and specifications approved by the Committee (a "Certificate of Compliance"). Without limiting the generality of the preceding sentence, the Committee may require, as a condition to the issuance of the Certificate of Compliance, that the Owner pay a reasonable fee established by the Committee from time to time and deposit with the Committee such sums as may be necessary to complete the landscaping on the Lot by a specified date. If the landscaping is not completed as scheduled, the Committee may apply the deposit to cover the cost of completing the work and enforce such other remedies as are available to the Association for the failure of the Owner to comply with these covenants, including without limitation the remedies set forth in Section 6.9. Unless the Committee responds to such request within 30 days after receipt of the request, it will be conclusively presumed that the Owner and the Owner's Improvements are in conformance with all the plans and specifications approved by the Committee.

6.8.3. *Certificate of Compliance-Generally.* Upon payment of a reasonable fee established from time to time by the Design Review Committee, and upon written request of any Owner or his agent, an existing or prospective Mortgagee, or a prospective grantee, the Committee will issue an acknowledged certificate, in recordable form, setting forth generally whether, to the best of the Committee's knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Design Guidelines. Unless the Committee responds to such request within 30 days after receipt of the request, it will be conclusively presumed that the Owner and the Owner's Improvements are in conformance with all the terms and conditions subject to the control of the Committee.

6.8.4. *Deemed Nuisances.* Every violation of these Covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against an Owner will be applicable. Without limiting the generality of the foregoing, these Covenants may be enforced as provided below.

(i) *Fines for Violations.* The Committee may adopt a schedule of fines for failure to abide by the Committee rules and the Design Guidelines, including fines for failure to obtain any required approval from the Committee.

(ii) *Removal of Nonconforming Improvements.* The Association, upon request of the Committee and after reasonable notice to the offender of said offender's opportunity to cure and/or request a hearing, if required by law, and, if different, to the Owner, may, after the expiration of all time periods allowed by law, enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants. The Owner of the Improvement will immediately reimburse the Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Association within 30 days after the Association gives the Owner notice of the expenses, the sum owed to the Association will bear interest at the Default Rate from the date the expense was incurred by the Association through the date of reimbursement in full, and all such sums and interest will be a Default Assessment enforceable as provided in Article IX.

(iii) *Notice of Violation.* To evidence any violation of this Article or Article VII by any Owner, the Board may file, but is not required to file, in the Deed Records of Montgomery County, Texas, a notice of violation setting forth (i) the violation, (ii) the name of the Owner and Lot, and (iii) a sufficient legal description of the Lot. Such notice shall be signed and acknowledged by an officer or duly authorized agent or attorney of the Association. The cost of preparing and recording such notice may be assessed against the non-conforming Lot and collected as a Default Assessment pursuant to Article IX.

Section 6.9. *Continuity of Construction.* All Improvements commenced on the Property will be prosecuted diligently to completion and will be completed within 24 months after commencement, unless an exception is granted in writing by the Committee. If an Improvement is commenced and construction is then abandoned for more than 90 days, or if construction is not completed within the required 24-month period, then after notice and opportunity for hearing as provided in the Bylaws, the Association may impose a fine of not less than \$100.00 per day (or such other reasonable amount as the Association may set) to be charged against the Owner of the Lot until construction is resumed, or the Improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board of Directors that such abandonment is for circumstances beyond the Owner's control. Such charges will be a Default Assessment and lien as provided in Article IX.

Section 6.10. *Reconstruction / Private Open Space.* The reconstruction by the Association after destruction by casualty or otherwise of any Private Open Space that is accomplished in

substantial compliance with "as built" plans for such Private Open Space will not require compliance with the provisions of this Article or the Design Guidelines.

Section 6.11. *Construction Deposit.* In order to insure an Owner's compliance with the Documents, each Owner of a Lot situated immediately adjacent to the Private Open Space or Club Property, or any portion thereof, shall pay to the Association a construction deposit, in an amount established by the Board from time to time, upon the Owner's submission of final plans and specifications for the construction or modification of an improvement under this Article. In the event the Committee disapproves of the final plans and specifications, the Association shall promptly return the construction deposit to said Owner upon receipt of the Owner's written request to do so. If said plans and specifications are approved, the entire construction deposit shall be held by the Association until construction of the Improvement is completed in accordance with the approved plans as determined by the Board in its sole discretion. The Association shall release the construction deposit to the Owner, less any funds expended or reserved by the Association pursuant to this Section, within thirty (30) days of receipt of written notice from the Owner of completion of the improvement. The Association may, without waiving any other remedy provided by this Declaration or by law, draw upon the construction deposit or withhold the release of the deposit as necessary to cover, among other things (i) the cost or anticipated cost to repair damage to the Private Open Space caused by the Owner, his contractors, subcontractors, agents or employees, (ii) the cost or anticipated cost to perform the care, maintenance or repairs required to be performed by an Owner pursuant to this Declaration and any rules promulgated thereunder, and (iii) the cost or anticipated cost to restore an Owner's Lot to a condition existing prior to the commencement of nonconforming work (including, without limitation, the demolition and removal of any unapproved or nonconforming Improvement). If any part of the construction deposit is applied by the Association, the Owner shall, immediately upon demand, deposit with the Association a sum equal to the amount so applied in order to restore the construction deposit to its original amount.

Section 6.12. *Builder Performance.* Neither the Association, the Committee or the Declarant, nor any affiliate of Declarant, as hereinafter defined, are a co-venturer, partner, agent, employer, stockholder or affiliate of any kind of or with any Builder, nor is any Builder an agent of Declarant or an affiliate of Declarant. Therefore, the Association, the Committee, the Declarant and affiliates of Declarant shall not be responsible for, or guarantors of, performance by any Builder of all or any of its obligations to any Owner pursuant to any contracts for the sale or construction of a Dwelling Unit or Lot or otherwise. Neither the Association, the Committee or the Declarant nor any affiliates of Declarant has made, or have made, any warranty or representation with respect to performance by any Builder under any contract or otherwise. Such Owner acknowledges and agrees that neither the Association, the Committee or the Declarant nor any affiliate of Declarant share any liability or obligation to Owner, related to or arising out of any contract with a Builder or otherwise, by reason of any failure by a Builder fully and adequately to perform its obligations to Owner. Owner further acknowledges and agrees that Owner has not, in entering into any contract with a Builder, relied upon any representations, oral or written, of the Association, the Committee, the Declarant or any affiliate of Declarant or any salesperson.

ARTICLE VII
PROPERTY USE RESTRICTIONS

Section 7.1. *General Restriction.* The Property will be used only for the purposes set forth in these Covenants, as permitted by the applicable ordinances of the County, and the laws of the State of Texas and the United States, and as set forth in the Documents or other specific recorded covenants affecting all or any part of the Property.

Section 7.2. *Use of Lots.* Each Lot may be used only for the purposes permitted by the applicable governing laws, including any applicable planned unit development. If the provisions of the applicable planned unit development are more restrictive than the provisions of this Declaration, the more restrictive provisions of the planned unit development shall be controlling. No business, trade or similar activity may be conducted in or from any Lot, except that an Owner or resident residing in a Lot may conduct business activities within the Lot so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot, (ii) the business activity conforms to all governing law requirements for the Property, (iii) the business activity does not noticeably increase the level of vehicular or pedestrian traffic or the number of vehicles parked in the Property, (iv) the business activity does not involve door-to-door solicitation of residents of the Property, and (v) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms "business" and "trade" as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (i) such activity is engaged in full or part time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. Notwithstanding the above, the leasing of a Lot shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Property or its use of any Lots which it owns within the Properties.

Section 7.3. *Motorized Vehicles.* No commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, golf carts, tractors, mobile homes, trucks, trail bikes, recreational vehicles, motor homes, motor coaches, snowmobiles, campers, trailers, boats and other watercraft, or boat trailers or similar vehicles other than passenger automobiles or pickup or sport utility trucks or any other motorized vehicles will be parked, stored or in any manner kept or placed on any portion of the Property except in an enclosed garage or screened from public view. This restriction, however, will not be deemed to prohibit commercial and construction vehicles, in the ordinary course of business, from making deliveries or otherwise providing services to the Property or for Declarant or the other Owners. No off-road vehicles will be allowed to operate on any roads or trails in the Property, except for emergency purposes or in areas specifically designated for such purposes by the Board. Motorcycles may be used on roads in the Property only for transportation to and from a dwelling and shall be operated in a quiet manner. No vehicle of any type shall be permitted to park on the

private streets; provided, however, the Board, in its discretion, may waive this prohibition in connection with special events, including golf tournaments or outings held at the Club.

Section 7.4. *Excavation.* No excavation will be made except in connection with Improvements approved as provided in these Covenants. For purposes of this Section, "excavation" means any disturbance of the surface of the land which results in a removal of earth, rock, or other substance a depth of more than 18 inches below the natural surface of the land.

Section 7.5. *Electrical, Television, Natural Gas and Telephone Service.* All electrical, television, natural gas and telephone service installations will be placed underground.

Section 7.6. *Sanitation.* Each structure designed for occupancy will connect with sanitation facilities as are made available from time to time by the County or any other approved utility supplier. No septic tanks or drainfields shall be permitted on any residential Lots.

Section 7.7. *Water and Wells.* Each structure designed for occupancy will connect with water facilities as are made available from time to time by the Association, the County or other approved utility supplier. No wells from which water, oil, or gas is produced shall be permitted on any residential Lots. Declarant, the Association, and their assigns may own, install, maintain and operate water wells, water works, storage tanks, reservoirs, or other facilities in the Private Open Space.

Section 7.8. *Signs and Flagpoles.* No signs of any kind will be displayed to the public view on or from any portion of the Property(s); except for (i) signs approved by the Design Review Committee, (ii) signs used by a builder to identify a Lot or Lots during the construction period, (iii) political signs, subject to the restrictions set forth in the Design Guidelines, and (iv) signs permitted by Section 11.1.3., below. The display of flags of the United States, Texas or a branch of the United States military shall be allowed on each Lot subject, however, to the restrictions set forth in the Design Guidelines.

Section 7.9. *Animals and Pets.* No animals, livestock, or poultry of any kind will be kept, raised, or bred on any portion of the Property, except dogs, cats or other household pets (the kind and number of which may be regulated, permitted or prohibited from time to time by the Rules). Notwithstanding the above, those pets which are permitted to roam free or, in the sole discretion of the Board, endanger the health, make objectionable noise or constitute a nuisance or inconvenience to the residents of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet.

7.9.1 *Hunting.* Hunting and trapping of wild animals, fowl or game and the discharge of firearms, fireworks and/or bows and arrows is prohibited.

7.9.2. *Containment.* Household pets, such as dogs and cats, must be contained upon the Owner's Lot, and such pets may not be permitted to run at large at any time.

7.9.3. *Leashes.* Pedestrians within the Property who are accompanied by dogs must have the dogs under the pedestrians' direct control by use of a leash not to exceed 10 feet in length.

7.9.4. *Attractants.* The use of wildlife attractants such as salt licks is prohibited. This provision shall not prohibit bird feeders.

Section 7.10. *Drainage.* No Owner will do or permit any work, place any landscaping or install any other Improvements or suffer the existence of any condition whatsoever which will alter or interfere with the drainage pattern for the Property, except to the extent such alteration and drainage pattern is approved in writing by the Design Review Committee or the Board of Directors, and except for the right which is hereby reserved to Declarant to alter or change drainage patterns.

Section 7.11. *Trash.* No trash, ashes, garbage construction materials or other refuse will be thrown or dumped on any land or area within the Property. The Association will cooperate in and encourage programs to recycle trash and other refuse. There will be no burning or other disposal of refuse out of doors. Each Owner will provide suitable receptacles for the temporary storage and collection of refuse, and all such receptacles will be screened from the public view and from the wind and protected from animal and other disturbance.

Section 7.12. *Construction Regulations of the Design Guidelines.* All Owners and contractors shall comply with the portions of the Design Guidelines regulating construction activities. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owners' representatives on the Property at any time; the conservation of landscape materials; and fire protection.

Section 7.13. *Blasting.* If any blasting is to occur, the Design Review Committee and Declarant will be informed far enough in advance to allow them to make such investigation as they deem necessary to confirm that appropriate protective measures have been taken prior to the blasting. Notwithstanding the foregoing, no approval of any blasting by Declarant or the Design Review Committee will in any way release the person conducting the blasting from all liability in connection with the blasting, nor will such approval in any way be deemed to make Declarant or the Design Review Committee liable for any damage which may occur from blasting, and the person doing the blasting will defend and hold harmless and hereby indemnifies Declarant and the Design Review Committee from any such expense or liability. Declarant or the Design Review Committee may impose any reasonable conditions and restrictions, including time and date restrictions, on all blasting.

Section 7.14. *Drilling.* All oil, gas and other mineral drilling, development, operation, refining, quarrying or mining is prohibited on the Property.

Section 7.15. *Temporary Structures.* No temporary structures of any kind, such as a trailer, basement, tent, shack, barn or other outbuilding will be permitted except as may be determined to be necessary during construction and as specifically authorized by the Design

Review Committee, and except as necessary for the exercise by Declarant of the Special Declarant Rights.

Section 7.16. *Compliance with Laws.* Subject to the rights of reasonable contest as provided by law, each Owner will promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Property. Without limiting the generality of the foregoing, each Owner will abide by any wildlife regulations imposed by the Association and any agency or authority having jurisdiction over the Property. Further, no Owner will dispose or allow any person under the Owner's control or direction to release, discharge or emit from the Property or dispose of any material on the Property that is designated as hazardous or toxic under any federal, state or local law, ordinance or regulation.

Section 7.17. *No Outside Clotheslines.* No laundry or wash will be dried or hung outside any Building, and there shall be no outdoor clotheslines on any portion of the Property.

Section 7.18. *Parking and Auto Repair.* No automobiles or other vehicles will be parked in any street or upon any portion of the Property except within garages, carports, or designated parking areas. No work on automobiles or other vehicle repair will be performed in any visible or exposed portion of Bluejack National except in emergencies.

Section 7.19. *Abandoned, Inoperable, or Oversized Vehicles.* No abandoned or inoperable vehicles of any kind will be stored or parked on any portion of the Property, except as provided below. "Abandoned or inoperable vehicle" is defined as any vehicle which has not been driven under its own propulsion for a period of three weeks or longer; provided, however, this will not include vehicles parked by Owners while on vacation or residing away from Bluejack National. A written notice describing the "abandoned or inoperable vehicle" and requesting its removal may be personally served upon the Owner or posted on the unused vehicle. If such vehicle has not been removed within a reasonable time after notice has been given, the Association will have the right to remove the vehicle without liability, and the expense of removal will be a Default Assessment charged against the Owner as provided in Section 9.5. All unsightly or oversized vehicles, snow and ice removal equipment, garden maintenance equipment, and all other unsightly equipment and machinery may be required by Declarant or the Board of Directors to be stored at a designated location or locations. "Oversized" vehicles, for purposes of this Section, will be vehicles which are too high to clear the entrance to a residential garage.

Section 7.20. *Antennae.* No exterior antennas, aerials, satellite dishes or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon any portion of the Property, except that (i) antennas or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; (ii) antennas or satellite dishes designed to receive direct broadcast satellite service; or (iii) antennas or satellite dishes designed to receive television broadcast signals [(i), (ii) and (iii) are collectively referred to as "Permitted Devices"] shall be permitted, provided that the size, number, color and location of the Permitted Device is submitted to the Design Review Committee for approval prior to installation in accordance with the Design Guidelines.

Section 7.21. *Outside Burning.* There will be no exterior fires, except barbecues, outside fireplaces, braziers and incinerator fires contained within facilities or receptacles and in areas designated and approved by the Design Review Committee. No Owner will permit any condition upon its portion of the Property which creates a fire hazard or is in violation of fire prevention regulations.

Section 7.22. *Fertilizers and Pesticides.* Application of fertilizers or pesticides in the subdivision should be minimized to protect the water quality of the downstream residents.

Section 7.23. *Noise.* No exterior horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Property or Improvements, will be placed or used on any portion of the Property.

Section 7.24. *Lighting.* All exterior lighting of the Improvements and grounds on the Property will be subject to regulation by the Design Review Committee.

Section 7.25. *Obstructions.* There will be no obstruction of any walkways or bike paths or interference with the free use of those walkways and paths except as may be reasonably required in connection with repairs. The Owners, their families, tenants, guests and invitees are granted nonexclusive easements to use the walkways and paths within the Property. That use will be subject to the Rules adopted by the Board from time to time.

Section 7.26. *Camping and Picnicking.* No camping or picnicking will be allowed within the Property except in those areas designated for those purposes. The Board, in its discretion, may ban or permit public assemblies and rallies within the Property.

Section 7.27. *House Numbers.* Each Dwelling Unit will have a house number with a design and location established by the Design Review Committee. All house numbers shall be visible from the road, either on the building or at the driveway entrance, and, if necessary, shall be lit to allow evening/night visibility.

Section 7.28. *Fire Clearance Measures.* In construction and landscaping of houses, Owners shall create and maintain defensible space/vegetative clearance measures around structures as required by the Bluejack National Subdivision Regulations and as indicated on the approved planned unit development for the Property, for the purpose of reducing fire danger.

Section 7.29. *Roofing Material.* Owners shall utilize only those roofing materials permitted by the Design Guidelines.

Section 7.30. *Building Code.* All improvements shall be constructed in accordance with the applicable building codes of the governmental entity having jurisdiction, or if no such building codes are in effect, then in accordance with the Uniform Building Code. All development of the Property shall be in accordance with the applicable building code and building permits shall be obtained as provided in the applicable building code. All development of the Property shall also

be in accordance with the zoning regulations applicable to the Property and the provisions of the applicable planned unit development.

Section 7.31. *Swimming Pools and Athletic Items.* Moveable, above-ground swimming pools in excess of six (6) feet in diameter are prohibited. Any items of athletic equipment such as basketball goals, soccer and lacrosse goals, etc. may only be used in accordance with the Design Guidelines.

Section 7.32. *Fencing.* Fence height and material shall be in accordance with the Design Guidelines.

Section 7.33. *Clear Vision Area and Cul-de-sacs.* Owners shall cooperate in creating and maintaining a triangular "clear vision" area to be established and maintained at all road intersections and switchback curves, such that each of the two sides has a distance of 40 feet measured from the point of intersection (or the midpoint of the switchback curve) along the road centerlines of each road. Cul-de-sacs shall be kept unobstructed at all times.

Section 7.34. *Nuisance.* No obnoxious or offensive activity will be carried on within the Property, nor will anything be done or permitted which will constitute a public nuisance. No noise or other nuisance will be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other part of the Property or its occupants. No fireworks of any kind are permitted upon the Property.

Section 7.35. *General Practices Prohibited.* The following practices are prohibited at Bluejack National:

7.35.1. Allowing construction suppliers and contractors to clean their equipment other than at a location designated for that purpose by the Design Review Committee;

7.35.2. Removing any rock, plant material, top soil or similar items from any property of others;

7.35.3. Use of surface water for construction; or

7.35.4. Careless disposition of cigarettes and other flammable materials.

Section 7.36. *Use of Property During Construction.* It will be expressly permissible and proper for Declarant and any Owner acting with the prior written consent of the Design Review Committee, and their respective employees, agents, independent contractors, successors, and assigns involved in the construction of Improvements on, or the providing of utility service to, the Property, the Expansion Property or other real property owned by Declarant, to perform such activities and to maintain upon portions of the Property as they deem necessary, such facilities as may be reasonably required, convenient, necessary or incidental to such construction and development of the Property. This permission specifically includes, without limiting the generality of the foregoing, maintaining storage areas, construction yards and equipment and signs. However, no activity will be performed and no facility will be maintained on any portion of the Property in

such a way as to unreasonably interfere with or disturb any purchaser or Owner of a Lot, or to unreasonably interfere with the use, enjoyment or access of such Owner or his tenants, employees, guests, or business invites, of and to his Lot. If any Owner's use under this provision is deemed objectionable by the Design Review Committee, then the Design Review Committee, as applicable, in its sole discretion, may withdraw this permission.

Notwithstanding the foregoing, this Section will not operate to prevent the exercise of any Special Declarant Rights.

Section 7.37. Partition or Combination of Lots. No part of a Lot which is restricted in use to single family dwellings may be partitioned or separated from any other part thereof. Declarant, however, hereby expressly reserves the right to develop one or more condominium regimes on Lots. No such Lots may be combined, but the Owner of two or more contiguous Lots may build one single family Dwelling Unit on the contiguous Lots, upon complying with all applicable requirements of the County, and with all applicable Design Guidelines, including without limitation procedures for adjusting Building Sites otherwise drawn for the Lots to accommodate a larger Dwelling Unit, minimum and maximum limitations of living area that may be constructed on any given number of contiguous Lots, and measures necessary to preserve any easements reserved with respect to the contiguous Lots. Declarant, however, hereby expressly reserves the right to subdivide, change the boundary line of and replat any Lot(s) owned by Declarant. The fact that two or more contiguous Lots may be owned by one person and developed with one single family Dwelling Unit will not affect the number of votes or the amount of Assessments allocated to the Lots. If the Owner is required by the County or any other governmental authority or by a Mortgagee to replat the Lots in order to construct Improvements on them, the number of votes and the allocation of Assessments to the Lots after replatting will equal the sum of the votes and Assessments allocated to the Lots before replatting. Each Lot will be conveyed, transferred, gifted, devised, bequeathed, encumbered or otherwise disposed of, as the case may be, with all appurtenant rights and interests created by law or by this Declaration, including the Owner's membership in the Association and the right to use the Private Open Space, and with the appropriate allocation of voting rights and liability for Assessments established for the Lot as provided in this Deduction.

Section 7.38. Private Open Space-Covenants to Apply. The provisions of this Article above, with the exception of Section 7.2, will apply to the Private Open Space, and the Private Open Space will have the benefit of the provisions of this Article.

Section 7.39. Rental and Leasing. The Owner of a Lot will have the right to rent or lease the Lot, subject to the following conditions:

7.39.1. For Lots in areas designated on the Plat as being for single family residential use, all leases or rental agreements must be in writing with a minimum term of at least six (6) months and are subject to the Rules.

7.39.2 For Lots in areas designated on the Plat as being for Sunday homes, cottages or residences available for temporary use by the members of the Club, all leases and rental

arrangements shall be provided through a rental pool established and operated by the Declarant, its affiliates or a third party operator and shall be subject to the Rules.

7.39.3. The lease or rental agreement shall be specifically subject to the Documents, and any failure of a tenant to comply with the Documents will be a default under the lease or rental agreement.

7.39.4. The Owner shall be liable for any violation of the Documents committed by the Owner's tenant, without prejudice to the Owner's right to collect any sums paid by the Owner on behalf of the tenant.

Section 7.40. *Wetlands, Lakes and Other Water Bodies.* Unless otherwise designated by the Board in writing, all wetlands, lakes, ponds and streams within the Property, if any, shall be aesthetic amenities only and no other use thereof, including, without limitation, fishing, skiing, swimming, boating, playing or use of personal flotation devices, shall be permitted without the prior approval of the Board. The Association shall not be responsible for any loss, damage or injury to any Person or property arising out of the authorized or unauthorized use of lakes, ponds or streams within the Property. No docks, piers or other structures shall be constructed on or over any body of water within the Property, except such as may be constructed by the Declarant or the Association.

Section 7.41. *Landscaping; Maintenance.* Construction of each and every Dwelling Unit within the Property shall include the installation and placement of appropriate landscaping. Each Owner shall have the duty and responsibility, at his sole cost and expense, to keep and maintain the Lot, and all improvements therein and thereon, in a well-maintained, safe, clean and attractive condition at all times.

Section 7.42. *Access Control.* Access to the Property shall comply with the following:

7.42.1 *Member/Resident Access.* All Owners and Club members can enter or exit through the main gate, located on Bluejack National Club Drive, at any time. The construction gate on FM 1486 is only accessible when manned by gate personnel, and should only be used by contractors/vendors. All clubhouse staff can enter or exit through the main gate as determined by the Board. Owners and Club members should identify themselves and be able to give their address (in the case of property owners) to gate personnel. Transponders are available to Owners and Club members for automatic entry. Transponders will also be made available to employees. Transponders may be purchased by Property Owners and Club Members at the main gate. In addition to transponders, access to the Property may also be controlled through the use of license plate recognition software as well as video surveillance.

7.42.2 *Member/Resident Guests and Consultants.* All guests of residents must enter and exit through a gate manned by gate personnel, show identification, if requested by gate personnel, and be approved for admittance. Guests are defined to include personal friends, an Owner's family, and those professionals, agents, or persons employed by the Owner who are not associated with on-going construction or maintenance of the Owner's property. The Owner may contact main gate personnel to allow their guest a single-access visit to the Owner's property;

Owner may be required to call, or email guest name, date of arrival, and additional information as appropriate, to the main gate. For golf or activity guests, the Member should contact the main gate as well. Owners may also arrange for individual guests or service personnel permanent access subject to certain constraints relative to entry dates and times. For permanent access, the Owner must provide gate personnel on duty with a Resident Community Access Information Form which will be maintained at the main gate. Changes to this list may be made by the Owner, in writing, or by email at any time. No changes will be accepted through verbal communication. Although gate personnel will make every reasonable effort to contact an Owner to obtain entry authority for a guest, it should be understood that a guest will be denied absent the Owner's permission. Permission will be deemed to have been given by the Owner if the guest is registered as part of Owner's authorized access list on file at the main gate.

7.42.3 *Realtor and Appraiser Access.* Although realtors, appraisers and prospective Owners or Club members are not permitted unaccompanied access to Bluejack National, every effort will be made to provide appropriate access to realtors, appraisers, and qualified prospective Owners or Club members. Realtors, appraisers and prospective Club members and/or property Owners may obtain general information concerning property for sale, the community or the Club and/or tours of the community or the Club by contacting the Manager of its designee. Realtors showing a listed home or lot are only allowed access to the specific property with the listing agent or owner. They may go directly to the home or lot, go directly to any additional appointments and then return to the gate after the last appointment. Realtors and appraisers will not be permitted to tour the property nor may they enter the Club without the Club's permission. Lock boxes/key boxes are strictly prohibited. Listing agents for a listing are limited to two authorized agents. No "Open House" functions will be permitted. Real estate agents with properties listed in Bluejack National may, upon approval by the Association, hold "By Invitation Only" realtor events. Depending on the size of the event, extra community access patrol may be required at the cost of the realtor or owner. Signs advertising the sales of homes are prohibited except as provided in the Design Review Guidelines.

7.42.4 *Photographs.* No photographs are permitted without an Owner's permission for the specific property, including the Private Open Space and the Club Property.

7.42.5 *Other Visitor Access Control.* All visitors must be cleared for access by an Owner, a Club member, or a member of the Association staff or Club staff. In the event that a visitor arrives without prior notification, gate personnel will make every effort to contact the appropriate parties for access authorization. If authorization cannot be obtained, the visitor will be denied access to the community.

Section 7.43 *Use of Golf Carts.* Each operator of a golf cart on the Property shall comply with the following rules:

7.43.1 All golf carts must be approved in advance by the Association and are subject to standard compliance, which includes being purchased or leased through the Club and meeting the same operational standards, *i.e.*, color scheme, maintenance and upkeep, as established by the Club Owner, in its sole discretion.

7.43.2 Each operator of a golf cart must be at least sixteen (16) years of age and have a valid automobile driver's license.

7.43.3 The number of passengers on a golf cart must not exceed the intended capacity. All persons are required to be seated in a seat specifically designed for such during the operation of the golf cart and are not permitted to stand or be seated upon the body or frame work. Infants and small children must be held securely at all times by another golf passenger 16 years or older.

7.43.4 All traffic signs must be obeyed at all times.

7.43.5 Speed limit within Bluejack National is 20 mph.

7.43.6 Always use golf cart paths or sidewalks where provided.

7.43.7 Golf carts must yield to pedestrians.

7.43.8 Golf carts must use lights after dusk.

7.43.9 Never drive a golf cart through a hazard or common area parks/grass.

7.43.10 Violation of these rules may result in a written notice of violation and/or fines and/or suspension of the right to use golf carts on the Property.

7.43.11 Operation of a golf cart is at the risk of the operator. Each person using a golf cart accepts and assumes all responsibility for liability connected with operation of the golf cart. The person also expressly indemnifies and agrees to hold harmless the Association and its affiliates, employees, representatives and agents, from any and all damages, whether direct or consequential, arising from or related to the person's use and operation of the golf cart.

7.43.12 Reckless golf cart activity shall be reported to the Association or to the Club immediately.

Section 7.44. *Enforcement.* The Association may take such action as it deems advisable to enforce these Covenants as provided in this Declaration. In addition, the Association will have a right of entry on any part of the Property for the purposes of enforcing this Article, and any costs incurred by the Association in connection with such enforcement which remain unpaid 30 days after the Association has given notice of the cost to the Owner and otherwise complied with the Act will be subject to interest at the Default Rate from the date of the advance by the Association through the date of payment in full by the Owner, and will be treated as a Default Assessment enforceable as provided in Article IX.

ARTICLE VIII
OWNERS' OBLIGATIONS FOR MAINTENANCE

Section 8.1. *Owner's Responsibility for Lot.* Except as provided in the Documents or by written agreement with the Association, all maintenance of a Lot and the Improvements located on it will be the sole responsibility of the Owner of the Lot. Such maintenance shall include the following:

8.1.1. *Landscaping.* The Lot and all landscaping, structures, fences, parking areas, sidewalks and other Improvements within the boundaries of the Lot, such maintenance to include, without limitation, the following:

- (i) Prompt removal of litter, trash, refuse and waste;
- (ii) Lawn mowing on a regular basis;
- (iii) Tree and shrub pruning;
- (iv) Watering landscaped areas;
- (v) Keeping lawn and garden areas alive, free of weeds and attractive;
- (vi) Complying with all government, health and police requirements;
- (vii) Repair of exterior damages to Improvements; and
- (viii) Painting and repainting of Improvements as often as is reasonably necessary to ensure the attractiveness and aesthetic quality of such Lot or improvement as determined by the Committee. The approval of the Committee otherwise required herein shall not be required for such repainting so long as neither the color scheme nor the arrangement of the colors of any Improvements, nor the color of paint thereon, is substantially altered;

8.1.2. *Driveway.* The driveway serving the Lot whether or not lying entirely within the Lot boundaries;

8.1.3. *Landscaping on Private Open Space.* Upon issuance of a Certificate of Compliance, all landscaping on that portion of the Private Open Space or private right-of-way between the Lot boundary and the nearest curb or pavement edge of the adjoining street(s) or the nearest fence, wall or berm constructed on the adjacent Private Open Space;

8.1.4. *Landscaping on Public Right-of-Way.* All landscaping on that portion of the Private Open Space or public right-of-way between the Lot boundary and (i) any abutting bank or water's edge of any lake, pond, stream or wetlands area within the Properties, or (ii) any Private Open Space abutting the bank or water's edge of any lake, pond, stream or wetlands area within the Properties; provided, there shall be no right to remove trees, shrubs or similar vegetation from

this area without prior approval pursuant to Article VI hereof. Each Owner will maintain its Lot in accordance with the community-wide standard of Bluejack National. The Association will, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance being provided by such Owner does not satisfy such standard. Before assuming the maintenance responsibilities, the Board will notify the Owner in writing of its intention to do so, and if the Owner has not commenced and diligently pursued remedial action within 30 days after the mailing of such written notice, then the Association will proceed. The expenses of the maintenance by the Board will be reimbursed to the Association by the Owner within 30 days after the Association notifies the Owner of the amount due, and any sum not reimbursed within that 30-day period will bear interest at the Default Rate from the date of the expenditure until payment in full. Such charges will be a Default Assessment enforceable as provided in Article IX.

Section 8.2. *Owner's Negligence.* If the need for maintenance, repair or replacement of any portion of the Private Open Space (including Improvements located on it) arises because of the negligent or willful act or omission of an Owner or his family member, guest, invitee or tenant, then the expenses incurred by the Association for the maintenance, repair or replacement will be a personal obligation of that Owner. If the Owner fails to repay the expenses incurred by the Association after the notice to the Owner of the amount owed, then those expenses will bear interest at the Default Rate from the date of the advance by the Association until payment by the responsible Owner in full, and all such expenses and interest will become a Default Assessment enforceable in accordance with Article IX.

ARTICLE IX ASSESSMENTS

Section 9.1. *Creation of Lien and Personal Obligation for Assessments.* Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot, by accepting a deed for a Lot, is deemed to covenant to pay to the Association (1) the Annual Assessments imposed by the Board of Directors as necessary to fund the Maintenance Fund and to generally carry out the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (3) Default Assessments which may be assessed against a Lot pursuant to the Documents for the Owner's failure to perform an obligation under the Documents or because the Association has incurred an expense on behalf of or caused by the Owner under the Documents. All Assessments, together with fines, interest, collection costs, and reasonable attorneys' (and legal assistants') fees and costs, will be a charge on the land and will be a continuing lien upon the Lot against which each such Assessment is made until paid. Each such Assessment, together with fines, interest, costs, and reasonable attorneys' (and legal assistants') fees, will also be the personal and individual obligation of the Owner of such Lot as of the time the Assessment falls due, and two or more Owners of a Lot will be jointly and severally liable for such obligations. No Owner may exempt himself from liability for any Assessments by abandonment of his Lot or by waiver of the use or enjoyment of the Private Open Space or any other reason. No diminution or abatement of Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association or for inconvenience or discomfort arising from the making of repairs or improvements, or from any action taken to comply with any law,

ordinance, or with any order or directive of any municipal or other governmental authority or for any other action taken or failed to be taken by the Association. Suit to recover a money judgment for unpaid Assessments and related charges as listed above may be maintained without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 9.2. *Purpose of Assessments.* The Assessments levied by the Association will be used exclusively to promote the welfare of the Owners of Bluejack National.

Section 9.3. *Annual Assessments.*

9.3.1. *Calculation of Annual Assessments.* The Board of Directors will prepare a budget before the close of each fiscal year of the Association. Annual Assessments for Common Expenses will be based upon the estimated expenses of the Association to cover items including, without limitation, the cost of routine maintenance, repair and operation of the Private Open Space; expenses of management; and premiums for insurance coverage as deemed desirable or necessary by the Association; snow and ice removal, landscaping, care of grounds and common lighting within the Private Open Space; routine renovations within the Private Open Space; wages; common water and utility charges for the Private Open Space; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment period; and the supplementing of the reserve fund for general, routine maintenance, repairs and replacement of improvements within the Private Open Space on a periodic basis, as needed, as contemplated under Section 5.10.

9.3.2. *Apportionment of Annual Assessments.* Each Owner will be responsible for that Owner's share of the Common Expenses, which will be divided equally among the Lots included in the Project under this Declaration from time to time. Accordingly, at any given time, an Owner's share of Common Expenses will be determined as a fraction, the numerator of which is the number of Lots owned by the Owner, and the denominator of which is the number of Lots then platted and incorporated in the Project. Notwithstanding the preceding sentence, any Common Expenses or portion thereof benefitting fewer than all of the Lots will be based exclusively against the Lots benefitted.

9.3.3. *Collection.* Annual Assessments will be collected in periodic installments as the Board may determine from time to time, but until the Board directs otherwise, they will be payable annually in advance on the first day of each calendar year. The omission or failure of the Association to fix the Annual Assessments for any Assessment period *will* not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association will have the right, but not the obligation, to make pro rata refunds of any Annual Assessments in excess of the actual expenses incurred in any fiscal year.

9.3.4. *Date of Commencement of Annual Assessments.* The Annual Assessments will commence as to each Lot on the first day of the month following: (i) the month in which the Lot is made subject to this Declaration, or (ii) the month in which the Board first determines a budget and levies Assessments pursuant to this Article, whichever is later. The first Annual Assessment levied on each Lot shall be adjusted according to the number of months remaining in

the fiscal year at the time Assessments commence on the Lot. The Annual Assessments will commence for Lots contained in each phase of Expansion Property incorporated in the Property on the first day of the month following the recording of the Declaration of Annexation incorporating them into the Property, and will be prorated according to the number of months remaining in the calendar year.

9.3.5. *Capitalization of the Association.* Supplementing Section 5.11, upon acquisition of record title to a Lot from Declarant or any seller after Declarant, each Owner will contribute to the working capital and reserves of the Association an amount equal to one-fourth (1/4) of the amount of the Annual Assessment determined by the Board of Directors for the Lot for the year in which the Owner acquired title. This amount shall be deposited into an account and disbursed therefrom to the Association for use in covering expenses incurred by the Association pursuant to the terms of the Documents. Such payments to this fund will not be considered advance payments of Annual Assessments.

9.3.6. *Budget Deficits.* During the Period of Declarant Control, the Declarant may satisfy its Assessment obligations of its Lots either by paying Assessments on its unsold Lots in the same manner as any other Owner or by paying the difference between the amount of Assessments (exclusive of reserve contributions) levied on all other Lots subject to Assessment and the amount of actual expenditures (exclusive of reserve contributions) incurred by the Association during the fiscal year (the "budget deficit"). Unless the Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of such election, the Association shall have a lien against all Lots owned by the Declarant to secure the Declarant's obligations under this Section, which lien shall have the same attributes and shall be enforceable in the same manner as the Association's lien against other Lots under this Article. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. After termination of the Period of Declarant Control, Declarant shall pay Assessments on its unsold Lots in the same manner as any other Owner.

9.3.7. *Declarant Subsidy.* The Declarant may reduce the Annual Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 9.3.6 above), which may be either a contribution, an advance against future Assessments due from Declarant, or a loan, in the Declarant's absolute discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not otherwise obligate the Declarant to continue payment of such subsidy in future years, unless provided in a written agreement between Declarant and the Association.

Section 9.4. *Special Assessments.*

9.4.1. *Determination by Board.* The Board of Directors may levy in any fiscal year one or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Private Open Space, including the necessary fixtures and personal

property related thereto, or, to cover unbudgeted expenses or expenses in excess of the amount budgeted.

9.4.2. *Apportionment and Collection of Special Assessments.* The Board will apportion Special Assessments among the Lots and collect payment according to the same guidelines as set forth for Annual Assessments in Section 9.3.2. Lots in a newly platted portion of the Expansion Property which is added to the Property shall not be subject to Special Assessments which preceded the recording of the new Plat, unless the Special Assessment is due in monthly or periodic installments, in which case the Lots in the newly platted portion shall be subject to the Special Assessment only to the extent of the installments which are not yet due at the time of the recording of the new Plat.

9.4.3. *Notice.* Notice of the amount and due dates for such Special Assessments must be sent to each Owner at least 30 days prior to the due date.

Section 9.5. *Default Assessments.* All monetary fines, penalties, interest or other charges or fees (excluding Annual and Special Assessments) levied against an Owner pursuant to the Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Documents, and any expense (including without limitation attorneys' and legal assistants' fees) incurred by the Association as a result of the failure of an Owner to abide by the Documents, and the costs of providing benefits, items or services not provided to all Lots, such as landscape maintenance, child care, pest control service, security, concierge services and transportation services; constitutes a Default Assessment, enforceable as provided in this Declaration below.

Section 9.6. *General Remedies of the Association for Nonpayment of Assessment.* Any installment of an Annual Assessment, a Special Assessment, or Default Assessment which is not paid within 30 days after its due date will be delinquent. In the event that an installment of an Annual or Special becomes delinquent, or in the event any Default Assessment is established under this Declaration, the Association, in its sole discretion, may take any or all of the following actions after giving appropriate notice:

9.6.1. Assess a late charge for each delinquency at uniform rates set by the Board of Directors from time to time;

9.6.2. Charge interest from the date of delinquency at the Default Rate;

9.6.3. Suspend the right of the Owner to use certain portions of the Private Open Space;

9.6.4. Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year will be due and payable at once;

9.6.5. Bring an action at law against any Owner personally obligated to pay the delinquent Assessment charges;

9.6.6. File a statement of lien with respect of the Lot and foreclose as set forth in more detail below.

The remedies provided under this Declaration will not be exclusive, and the Association may enforce any other remedies to collect delinquent Assessments as may be provided by law. The Association has adopted the guidelines on the attached Exhibit G to establish an alternative payment schedule by which an Owner may make partial payments to the Association for delinquent Assessments or any other amounts owed to the Association without accruing additional monetary penalties.

Section 9.7. *Assessment Lien.* The Association shall have a lien against each Lot to secure payment of delinquent Assessments, as well as interest (subject to the limitations of Texas law), late charges, and costs of collection (including attorney's fees). To evidence the lien, the Association may, but will not be obligated to, prepare a written lien statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Association, and the delinquent Assessments amounts then owing. Any such statement will be duly signed and acknowledged by an officer or director of the Association or by the Manager or by any other duly authorized agent of the Association, and will be served upon the Owner of the Lot by mail to the address of the Lot or at such other address as the Association may have in its records for the Owner. However, the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by law, non-judicial foreclosure proceedings in accordance with Section 51.002 *et seq.* of the Texas Property Code (the "Foreclosure Statute"), as it may be amended from time to time, in like manner of any deed of trust on real property. In connection with the lien created herein, each Owner of a Lot hereby grants to the Association, whether or not it is so expressed in the deed, the contract for sale or other conveyance to such Owner, a power of sale to be exercised in accordance with the Foreclosure Statute. At any foreclosure proceeding, any Person may bid for the Lot at foreclosure sale and acquire, hold, lease, mortgage and convey the Lot. While the Association owns the Lot following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no Assessment shall be levied on it; and (iii) each other Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue to recover a money judgment for unpaid Assessments and other charges without foreclosing or waiving the lien securing the same. The Association will have the power to bid on a Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

Section 9.8. *Successor's Liability for Assessment.* All successors to the fee simple title of a Lot, except as provided in Section 9.9, will be subject to the Association's lien for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' and legal assistants' fees due against such Lot at the time of the transfer of title to such Lot without prejudice to any such successor's right to recover from any prior Owner any amounts paid by such successor. This liability of a successor will not be personal and will terminate upon termination of such successor's fee simple interest in the Lot. In addition, such successor will be entitled to rely on the statement of status of Assessments by or on behalf of the Association under Section 9.12.

Section 9.9. *Waiver of Homestead Exemption; Subordination of the Lien.* The lien of the Assessments will be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Texas, and to all other liens and encumbrances *except* the following:

9.9.1. Liens and encumbrances recorded before the date of the recording of this Declaration;

9.9.2. Liens for real estate taxes and other governmental Assessments or charges duly imposed against the Lot by a Texas governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

9.9.3. The lien for all sums unpaid on a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent, including any and all advances made by the First Mortgagee, even though some or all of such advances may have been made subsequent to the date of attachment of the Association's lien. With respect to Section 9.9.3, any First Mortgagee who acquires title to a Lot by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Lot free of any claims for unpaid Assessments, interest, late charges, costs, expenses, and attorneys' (and legal assistants') fees against the Lot which accrue prior to the time such First Mortgagee or purchaser acquires title to the Lot. All other persons who hold a lien or encumbrance of any type *not* described in Sections 9.9.1 through 9.9.3 will be deemed to consent that the lien or encumbrance will be subordinate to the Association's future liens for Assessments, interest, late charges, costs, expenses and attorneys' (and legal assistants') fees, as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

Section 9.10. *Reallocation of Assessments Secured by Extinguished Liens.* The sale or transfer of any Lot to enforce any of the liens to which the lien for Assessments is subordinate will extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer. The amount of such extinguished lien may be reallocated and assessed to all Lots as a Common Expense at the direction of the Board of Directors. However, no such sale or transfer will relieve the purchaser or transferee of a Lot from liability for, or the Lot from the lien of, any Assessments made after the sale or transfer.

Section 9.11. *Exempt Property.* The following portions of the Property will be exempt from the Assessments, charges, and liens created under this Declaration:

9.11.1. Any easement or other interest in the Property dedicated and accepted by the County and devoted to public use;

9.11.2. Any real property, an interest in which is owned by any special district established under Texas law;

9.11.3. All utility lines and easements; and

9.11.4. Private Open Space.

Section 9.12. *Statement of Status of Assessments.* The Association will furnish to an Owner or his designee or to any Mortgagee a statement setting forth the amount of unpaid Assessments then levied against the Lot in which the Owner, designee or Mortgagee has an interest and any other additional information which may be required to be provided under law. The Association will deliver the statement personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party within 10 days after the registered agent of the Association receives the request. The information contained in such statement, when signed by an officer or director of the Association or the Manager, will be conclusive upon the Association, the Board, and every Owner as to the person or persons to whom such statement is issued and who rely on it in good faith.

Section 9.13. *Failure to Assess.* The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice will not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay Annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 9.14. *Assessment Collection.* The collection of Assessments owed by Owners and the application of their payments pursuant to the Declaration will be governed by the following objectives:

9.14.1 The Association will pursue collection of all Assessments and related costs, including Annual Assessments, Special Assessments and Default Assessments, in the most expedient and cost-effective manner possible, subject to the provisions of the Declaration and state law. The Association may delegate to Manager and/or the Association's legal counsel those duties determined by the Board in its sole discretion to be necessary to accomplish the foregoing objectives. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the most expedient course of action.

9.14.2 *Ownership Interests.* Pursuant to Article IX, Section 9.1 of the Declaration, the person who is the Owner of a Lot as of the date an Assessment becomes due is personally liable for the payment of that Assessment. As used herein, the term "Delinquent Owner" refers to that person who held title to a Lot on the date an Assessment became due. As used herein, the term "Current Owner" refers to that person who then holds title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

9.14.3 *Due Dates.* Annual Assessments are due and payable annually on January 1 of each year or as otherwise determined by the Board. The due date for a Special Assessment or Specific Assessment shall be set by the Board, but in no event shall it be sooner than thirty (30) days after such notice is delivered to the Owner. Where the invoice is placed into

the care and custody of the United States Postal Service, the invoice shall be deemed to have been delivered as of the third (3rd) calendar day following the date of the postmark of such invoice. The due date for any Assessment shall be collectively referred to in this Policy as the "Due Date." Any Assessment which is not paid in full within 30 days after the Due Date is delinquent (the "Delinquency Date") shall be assessed late fees, handling charges and interest as provided in Sections 9.14.6 and 9.14.7 below.

9.14.4 *Late Notice.* If an Assessment has not been paid by the Delinquency Date, the Association will send a second invoice (referred to as the "Late Notice") which will include the unpaid Assessments, collection fees, late charges and interest charges claimed to be owing. The Late Notice will be sent via first-class United States mail.

9.14.5 *Default Letter.* If an Assessment has not been paid within the sixty (60) days following the Due Date, the Association will send a notice (referred to as the "Default Letter") to the Owner, via certified mail, return receipt requested, and via first-class United States mail and will list the unpaid Assessments, interest, late charges, collection costs and the handling charges claimed to be owing.

9.14.6 *Attorney's Fee Letter.* If the Assessment continues to remain unpaid following receipt of the Default Letter, the Association will send a notice to the Owner, via certified mail, return receipt requested, and via first class United States mail that the delinquent account is being referred to an attorney for collection if not paid by a date certain and that the Owner may be responsible for any attorneys' fees and costs of collection.

9.14.7 *Interest Late Charges.* In the event any Assessment, or any portion thereof, is not paid in full on or before the Delinquency Date, interest on the principal amount due may be assessed against the Owner at the rate of eighteen percent (18%) per annum or the maximum rate permitted by applicable law, whichever is less, and shall accrue from the Due Date until paid. Such interest, as and when it accrued hereunder, will become part of the Assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein for Assessments. In the event any Assessment, or any portion thereof, is not paid in full on or before the Delinquency Date, a late charge in the amount of \$50.00 shall be assessed against the Owner and his or her Lot. The Board may, from time to time, without the necessity of seeking Owner approval or amending this Declaration, increase or decrease the amount of the late charge. The Association shall send written notification to Owners of such increase or decrease in the amount of the late charge prior to its effectiveness. Such late charge, as and when levied, will become part of the Assessment upon which it has been levied and, as such, will be subject to recovery in the manner provided herein for Assessments. The Board may, in its sole discretion, waive the collection of any late charge; provided, however, that the waiver of any late charge shall not constitute a waiver of the Board's right to collect any future Assessments or late charges.

9.14.8 *Handling Charges and Return Check Fees.* In order to recoup for the Association the costs incurred because of the additional administrative expenses associated with collecting delinquent Assessments, collection of the following fees and charges are permitted:

(a) Any handling charges, administrative fees, postage or other expenses incurred by the Association in connection with the collection of any Assessment or related amount owing beyond the Delinquency Date for such Assessment will become due and owing by the Delinquent Owner.

(b) A charge of \$50.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of Assessments owing with respect to such Owner's Lot. The Board may from time to time, increase or decrease the amount of the dishonored check charge.

(c) Any fee or charge becoming due and payable pursuant to this section will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the Assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

9.14.9 *Acceleration.* If an Owner defaults in paying an Assessment that is payable in installments, the Board may accelerate the remaining installments on ten (10) days written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

9.14.10 *Ownership Records.* All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of a Lot for which Assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration until such time as there is actual receipt, by Manager or the Board, of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

9.14.11 *Notification of Owner's Representative.* Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this section will be deemed full and effective for all purposes if given to such representative or agent.

9.14.12 *Referral to Legal Counsel.* If an Owner remains delinquent in the payment of Assessments and related costs for more than thirty (30) days after the sending of the Default Letter (as provided for above), Manager, on behalf of the Board, or the Board may, as soon as possible thereafter, refer the delinquency to the legal counsel for the Association for the legal action as required by this Declaration. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Assessment obligation and may be collected as such as provided herein.

9.14.13 *Legal Action.* Legal counsel for the Association will take the following actions with regard to delinquencies referred to it upon legal counsel's receipt of a written request by Manager and/or the Board to take a specific collection action:

(a) *Notice Letter.* As the initial correspondence to a Delinquent Owner, counsel will send a notice letter (the "Notice Letter") to the Owner and state the outstanding amount of Assessments and related charges, including the charges for attorney's fees and costs incurred for counsel's services. The Notice Letter will offer the Owner an opportunity to pay or dispute the validity of the amounts owing, in writing, within thirty (30) days of the Owner's receipt of the Notice Letter.

(b) *Title Search.* If a Delinquent Owner fails to pay the amounts included in the initial Notice Letter sent by counsel, counsel will, upon direction from the Board and/or Manager, order a search of the land records to verify current ownership of the Lot on which the delinquency exists.

(c) *Notice of Lien.* Where the Board has determined that foreclosure of the Association's Assessment lien is to be pursued, if an Owner fails to pay in full all amounts indicated by the Notice Letter by the date specified, counsel, upon being requested to do so by the Board and/or Manager, will cause to be prepared and recorded in the Real Property Records of Montgomery County, Texas, a written notice of lien (referred to as the "Notice of Lien") setting forth therein the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot covered by the lien. A copy of the Notice of Lien will be sent to the Owner contemporaneously with the filing of same with the County Clerk's office, together with a demand for payment in full of all amounts then outstanding, within thirty (30) days of the date thereof.

(d) *Non-Judicial Foreclosure.* When the Board has directed that the collection action to be taken is non-judicial foreclosure of the Assessment lien, and such action is allowed by law, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued delinquency of unpaid Assessments owing will be reported to the Board by Manager. As soon as practical thereafter, the Board and/or Manager will direct counsel to initiate non-judicial foreclosure of the Lot, pursuant to Section 51.002 *et. seq.* of the Texas Property Code, as such statute may be amended or superseded from time to time. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The Association may institute a personal judgment suit against the former Owner for any deficiency resulting from the Association's foreclosure of its Assessment lien.

(e) *Judicial Foreclosure/Personal Judgment.* When the Board has directed that the collection action to be taken is a suit for personal judgment against the Owner and/or for foreclosure of the Assessment lien, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued delinquency of unpaid Assessments owing will be reported to the Board by Manager. As soon as practical

thereafter, the Board and/or Manager will direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking foreclosure of the Assessment lien and/or recovery of a personal judgment against the Current Owner and, where different, the Delinquent Owner, or from the Current Owner only, for all amounts owing arising from the unpaid Assessments and the collection thereof, including all attorney's fees and costs.

9.14.14 *Compromise of Assessment Obligations.* In order to expedite the handling of collection of delinquent Assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any Assessment, interest, late charges, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any Assessment obligation.

9.14.15 *Credit Bureau.* The Association may also notify any credit bureau of an Owner's delinquency. The Association will notify the Owner that it has filed such a report and will comply with any local, state, or federal laws in connection with the filing of such report.

ARTICLE X PROPERTY RIGHTS OF OWNERS

Section 10.1. *Owners' Easements of Access and Enjoyment.* Every Owner has a perpetual, non-exclusive easement for access to and from his Lot and for the use and enjoyment of the Private Open Space, which easement is appurtenant to and will pass with the title to every Lot, subject to the provisions set forth in this Article.

Section 10.2. *Delegation of Use.* Any Owner may delegate, in accordance with the Documents, its rights of access and enjoyment described in Section 10.1 above to its, employees, family, guests or invitees. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessees of such Lot.

Section 10.3. *Easements of Record and of Use.* The Property will be subject to all easements shown on any recorded Plat and to any other easements of record or of use as of the date of recordation of this Declaration.

Section 10.4. *Emergency Access Easement.* A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

ARTICLE XI SPECIAL DECLARANT RIGHTS AND ADDITIONAL RESERVED RIGHTS

Section 11.1. *General Provisions.* Until the expiration of the Period of Declarant Control, Declarant will have the following Special Declarant Rights ("Special Declarant Rights"):

11.1.1. *Completion of Improvements.* The right to complete Improvements as indicated on any Plat filed with respect to the Property, including the Expansion Property;

11.1.2. *Development Rights.* The right to exercise all development rights in connection with the development of the Project (referred to here as "Development Rights"), including without limitation the right or combination of rights hereby reserved by Declarant, as follows:

(i) The right to annex all or part of the Expansion Property to the Project, in accordance with Article XVII.

(ii) The right to create Lots and Private Open Space on the Property, including the Expansion Property.

(iii) The right to subdivide Lots and convert Lots into Private Open Space on any part of the Property, including the Expansion Property.

(iv) The right to withdraw real estate, whether contained within the Property initially subject to this Declaration or within the Expansion Property, from Bluejack National, as provided in Article XVII.

(v) The right to the use of the name "Bluejack National" or any derivative of such name in any printed or promotional material without Declarant's prior written consent. However, Owners within the Association may use the name "Bluejack National" in printed or promotional material where such term is used solely to specify that particular property is located within the Property and the Association and the Club Owner shall be entitled to use the words "Bluejack National" in their names.

11.1.3. *Sales Activities.* The right to maintain sales and management offices, signs advertising the Project and model residences on the Private Open Space and on Lots owned by Declarant, whether contained within the Property initially subject to this Declaration, or within the Expansion Property.

11.1.4. *Easements.* The right to use easements through the Private Open Space on the Property, including the Expansion Property, for the purpose of making Improvements on the Property and the Expansion Property.

11.1.5. *Association Directors and Officers.* The right to appoint any officer or director of the Association, as provided in this Declaration or the Bylaws.

11.1.6. *Order of Exercise of Declarant's Rights.* Declarant makes no representations and gives no assurances regarding the legal description or the boundaries of any phase of the Expansion Property or the order or time in which the phases of the Expansion Property may be developed or incorporated in the Project, or whether or to what extent any of the Expansion Property will be developed or incorporated in the Project. Further, the fact that Declarant may exercise one or more of Declarant's Development Rights or other Special Declarant Rights on one portion of the Property (including the Expansion Property) will not operate to require Declarant to

exercise a Development Right or other Special Declarant Right with respect to on any other portion of the Property (including the Expansion Property).

Section 11.2. *Supplemental Provisions Regarding Declarant's Rights.* Without limiting the generality of the foregoing, certain of these Special Declarant Rights are explained more fully in this Article below. Further, Declarant reserves the right to amend this Declaration and any Plat in connection with the exercise of any Development Right or any other Special Declarant Right, and Declarant also reserves the additional rights retained for the benefit of Declarant in this Article and in other provisions of this Declaration.

Section 11.3. *Utility Easements.* There is hereby created a general easement upon, across, over, in, and under the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electrical, television and a master communications system. By virtue of this easement, it will be expressly permissible and proper for the companies providing utility services to install and maintain necessary equipment on the Property and to affix and maintain utility pipes, wires, circuits, conduits and other equipment under the Property. Any utility company using this general easement will use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners, the Association and Declarant; will prosecute its installation and maintenance activities as promptly and expeditiously as reasonably possible; and will restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by the general easement request a specific easement by separate recordable document, either Declarant or the Association will have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms of this Declaration. This general easement will in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

Section 11.4. *Reservation for Expansion and Construction.* Declarant hereby reserves for itself and its successors and assigns and for Owners in all future phases of Bluejack National a perpetual easement and right-of-way for access over, upon, and across the Property, including the Expansion Property, for construction, utilities, drainage, ingress and egress, and for use of the Private Open Space, including Private Open Space located within the Expansion Property. The location of these easements and rights-of-way may be made certain by Declarant or the Association by instruments recorded in Montgomery County, Texas. Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility, ingress and egress, and other easements over and across the Private Open Space, and to create other reservations, exceptions, and exclusions convenient or necessary for the use and operation of any other property of Declarant.

Section 11.5. *Reservation of Easements, Exceptions, and Exclusions for Utilities, Infrastructure, and Access.* Declarant reserves for itself and its successors and assigns and hereby grants to the Association, acting through the Board of Directors, the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Private Open Space, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas and parking areas, and to create other reservations, exceptions, and exclusions in the interest of the Owners and the Association, in order to serve the Owners within

Bluejack National as initially built and expanded. Declarant also reserves for itself and its successors and assigns and grants to the Association the concurrent right to establish from time to time by an instrument recorded in Montgomery County, Texas, such easements, permits or licenses over the Private Open Space for access by certain persons (other than Owners and Owners' families and guests) who may be permitted to use designated portions of the Private Open Space as contemplated under this Declaration.

Section 11.6. *Maintenance Easement.* An easement is hereby reserved to Declarant for itself and its successors and assigns and granted to the Association, and any member of the Board of Directors or Manager, and their respective officers, agents, employees and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Documents, including the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of Improvements to such Lot, as required by the Documents. A further easement is hereby reserved to Declarant for itself and its successors and assigns and granted to the owner of the planned Golf Course to be located upon the Lots described on the Plat as a Golf Course, and to their respective officers, agents, employees and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate for construction, maintenance and repair of the planned Golf Course (including clubhouse and other improvements and amenities) in such manner and at such times of the day or night as may be deemed appropriate in the sole discretion of the owner of the planned Golf Course.

Section 11.7. *Drainage Easement.* An easement is hereby reserved to Declarant for itself and its successors and assigns and granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in, and under any portion of the Property for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water. Reasonable efforts will be made to use this easement so as not to disturb the uses of the Owners, the Association and Declarant, as applicable, to the extent possible; to prosecute such drainage work promptly and expeditiously; and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Declarant, or its officers, agents, employees, successors and assigns must inform and obtain the approval of the Board of Directors prior to undertaking such drainage work, which approval will not be unreasonably withheld.

Section 11.8. *Declarant's Rights Incident to Construction.* Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Private Open Space and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights will be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot by that Owner or his family, tenants, employees, guests, or invites.

Section 11.9 *Easements for Lakes and Pond Maintenance and Flood Water.* The Declarant reserves for itself and its successors, assigns and designees the nonexclusive right and

easement, but not the obligation, to enter upon the lakes, ponds, streams and wetlands located within the Private Open Space to (i) install, keep, maintain and replace pumps and related equipment; (ii) construct, maintain and repair any bulkhead, levee, wall, dam or other structure retaining water, and (iii) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. The Declarant's rights and easements provided in this Section shall be transferred to the Association at such time as the Declarant shall cease to own any property subject to the Declaration, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association and their designees shall have an access easement over and across any of the Property abutting or containing any portion of any of the lakes, ponds, streams or wetlands to the extent reasonably necessary to exercise their rights under this Section. There is further reserved herein for the benefit of Declarant, the Association and their designees, a perpetual, non-exclusive right and easement of access and encroachment over the Private Open Space and Lots (but not the Dwelling Units thereon) adjacent to or within fifty (50) feet of lake beds, ponds and streams within the Property, in order to (i) temporarily flood and back water upon and maintain water over such portions of the Property, (ii) fill, drain, dredge, deepen, clean, fertilize, dye and generally maintain the lakes, ponds, streams and wetlands within the Private Open Space, (iii) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams and wetlands and (iv) enter upon and across such portions of the Property for the purpose of exercising its rights under this Section. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage from flooding due to heavy rainfall or other natural disasters. All lakes and wetlands within the Property are designed as water management areas and not for as aesthetic features. Because of fluctuations in water elevations within the immediate area, the water level of lakes, creeks, and streams will rise and fall. Declarant has no control over such elevations. Therefore, each Owner releases Declarant and the local municipality, and their affiliates, successors and assigns, from and against any and all losses, claims, demands, damages, costs, and expenses of whatever nature or kind, including attorney's fees and costs and appellate fees and costs, related to or arising out of the water elevations, including the absence of any water in the lakes, creeks, streams and ponds. Neither the Association nor any Owner shall alter, modify, expand, or fill any lakes or wetlands located on or in the vicinity of the Property, without the prior written approval of the Declarant, so long as the Declarant owns any property described in Exhibit A or the Expansion Property, and such local, state, and federal authorities as may have jurisdiction over such matters.

Section 11.10. *Easements Deemed Created.* All conveyances of Lots hereafter made, whether by Declarant or otherwise, will be construed to grant and reserve the easements contained in this Article, even though no specific reference to such easements or to this Article appears in the instrument for such conveyance.

ARTICLE XII CLUB PROPERTY

Section 12.1. *Club Property.* The Golf Course to be built on the Club Property will be privately owned and operated by the Club and is not a part of the Private Open Space hereunder. Nothing in this Declaration nor any designation or reference on any Plat, Master Plan, Document,

planned unit development document, approval document issued by any government entity, drawing, advertisement, brochure, or any other document in any way relating to Bluejack National or any oral representation of any agent of the Declarant or any party related to Declarant shall give rise to any right, whether express or implied, of an Owner to play golf, have access to the planned Golf Course, become a member of the Club, require the Declarant to construct or maintain the area as a Golf Course, or otherwise impose any obligation on Declarant relating in any way to the proposed Golf Course. All arrangements relating to any Owner and the planned Golf Course must be in writing signed by the owner or operator of the planned Golf Course and shall be separate and apart from the Documents. The Club has the exclusive right to determine from time-to-time, in its sole discretion and without notice or approval of any change, how and by whom the Club Property shall be used. By way of example, but not limitation, the Club has the right to approve users and determine eligibility for use, to reserve use rights for future purchasers of Lots, to terminate any or all use rights, to change, eliminate or cease operation of any or all of the Club Property, to transfer any or all of its rights to the Club Property or the operation thereof to anyone and on any terms which it deems appropriate, to limit the availability of use privileges, and to require the payment of a purchase price, initiation fee, membership deposit, dues and other charges for use privileges. OWNERSHIP OF A LOT OR ANY PORTION OF THE PROPERTY OR MEMBERSHIP IN THE ASSOCIATION DOES NOT GIVE ANY VESTED RIGHT OR EASEMENT, PRESCRIPTIVE OR OTHERWISE, TO USE THE CLUB PROPERTY, OR TO ACQUIRE A MEMBERSHIP IN THE CLUB AND DOES NOT GRANT ANY OWNERSHIP OR MEMBERSHIP INTEREST IN THE CLUB OR THE CLUB PROPERTY.

Section 12.2 *Acknowledgments*. Each Owner, by acceptance of a deed or recorded contract of sale to a Lot acknowledges:

12.2.1. That privileges to use the Club Property shall be subject to the terms and conditions of the membership documents for the Club, as the same may be amended from time-to-time (the "Membership Documents"). Acquisition of a membership in the Club requires the payment of a membership purchase price called a membership contribution or membership deposit, and membership dues, fees and charges. These amounts shall be determined by the Declarant and/or the Club as set forth in the Membership Documents for the Club. Notwithstanding the fact that the Club Property is open space or a recreation area for purposes of applicable zoning ordinances and regulations, each Owner by acquisition of title to a Lot releases and discharges forever the Declarant, the Club and their partners, officers, directors, employees, agents and affiliates, from: (1) any claim that the Club Property is, or must be, owned and/or operated by the Association or the Declarant, and (2) any claim that the Owners are entitled to use the Club Property by virtue of their ownership of a Lot without acquiring a membership in the Club, paying the applicable membership contribution or membership deposit, and dues, fees and charges established by the Club from time-to-time, and complying with the terms and conditions of the Membership Documents for the Club.

Each Owner and the Association shall jointly and severally indemnify, defend, and hold harmless the Declarant, its partners, employees, agents, directors, shareholders, officers and affiliates and their successors and assigns, against and in respect of, and to reimburse the Declarant, its partners, employees, agents, directors, shareholders, officers and affiliates on demand for, any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and

deficiencies, including, but not limited to, interest, penalties, attorney and paralegal fees and disbursements (even if incident to any appeals), that the Declarant, its partners, employees, agents, directors, shareholders, officers and affiliates shall incur or suffer, which arise out of, result from, or relate to any claim that because the Club Property is deemed to be open space or a recreation area for purposes of applicable zoning ordinances and regulations, the Club Property must be owned and/or operated by the Association or the Declarant and/or that Owners may use the Club Property without acquiring a membership in the Club pursuant to the Club's Membership Documents and paying the membership contribution or membership deposit, and dues, fees and charges established by the Club from time-to-time.

12.2.2. That any entry upon the Club Property without permission of the Club may be deemed a trespass, and each Owner shall refrain from, and shall cause all occupants of such Owner's Lot, their guests and invitees to refrain from, any unauthorized entry upon the Club Property.

12.2.3. That the proximity of Lots and Private Open Space to the Club Property results in certain foreseeable risks, including the risk of damage or injury from errant golf balls, and that each Owner's use and enjoyment of his or her Lot and the Private Open Space may be limited as a result and that neither the Association, Declarant nor the Club shall have any obligation to take steps to remove or alleviate such risks, nor shall they have any liability to any Owner or occupant of any Lot, their guests or invitees, for damage or injury resulting from errant golf balls being hit upon any Lots or Private Open Space.

12.2.4. That the Club and its designees may add to, remove or otherwise modify the landscaping, trees, and other features of the Club Property, including changing the location, configuration, size and elevation of bunkers, fairways and greens and constructing fences, and that neither the Club, Declarant, nor the Association, shall have any liability to Owner as a result of such modifications to the Club Property.

12.2.5. That there are no express or implied easements over the Club Property for view purposes, and no guarantee or representation is made by Declarant or any other person that any view over and across the Club Property will be preserved without impairment, and that neither the Club, Declarant nor the Association shall have any obligation to take any actions, including pruning or thinning trees or other landscaping, to preserve views over the Club Property.

12.2.6. That no representations or warranties which are inconsistent with this Section, either verbal or written, have been made or are made by Declarant or the Association or by any person acting on behalf of any of the foregoing.

12.2.7. That Club may own one or more lakes on the Property. Notwithstanding the ownership of such lakes, the Club may use any and all lakes on the Property for the purpose of irrigating and maintaining the Club Property with the result that the water level in such lakes may from time-to-time vary. Each Owner of a Lot acknowledges such right on the part of the Club and agrees not to commence any cause of action or other proceeding involving the Club based on the exercise of such right or otherwise interfere therewith.

In the event there are insufficient water levels to provide the necessary irrigation needs of the Club Property and all other areas of the Property, subject to applicable governmental permits and requirements, the Club Property shall have first priority of irrigation, followed by the Private Open Space, and then the Lots.

Section 12.3. *Rights of Access and Parking.* Declarant grants to the Club and members of the Club (regardless of whether such Persons are Members hereunder), their guests and invitees and the employees, agents, contractors, and designees of the Club an on exclusive easement of access and use over all roadways located within the Property reasonably necessary to travel to and from the entrance to Bluejack National from and to the Club Property, respectively, and, further, over those portions of the Property (whether Private Open Space or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Club Property. Without limiting the generality of the foregoing, members of the Club and permitted members of the public shall have the right to park their vehicles on the roadways located within the Property at reasonable times before, during, and after tournaments and other similar functions held at the Club Property.

Section 12.4. ***ASSUMPTION OF RISK AND INDEMNIFICATION.*** EACH OWNER BY ITS PURCHASE OF A LOT EXPRESSLY ASSUMES THE RISKS ASSOCIATED WITH THE CLUB PROPERTY (REGARDLESS OF *WHETHER* THE OWNER IS USING THE CLUB PROPERTY) AND AGREES THAT NEITHER DECLARANT, THE CLUB, THE ASSOCIATION, NOR ANY OF THEIR AFFILIATES OR AGENTS NOR ANY OTHER ENTITY DESIGNING, CONSTRUCTING, OWNING OR MANAGING THE CLUB PROPERTY OR PLANNING OR CONSTRUCTING THE OWNER'S LOT SHALL BE LIABLE TO OWNER OR ANY OTHER PERSON CLAIMING ANY LOSS OR DAMAGE, INCLUDING, WITHOUT LIMITATION, INDIRECT, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGE ARISING FROM PERSONAL INJURY, DESTRUCTION OF PROPERTY, LOSS OF VIEW, NOISE POLLUTION, OR OTHER VISUAL OR AUDIBLE OFFENSES, OR TRESPASS OR ANY OTHER ALLEGED WRONG OR ENTITLEMENT TO REMEDY BASED UPON, DUE TO, ARISING FROM OR OTHERWISE RELATED TO THE PROXIMITY OF THE OWNER'S LOT OR PRIVATE OPEN SPACE TO THE CLUB PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY CLAIM ARISING, IN WHOLE OR IN PART, FROM THE NEGLIGENCE OF DECLARANT, OR ANY OTHER ENTITY DESIGNING, CONSTRUCTING, OWNING OR MANAGING THE CLUB PROPERTY OR PLANNING OR CONSTRUCTING THE OWNER'S LOT. OWNER HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS DECLARANT AND ANY OTHER ENTITY OWNING OR MANAGING THE CLUB PROPERTY AGAINST ANY AND ALL CLAIMS BY OWNER'S GUESTS AND INVITEES.

Section 12.5 *Easements for Golf Course.* The following easements apply only to the Golf Course: (a) the owner(s) of the Golf Course, their respective agents, successors and assigns, shall have non-exclusive easements over the Property as necessary for ingress and egress, utilities and such other purposes as may be reasonably necessary or convenient to the establishment, operation, maintenance, repair and replacement of the Golf Course. The benefitted parties shall be obligated to use due care in the exercise of such easement rights; (b) every Lot and the Private Open Space is burdened with an easement permitting golf balls unintentionally to come upon such areas, and

for golfers, at reasonable times and in a reasonable manner, to come upon the Private Open Space or the exterior portions of a Lot to retrieve golf balls; provided, however, if any Lot is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: Declarant; the owner(s) of the Golf Course; the Association or its Members (in their capacities as such); any Builder or contractor (in their capacities as such); any officer, director, agent or partner of any of the foregoing, or any officer or director of any partner; (c) any portion of the Property which is immediately adjacent to the Golf Course is hereby burdened with a non-exclusive easement in favor of the adjacent Golf Course, for over-spray of water, pesticides and chemicals from the irrigation system serving the Golf Course; and (d) the owner(s) of the Golf Course, their respective agents, employees, contractors, successors and assigns, shall have a perpetual non-exclusive easement, to the extent reasonably necessary, over the Property for the installation, operation, maintenance, repair, replacement, observation and control of the entire irrigation system and equipment serving all or portions of the Golf Course.

12.6 *Exemption of Club Property.* Notwithstanding anything to the contrary contained herein, the Club Property shall not be subject to any obligation or restriction pursuant to the Declaration except for the obligation to pay Assessments. Any and all rights and benefits granted to the Club and/or the owner of the Club Property pursuant to this Declaration may not be terminated, extended, modified, amended or revoked without the approval of the owner of the Club Property, which approval may be withheld in the sole and absolute discretion of the owner of the Club Property.

ARTICLE XIII INSURANCE AND FIDELITY BONDS

Section 13.1. *Authority to Purchase.* All insurance policies relating to the Private Open Space will be purchased by the Board of Directors or its duly authorized agent. The Board of Directors, the Manager and Declarant will not be liable for failure to obtain any coverage required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable costs.

Section 13.2. *General Insurance Provisions.* All such insurance coverage obtained by the Board of Directors will be governed by the following provisions:

13.2.1. As long as Declarant owns any Lot, Declarant will be protected by all such policies in the same manner as any other Owner.

13.2.2. The deductible, if any, on any insurance policy purchased by the Board of Directors may be treated as a Common Expense payable from Annual Assessments or Special Assessments (allocable to all of the Lots or to only some of the Lots, if the claims for damages arise from the negligence of particular Owners, or if the repairs benefit only particular Owners), or as an item to be paid from the operating account established by the Board of Directors.

Section 13.3. *Physical Damage Insurance on Private Open Space.* The Association will obtain insurance for such insurable Improvements and with such coverages, limits, deductibles and other terms and conditions as the Board may determine from time to time.

Section 13.4. *Liability Insurance.* The Association will obtain a comprehensive policy of public liability insurance and property damage insurance with such coverages and limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Association, the Manager, and the respective employees, agents, and all persons acting as agents against any liability to the public or the Owners (and their guests, invitees, tenants, agents, and employees) arising in connection with the ownership, operation, maintenance, or use of the Private Open Space and streets and roads within Bluejack National and any other areas under the control of the Association. Declarant will be included in the coverage as an additional insured in Declarant's capacity as an Owner or Director. The Owners will be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Private Open Space. The Board of Directors will review the coverage limits from time to time, but, generally, the Board will carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to Bluejack National, and in no event will such coverage be less than \$1,000,000.00 for all claims for bodily injury or property damage arising out of one occurrence.

Section 13.5. *Fidelity Insurance.* Fidelity bonds or insurance coverage will be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees, and on the part of all others who handle or are responsible for handling the funds of or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds or insurance coverage will be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity bonds or insurance coverage will name the Association as an obligee or insured and will be written in such amount as the Board may determine appropriate.

Section 13.6. *Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance.* Any insurance coverage obtained by the Association under the provisions of this Article above will be subject to the following provisions and limitations:

13.6.1. The named insured under any such policies will include Declarant, until all of the Lots in Bluejack National have been conveyed, and the Association, as attorney-in-fact for the Owners, or the authorized representative of the Association (including any trustee with whom the Association may enter into any insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the "Insurance Trustee"), who will have exclusive authority to negotiate losses under such policies.

13.6.2. Each Owner will be an insured person with respect to liability arising out of the Owner's interest in the Private Open Space or membership in the Association.

13.6.3. The policies will contain a waiver by the insurer of any right to claim by way of subrogation against Declarant, the Board of Directors, the Association, the Manager, and

any Owner and their respective agents, employees, or tenants, and in the case of Owners, members of their households.

Section 13.7. *Personal Liability Insurance of Officers and Directors.* To the extent obtainable at reasonable cost, appropriate officers' and directors' personal liability insurance will be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.

Section 13.8. *Worker's Compensation Insurance.* The Association will obtain worker's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 13.9. *Other Insurance.* The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it will deem appropriate with respect to the Association's responsibilities and duties.

Section 13.10. *Insurance Obtained by Owners.* Each Owner will have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the Owner's Lot and Improvements, personal property and personal liability. However, no insurance coverage obtained by an Owner will operate to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that coverage. Any such insurance obtained by an Owner will include a waiver of the particular insurance company's right of subrogation against Declarant, the Board of Directors, the Association, the Manager, and other Owners.

ARTICLE XIV ASSOCIATION AS ATTORNEY-IN-FACT

Each and every Owner hereby irrevocably constitutes and appoints the Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Private Open Space upon damage or destruction as provided in Article XV or a complete or partial taking as provided in Article XVI below. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner will constitute appointment of the Association as attorney-in-fact as provided in this Article. As attorney-in-fact, the Association will have full and complete authorization, right, and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner that may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XV DAMAGE OR DESTRUCTION

Section 15.1. *Damage or Destruction of Private Open Space.*

15.1.1. *Estimate of Damages or Destruction.* As soon as practical after an event causing damage to or destruction of any part of the Private Open Space, unless such damage or destruction is minor, the Association will obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Private Open Space so damaged or destroyed. "Repair and reconstruction" as used in this Article will mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

15.1.2. *Repair and Reconstruction.* As soon as practical after obtaining estimates, the Association will diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner will be necessary. Assessments of the Association will not be abated during the period of insurance adjustments and repair and reconstruction.

15.1.3. *Funds for Repair and Reconstruction.* The proceeds received by the Association from any hazard insurance will be used for the purpose of repair, replacement and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, without the vote of the Owners, levy, assess and collect in advance from all Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

15.1.4. *Disbursement of Funds for Repair and Reconstruction.* The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for in Section 9.4 constitute a fund for the payment of the costs of repair and reconstruction after casualty. It will be deemed that the first money disbursed in payment for the costs of repair and reconstruction will be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance will be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment to the Association under Section 9.4, or, if no Special Assessments were made, then in proportionate shares on the basis of the allocation to the Owners of Common Expenses under Section 9.3.2, first to the Mortgagees and then to the Owners, as their interests appear.

15.1.5. *Decision Not to Rebuild.* If, during the Period of Declarant Control, Declarant, and, at all times; Owners representing at least 67% of the votes in the Association agree in writing not to repair and reconstruct damage to the Private Open Space and no alternative Improvements are authorized, then and in that event the Property will be restored to its natural state and maintained as an undeveloped portion of the Private Open Space by the Association in a neat and attractive condition, and any remaining insurance proceeds will be distributed in proportionate shares on the basis of the allocation to the Owners of the Common Expenses under Section 9.3.2, first to the Mortgagees and then to the Owners, as their interests appear.

Section 15.2. *Damage or Destruction Affecting Lots.* In the event of damage or destruction to the Improvements located on any Lot, the Owner thereof will promptly repair and

restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within 180 days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than 90 days, then the Association may, after notice and hearing as provided in the Bylaws, impose a fine accruing at the rate of \$100.00 per day or such other rate imposed by the Board in compliance with the Act, charged against the Owner of the Lot until repair and reconstruction is commenced, unless the Owner can prove to the satisfaction of the Association that such failure is due to circumstances beyond the Owner's control. Such fine will be a Default Assessment and lien against the Lot as provided in Section 9.5 above.

ARTICLE XVI CONDEMNATION

Section 16.1. *Rights of Owners.* Whenever all or any part of the Private Open Space is taken or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation or eminent domain, each Owner will be entitled to notice of the taking, but the Association will act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 16.2. *Partial Condemnation; Distribution of Award; Reconstruction.* The award made for such taking will be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Private Open Space on which Improvements have been constructed, then, unless, within 60 days after such taking, Declarant, during the Period of Declarant Control, and, at all times, Owners representing at least 67% of the votes in the Association otherwise agree, the Association will restore or replace such Improvements so taken on the remaining land included in the Private Open Space to the extent lands are available therefor, in accordance with plans approved by the Board of Directors. If such Improvements are to be repaired or restored, the provisions in Article XV above regarding the disbursement of funds with respect to casualty damage or destruction that is to be repaired will apply. If the taking does not involve any Improvements on the Private Open Space, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds will be distributed in proportionate shares on the basis of the allocation to the Owners of Common Expenses under Section 9.3.2, first to the Mortgagees and then to the Owners, as their interests appear.

Section 16.3. *Complete Condemnation.* If all of Bluejack National is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration will terminate, and the portion of the condemnation award attributable to the Private Open Space will be distributed as provided in Section 16.2.

ARTICLE XVII
EXPANSION AND WITHDRAWAL

Section 17.1. *Reservation of Right to Expand.* Declarant reserves the right, but will not be obligated, to expand the effect of this Declaration to include all or part of the Expansion Property. The consent of the existing Lot Owners and Mortgagees will not be required for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option. Declarant will have the unilateral right to transfer to any other person this right to expand by an instrument duly recorded. Declarant will pay all taxes and other governmental Assessments relating to the Expansion Property as long as Declarant is the owner of such property.

Section 17.2. *Completion of Expansion.* When Declarant has determined that no further property shall be added to the Project, Declarant shall notify the Association in writing. Until such notice is given, Declarant retains the right to designate additional property as Expansion Property.

Section 17.3. *Declaration of Annexation.* Any expansion of the Project may be accomplished by recording a Declaration of Annexation and one or more supplemental Plats in the records of the Clerk and Recorder of Montgomery County, Texas, before the expiration of the Period of Declarant Control. The Declaration of Annexation will describe the real property to be expanded, submitting it to these Covenants and provide for voting rights and Assessment allocations as provided in this Declaration. Specifically, each new Lot in the annexed area will be allocated one vote and liability for the Common Expenses equal to the liability allocated to each of the other Lots, and the proportionate voting interest and allocation of Common Expenses for the other Lots will be adjusted accordingly. Such Declaration of Annexation will not require the consent of Owners, the Association, or the Board of Directors. Any such expansion will be effective upon the filing for record of such Declaration of Annexation, unless otherwise provided therein. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion. Upon the recordation of any such Declaration of Annexation, the definitions used in this Declaration will be expanded automatically to encompass and refer to as expanded. Such Declaration of Annexation may add supplemental covenants peculiar to the Expansion Property in question, or delete or modify provisions of this Declaration as it applies to the Expansion Property added. However, this Declaration may not be modified with respect to that portion of the Property already subject to this Declaration, except as provided below for amendment.

Section 17.4. *Withdrawal of Property.* Declarant reserves the right to withdraw from the jurisdiction of these Covenants any parcel of the Property (including the Expansion Property), provided, however, that no parcel may be withdrawn after it has been conveyed to a purchaser unless such purchaser consents thereto in writing.

ARTICLE XVIII
MORTGAGEE PROTECTIONS

Section 18.1. *First Mortgagees' Rights.*

18.1.1. *Payment of Taxes and Insurance.* First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Private Open Space or Improvements thereon, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Private Open Space. First Mortgagees making such payments will be owed immediate reimbursement from the Association.

18.1.2. *Cure of Delinquent Assessments.* A First Mortgagee will be entitled to cure any delinquency of the Owner of the Lot encumbered by the First Mortgagee in the payment of Assessments. In that event, the Eligible Mortgage Holder will be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 18.2. *Title Taken by First Mortgagee.* Any First Mortgagee who obtains title to a Lot pursuant to the remedies provided in the First Mortgage, including foreclosure of the First Mortgage, will be liable for all Assessments due and payable as of the date title to the Lot vests in the First Mortgagee under the statutes of Texas governing foreclosures. Except as provided in the Act, such First Mortgagee will not be liable for any unpaid dues and charges attributable to the Lot which were due and payable prior to the date such title vests in the First Mortgagee.

ARTICLE XIX
ENFORCEMENT OF COVENANTS

Section 19.1. *Violations Deemed a Nuisance.* Every violation of this Declaration or any other of the Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed at law or equity against anyone in violation of these Covenants will be available.

Section 19.2. *Compliance.* Each Owner or other occupant of any part of the Property will comply with the provisions of the Documents as the same may be amended from time to time.

Section 19.3. *Failure to Comply.* Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the Bylaws will be given to the delinquent party prior to commencing any legal proceedings. Procedures for enforcement and fining are as follows:

19.3.1. *Definition of Violation.* Any condition, use, activity or improvement which does not comply with the provisions of the Declaration, Bylaws or the rules and regulations of the Association, shall constitute a "Violation" under this Declaration for all purposes.

19.3.2. *Report of Violation.* The existence of a Violation will be verified by a field observation conducted by the Board or its delegate. For the purpose of this Enforcement Policy, the delegate of the Board may include Manager, an officer or member of the Board, or a member of any committee established by the Board for this purpose. A timely written report shall be prepared by the field observer for each Violation, which will include the following information:

- (a) Identification of the nature and description of the Violation(s).
- (b) Identification by street address and legal description, if available, of the Lot on which the Violation exists.
- (c) Date of the verification observation and name of the person making such observation.

19.3.3. *Notice of Violation.* The Association will forward to the Owner of the Lot in question written notice of the Violation(s) by regular first-class mail or personal delivery and by certified mail, return receipt requested (the "Notice of Violation"). The Notice of Violation will not include an opportunity to cure if the alleged violator received a Notice of Violation relating to a similar Violation within six (6) months of the current Violation and was given a reasonable opportunity to cure the prior Violation. In such event, the Board may impose sanctions as authorized by this Declaration without notice to the Owner other than the Final Notice of Violation described in Section 19.3.4 below. The Notice of Violation, if required, will include a written demand to cease and desist from the alleged violation and will specify the following:

- (a) The nature, description and location of the Violation, including any property damage caused by the Owner.
- (b) The authority for establishing the Violation, including the authority for recovering property damages caused by the Owner.
- (c) The proposed sanction to be imposed, including the amount of any fine or the amount claimed to be due from the owner for property damage.
- (d) If the Violation is corrected or eliminated within a reasonable time after the Owner's receipt of the Notice of Violation then a fine will not be assessed, common area privileges will not be suspended and that no further action will be taken.
- (e) The recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing.
- (f) If the Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if a written request for a hearing is not made on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions delineated in the Notice of Violation may be imposed and any attorney's fees and costs will be charged to the Owner.

(g) If a hearing is timely requested and is held before a delegate of the Board, that the Owner may appeal the decision of the delegate to the Board.

19.3.4. *Final Notice of Violation.* A formal notice of the Violation and the sanction to be imposed, including the amount of any fine or the amount of any property damage (the "Final Notice of Violation") will be sent by the Association to the Owner by regular first-class mail and by certified mail, return receipt requested, where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated or the Association has not timely received a written request for a hearing.

19.3.5. *Request for a Hearing.* If the Owner challenges the proposed action by timely requesting a hearing, the hearing shall be held in executive session of the Board or its delegate affording the alleged violator a reasonable opportunity to be heard. Such hearing shall be held no later than the 30th day after the date the Board receives the Owner's request for a hearing. Prior to the effectiveness of any sanction hereunder, proof of proper notice of the hearing shall be placed in the minutes of the meeting. Such proof shall be adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, agent or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The notice of the hearing shall be sent no later than the 10th day before the date of the hearing. The Association or the Owner may request a postponement, which shall be granted for a period of not more than ten (10) days. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed by the Board or its delegate. The Association shall notify the Owner in writing of its action within ten (10) days after the hearing. The Board may, but shall not be obligated to, suspend any proposed sanction if the Violation is cured within the ten-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Owner.

19.3.6. *Appeal.* Following a hearing before a delegate of the Board, the Owner shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the Manager or the president or secretary of the Association within ten (10) days after the date of the Association's written notice to the Owner of the results of the hearing. Any hearing before the Board shall be held in the same manner as provided in Section 19.3.5 for hearings before a delegate of the Board.

19.3.7. *Correction of Violation.* Where the Owner corrects or eliminates the Violation(s) prior to the imposition of any sanction, no further action will be taken (except for collection of any monies for which the Owner may become liable under this Declaration). Written notice of correction or elimination of the Violation may be obtained from the Board upon request for such notice by the Owner and upon payment of a fee for same, the amount of which is set by the Board.

19.3.8. *Corrective Action.* Notwithstanding any other provision contained herein to the contrary, where a Violation is determined or deemed determined to exist, the Board may undertake to cause the Violation to be corrected, removed or otherwise abated if the Board, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated

without undue expense and without breach of the peace. Where the Board decides to initiate any such action, the following will apply:

(a) The Board must give the Owner and any third party that is known to the Association to be directly affected by the proposed action prior written notice of undertaking of the action.

(b) Costs incurred in correcting or eliminating the Violation will be referred to the Association to be recovered from the Owner.

(c) The Association, and its agents and contractors, will not be liable to the Owner or any third party for trespass or any damages or costs alleged to arise by virtue of action taken under this section.

19.3.9. *Referral to Legal Counsel.* Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interests of the Association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action will include, without limitation, sending demand letters to the violating Owner and/or seeking injunctive relief against the Owner to correct or otherwise abate the Violation and notifying the violating Owner that attorneys' fees and costs will be charged to the Owner if the Violation continues after a date certain. Attorney's fees and all costs incurred by the Association in enforcing the Declaration and administering this Enforcement Policy shall become the personal obligation of the Owner.

19.3.10. *Fines.* Subject to the provisions of this Declaration, the imposition of fines will be on the following basis:

(a) Fines will be based on a per diem charge in an amount that is reasonably related to the nature of the Violation. The Board shall have final discretion in determining the appropriate fine for the Violation in question. The Board may adopt and amend, from time to time, a schedule of fines applicable to Violations within Bluejack National which may include a progression of fines for repeat offenders.

(b) Imposition of fines will be in addition to and not exclusive of any other rights, remedies and recoveries of the Association as created by the Declaration.

(c) Fines are imposed against Lots and become the personal obligation of the Owners of such Lots. Upon presentation of outstanding fines to the Board for action, the same will be levied against the respective Lots and their Owners as an assessment under the Declaration. (See Schedule of Fines attached hereto as *Exhibit H*, incorporated herein and made a part of this Declaration).

19.3.11. *Notices.* Unless otherwise provided herein, all notices required this Article shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by United States Mail, first-class postage prepaid, to the Owner at the address which the

Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, to the address of the Lot of the Owner.

(a) Where the notice is directed by personal delivery, notice shall be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

(b) Where the notice is placed into the care and custody of the United States Postal Service, notice shall be presumed to have been given, sent, delivered or received, as of the third (3rd) calendar day following the date of postmark of such notice bearing postage prepared and the appropriate name and address as required herein unless otherwise shown by the recipient to have been received at a later date.

(c) Where a day required for an action to be taken or a notice to be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday.

(d) Where the Board has actual knowledge that such situation exists, any action to be taken pursuant to this article which would directly affect the property of a third party or would be the responsibility of a party other than the Owner, notices required under this article may be given, if possible, to such third party in addition to the Owner. Notwithstanding any notice sent to a third party, the Owner remains the party responsible for compliance with the requirements of the Declaration. The Board shall accept a response from any such third party only upon the written direction of the Owner of the Lot upon which the Violation exists.

(e) Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot has been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this article will be deemed full and effective for all purposes if given to such representative or agent.

(f) Where an Owner transfers record title to a Lot at any time during the pendency of any procedure prescribed by this section, such Owner shall remain personally liable for all costs and fines under this section. As soon as practical after receipt by the Association of a notice of a change in the record title to a Lot which is the subject of enforcement proceedings under this article, the Board may begin enforcement proceedings against the new Owner in accordance with this article. The new Owner shall be personally liable for all costs and fines under this article, which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this article.

19.3.12. *Cure of Violation During Enforcement.* An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this article. Upon verification by written report to the Board and sent, where appropriate, to the Board that the Violation has been corrected or eliminated, the Violation will be deemed no longer to exist. The Owner will remain liable for all costs and fines under this article, which costs and fines, if not paid upon demand therefore by Management, will be referred to the Board of Directors of the Association for collection.

Section 19.4. *Application of Funds Received.* All monies received by the Association by an Owner will be applied to amounts outstanding to the extent of and in the following order [unless an Owner has placed a restrictive notation on the check or other form of payment or in correspondence accompanying the payment that a payment is to be applied in another specified manner]:

- (a) First, to fines, or “Default Assessments”;
- (b) Next, to attorney’s fees and related collection costs incurred by or on behalf of the Association.
- (c) Next, to handling charges and returned check fees incurred by the Association;
- (d) Next, to late charges;
- (e) Next, to accrued interest;
- (f) Next, to delinquent Special Assessments;
- (g) Next, to delinquent regular Annual Assessments;
- (h) Next, to outstanding Special Assessments, though some may not then be delinquent;
- (i) Last, to outstanding regular Annual Assessments, though some may not then be delinquent.

Section 19.5. *Who May Enforce.* Any action to enforce the Documents may be brought by Declarant, the Board, or the Manager in the name of the Association on behalf of the Owners.

Section 19.6. *Nonexclusive Remedies.* All the remedies set forth herein are cumulative and not exclusive.

Section 19.7. *No Waiver.* The failure of the Board of Directors, Declarant, the Manager, or any aggrieved Owner to enforce the Documents in any one or more instances will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the Documents at any future time.

Section 19.8. *No Liability.* No member of the Board of Directors, the Declarant, the Manager or any Owner will be liable to any other Owner for the failure to enforce any of the Documents at any time.

Section 19.9. *Recovery of Costs.* If the Association prevails in any action to enforce the Documents, it shall be entitled to recover all costs, including, without limitation, attorney's fees and court costs reasonably incurred in such action.

ARTICLE XX RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the Association relating to the interpretation, performance or nonperformance, violation, or enforcement of the Documents, such dispute or violation may be subject to a hearing and determination by the Board.

ARTICLE XXI DURATION OF THESE COVENANTS AND AMENDMENT

Section 21.1. *Term.* This Declaration and any amendments or supplements hereto will remain in effect from the date of recordation until the 50th anniversary of the date this Declaration is first recorded in the office of the Clerk and Recorder of Montgomery County, Texas. Thereafter these Covenants will be automatically extended for five successive periods of 10 years each, unless otherwise terminated or modified as provided below.

Section 21.2. *Amendment.* Subject to Section 21.3, this Declaration, or any provision of it, may be terminated, extended, modified or amended, or revoked as to the whole or any portion of the Property as follows:

21.2.1. *Prior to Sale of lots.* Prior to the sale of any Lot (excluding any sale to a Successor Declarant), Declarant (including a Successor Declarant) may terminate, extend, modify, amend or revoke this Declaration as to the whole or any portion of the Property by recording in the records of Montgomery County, Texas, a document signed by the Declarant stating the action taken.

21.2.2. *After Sale of lots but During Period of Declarant Control.* After the sale of a Lot (excluding a sale to a Successor Declarant) but before expiration of the Period of Declarant Control, Declarant (including Successor Declarant) may terminate, extend, modify, amend or revoke this Declaration as to the whole or any portion of the Property. A copy of the document stating the action intended to be taken by the Declarant and a notice of the Owners' rights under this Section shall be mailed to each Owner by first class mail, postage prepaid, to the address of the Owner on the records of Association. Unless written objection is received by Declarant from the Owners holding 80% or more of the votes within 30 days of the mailing of the notice to the Owners, the action proposed to be taken by the Declarant shall be considered approved and shall become final. The Declarant shall then record in the records of Montgomery County, Texas, a

document stating the action taken, together with a certificate certifying that notice was given to the Owners as required herein and that fewer than 80% of the Owners objected to the action.

21.2.3. *After the Period of Declarant Control.* After the Period of Declarant Control, this Declaration, or any provision of it, may be terminated, extended, modified or amended, or revoked as to the whole or any portion of the Property upon the written consent of Owners holding 67% or more of the votes in the Association. Any document will be immediately effective upon recording in the records of Montgomery County, Texas, a copy of such executed and acknowledged by the necessary number of Owners, or alternatively, upon the recording in the records of Montgomery County, Texas, of a copy of the document together with a certificate signed by an officer of the Association stating that the required number of consents of Owners were obtained.

Section 21.3. *Declarant's Approval.* Notwithstanding the provisions of Section 21.2, no termination, extension, modification or amendment of this Declaration will be effective in any event during the Period of Declarant Control unless the written approval of Declarant is first obtained.

Section 21.4. *Club Owner's Approval.* Notwithstanding the provisions of Section 21.2, no termination, extension, modification or amendment of this Declaration which has a material adverse effect on the Club Property will be effective in any event, unless the written approval of the owner of the Club Property is first obtained.

Section 21.4. *Effect of Amendments.* Amendments made pursuant to this Section will inure to the benefit of and be binding upon all Owners, their families, tenants, guests, invitees and employees, and their respective heirs, successors, and assigns. Joinder of the First Mortgagees shall not be required in order to effect an amendment.

ARTICLE XXII MISCELLANEOUS PROVISIONS

Section 22.1. *Severability.* This Declaration, to the extent possible, will be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 22.2. *Construction.* In interpreting words in this Declaration, unless the context will otherwise provide or require, the singular will include the plural, the plural will include the singular, and the use of any gender will include all genders.

Section 22.3. *Headings.* The headings are included only for purposes of convenient reference, and they will not affect the meaning or interpretation of this Declaration.

Section 22.4. *Waiver.* No failure on the part of the Association or the Board to give notice of default or to exercise or to delay in exercising any right or remedy will operate as a waiver, except as specifically provided above in the event the Board fails to respond to certain requests.

No waiver will be effective unless it is in writing and signed by the President or Vice President of the Board on behalf of the Association.

Section 22.5. *Limitation of Liability.* Neither the Declarant, the Association nor any partner, officer or member of either the Declarant or the Association will be liable to any party for any action or for any failure to act with respect to any matter arising by, through or under the Documents if the action or failure to act was made in good faith. The Association will indemnify all of the officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Certificate of Formation and Bylaws.

Section 22.6. *Conflicts Between Documents.* In case of conflict between this Declaration and the Certificate of Formation or the Bylaws, this Declaration will control. In case of conflict between the Certificate of Formation and the Bylaws, the Certificate of Formation will control.

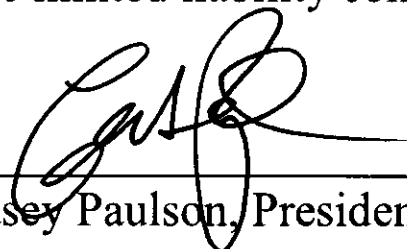
Section 22.7. *Assignment.* Declarant may assign all or any part of the Special Declarant Rights or any of Declarant's other rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor will be identified, the particular rights being assigned will be specified, and, to the extent required, concomitant obligations will be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Montgomery County, Texas.

Section 22.8. *Venue.* The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Declaration. Any legal action brought in connection with this Declaration shall be commenced in the District Court for Montgomery County, Texas, and by acceptance of a deed to a Lot or Unit each Owner voluntarily submits to the jurisdiction of such court.

[Signatures on Following Page]

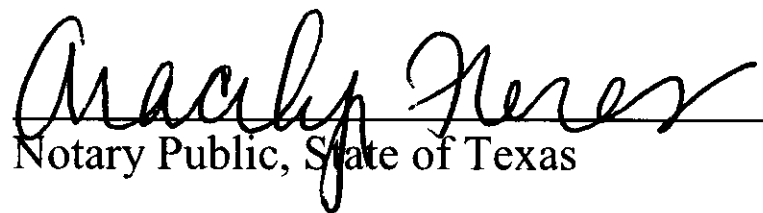
IN WITNESS WHEREOF, Declarant has signed this Declaration on the date shown above.

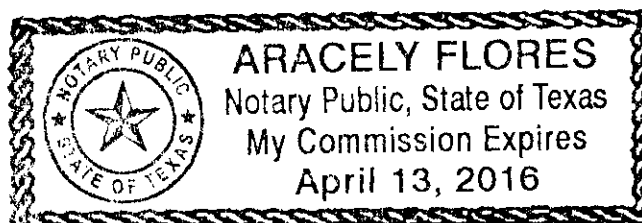
THE BLUEJACK COMPANY, LLC,
a Delaware limited liability company

By: 
Casey Paulson, President

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the 14th day of November, 2014, by Casey Paulson, President of THE BLUEJACK COMPANY, LLC.


Notary Public, State of Texas



After Recording, please return to:
Addison Law Firm
5400 LBJ Freeway, Suite 1325
Dallas, Texas 75240
Attn: Timothy J. Clow

EXHIBIT "A"
(Legal Description)

Being 755.000 acres of land situated in the Thomas C. Bradbury Survey, Abstract Number 91, the Ambrose Tinny Survey, Abstract Number 551, the William Miller Survey, Abstract Number 384, and the Noah Griffith Survey, Abstract Number 16, all in Montgomery County, Texas, being out of those certain tracts of land ("Parcel A" called 934.501 acres and "Parcel B" called 469.383 acres) as described in Warranty Deed in Lieu of Foreclosure from 1404 Blaketre, L.P. to Waitcorp Finance, LLC, recorded under Clerk's File Number 2012122896 in the Official Public Records of Montgomery County, Texas; said 755.000 acres being more particularly described by metes and bounds as follows with all bearings referenced to the South line of the Thomas C. Bradbury Survey and the North line of the Joseph G. Ferguson Survey, Abstract Number 227, common to the North line of the Affiliated Crown Development, LTD, called 1936.077 acre tract recorded under Clerk's File Number 2005-036975 Real Property Records, as found monumented on the ground:

BEGINNING at a concrete monument, found for the Southeast corner of the herein described tract and the Southeast corner of "Parcel A", at the Northeast corner of the Affiliated Crown Development, LTD, called 1936.077 acre tract, in the West line of F.M. 1486, a 100 foot wide right-of-way as shown on TXDOT R-O-W drawing R-1416-3-1, dated February 11, 1960, and being in the South line of the Thomas C. Bradbury Survey and the North line of the Joseph G. Ferguson Survey;

THENCE South 86°10'18" West, along the South line of the Thomas C. Bradbury Survey and the North line of the Joseph G. Ferguson Survey, common to the North line of the Affiliated Crown Development, LTD, called 1936.077 acre tract and South line of "Parcel A", passing at 7455.05 feet, a 5/8 inch iron rod with survey cap marked "Glezman, RPLS 4627", set for reference; in all, a distance of 7,540.11 feet to the Southwest corner of the herein described tract and being located North 86°10'18" East, a distance of 2,002.83 feet from a concrete monument, found for the Southwest corner of "Parcel A" at the Northwest corner of Crown Ranch Section Three, a subdivision with the plat thereof recorded in Cabinet Z, Sheet 1209 of the Map Records of Montgomery County, Texas;

THENCE in a Northerly direction, severing "Parcel A" as follows:

North 06°34'26" West, passing at 12.13 feet, a 5/8 inch iron rod with survey cap, set for reference; in all, a distance of 752.95 feet to a 5/8 inch iron rod with survey cap, set for an angle point;

North 62°33'37" West, a distance of 431.16 feet to a 5/8 inch iron rod with survey cap, set for an angle point;

North 20°09'11" West, a distance of 1,140.36 feet to a 5/8 inch iron rod with survey cap, set for an angle point;

North 57°48'43" West, a distance of 616.26 feet to a 5/8 inch iron rod with survey cap, set for an angle point;

North 25°53'35" West, a distance of 887.37 feet to a 5/8 inch iron rod with survey

cap, set for an angle point;

North 11°57'47" East, a distance of 355.93 feet to a 5/8 inch iron rod with survey cap, set for an angle point;

North 47°03'31" East, a distance of 562.18 feet to a 5/8 inch iron rod with survey cap, set for an angle point;

South 80°59'28" East, a distance of 159.52 feet to a 5/8 inch iron rod with survey cap, set for an angle point;

North 09°35'01" East, a distance of 1,720.33 feet to a 5/8 inch iron rod with a survey cap, set for the Northwest corner of the herein described tract, in the North line of "Parcel A" and the South line of the Blake Ranch LP residual acreage tract as referenced in Deed to Lone Star Development Company, recorded in Volume 202, Page 470 of the Montgomery County Deed Records;

THENCE North 60°07'35" East, a distance of 956.53 feet along the North line of "Parcel A" to a 5/8 inch iron rod with survey cap, found for an angle point;

THENCE South 69°44'10" East, a distance of 961.14 feet to a 1/2 inch iron rod, found for an angle point;

THENCE East, a distance of 123.62 feet to a point for an interior corner of the herein described tract, located in a pond and being 45 feet West of the East shoreline;

THENCE North, a distance of 783.50 feet across said pond, to a 5/8 inch iron rod with a survey cap, found for the most Northerly Northwest corner of the herein described tract;

THENCE North 87°15'58" East, a distance of 34.99 feet along the North line of "Parcel A", to a 5/8 inch iron rod with survey cap, found for an angle point;

THENCE South 76°29'01" East along the North line of "Parcel A", passing at 186.1 feet, the East line of the William Miller Survey and the West line of the Noah Griffith Survey; a total distance of 2,632.08 feet to a 5/8 inch iron rod with survey cap, found for an angle point of the herein described tract at the Northeast corner of "Parcel A" and further located South 03°35'31" East, a distance of 125.06 feet from a 5/8 inch iron rod with survey cap, found for the most Westerly Northwest corner of "Parcel B";

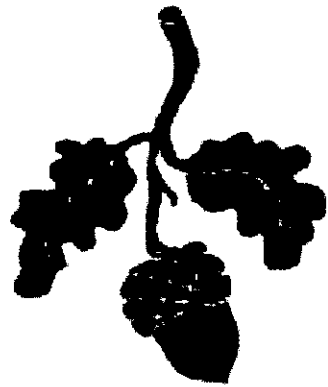
THENCE South 35°24'53" East, a distance of 96.23 feet, severing "Parcel B", to a 5/8 inch iron rod with survey cap, set for an angle point;

THENCE South 04°31'38" East, a distance of 4,171.35 feet, severing "Parcel B", to a 5/8 inch iron rod with a survey cap, set for an interior Northeast corner of the herein described tract and from which is found for reference, a 2/4 inch iron pipe in concrete for the Southwest corner of Parcel B, bearing South 49°01'02" West, 146.27 feet;

THENCE North 88°24'54" East, a distance of 3,479.77 feet, severing "Parcel B", to a 5/8 inch iron rod, with a survey cap, set for the lower Northeast corner of the herein described tract in the West line of F.M. 1486 and East line of "Parcel B";

THENCE South 02°28'20" East along the West line of F.M. 1486, passing at 14.44 feet, the common corner of "Parcel A" and "Parcel B"; in all, a total distance of 1,217.04 feet, back to the Point of Beginning and containing 755.000 acres of land based on the survey and plat prepared by Glezman Surveying Inc., dated November 12, 2013.

**EXHIBIT B TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR**



**BLUEJACK
NATIONAL**

**BYLAWS
OF
BLUEJACK NATIONAL MASTER ASSOCIATION, INC.**

Addison Law Firm
5400 LBJ Freeway, Suite 1325
One Lincoln Centre
Dallas, Texas 75240

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BYLAWS
OF
BLUEJACK NATIONAL MASTER ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Bluejack National Master Association, Inc. (the "Association"), a Texas non-profit corporation. The principal office and address of the corporation is located at 300 Crescent Court #1100, Dallas, Texas, 75201, Dallas County, Texas.

ARTICLE II
DEFINITIONS, PURPOSES AND ASSENT

Section 2.01. *Definitions.* The definitions in the Declaration of Covenants, Conditions, and Restrictions for Bluejack National, as amended from time to time and recorded in the office of the Clerk and Recorder of Montgomery, County, Texas (the "Declaration"), will apply to these Bylaws, and all defined terms used in these Bylaws will have the same meaning as the defined terms used in the Declaration, unless the defined terms in these Bylaws or the context of these Bylaws clearly indicate otherwise.

Section 2.02. *Purposes.* The specific purposes for which the Association is formed are (i) to provide for the maintenance, preservation, and control of the Private Open Space in the planned community of Bluejack National in Montgomery, County, Texas; and (ii) to promote the welfare of the Owners and residents of Bluejack National.

Section 2.03. *Assent.* All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of Bluejack National in any manner are subject to the Association Documents, including these Bylaws and any rules adopted by the Board of Directors. The acquisition or rental of any of the Lots in Bluejack National or the occupancy of any of the Lots will constitute ratification and acceptance of these Bylaws and an agreement to comply with those rules.

ARTICLE III
MEMBERSHIP

Section 3.01. *Membership.* The Association shall have one class of membership as more fully set forth in Article IV of the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 3.02. *Representation on Board of Directors.* If title to a Lot is held by a firm, corporation, partnership, association, other legal entity or any combination thereof, or if any individual or entity holds title to more than one Lot, then in either case, that individual or entity may appoint, by a written document writing furnished to the Association, a delegate to represent each such Lot as a candidate for, and if elected, as a member of, the Board of Directors. Such delegate will not vote as a member of the Association unless such person is appointed by a proxy executed in conformance with these Bylaws to cast the voting interest of the Lot, which he represents.

Section 3.03. *Responsibilities of Members.* Any person, including Declarant, on becoming an Owner, will automatically become a Member and be subject to these Bylaws. Such membership will terminate without any formal Association action whenever such person ceases termination will not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of ownership of the Lot and membership in the Association and the covenants and obligations incident thereto.

Section 3.04. *Membership Certificates.* No certificates of stock will be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Owners. Such membership card will be surrendered to the Secretary of the Association whenever ownership of the Lot designated on the card terminates.

Section 3.05. *Classes of Membership.* Initially, the Association will have one class of voting membership, composed of all Owners, including Declarant, as more fully set forth in Article IV of the Declaration.

The Board may establish additional classes of membership from time to time, except no additional classifications shall be created during the period of Declarant Control unless the Declarant agrees in writing to any new or different class.

Section 3.06. *Voting Privileges.* Except as provided in Section 7.37 of the Declaration, all Members will be entitled to vote on Association matters on the basis of one vote for each Lot owned.

When more than one person holds an interest in any Lot, all such persons will be Members. The vote for such Lot will be exercised by one person as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to his Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

Any Owner of a Lot that is leased may assign his voting right to the tenant, provided that the tenant is appointed to vote on behalf of the Owners by proxy and the proxy is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right.

Section 3.07. *Proof of Membership.* Any person or entity, on becoming an Owner, will furnish to the Manager or to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that person or entity with an ownership interest, which instrument will remain in the files of the Association. An Owner will not be deemed a Member of the Association in good standing and will not be entitled to vote at any annual or special meeting of the Members unless this requirement is first met.

ARTICLE IV ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

Section 4.01. *Place and Frequency of Meetings.* Meetings of the Members will be held at least once each year at such place, within or without the State of Texas, as the Board of Directors may determine.

Section 4.02. *Annual Meetings.* The first annual meeting of the Members will be held within one year after the date of the adoption of these Bylaws. Each subsequent annual meeting of the Members will be held on a date and at a time set by the Board of Directors. The purpose of the annual meetings is for the election of the Board and the transaction of such other business of the Association as may properly come before the meeting.

Section 4.03. *Special Meetings.* Special meetings of the Members may be called at any time by the President of the Association, or by a majority of the Board of Directors, or upon written request of Members who are collectively entitled to vote at least 20% of all of the votes in the Association.

Section 4.04. *Notice of Meetings.* Written notice stating the place, day, and hour of the meeting and the agenda for the meeting will be delivered not less than 10 nor more than 60 days before the date of the meeting, personally or by mail or fax or otherwise as permitted by the Texas Business Organizations Code, by or at the direction of the President, or the Secretary, or the persons calling the meeting, as provided in these Bylaws, to the registered mailing address for notice (as provided in the Declaration) of each Member entitled to vote at such meeting.

Section 4.05. *Quorum.* A quorum is deemed present throughout any meeting of the Association if Members entitled to cast (or proxies entitled to cast) 10% of the votes of the Association are present at the beginning of the meeting. If, however, such quorum is not present or represented at the meeting, the Members entitled to vote at the meeting will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy.

Section 4.06. *Actions Binding on Members.* A majority of votes cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Certificate, or these Bylaws.

Section 4.07. *Majority of Owners.* As used in these Bylaws, the term "majority" will mean those votes, Owners, or other groups as the context may indicate totaling more than 50 percent of the total number.

Section 4.08. *Voting by Mail.* Voting by mail is permitted for election of the Board of Directors, amendment of the Certificate, adoption of a proposed plan of merger, consolidation or dissolution pursuant to the provisions of the Business Organizations Code, each as amended from time to time, or other questions that come before the Association. In the case of a vote by mail, the Secretary will give written notice to all Members, which notice will include (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that the Members are entitled to vote by mail for or against such proposal, (iii) a statement of a date not less than 60 days after the date such notice will have been given by which all votes must be received, and (iv) the specified address of the office to which all votes must be sent. Votes received after that date will not be effective. Delivery of a vote in writing to the designated office will be equivalent to receipt of a vote by mail at such address for the purpose of this section.

Section 4.09. *Proxies.* Any Member may cast such Member's vote in person or by proxy, but no proxy will be valid if it is not dated or if it purports to be revocable without notice. Further, no proxy will be valid after eleven months from the stated date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended, or sooner terminated by operation of law. Finally, no proxy will be valid unless filed with the Secretary of the Association at or before the appointed time of the meeting at which the proxy will be voted.

Section 4.10. *Designation of Voting Representative by Non-Individual Owners-- Requirement for Proxy.* If the title to a Lot is held in whole or in part by a firm, corporation, partnership, association, other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary of the Association, and appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and to cast the vote allocated to that Lot at the meeting.

Section 4.11. *Designation of Voting Representative by Multiple Owners -- Use of Proxy.* If title to a Lot is held by more than one Owner, each Owner may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association.

Section 4.12. *Waiver of Notice.* Waiver of notice of a meeting of the Members will be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, will be deemed waiver by such Member of notice of the time, date and place of the meeting unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 4.13. *Action Without a Meeting.* Any action which may be taken by the vote of the Members at a regular or special meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by a sufficient number of Members as would be necessary to take that action at a meeting at which all of the Members were present and voted, and any such consent shall have the same force and effect as a unanimous vote of the Members. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated and delivered to the Association. Such consents shall be filed with the minutes of the Association and shall have the same force as a vote of Members at a meeting. Each written consent shall bear the date of the signature of each Member who signs the consent. Within ten (10) days following authorization of any action by written consent, the Association shall give notice to all Members of the material features of the authorized action.

ARTICLE V BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 5.01. *Number, Qualification and Initial Board.* The affairs of this Association will be managed by a Board of not less than three and no more than five Directors. Except as provided below regarding Directors appointed by Declarant, the Directors will be Members of the Association or the delegates of Members appointed by proxy under Article IV above. The number of the Board of Directors will be established from time to time by amendment to these Bylaws.

The initial number of members of the Board of Directors will be three. The names and addresses of the three persons who are to serve on the initial Board of Directors until their successors are appointed are:

Grant Ferrell
Casey Paulson
William Srinivasan
300 Crescent Court, #1100
Dallas, Texas 75201

Section 5.02. *Directors During Declarant Control.* During the Period of Declarant Control the Board of Directors will be selected by Declarant and will serve at the sole discretion of Declarant. During the Period of Declarant Control, the Declarant may appoint or remove Directors by written notice given to the Association. The Directors selected by Declarant need not be Members of the Association. Unless Declarant directs otherwise, and subject to these Bylaws, the initial Board of Directors named in the Certificate will continue to serve throughout the Period of Declarant Control. Declarant will surrender its right to select the Board of Directors upon termination of the period of Declarant Control, as provided below. Notwithstanding the foregoing, on or before the 120th day after 75% of the Lots on all the Plats have been sold to Owners other than Declarant, at least one-third of the Directors will thereafter be elected my Members other than Declarant.

Section 5.03. *Election of Directors After Period of Declarant Control.* Upon termination of the Period of Declarant Control in accordance with the Declaration, a special meeting of the

Association will be called, at which Declarant will turn control of the Association over to the members. The Members will elect a new Board of Directors, and any terms of Directors appointed by Declarant that have not expired will terminate at that time. Subsequently, Directors will be elected by the Members at each annual meeting of the Members. At the first general election of the Board by Members and at subsequent elections, the Members may cast as many votes as they are entitled to exercise under the provisions of Section 3.06 above. Voting for Directors will be by written ballot.

Section 5.04. *Term of Office of Directors After Period of Declarant Control.* The term of office for the initial Directors elected by the Members will be fixed at the time of their election as they themselves will determine in order to establish a system of three-year terms in which at least one-third of the Board is elected each year, and the Board will identify in which year the directorships for each category of representation are subject to election. For example, if the number of Directors on the initial Board is set at three pursuant to Section 5.01 above, one Director will serve for a one-year term, one Director will serve for a two-year term, and one Director will serve for a three-year term. At the expiration of the initial term of office of each respective Director, a successor will be elected to serve three years. Each Director will hold office until such Director's successor is elected by the Members and qualified to take over the office.

Section 5.05. *Removal of Directors.* Any Director other than one appointed by Declarant may be removed, with or without cause, at any regular or special meeting of the Members by two-thirds of the votes of the Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any Director removed may be elected at such meeting to fill the vacancy created by removal of the Director. A Director whose removal is proposed by the Members will be given notice of the proposed removal at least 10 days prior to the date of such meeting and will be given an opportunity to be heard at such meeting. Any Director appointed by Declarant may be removed, with or without cause, at any time by Declarant, and a successor to any Director so removed may be appointed by Declarant.

Section 5.06. *Vacancies.*

(a) *During Period of Declarant Control.* During the Period of Declarant Control, if a Director appointed by Declarant dies, becomes disabled or resigns, Declarant will appoint a new Director to serve the balance of the term of the resigning, disabled or deceased Director; and if a Director elected by the Members dies, becomes disabled or resigns, the remaining Directors will appoint a new Director from among the Members other than Declarant to serve the remainder of the term of the resigning, disabled or deceased Director representing Members other than Declarant.

(b) *Following Period of Declarant's Control.* After the expiration or termination of the Period of Declarant Control, any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. The term of the Director so elected will be coincident with the term of the replaced Director.

Section 5.07. *Compensation.* No Director will receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his duties as a Director.

Section 5.08. *Right to Disapprove Actions.* So long as the Declarant owns property for sale and/or development in Bluejack National, the Declarant shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the judgment of the Declarant, would tend to impair rights of the Declarant or builders under the Declaration or these Bylaws, or interfere with development, construction of any portion of the Property, or diminish the level of services being provided by the Association. No such action, policy or program shall be valid, effective or implemented until and unless the following subsections have been met and the Declarant has not exercised its right to disapprove:

(a) The Declarant shall have been given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee thereof. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies with Section 4.04 and which notice shall, except in the case of the regular meetings held pursuant to the Bylaws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Declarant shall have been given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy or program. The Members other than the Declarant, its representatives or agents, shall make its concerns, thoughts and suggestions known to the Board and/or the members of the subject committee. The Declarant may exercise its right to disapprove at any time within ten (10) days following the meeting at which the such action was proposed or, in the absence of a meeting, within ten (10) days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

ARTICLE VI MEETINGS OF DIRECTORS

Section 6.01. *Regular Meetings.* Regular meetings of the Board of Directors will be held at such regular times as set by the Board of Directors, at such place and hour as may be fixed from time to time by resolution of the Board. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day which is not a legal holiday.

Section 6.02. *Special Meetings.* Special meetings of the Board of Directors will be held when called by the President of the Association, or by any two Directors, after not less than three days' notice to each Director.

Section 6.03. *Quorum.* A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast 50% of the votes on the Board are present at the beginning of the meeting.

Section 6.04. *Actions Binding on Directors.* Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present will be regarded as the act of the Board.

Section 6.05. *Waiver of Notice.* Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board of Directors, any member of the Board may waive in writing notice of such meeting, and such waiver will be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting.

Section 6.06. *Action Taken Without a Meeting.* The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors. Any action so approved will have the same effect as though taken at a meeting of the Directors.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01. *General.* The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association. Except as provided by these Bylaws or the Declaration, the Board of Directors may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on behalf of the Association.

Section 7.02. *Specific Powers and Duties.* Without limiting the generality of powers and duties set forth in Section 7.01 above, the Board of Directors will have the following powers and duties, in each case subject only to applicable requirements of the Texas Business Organizations Code:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration.
- (b) To establish, make, amend from time to time, and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use, and occupancy of Bluejack National, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered or mailed to each Member promptly after adoption.
- (c) To keep in good order, condition, and repair all the Private Open Space and all items of personal property, if any, used in the enjoyment of the Private Open Space. No

approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

(d) To fix, determine, levy, and collect the Annual Assessments to be paid by each of the Members towards the gross expenses of Bluejack National, and to adjust, decrease, or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.

(e) To levy and collect Special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All Special Assessments will be in statement form and will set forth in detail the various expenses for which the Special Assessments are being made.

(f) To levy and collect Default Assessments for violation of the Association Documents or because the Association has incurred an expense of behalf of a Member under the Association Documents.

(g) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; and to exercise other remedies for delinquent Assessments as set forth in the Declaration.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, that, excluding Declarant loans, if any, under Section 9.3.7 of the Declaration, the Board will not borrow more than 20% of its annual budget or cause the Association to be indebted for more than 40% of its annual budget at any one time without the prior approval of a majority of votes of Members present and voting in person or by proxy on the issue.

(i) To enter into contracts within the scope of their duties and powers.

(j) To establish a bank account for the operating account of the Association and for all separate funds as required or deemed advisable by the Board of Directors.

(k) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by Members or their Mortgagees at convenient weekday business hours.

(l) To cause any and all access roads, parking areas, and roadways in and to Bluejack National and across the Property to be maintained to the extent those facilities are within the jurisdiction or control of the Association, subject to the provisions of the Declaration.

(m) To cause the maintenance of the lawn, trees, shrubs, and other vegetation, and any sprinkler or other irrigation systems located on the Private Open Space for the benefit of

the Members or located on Lots to the extent that the Association has assumed or agreed to accept this maintenance responsibility under a separate written agreement with the Owner or under the Governing Documents (the cost of which will constitute a Default Assessment under Section 9.5 of the Declaration).

(n) To delegate to the Manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than by the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties set forth in subparagraphs (d), (e), (f) and (h) of this Section 7.02 and duties reserved to the Board by law will not be so delegated, except that the Board may delegate the duty to collect assessments to the Manager.

Section 7.03. *Manager.* The Board of Directors may employ for Bluejack National a professional management agent or agents as Manager for compensation established by the Board of Directors to perform such duties and services as the Board of Directors will authorize. The Board of Directors may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (d), (e), (f), (h) and (n) of Section 7.02 of this Article and duties reserved to the Board by law except that the Board may delegate the duty to collect assessments to the Manager. Declarant, or an affiliate or employee of Declarant, may be employed as Manager.

Section 7.04. *Accounts and Reports.* The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) A segregation of accounting duties should be maintained, and disbursements by check in any amount greater than \$1,000 for a non-budgeted item will require two signatures.

(b) Cash accounts of the Association will not be commingled with any other accounts.

(c) No remuneration will be accepted by the Board of Directors or the Manager from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise (except that such persons may be employees of Declarant during the Period of Declarant Control). Anything of value received will be for the benefit of the Association.

(d) Any financial or other interest that the Manager or a member of the Board of Directors may have in any firm (other than Declarant) providing goods or services to the Association will be disclosed promptly to the Board of Directors.

(e) Commencing at the end of the calendar quarter in which the first Lot is sold by Declarant and closed, and continuing on a quarterly basis, financial reports will be prepared for the Board of Directors containing the following:

(i) An income statement reflecting all income and expense activity for the preceding three months;

(ii) A balance sheet as of the last day of the quarter;

(iii) A delinquency report listing all Owners who have been delinquent during the preceding three-month period in paying the periodic installments of Assessments and who remain delinquent at the time of the report, and describing the status of any action to collect such installments which remain delinquent.

(f) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year will be made available to the Members prior to the end of the following fiscal year. During the Period of Declarant Control, such statements shall be audited by an independent certified public accountant on an annual basis. Thereafter, at the written request of an Owner or First Mortgagee, such statements will be audited at the requesting party's expense. Any such audited statements will be delivered to any Owner requesting the report and to the Association upon payment of a reasonable fee for copying.

(i) An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations that are in excess of budgeted amounts by an amount exceeding the operating reserves or 10% of a major budget category (as distinct from a specific line item in an expanded chart of accounts) will be prepared for the Board periodically upon the Board's request and will be made available to all Members.

Section 7.05. *Hearing Procedure.* The Board will not impose a fine, suspend voting, or suspend any rights of a Member or other occupant for violations of rules and regulations or of the provisions of the Documents unless and until the procedure below is followed:

(a) *Demand.* Written demand to cease and desist from the alleged violation will be served upon the alleged violator specifying:

(i) the alleged violation;

(ii) the action required to abate the violation;

(iii) a reasonable time period during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after notice and hearing, if the violation is not continuing; and

(iv) that the alleged violator may request a hearing on or before the 30th day after the date the demand is received.

(b) *Notice.* At any time within 12 months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule

is subsequently violated, the Board or its delegate will serve the violator with written notice of a hearing to be held by the Board. The notice will contain the following:

- (i) the nature of the alleged violation;
- (ii) the time and place of the hearing, which time will not be less than 30 days from the giving of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence, and witness on the Member's behalf; and
- (iv) the proposed sanction to be imposed.

(c) *Hearing.* The hearing will be held pursuant to the notice, affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under these Bylaws, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement will be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. Written and oral evidence may be presented. The presenting party will provide copies of any written evidence to the other party or parties. The decision of the Board will be final.

(d) *Appeal.* The Board may in its discretion appoint a Hearing Committee to hear the matter. In such event the above procedure will apply except that either party may appeal the decision of the Hearing Committee to the Board by written notice to the Hearing Committee, the other party and the Board. The Board will consider the minutes of the hearing and report the decision of the Board within a reasonable period of time not exceeding 60 days after receipt of the notice. The decision of the Board will be final.

These procedures will not be necessary in order to impose any fee or charge or impose any sanction or penalty (e.g. the suspension of voting rights) for nonpayment of a delinquent Assessment.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 8.01. *Enumeration of Officers.* The officers of the Association will be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 8.02. *Election of Officers.* The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.03. *Term.* The officers of the Association will be elected annually by the Board, and each will hold office for one year or until his successor is duly elected and qualified, unless he sooner resigns, or is removed, or is otherwise disqualified to serve.

Section 8.04. *Special Appointments.* The Board may elect such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 8.05. *Resignation and Removal.* Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 8.06. *Vacancies.* A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer replaced.

Section 8.07. *Multiple Offices.* Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 8.08. *Duties.* The duties of the officers are as follows:

(a) *President.* The President will preside at all meetings of the Association and the Board of Directors; will see that orders and resolutions of the Board are carried out; will sign all leases, mortgages, deeds, and other written instruments; will co-sign all promissory notes; cause to be prepared and will execute, certify and record amendments to the Declaration on behalf of the Association; and will exercise and discharge such other duties as may be required of the President by the Board.

(b) *Vice-President.* The Vice-President will act in the place and stead of the President in the event of his absence, inability, or refusal to act, and will exercise and discharge such other duties as may be required by the Board.

(c) *Secretary.* The Secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and place it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records listing the Members together with their addresses; and perform such other duties as required by the Board.

(d) *Treasurer.* The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board of Directors; sign all checks of the Association unless the Board specifically directs otherwise, and co-sign all promissory notes of the Association; keep proper books of account; at the direction of the Board, cause an annual audit of the Association books to be made by a public accountant at least once in every three fiscal years; and prepare an annual budget and a statement

of income and expenditures to be presented to the members at their regular annual meeting, and deliver or make copies available of each to the Members.

ARTICLE IX COMMITTEES

The Board of Directors may appoint a Hearing Committee as described in Article VII above, and other committees as the Board deems appropriate in carrying out its purposes. Following the Period of Declarant Control provided in the Declaration, the Board will also appoint the Design Review Committee.

ARTICLE X INDEMNIFICATION

To the extent permitted by law and consistent with the Certificate of Formation, the Association will indemnify every member of the Board of Directors, and every officer, employee and agent of the Association and every person who serves at the request of the Association as a manager, director, officer, employee, fiduciary, or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust or other enterprise or employee benefit plan against liability asserted against or incurred by such person in such capacity or arising out of that person's capacity as such. The indemnification permitted under this Article will not extend, in any event, to any act or omission occurring prior to the date of formation of the Association. In the event of a settlement, indemnification will be provided only in connection with such matters covered by this settlement as to which the Association is advised by counsel that indemnification is permitted by applicable law. The foregoing rights will not be exclusive of other rights to which such member of the Board of Directors or officer or other person may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions will be treated and handled by the Association as a Common Expense.

ARTICLE XI NONPROFIT CORPORATION

The Association is not organized for profit. No member of the association, member of the Board of Directors, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the funds or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of, any member of the Board of Directors. Notwithstanding the foregoing, (i) reasonable compensation may be paid to any Member or Manager acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, (ii) any Member or Manager may, from time to time, be reimbursed for this actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, and any Director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE XII
AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Board, by a vote of a majority of a quorum of Directors present in person or by proxy, but amendment of Article V, X, XII or any portion of the Certificate will require approval of all Directors.

ARTICLE XIII
MISCELLANEOUS

Section 13.01. *Fiscal Year.* The fiscal year of the Association will begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year will begin on the date of formation.

Section 13.02. *Corporate Seal.* The Association will have a seal in circular form having within its circumference the words: "Bluejack National Master Association, Inc."

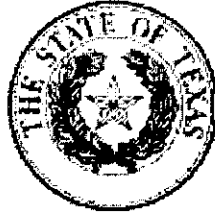
Section 13.03. *Conflicts of Documents.* In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

The Board of Directors adopted these Bylaws on the 12th day of November, 2014.

EXHIBIT C

Form 202

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709



Certificate of Formation
Nonprofit Corporation

Filed in the Office of the
Secretary of State of Texas
Filing #: 802089948 10/27/2014
Document #: 575292770002
Image Generated Electronically
for Web Filing

Filing Fee: \$25

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

Bluejack National Master Association, Inc.

Article 2 - Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

Casey Paulson

C. The business address of the registered agent and the registered office address is:

Street Address:

300 Crescent Court #1100 Dallas TX 75201

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Management

A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Ferrell Ferrell**

Title: **Director**

Address: **300 Crescent Court #1100 Dallas TX, USA 75201**

Director 2: **Casey Paulson**

Title: **Director**

Address: **300 Crescent Court #1100 Dallas TX, USA 75201**

Director 3: **William Srinivasan**

Title: **Director**

Address: **300 Crescent Court #1100 Dallas TX, USA 75201**

Article 4 - Organization Structure

A. The corporation will have members.

or

B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

The purpose of this corporation is to engage in any lawful action or activity for which a corporation may be organized under such laws.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

20141027 - Bluejack Conflicting Name Consent - EXECUTED.pdf

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

Addison Law One Lincoln Center, 5400 LBJ Freeway, Ste.1325, Dallas, Texas 75240

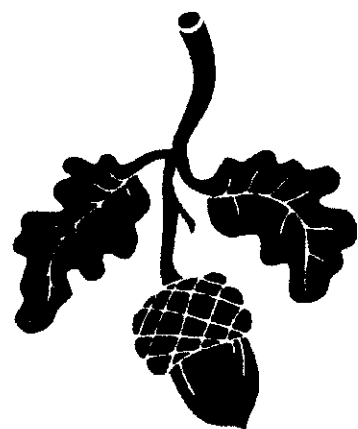
Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Dallas Addison

Signature of organizer.

FILING OFFICE COPY



BLUEJACK NATIONAL

DESIGN GUIDELINES

FOR

CUSTOM HOMES & ESTATE LOTS

BLUEJACK HOMEOWNERS ASSOCIATION

Wednesday, November 12, 2014

DISCLAIMER

This document, in conjunction with the CC&R's, has been developed to implement the overall design objectives of Bluejack National. They are intended to provide guidance for all development, construction of new buildings, building additions, site work and landscaping, as well as any subsequent changes or alterations to previously approved plans or existing homes. These Design Guidelines have been created for Bluejack National.

Within these design guidelines and standards, one finds the description of the Design Review Process, the requirements for all proposed improvements for each Lot, and all regulations that must be adhered to throughout the construction period for each Lot. These Guidelines will be administered and enforced by a self-regulating Design Review Committee (DRC).

The DRC has been appointed by the Bluejack National Master Association, Inc. Board of Directors (HOA) and is comprised of resident volunteers, a licensed consulting Architect and administrative personnel from the HOA. The HOA Board has vested the DRC with full authority to make decisions regarding the approval and enforcement of specific plans. The DRC will use their judgment to make determinations about the suitability of proposed designs based on the unique characteristics of each individual lot within the development. The DRC will encourage innovative and creative solutions in the design of overall site improvements within Bluejack National as long as the proposed design is consistent with the overall design intent and philosophy.

Provided that the DRC members act in good faith, neither the DRC, nor any member, will be liable to the Association, any Owner or any other party for any damage, loss or prejudice suffered or claimed on account of:

1. Approving or disapproving any plans, specifications and other materials, whether or not defective.
2. Placement of any builder upon the Builders List.
3. The development or manner of development of any land within Bluejack National.
4. Executing and recording a form of approval or disapproval, whether or not the facts stated herein are correct.
5. Performing any other function pursuant to the provisions of the Guidelines.
6. Any drainage or site problems which the homeowner may encounter on their site.

The Applicant acknowledges and agrees that the DRC and the HOA assume no liability resulting from the approval or disapproval of any plans submitted. The DRC and the Association assume no liability and make no representations regarding the adequacy or quality of any submitted plans or whether such plans comply with any or all governing authority requirements. The DRC review and comments do not relieve the Applicant of their responsibility and obligation to comply with the Declaration of Covenants, Conditions & Restrictions or for Bluejack National (CC & R's) or the Design Guidelines as applicable.

PREFACE

Bluejack National is a world-class master planned, private residential community developed around Tiger Wood's first American-completed golf course. The development of Bluejack National will reflect the same ethics of its owners: an appreciation for nature, the love of sportsmanship, and the importance of maintaining family traditions. Community values such as the spirit of friendship and camaraderie among members, balanced with a respect for individual privacy and the opportunity for peaceful enjoyment of one's property, will be underscored. Therefore, the Design Review Process outlined and explained below exists to provide a guide and framework which will both enhance and protect the quality of this unique property as the Bluejack National community grows. By establishing quality architectural and landscape architectural guidelines that require designers and builders to adhere to certain standards of excellence will ensure the quality and beauty of Bluejack National endures well into the generations ahead.

DRC STRUCTURE OVERVIEW

The Design Review Committee (DRC) is comprised of community representatives who are appointed by the Bluejack National Master Association, Inc. (HOA) and serve as volunteers. Together with a consulting Architect and the HOA's administrative personnel, these committee members meet on a regular basis (TBD) to review plans with Lot Owners, Architects, and Builders. This meeting schedule is set annually and is available through the DRC. The DRC is an aesthetic committee, whose primary focus is on the exterior design of all improvements on the lot. Their focus is not on the interior design. Each builder and owner shall be required to engage the services of a State of Texas licensed civil engineer to evaluate drainage and grading, and a site survey is required to show any trees over 6" in caliper. Additionally, it is the responsibility of the owner and builder to obtain all necessary municipal permits and to schedule any inspections required with the County of Montgomery.

The DRC is responsible for the approval of all required plans, as well as for periodic observations and monitoring of the build job to ensure compliance with the plans which were approved. The HOA Board of Directors has vested the DRC with full authority to make decisions regarding approval and enforcement. The DRC will use their judgment to make determinations about the suitability of proposed designs based on the unique characteristics of each lot within the development.

Any requests for variances should be directed to the DRC which has the authority to approve or deny a variance, based on their judgment of the lot characteristics and the aesthetic appeal.

When an owner selects a builder to construct their home, that builder must complete the Builder Registration Form for approval and inclusion on the builder list. All builders will need to be on the approved builder list as determined by the HOA and developer. This also applies to builders who purchase lots for themselves – for a speculative build job or their own home construction – and must be registered for each project they construct. This provision has been established to guarantee that a builder has all qualifications necessary to construct a home consistent with the quality of existing homes within the community.

The following pages present an overview of the Design Review Process and Guidelines for the design and construction of custom and estate homes in Bluejack National. Each owner should carefully review these guidelines with their Architect, Civil Engineer, Builder, and Landscape Architect. The DRC is available to meet with owners and their team to answer questions. Familiarity with the guidelines and the process will hopefully provide a better experience for the prospective homeowner.

Regardless of the architectural style, there are several requirements which are foremost in importance to the DRC:

- Bluejack National is intended to be a low density neighborhood controlled by building envelopes as shown on each Lot Portfolio diagram.
- Bluejack National is intended to be developed with homes that do not dominate their setting by being too large for the lot, are not too tall from the natural grade and do not have massing that is inappropriate to the site and its surrounding.
- Although many homes may be quite large in Bluejack National, they are intended to harmonize with the lot and their neighbors, rather than to stand out in scale, massing or architectural style.
- Homes are intended to be constructed in the highest quality natural materials available. For example, exterior finishes should include real stone where possible along with, composite, slate or clay tile roofs, copper patina gutters and downspouts, and multi-paned wood windows just to name a few. The use of high-quality materials should also be used as part of an extensive and appropriate landscape design.
- Bluejack National is committed to the long-term preservation of the existing pine forest and feel that this is what makes the community so special. With that in mind, homes should be designed with the existing trees in mind to blend in.
- No construction activity or access will be allowed outside of the established building envelopes. It is important to always keep in mind that room for construction access needs to be provided within the building envelope. This process will enhance the long-term preservation of the pine forest in and around our building sites.

The contents below addresses these issues in great detail. All owners, architects, engineers, builders and landscape architects are expected to familiarize themselves with these requirements. Additionally, the CC&R's should be thoroughly reviewed and understood. In the event of any conflict between the Guidelines and the CC&R's, the CC&R's shall govern and control.

The attached document also discusses the specifics of the design review process including the steps involved, the associated fees, and the authority of the DRC to enforce these requirements. Once a design has been approved for construction, the builder is required to construct the improvements as shown on the approved drawings. Strict penalties exist for the failure to comply.

The residents of Bluejack National place a high value on the quality and aesthetic legacy of this development. These guidelines exist to ensure that these standards are maintained.

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VISION STATEMENT

Bluejack National is a unique master planned community northwest of Houston in Montgomery, Texas. At completion, Bluejack National will contain approximately 500 residences carefully placed on 755 acres. Set amidst a palette of pastoral beauty, the property is comprised of picturesque meadows, gently rolling hills, natural ponds and mature pine trees. The plan for Bluejack National builds upon this rich natural history and beautiful setting to create a quality, intimate and unique enclave.

Of critical importance in maintaining the special natural qualities of Bluejack National is that each home must be developed to minimize disruption of the site. The design of each residence in Bluejack National shall be tailored to the unique features of each individual lot in an effort to preserve its natural features. Views, rolling topography, and significant trees are to be preserved, maintained and enhanced to the greatest extent possible.

THE BLUEJACK NATIONAL DESIGN PHILOSOPHY

The growth of Bluejack National initiates and endows a rich legacy of architectural tradition on its members. With this legacy comes a responsibility to develop and maintain the design philosophy that is expected of a world-class community such as this. Continuity with the best the past has to offer and respect for the natural environment form the cornerstones of the Bluejack National design philosophy for the future. It is therefore important that owners, design professionals and builders endeavor to follow these principles diligently as they conceive, design and construct new residences at Bluejack National.

In accordance with architectural tradition and a desire to minimize the impact on the natural environment, these standards are not intended to preclude design creativity among Club members and their respective design teams. The work of architects throughout history, demonstrates that employing a common language or philosophy of design is no more restrictive to the human imagination than using a shared grammar and vocabulary is to writing great literature. At the same time, a commonality of design approach helps to ensure that buildings express the values of a larger community, rather than solely the whims of an individual designer or owner.

In that spirit, the material put forth in the Club's Design Manual is meant to guide rather than dictate design. It balances the desire for community and deference to The Bluejack National environment with the needs and aspirations of individual owners. The DRC is pledged to work with owners and their designers as required to achieve this balance of the common good and private enjoyment.

SECTION 1 - DESIGN OBJECTIVES

The purpose of the DRC is to evaluate each proposed design and its appropriateness to the Lot. The DRC may determine that what was found acceptable in one situation may not be acceptable in another. The goal is for the appearance and character of all residences and improvements to harmonize with and enhance their natural and manmade surroundings rather than to dominate and/or contrast sharply with them. With this in mind, the following criteria are major areas of focus for the DRC:

1. ***Reflect appropriate massing and scale.*** The residence should be designed in a scale that is appropriate for the lot. Buildings must all be constructed within the approved lot-specific building envelope. In addition to controlling setback requirements through lot portfolios, the DRC will also enforce maximum roof heights as a way of protecting Bluejack National from becoming a community of overly large homes on lots which do not support their size, and a density of development that impedes the natural beauty of the place.
2. ***Create landscapes and buildings that reflect an elegant yet understated casual, outdoor lifestyle.*** Architectural styles are not dictated by guidelines however, an emphasis is placed on informal homes constructed of high-quality, natural building materials. These guidelines outline the overall standards that guide the owner to create a home that reflects their personal tastes while building on the community's setting and history. The use of stone on exterior walls, composite, slate and clay tiles on roofs, wood windows, copper gutters and downspouts are encouraged and in most cases required.
3. ***Create a community that respects and builds upon the existing site characteristics.*** Bluejack National is situated on some of the most beautiful land in the state, with rolling topography, significant elevation change and a mature pine forest. Each building site has been carefully chosen to take advantage of and preserve the site's setting. These guidelines address requirements intended to preserve this heritage.
4. ***Preserve, extend and enhance the existing pine and oak woodland forest pattern throughout the community to unify and knit together all built improvements.*** Bluejack National has many existing mature pine trees on the property. These guidelines outline the way in which the forest canopy shall be re-established on the site so that the landscape, rather than the built improvements, is the dominant element.

Bluejack has planned for multiple types of product to be created through the community. Within this product mix, the Estate Lots & Homestead Lots will be subject to the standards outlined in this document during the pre-construction and construction phase. The "built product" has already been designed and will be built and incorporated into the community in that fashion. All product will be managed in the same manner relative to enforcement and fines after construction is complete.

1.1 ESTATE LOTS

At an average size of one acre, these carefully selected home sites will offer exceptional views, golf course and or trail frontage and easy access to a variety of community amenities; 234 estate lots; Range in size from ½ to 1 ½ acres; Offer exceptional views as well as golf course or trail frontage; Easy access to a variety of community amenities. Part of Master Association.

1.2 THE HOMESTEADS

Each Homestead is organized around a central main house and may include two to three additional cabins with a lawn for gatherings and recreation. Meeting space will also be available; 5 Homesteads are available; each 3.0 – 4.2 acres in size; Offer exceptional privacy; Ideal for meetings and corporate entertaining. Part of Master Association.

1.3 MEMBER SUITES (Built Product)

Conveniently located within the Clubhouse Village, these lodges will provide luxurious accommodations for members and guests while offering exceptional access to all of the amenities and services available at Bluejack National; up to 28 units; approximately 800 square feet; Located within the Clubhouse Village; Luxurious accommodations for short-term visits with easy access to all Bluejack amenities and services. Part of Master Association and also a part of Sub-Condominium Association.

1.4 COTTAGES (Built Product)

Offered in intimate enclaves of five to six cottages, these homes offer private living opportunities with shared village greens and close proximity to the Clubhouse Village, golf club and other amenities; up to 96 units; approximately 1,800 square feet; finished single-family homes; Shared village greens with close proximity to the Clubhouse, Golf Club and other amenities. Part of Master Association and also a part of Sub-Condominium Association.

1.5 SUNDAY HOMES (Built Product)

Set in charming neighborhoods near the Clubhouse Village, the Sunday Homes offer thoughtful floor plans and expansive porches to take full advantage of Bluejack National's relaxed ambiance and luxurious amenities; up to 23 units; approximately 2,800 square feet; Finished single-family homes set in charming neighborhoods near the clubhouse; Expansive porches will provide attractive indoor/outdoor living spaces. Part of Master Association.

SECTION 2 - DESIGN REVIEW PROCESS

This section provides a guide for the Bluejack National community design review process. The process begins with an informal introductory meeting and concludes with the completion of construction. Along the way are a series of meetings and steps designed to ensure a smooth and efficient review of the building and site design.

Bluejack National's design review process takes place in seven steps:

1. Builder Registration
2. Pre-Design Conference

3. Preliminary Design Review
4. Final Design Review
5. Pre-Construction Conference
6. On Site Reviews
7. Final Compliance.

The DRC is comprised of a developer/HOA Board appointed committee, whose mission is to preserve the unique character of Bluejack National's architecture. Having experience with the design review and construction processes, the members of the DRC can be an invaluable resource for prospective homeowners. The DRC is committed to assisting lot owners through the design review process. The DRC should be thought of as neighbors and a member of the owner's design team as opposed to a regulatory review agency.

2.1 STEP ONE: BUILDER REGISTRATION

There are a carefully selected and limited number of builders who will be allowed to construct at Bluejack.

Each approved builder who wishes to construct a home in Bluejack National must first register and be placed on the approved builder list. This is a requirement for every build job, regardless of whether the builder had been previously approved. The purpose of the registration process is to satisfy the DRC that the builder has the capacity to produce a home within Bluejack National that is of a similar quality to protect other homes within the neighborhood and within a timely manner.

Lot owners are advised that placing a builder on the builder list does not mean that the DRC endorses this builder, nor does it imply any relationship between Bluejack National, its HOA, the DRC and this builder. It is up to the lot owner to ensure that they are comfortable with the capabilities of the builder they select.

2.2 STEP TWO: PRE-DESIGN CONFERENCE

Upon closing on a lot, the lot owner will receive from Bluejack National DRC a pre-design conference package that includes a current copy of these Guidelines, the specific lot portfolio diagram, and several other documents that will be needed during the design review process. Prior to the preparation of any materials for formal DRC review, the owner and consultant(s) must meet with the DRC for a mandatory pre-design conference. It is critically important that the owner and their consultants meet with the DRC before commencing any design work in order to avoid costly mistakes and to ensure a smooth design and build process. The purpose of this meeting is for the DRC to answer any initial questions the owner and/or consultants may have and to offer guidance on the following subjects:

- An overview of areas of importance for the DRC, such as appropriate massing and minimization of site disturbance.
- A review of the unique characteristics of the owner's specific lot.
- Evaluating the natural vegetation on each individual lot and working on preserving these areas to the greatest extent possible. It is highly recommended for all involved to walk the lot together during this discussion.
- A discussion and review of the specific building envelope, height and setback requirements, materials requirements, screening requirements and other regulations contained within these guidelines.

- An outline of the steps in the design review process and required fees.

2.3 STEP THREE: PRELIMINARY DESIGN REVIEW

When the owner has plans ready for review, they will contact the DRC and submit the following (Note that all plans require two full size (maximum 30"x 42") sets of drawings):

- 2.3.1 APPLICATION FORM is located at the end of this document and available through the DRC.
- 2.3.2 APPLICATION FEE - \$5,000 for new home construction, \$2,500 for additions, remodels or modifications. Check should be made payable to Bluejack National HOA. This is not refundable.
- 2.3.3 DESIGN APPROACH STATEMENT- written explanation of the design approach and how it meets the objectives of the Bluejack National Design Guidelines.
- 2.3.4 PARCEL SURVEY- a property survey (minimum scale: 1" = 20'-0") prepared by a licensed surveyor indicating property boundaries, the square footage of the property, all easements of record and setbacks, existing grades at 1' contours, any significant natural features such as existing trees of 5-inch caliper or more, or any significant drainage.
- 2.3.5 SITE PLAN – Conceptual plans, (1"= 20') prepared by a State of Texas licensed Civil Engineer showing topography, grading and drainage (1' contour interval), building footprint with finished floor grades, driveway, parking area, turnarounds, drainage, fences/walls, patios, decks, pools and other site amenities. Existing and proposed grades must be shown. Drainage plans must be prepared by a State of Texas licensed Civil Engineer. The DRC is not responsible for drainage.
- 2.3.6 SCHEMATIC FLOOR AND ROOF PLANS - minimum scale 1/8" = 1'-0". Provide the square footage of air conditioned space, garages, covered porches.
- 2.3.7 SCHEMATIC ELEVATIONS – Four (4) – minimum scale 1/8" = 1'-0", including roof heights, existing and finish grades, building heights and notation of all exterior materials.
- 2.3.8 SITE SECTIONS – Two (2) – Minimum scale 1/8" = 1'-0" showing proposed buildings, building heights, elevations and existing and finished grades in relation to surrounding site, including adjacent residences (if built) and roads as may be required by the DRC.
- 2.3.9 STUDY MODEL – Appropriate scale to illustrate the relationship between proposed building forms and topography and prevailing site conditions. These need not be an expensively detailed model, but simply adequate to communicate basic three dimensional massing concepts.
- 2.3.10 COLORED RENDERING – General color renderings and views of elevations and illustrating rendered shadows, with all material call-outs and colors noted.

2.3.11 **STAKING** – The DRC may request that the proposed plan be staked. In this instance the owner will stake the location or corners of the proposed buildings, that ridgeline flagging be erected to indicate proposed heights of buildings, and all other major improvements upon submittal of Preliminary Design Review documents.

2.3.12 **SECOND REVIEW** – A second review may be necessary if corrections or changes are required from the original submission. The DRC will place the second review on the agenda at the next possible meeting date.

2.4 STEP FOUR: FINAL DESIGN REVIEW

Within one year of Preliminary Design Review approval the owner shall initiate Final Design Review by submitting required Final Design Documents. If the approval process takes more than a year, the applicant must submit a new application fee and begin the approval process again. As with the Preliminary information, all plans must be prepared by a licensed Architect, drainage plans/affidavit by a State of Texas licensed Civil Engineer, and landscape plans by a State of Texas licensed Landscape Architect. The plans should include two full size sets (maximum 30" x 42"), and one 8.5" X 110" reduced set of contract documents.

Final Design documents shall generally conform to the approved Preliminary Design Review documents. Submit two full-size sets of final plans that include the following and must include the Construction Deposit (\$25,000) for new home construction, (\$12,500) for additions, remodels or modifications. Checks should be payable to Bluejack National HOA, and must come from the Owner. These deposits are up to 80% refundable at the completion of construction.

2.4.1 **APPLICATION FORM** is located at the end of this document and available through the HOA.

2.4.2 **SITE PLAN** – 1" = 20'-0" minimum scale, showing existing topography and proposed grading (1' contour interval), building footprint with finished floor grades, driveway, parking area, turnarounds, drainage, fences/walls, patios, decks, pools and any other site amenities.

2.4.3 **FLOOR & ROOF PLANS** – 1/4" = 1'-0", indicate all room dimensions, square footage, building coverage, door and window locations and sizes, location of mechanical and electrical systems, fire places and kitchen appliances and location of all required gutters and downspouts. Indicate the location and type of all exterior lighting fixtures as part of an overall 'Dark Sky' lighting strategy and commitment not to 'over light' one's property. Provide floor and roof plans of all accessory structures including terraces.

2.4.4 **ELEVATIONS** - 1/4" = 1'-0", illustrate the exterior appearance of all views labeled in accordance with the site plan. Indicate the detailing of the roof, the elevation of each floor, and existing and finished grades for each elevation. Describe all exterior materials, color and finishes (walls, roofs, trim, vents, windows, doors, etc.) and locate all exterior lighting fixtures. Indicate proposed building height to existing grade.

2.4.5 **SECTIONS** - Indicate building walls, floors, interior relationships, finished exterior grades and any other information to clearly describe the interior/exterior relationships of the building as well as the buildings relationship to the site.

- 2.4.6 CONCEPTUAL LANDSCAPE PLAN - A conceptual plan at 1" = 20'-0" minimum scale, label the irrigated areas, areas of planting, preliminary plant list, indicate the number of plantings required and plantings provided, water features, pools, patios, decks, equipment fencing and any other significant design elements.
- 2.4.7 MATERIAL & COLORS SELECTION FORM - The material and color selection form is available through the DRC and also located at the end of this document. Samples should be provided as well.
- 2.4.8 CONSTRUCTION DEPOSIT - A deposit fee of \$25,000 is required for new construction and \$12,500 for remodels, expansions or renovations. This deposit will be drawn from as necessary to repair damages to common areas or other lots caused by the builder or to enforce specific requirements. The builder is required to comply with all regulations regarding jobsite conditions during the construction process and must follow the hours of construction as dictated herein. If any part of the construction deposit is applied by the Association, the owner shall, immediately upon demand, deposit with the Association a sum equal to the amount so applied in order to restore the Construction Deposit to its original amount.
- 2.4.9 DRAINAGE AFFIDAVIT signed by Homeowner, Builder and licensed Civil Engineer and is located at the end of this document as well as available through the DRC.
- 2.4.10 FINAL LANDSCAPE IRRIGATION - prepared by Landscape Architect or installer/manufacturer; 90 days prior to installation.
- 2.4.11 LIGHTING & SWIMMING POOL PLANS, 1" = 20'-0" Minimum Scale. Must be submitted and approved 90 days prior to installation. Plans must be sealed by a State of Texas licensed Landscape Architect and Irrigator.

2.5 STEP FIVE: PRE-CONSTRUCTION CONFERENCE

Prior to commencing construction, the builder must meet with an authorized representative of the DRC to review the approved Final Plans, the Construction Area Plan, the construction regulations and to coordinate scheduling and construction activities. The Builder must furnish a copy of the Building Permit issued from the County of Montgomery.

Construction Schedule is also required at this step. Include start and completion dates for both building and landscape construction. All construction shall be started within one year of Final Design Approval and shall be completed within 24 months from start of construction.

Refer to Section 6.1.4 - Construction Schedule - for additional requirements.

2.6 STEP SIX: ON-SITE OBSERVATIONS

During the building process, at least three (3) on-site reviews are required. The builder is responsible for contacting the DRC Committee to schedule these reviews. These reviews will only be done on regularly scheduled DRC meeting dates. The minimum requirement and review for each on-site is listed below:

- 2.6.1 **MOCK UP PANEL OBSERVATION**; Prior to the completion of concrete work, a mock up panel, minimum 4' wide and 8' high, is required which depicts the materials, finishes and color selections to be used for all exterior features. It is required that the mock up panel be enclosed on three sides and the portable lavatory is hidden inside. Once the mock up panel has been completed, the builder is required to schedule a mock up panel review with the DRC Committee prior to placing any materials or colors on the home.
- 2.6.2 **FRAMING OBSERVATION** - The builder is required to schedule a Framing Observation review with the DRC to ensure that the improvements are framed in compliance with the plans prior to installation of any exterior materials. The builder is responsible for obtaining necessary permits from the County of Montgomery.
- 2.6.3 **FINAL OBSERVATION**- Once construction has been completed; the builder is required to schedule a Final Observation with the DRC Committee prior to allowing the family to occupy the home.
- 2.6.4 **OTHER OBSERVATIONS** - During construction, the DRC is available to review and approve any proposed changes or alterations to the Final Design Document. If any changes or alterations are found that had not been approved, the DRC will issue notice to the owner and/or builder as described in the Construction Compliance section of this document.

2.7 STEP SEVEN: COMPLIANCE

Once a Final Observation has been completed and all items have been approved and are compliant, a Notice of Completion and Compliance Letter will be issued to the homeowner and the remaining construction deposit balance will be released (up to 80% of the initial deposit).

2.8 GENERAL INFORMATION

- 2.8.1 **APPLICATIONS FOR REVIEW** – Applications for DRC review are included in this packet of information. The application forms provide the DRC with the basic information needed for review and serve as a checklist for the Builder so that all design elements have been considered in the project.
- 2.8.2 **MEETING SCHEDULE OF THE DRC** – The DRC will convene meetings for the review of plan submissions on every other Thursday. All submittals must be received no later than seven (7) days prior to the DRC meeting. Incomplete submittals will not be reviewed.
- 2.8.3 **SUBMITTAL AND RESPONSE DEADLINES** – All submittals required by Section 2 of the Design Guidelines must be submitted, reviewed and approved by the DRC prior to the commencement of that stage of construction, within 30 days of receipt.
- 2.8.4 **DECISIONS OF THE DRC** – A written decision of the DRC will be rendered no later than seven (7) days after the DRC meeting in which it was discussed. The DRC's decision may be:

- Approved
- Approved as noted
- Disapproved

2.8.5 VARIANCE REQUESTS – The DRC recognizes that each lot has its own characteristics and that each owner has their own individual needs and desires. For this reason, the DRC has the authority to approve deviations from any of the guidelines contained within this document. It should be understood, however, that any granting of variances is strictly at the DRC's discretion based upon the aesthetics of the home/site. Approval of deviations will be expected to be based on the most creative and appropriate solution to unique situations.

Prior to the DRC approving any deviation from a guideline, it must be demonstrated that the proposal is consistent with the overall objectives of these Guidelines and that the deviation will not adversely affect adjoining lots or the community of Bluejack National as a whole. Please contact the DRC if you have any questions regarding variances.

In an effort to allow homes to fit within the topography, existing tree locations, and to take advantage of each lot's view corridors, the DRC will work with each owner if slight adjustments are needed within the building envelopes to preserve the natural features on each lot.

2.8.6 CONSTRUCTION COMPLIANCE – As previously stated, the purpose of the Design Review process is to ensure that quality remains high. The DRC is comprised of a licensed Architect and representatives of the developer/HOA who are closely familiar with this process and are working to help owners and builders through the design and construction to a finished product which reflects the standards of the community.

Great care and time is spent on the review and approval of plans, as well as ongoing monitoring of construction. It is incumbent upon the owner to ensure that his/her builder follows the plans which are approved by the DRC. Because the focus of the DRC is on the exterior of the property, changes made to the interior of the home do not require review, as long as those changes do not impact the exterior of the home, and comply with square footage restrictions.

If exterior design elements are altered during the construction process, without DRC approval, the finished product will not be in conformance upon completion and will not receive a compliance letter. It is the express desire of the DRC that all homes be completed as approved. The Bluejack National DRC wants to help owners and builders to accomplish this before the home is finished, while it is easier and less costly to make changes.

Builders and Owners will be contacted by the DRC if the project is not in compliance during the construction process and it is expected that the non-compliant issues will be addressed promptly. Failure to comply may result in denial of construction access to the site and forfeiture of deposits. The HOA certainly hopes never to have to exercise its rights to file liens, impose fines or foreclose on properties, but is legally able to do so. A compliance letter is needed before a house can be

occupied or sold and the DRC will work diligently with Owners and Builders to make sure one is received.

- 2.8.7 NON-LIABILITY – The Applicant acknowledges and agrees that the DRC and the HOA assume no liability resulting from the approval or disapproval of any plans submitted. The DRC and the Association assume no liability and make no representations regarding the adequacy or quality of any submitted plans or whether such plans comply with any or all-governing authority requirements. The DRC review and comments do not relieve the Applicant of their responsibility and obligation to comply with the Declaration of Covenants, Conditions, and Restrictions for Bluejack National (CC & R's) or the Design Guidelines as applicable.

SECTION 3 - SITE & LANDSCAPE GUIDELINES

The following chapter outlines guidelines and standards for all site work relating to the home site, including grading, planting, location of structures, design of outdoor areas and the preservation and enhancement of the overall landscape.

3.1 SITE & LANDSCAPE OBJECTIVES DESIGN OBJECTIVES:

The following are the main objectives for landscape and site design at Bluejack National:

- To preserve, protect and enhance the existing pine forest and other existing mature vegetation throughout the property.
- To design outdoor space that ameliorates the climate by providing shade, shadow, texture and breezes while acting as natural extensions of the quality indoor spaces.
- To utilize plants, landscape structures and details that draw upon the land's regional heritage and responds to the unique climate and setting challenges.
- To create a site-specific and high-quality landscape environments that complement the overall community and golf legacy of Bluejack National.

3.2 HOME SITES

A Lot Portfolio Diagram has been prepared for each lot depicting the overall dimensions and any unique topographic and vegetation attributes of that lot. Each lot portfolio diagram will also depict and highlight the primary design parameter called the 'Building Envelope'. The building envelope is a lot-specific zone defined by the DRC and Association that incorporates all public zone setback requirements, and should be thought of as both the build-to line as well as the area of disturbance for and location of all horizontal and vertical construction. No disturbance, staging or construction can occur outside the building envelope.

Further information on each home site can be found on the Bluejack National Community Master Plan and Lot Portfolio Diagrams which are available through the Bluejack National Sales Office. Again, building envelope locations were determined and defined based on the specific characteristics of each lot, setback criteria and on the planning and design objectives for Bluejack National. Specifically each building envelope works to:

- preserve the splendor of the existing natural setting by locating buildings where they will blend into the site;
- protect and enhance the distinctive natural features of the lot – such as existing natural vegetation and topography;
- minimize need for overall lot grading;
- maximize privacy
- promote access and orientation to primary view;
- cumulatively preserve and maintain (and in some unique cases establish) as dense a natural forest canopy as possible throughout the community;

Each home site consists of:

A BUILDING ENVELOPE (ONLY) – The Building Envelope is the only area where any enclosed vertical structure can be located. Site improvements beyond enclosed structures may also occur in the building envelope only, including terraces, pools, open area structure and/or gazebos, walls, gates and associated improvements for driveway access and some portions of auto court areas. Generally, the landscape material in this area is considered private and partially hidden by walls or structures and is not visible to adjacent properties. Plants listed in the Prohibited Plant List may not be utilized.

3.3 BUILDING ENVELOPE LINES

A Building Envelope has been established for all home sites to ensure that every home is situated to minimize impacts to the site and maintain the privacy of home sites. Building Envelopes are areas designated on the lot portfolio diagram within which all proposed improvements on the lot (except utility connections and associated driveways) must be placed.

The building envelope specifically is where all buildings, terraces, pool and/or garages are developed. Each building envelope incorporates all necessary building setback lines which describe the minimum dimensional separation required from the front, side and rear property lines. All those requirements are specifically labeled on the lot portfolio diagram.

Buildings within the building envelope must conform to the maximum building height requirements set forth in these guidelines. Most of the landscape within the building envelopes is not visible from public areas such as neighboring home sites, open space areas, the golf course and/or the street because it is screened by possible architectural wall extensions, buildings, landscape plantings and/or other landscape elements. Within this area the owner has more flexibility in creating a more varied and ornamental landscape. However, even in the building envelope, plants listed in the Prohibited Plant List (Appendix #) may not be used.

3.4 COMBINING LOTS

When an owner combines two or more lots, the DRC will publish a new lot portfolio and associative building envelope location and size based on the new lot lines and the criteria described in these guidelines. Replatting into one lot is required through the County of Montgomery and Bluejack National will not allow the lot to be subdivided back once completed. Please note that when combining lots, the total amount of side yard setback represented on the two previously separate lots cannot be reduced and there can be no reduction on total green space. Again, all modifications will

be represented on the issuance of a new lot portfolio. Please allow one (1) week for the new lot portfolio request to be completed.

3.5 BUILDING COVERAGE & MINIMUM FLOOR AREA

Per the building envelope, in no case shall building coverage, inclusive of driveways, decks, balconies, or overhangs, exceed the total area defined by the building envelope. Minimum Floor Area for interior air-conditioned space is 3,000 square feet for all new homes. Although these guidelines do not set a maximum square footage for the Maximum Floor Area, it is recommended that the size of the house be in scale to the size of the lot and ridge line lengths not exceed limits stated in the Architectural section.

3.6 GRADING & DRAINAGE

OBJECTIVES:

- To blend improvements into the site by utilizing continuous, smooth flowing land forms
- To maintain the natural drainage patterns on the site and encourage natural percolation
- To retain the character of the site's natural rolling topography
- To minimize existing tree impact and removal
- Control of grading is absolutely critical and minimization of grading is essential

GRADING GUIDELINES:

- The DRC requires owners and builders to engage a State of Texas licensed Civil Engineer to review grading and drainage. Owner, builder and licensed civil engineer must sign a Bluejack National Drainage Affidavit. The DRC is not responsible for drainage issues experienced by an Owner.
- All cuts, fills and retaining walls shall create smooth transitions at top and bottom of slopes and appear to be extensions of natural landforms.
- Slopes shall not exceed 3:1 unless it can be demonstrated that a steeper slope will not erode. Natural slopes are to be used instead of structures wherever feasible.
- Cut and fill slopes are to be re-vegetated with plantings appropriate to the site to blend them into the surrounding environment. Revegetation should be completed as soon as possible and erosion control measures must be implemented upon completion of grading.
- In general, cut and fill quantities from grading operations should balance on site.

RETAINING WALL GUIDELINES:

- The maximum height of site retaining walls is 4 feet unless incorporated into the house foundation (basements). Retaining walls shall be built to extend and/or blend with the existing topography. All retaining walls are to be within the building envelope line. Possible variances may apply on front edge where driveway access would benefit from wall retaining.
- Where grade changes exceed four feet (4'), stepped-back or terraced wall structures with ample planting terraces (4 feet minimum width) are to be used.
- An approved Bluejack National stone palette is to be used for all retaining walls which are visible from public areas (street, golf course and/or open space). A dry stack pattern, structural in appearance, is required. If the retaining wall is incorporated into the wall of the

home, then the retaining wall would be allowed to be the same masonry material as the wall of the home. Stones should not be uniform in size. They should include a mix of larger stones at the base with smaller stones on top, to resemble an ancient wall. There should be no continuous lines. Other wall materials will be considered, provided they are located in the Building Envelope areas and are out of public view.

- Walls are to be designed with a 2: 12 batter if the overall wall height exceeds 4 feet.
- Higher walls may be necessary due to topography and may be approved when such a solution would significantly reduce overall impacts to the site.
- The tops of walls are to be shaped to blend with natural contours. Ends of walls should not be abrupt, but are to be designed to create natural-looking transitions with existing landforms and vegetation.
- In general, retaining walls may not delineate or parallel setback lines for long distances. Walls shall utilize offsets or curvilinear / serpentine forms that respond to the site's topography and house design.
- No exposed fill slopes are allowed.

DRAINAGE GUIDELINES:

- In general, drainage from home site improvements is to be directed into natural swales or improved channels on the home site. Drainage on a home site may not be directed onto an adjacent property unless provided for in the Bluejack National Master Drainage Plan. The DRC requires owners and builders to engage a State of Texas licensed Civil Engineer to review grading and drainage. Owner, builder and a licensed Civil Engineer must sign a Bluejack National Drainage Affidavit. The DRC is not responsible for drainage issues experienced by an Owner.
- Where practical, existing drainage patterns are to be maintained. Drainage design is to emphasize reducing erosion, runoff and adverse impacts to water quality.
- New drainage ways are to be designed to appear and function like natural drainage ways. Stone dry creek elements are encouraged to enhance drainage swales as part of the landscape design.
- Increased water flow off of the home site is to be managed to the greatest extent possible within the home site by systems that detain water and encourage percolation.
- Ponds and artificial water features may be built only within the building envelope. Exceptions may be granted provided they are not visible from off-site or neighboring properties or, in the opinion of the DRC, are appropriate in scale, design and location. It is encouraged that artificial water features are located and act as potential courtyard focal points.
- Materials and sizes for all culverts, visible drainage structures and driveways are to be reviewed and approved by the DRC on a case-by-case basis, and none smaller than 12 inches in diameter.
- When appropriate, gutters and downspouts will direct drainage from the roofs to on-site drainage collection areas. In no event shall gutters and/or downspouts drain onto adjoining home sites or public right of way.

3.7 DRIVEWAYS & AUTO COURTS

OBJECTIVES;

- To blend driveways into the natural terrain to minimize grading.

- To minimize visibility of paved areas from neighboring lots through careful siting and use of architectural devices and use of plant materials.
- To create "auto court" areas for parking/garage uses through the use of special paving, architectural devices, plantings and/or walls. To utilize special, enriched paving materials that include seeded aggregates, textured and colored concrete, and/or use of brick and/or stone banding such as stone or brick pavers.

GUIDELINES;

- All driveways are to follow alignments that minimize grading or other disruption of the site. The driveway-parking-garage layouts shall minimize visibility of garage doors, driveways and off-street parking from the street, common areas and adjoining home sites.
- One driveway entry will be permitted for each lot. The DRC may, at its discretion, consider more than one driveway entry on an individual, case-by-case basis.
- Material selection and driveway concepts require review and include appropriateness of colored and patterned concrete, precast concrete pavers, approved Bluejack National stone, brick, cobble, decomposed granite with concrete and/or stone and cobble or brick banding edge detailing. The use of asphalt is permitted at the discretion of the DRC as it 'fits' with the darker tones of this unique forested landscape.
- Auto courts shall have a maximum of a fifty foot (50') paved width as measured along the lot frontage or a maximum width of 45% of the total lot width. The DRC may consider exceptions to this guideline on narrow front, pie-shaped Lots.
- As determined by the building envelope, auto courts shall fall within that pre-defined zone.
- Paving should match or be similar in style and color to paving used for other outdoor areas such as terraces, and/or stairs.
- Coloring and texturing of concrete is optional. Colors of finish paving materials shall complement proposed buildings and integrate well with the surrounding darker earth tone colors and will be reviewed by the DRC with this in mind. Seeded, exposed textures, or stamped patterns may be utilized but reviewed based on appropriateness.
- Maximum gradients on driveways shall be ten percent (10%). A slight variance for a steeper grade may be possible and/or needed and is contingent on existing site conditions and fire department approval.
- Driveways shall be a minimum of ten feet (10') wide and a maximum of fourteen feet (14') wide, except at the driveway apron to garage entrances and/or where they provide a turnaround at a garage and/or off-street parking. Parking and turnaround areas must be located within the Building Envelope.
- Where driveway retaining walls are required and visible from outside the home site, walls shall be constructed with approved utilizing the approved Bluejack National stone palette. Wall material is allowed to match home with conditions.

3.8 GARAGES & PARKING

OBJECTIVES:

- To minimize visibility of parking areas through planting, architectural projections and careful siting of garages.
- To accommodate all parking needs for the home site on the lot.

GUIDELINES:

- All lots shall include an enclosed garage that can accommodate a minimum of two (2) cars.
- Wood clad, recessed garage doors (minimum of twelve inches (12'')) are required. Single stall door openings shall be used as viewed from public zones.
- Garages, particularly garage doors, must be sited and located so that visibility from a project roadway is minimized. Side loading garages are strongly encouraged. Three-car garages that face the street are not permitted. Garages that incorporate doors which face the street shall be setback an additional five feet (5' as added to front building face) and densely planted to building envelope as a way to minimize their visibility.
- Guest parking – each lot shall accommodate enough space to accommodate the minimum of two guest parking spaces (in addition to the required two enclosed spaces). These spaces can be included as part of both the auto court area and turn around areas along with the portion of the driveway closest to the residence. In any event possible parking areas shall be screened by a combination of plantings and/or low walls (a maximum of four feet (4')).
- Limited on-street parking is permitted to provide for temporary overflow/guest parking. No permanent on street parking for homeowner vehicles is permitted. No overnight parking is permitted.
- Parking spaces shall have a minimum dimension of nine feet by eighteen feet (9' x 18').

3.9 PATHS, OUTDOOR STAIRS, COURTYARDS & TERRACES

OBJECTIVES

- To create outdoor spaces that ameliorate the climate through the use of plantings, walls, architectural devices and/or landscape structures.
- To utilize materials that augment the architecture and materials of the building. To create outdoor "rooms" which are natural extensions of the indoor rooms of the residence.
- To design outdoor improvements that respond to the lot's topography and characteristics.
- To incorporate small to medium size garden trees in patio/terrace areas to provide shade, scale and to soften buildings and walls.

GUIDELINES:

- The spatial organization of the residence as well as the organization of the outdoor spaces shall be designed as one unified whole. The demarcation line between indoors and outdoors should be blurred to the extent possible.
- Designing a terrace around a focal point such as a fountain, small garden pool and/or specimen tree is encouraged.
- All paths, outdoor stairs and terraces are to be located within the building envelope.
- The use of architectural devices such as balconies, courtyards, arcades and/or porches to help in the gradual transition from indoors to outdoors is encouraged.
- The use of natural materials such as stone, brick, slate tile and/or decomposed granite is encouraged. Concrete may be used provided it is appropriately colored and textured to complement the residence and darker earth colors that surround. Earth-toned brick may be used, subject to DRC approval.
- Extending flooring materials from inside the residence to the outdoor spaces is encouraged.

- Designs should minimize the use of several different types of paving materials in order to produce an understated, unified design.

3.10 WALLS, FENCES & GATES

OVERALL OBJECTIVES

- To construct walls, fences and gates which borrow from the regional influences and traditions of the area.
- To design walls, fences and gates that are related to and act as natural extensions of buildings.
- To achieve privacy through careful building and planting design, minimizing the need for privacy walls and fences.
- To minimize the need for walls and instead utilize vegetation to define outdoor spaces and provide for screening.
- No fencing or wall structure shall extend outside of the building envelope.

OVERALL GUIDELINES:

- If and when a DRC approved site wall exceeds four (4) feet in height, it also requires an integrated landscape treatment that includes a mix of vine and shrub planting so that a minimum of 50% of the wall face is softened with plantings.
- Walls, which extend the architecture of the building to enclose outdoor rooms such as patios and courtyards, may be up to six (6) feet in height, as measured from the lowest adjacent grade.
- Approved materials for walls and fences that extend the architecture include stucco, stone and/or metal. Wood may only be used as an accent for fencing. When using stone, a dry-laid appearance is required. Simulated stone may be used only if it has a stucco overlay and is approved by the DRC.
- All walls visible from roads and/or the golf course must utilize an approved wall/fence style described herein. Walls and retaining walls that are not visible from public areas can be constructed of materials to match the house.
- Fence, wall and gate designs shall be open metal and/or open wood-as-accent and shall borrow from the region's building traditions and the Bluejack National style described herein.

SPECIFIC STONE WALL GUIDELINES

- Stone walls should respond to the topography with an alignment adjusted to fit the contours of the slope. In general, walls shall have a softened profile and form. Ends of walls should "die" into topography and/or vegetation where possible.
- Incorporate a mix of sizes and shapes with larger stones predominating at lower levels. Walls shall incorporate a battered design. A dry laid appearance is required.
- Corners of large stone walls should use larger anchor stones or be "woven" together. Natural boulders of the same stone may also be incorporated into the wall foundation to further "anchor" the wall.

TYPE A: Pool amenity site Stone Wall with Picket

- Base (optional)

- Pool safety enclosure ordinance requirement must be adhered to.
- Dry stack stone column
 - Height may adjust with slope conditions. Adjustments in height with a cap. Post height to exceed panel height by 4". Steps to be 6" minimum, 12" maximum. Wall height to average 6'-0", with minimum height of 5'-0" to comply with local pool safety enclosure ordinances.

TYPE A ALTERNATIVE: Pool amenity site Stone Wall with Short Picket

- Dry stack stone base and column to be used at fence transitions and/or at corners.

TYPE B: Iron Picket Fence

- Pre-hammered solid/hollow iron pickets
 - *NOTE: Height may adjust with slope conditions. Adjustments in height shall step utilizing a 2" X 2" post with a cap. Post height to exceed panel height by 4". Steps to be 6" minimum, 12" maximum.

TYPE C: Iron Picket Fence (5' - 0" typical)*

- Pre-hammered solid/hollow iron pickets
 - *NOTE: Height may adjust with slope conditions. Adjustments in height shall step utilizing a 2" X 2" post with a cap. Post height to exceed panel height by 4". Steps to be 2" minimum, 6" maximum. Maintain 5'-0" minimum height around pool and 3'9" minimum separation between horizontal members to limit climbing potential.

TYPE C ALTERNATIVE: IRON PICKET FENCE ON LOW STONE WALL

TYPE D: Wood Fence (4' – 6" typical)

POSSIBLE FENCE LOCATIONS:

- Bluejack National is unique in that overall the community discourages the 'over use' of site walls and fences.
- If and when walls and fencing are proposed, both purposeful and aesthetic considerations will be review.
- Lot Perimeter fencing is prohibited.
- Small area fencing is allowed primarily for safety of site amenities (pools) and uses (small play structures or 'outdoor rooms' adjacent to the home.
- In general walls and fences should be viewed as extensions of both architecture and living space and therefore more adjacent to vertical structures and architectural elements.

3.11 LANDSCAPE STRUCTURES

OBJECTIVES:

- To design landscape structures that appear as extensions and/or additional building components of the main residence.

- To incorporate landscape structures which help to ameliorate the climate and create shade, shadow and texture.
- The height, color, materials and style used for outdoor structures should be the same or similar to the residence. Heavy wood timbers if used for rafters, posts or trellis elements must be substantial in their dimensions and either redwood, cedar or treated with stain or paint to withstand the effects of climate.

GUIDELINES:

- Landscape structures such as arbors, pergolas, trellises, gazebos, pavilions, Porte cocheres, greenhouses and/or decks must be located within the Building Envelope area. Pergolas, arbors and trellises must be open to the sky above
- Heavy wood timbers

3.12 PLANTING

OBJECTIVES:

- To utilize new plantings to frame outdoor spaces, lessen the impact of new structures, screen use areas and unify the community.
- To enhance the existing pine trees and oak specimens.
- To re-establish dense pine and oak woodland, forest over story as the dominant unifying landscape that "knits" together the various built elements of the community.

GUIDELINES:

- Landscape plans including irrigation plan, prepared by a licensed Landscape Architect and licensed Irrigator, are required to be submitted and approved by the DRC 90 days prior to installation.
- Plant materials should envelop buildings and help to complete structures and outdoor rooms. Shrubs may be used as informal low walls, vines may be used to fill in walls between structural components, and trees may be used to provide scale for building masses.
- Existing trees on the lot shall be preserved to the greatest extent possible. Tree planting requirements as described herein may be adjusted if the DRC finds that the planting goals have been met by preserving existing trees.
- A gradual transition should be made from the more ornamental and "formal" planting areas near the house to the more informal/native landscape of building envelope edge. This transition may be achieved by gradually introducing more indigenous materials arranged in more naturalistic patterns and softening the lines of the improved areas as you move away from the main residence.
- Lots adjacent to the golf course shall develop planting designs that augment and extend the golf course landscape onto their lot in order to avoid any abrupt contrasts.
- Approved plant lists are located in within this document, which include plants suggested for the Building Envelope.
- A Prohibited plant list is included within this document. These plants represent species with characteristics that are potentially destructive to the community landscape and have weed-like characteristics. Under no circumstances may a plant from the Prohibited Plant List be used.

- To establish a dense forest canopy, the use of larger size boxed specimen trees is encouraged. In certain instances planting of large sized specimen trees may be required if mature pine trees have been removed from the home site. This issue will be reviewed between the lot owner and the DRC.
- Existing trees planted/maintained by the developer to establish the forest canopy along lot frontages shall be protected with temporary fencing during construction.

3.12.1 PLANTING GUIDELINES & REQUIREMENTS FOR CUSTOM & ESTATE HOME SITES

In General, all residential planting should occur within the lot-specific building envelope. Beyond the building envelope, only select clearing (6" minus) and natural landscape enhancement may occur with previous DRC approval. Overall, residential planting concepts:

- Should improve the health of the existing vegetation and surrounding environment while providing comfort for the homeowner.
- May use a greater variety of plant material in areas immediately adjacent to building improvements that are not visible from off-site location. Refer to Appendices #, # and # for lists of prohibited and approved plant species for the home site.
- Should use larger specimen trees in areas close to the house to help blend buildings with the site, accentuate entry areas, provide for climate amelioration, and help to define outdoor spaces.
- Should utilize a healthy planting medium (soil and amendments) during installation of all landscaped areas that will have the following characteristics:
 - Existing topsoil to have 25% organic content and pH to range from 5.0 to 7.0 inclusive.
 - Backfill mixture of Terrasorb AG or similar approved product at rate specified by manufacturer.
 - Three (3) inches of compost and organic fertilizer incorporated into bed to 6 inches depth.
- Contribute to the dense community-wide forest canopy where possible but particularly along the streetscape. Therefore, each owner shall plant (or maintain) within the building envelope the following plant materials:
 - Five trees (4 inch caliper or greater as measured 6 inches from the ground for deciduous species and/ or 10' foot overall height for evergreen species) chosen from the forest canopy tree list located in Appendix # - Plant List for Public Zones; and
 - Five trees (3 inch caliper or greater as measured 6 inches from the ground for deciduous species and/ or 8 foot overall height for evergreen species); and
 - Seven shrubs (five gallon minimum size) per 500 s.f. of building coverage. Building coverage should be rounded up to the nearest 500 s.f. to calculate the number of required shrubs. Shrubs located in the building envelope must be selected from the Plant List for Public Zones in Appendix #. Shrubs located in the Improvement Envelope must be selected from Appendix B - Plant List for Improvement Envelopes; and

- One vine per 30 lineal feet of wall located facing the arrival site of the lot except for low estate walls or retaining walls.
- Consider the long-term maintenance aspects of all aspects of the lot – both for existing and proposed plant material – and develop a plan that promotes both a water sensitive design and a long-term regenerative concept.

3.13 POOLS & WATER FEATURES

OBJECTIVES:

- To locate pools and/or water features where they are out of public view.
- To design pools and/or water features which augment the outdoor spaces and extend the architectural style of the main buildings.

GUIDELINES:

- In general, pools and water features should be designed to be integral parts of the outdoor rooms and visually blend with the landscape. Landscaping should be selected and arranged to complement the water feature and create "outdoor rooms."
- Swimming pools, spas, ponds and other water features shall be located within the Building Envelope.
- Swimming pool and pond areas must be screened with low landscape walls and/or plantings to minimize their visibility from the golf course, adjacent home sites and/or open space areas.
- Design solutions that eliminate the need for a pool fence while complying with safety code issues are encouraged.
- The exposed edges of infinity or "negative" edge pools must utilize an approved natural stone on exposed pool walls or surfaces that are visible from off site, with the base of the wall screened with shrub, vine and/or ground cover plantings.
- Pools and spa equipment must be located behind 4' walls or in underground vaults next to the home to contain noise and must be landscaped so as to be screened from view. Solid noise absorbing covers for equipment may be required after installation if it is discovered that the equipment is audible and /or disturbing from adjacent properties.
- Pool and water feature lighting.... TBD

3.14 IRRIGATION

OBJECTIVES:

- To minimize the amount of landscape irrigation required through water sensitive landscape design.
- To utilize irrigation systems that provides efficient water coverage and minimizes water usage and runoff.
- To ensure adequate levels of irrigation using automated systems to promote optimal plant growth and more rapid establishment of a mature forest canopy.

GUIDELINES:

- Irrigation plan by a licensed Irrigator is required to be submitted and approved by the DRC 90 days prior to installation.
- Rain barrels may not be installed upon or located within any common area of Bluejack National.
- Incorporate bubbler irrigation systems that provide deep root-zone irrigation of trees and shrubs.
- Rain barrels must be of a color that is consistent with the color scheme of the property.
- Rain barrels must be located within the building envelope.
- Rain barrels must be properly maintained at all times or be removed by the owner.
- Group plant materials according to their water consumption needs.
- Mulch all new planting areas, including trees in lawn areas with a minimum of 3 inches to retain soil moisture and provide for weed control.
- A single rain barrel may not exceed 50 gallons in capacity.
- All irrigation systems will utilize a central, computerized controller and a rain gauge to maximize efficiency.

3.15 LIGHTING

OBJECTIVES:

- Dark Skies – This project’s objective is to preserve the dark skies by minimizing the exterior lighting:
 - Direct lighting of structures or landscaping is prohibited
 - Exterior lighting may be used at key design points, such as arrival and entry point.
 - These fixtures must have translucent lens, with no more than 40 watts.
 - All other exterior lighting must be indirect with all light sources shielded from view; light bulbs are not to be seen.
 - Up-lighting is prohibited.
 - All exterior light sources should be a white light; no sodium vapor or colored.
- To preserve the nighttime dark sky by minimizing the amount of exterior lighting and not ‘over lighting’ outside gathering areas.
- To utilize low intensity, indirect light sources to the extent required for safety and subtle drama.
- To achieve outdoor lighting of plant materials with hidden light sources.

GUIDELINES:

- Exterior building lighting, either attached to or as part of the building, should be the minimum needed to provide for general illumination and security of entries, patios and outdoor spaces and associated landscape structures. Path lighting shall utilize fixtures with an 18" maximum height.
- Exterior site lighting must be directed onto vegetation or prominent site features, such as plantings, and not upon the buildings. Special attention shall be placed on lighting impacts to adjacent homes. No up lighting is permitted.

- Only low voltage, incandescent lamps with a maximum of 50 watts may be used for all exterior lighting applications. The DRC will consider a different lamp (such as LED fixtures) with the same wattage output on a case by case basis.
- To preserve the nighttime dark sky, lighting emanating from the home's interior is also subject to DRC control. Interior lighting should be concentrated at activity areas and minimized next to windows. Built-in lighting adjacent to windows should be directed towards the home's interior. Architectural or decorative elements should be used to minimize the quantity of light escaping through the windows.
- With the exception of low-level driveway lights, all lighting must occur within the Building Envelope. Subtle lighting of the driveway entry, entry piers and/or address numbers is allowed. Pole mounted lighting is not permitted.
- Architectural facade up lighting is strictly prohibited.
- Lighting of plant materials shall be achieved with hidden light sources. This can be achieved by utilizing lamps recessed into the ground or hidden by plant materials.

3.16 UTILITIES & EXTERIOR SERVICE AREAS

OBJECTIVES:

- To screen service area and utility boxes from off-site views.
- To ensure any noise or smells from trash or equipment are contained within the service areas.

GUIDELINES:

- All site utilities within the lot are to be installed underground. Utility boxes are to be located so that they are accessible to service personnel. All utility boxes shall be visually screened by planting and/ or architectural devices when possible.
- All mailboxes in the community will be located in the Post Box area of the Bluejack Coffee Building.
- Trash disposal areas, outdoor work areas and outside equipment are to be completely screened from off-site views by the use of architectural features or plant materials. Where feasible, these areas should be integrated into the main buildings. These areas should be locked and contained so animals do not disturb.
- Trash container storage areas must be located so that they are easily accessible to service personnel and smells are contained.
- Air conditioning units should be located behind 4-foot walls and be landscaped so as to be screened from view, and must contain noise. Solid noise absorbing covers for equipment may be required after installation if it is discovered that the equipment is audible from adjacent properties.
- Exterior storage of patio furniture and outdoor living accessories (BBQ's, heaters, etc.) in areas visible from off-site is allowed provided it meets the following requirements:
 - If stored uncovered, the furniture is to be stored in the same locations as if it were in use.
 - If stored with covers, the covers must be made from non-glare material and of dark, earth tone colors.

3.17 PLAY EQUIPMENT & STRUCTURES

GUIDELINES

- Individual play structure must be submitted for approval to the Bluejack National DRC.
- Play equipment shall be limited to either the side or rear area, and must be located within the building envelope.
- Play equipment must be constructed of timber and height may not exceed twelve (12) feet from finish grade.
- Fabric awnings are to be solid earth toned colors (i.e., dark green, gray, brown, etc.).
- Playhouses are allowed, but shall be limited to either the side or rear areas, and must be located within the building envelope.
- Playhouse roof and facade materials and colors must be similar to that of the main home.
- Overall size of playhouses shall not exceed 8 feet in height, and 80 square feet in area.
- Tree houses are not permitted.

BASKETBALL GOALS

- Basketball goals must be submitted for approval to the Bluejack National DRC.
- Basketball goals are not allowed to be mounted on a house, garage, shed, etc.
- Permanent basketball goals may be submitted for placement in side yards. Goals must be mounted on freestanding black, matte finished metal poles and have standard white, gray or clear backboards.
- Placement of basketball goal and pole shall be located to minimize visual and use impact to neighboring properties.
- Portable goals are recommended and should be stored out of sight when not in use.
- Only one goal per lot is allowed. No lighting will be allowed.

FLAGS & FLAGPOLES:

- The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a lot if the display is visible from a golf course, street or any common area.
- The flag of the United States must be displayed in accordance with the U.S. Code.
- The flag of the State of Texas must be displayed in accordance with Chapter 3 IOO of the Texas Government Code.
- Any freestanding flagpole, or flagpole attached to a dwelling, shall be constructed of permanent, long-lasting materials. The materials used for the flag pole shall be harmonious with the dwelling and have a finish appropriate to the materials used in the construction of the flagpole.
- The display of the flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements and setbacks of record.
- A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed.

- Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced or removed.
- Only one flagpole will be allowed per lot.
- A flagpole can either be securely attached to the face of the dwelling (no other structure) or be a freestanding flagpole.
- A flagpole attached to the dwelling may not exceed 6 feet in length.
- A freestanding flagpole may not exceed 20 feet in height as measured from existing grade.
- Any freestanding flagpole must be located in the Improvement Envelope.
- Any flag flown or displayed on a freestanding flagpole may be no smaller than 3' x 5' and no larger than 4' x 6'.
- Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3' x 5'.
- Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flag removed until owner resolves the noise complaint.
- To preserve the night sky, only the subtle up lighting of a flag is allowed. No illumination shall create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by owner. Flag illumination may not shine directly into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until owner resolves complaint.
- Flagpoles shall not be installed outside of lot building envelope. All flagpole installations must receive prior written approval from DRC.

3.18 SATELLITE DISHES

OBJECTIVES:

- Satellite dishes are strongly discouraged.

GUIDELINES:

- When proposed, the location of any satellite dish must be submitted to the DRC for review and approval prior to installation.
- They shall be installed so as not to be visible from any neighboring Lot or public area, mounted in an inconspicuous manner and painted to match the adjacent background color to blend the surrounding building.

SECTION 4 - ARCHITECTURE GUIDELINES

THE FOLLOWING SECTION SETS FORTH GUIDELINES AND STANDARDS FOR RESIDENCES AND ANY ANCILLARY STRUCTURES TO BE CONSTRUCTED WITHIN THE BUILDING SETBACK LINES ON THE HOME SITE, INCLUDING APPEARANCE, MASSING, HEIGHT, COLOR AND MATERIALS.

4.1 ARCHITECTURAL OBJECTIVES

DESIGN OBJECTIVES:

The following are the main design objectives for architectural design at Bluejack National:

- To establish an architectural style that unifies the Community while providing for a range of personal choice and expression.
- To utilize local building materials, (stone, stucco, brick, timber) and design influences of the area, to create a building vernacular that responds to the climate, setting and lifestyle of the region.
- To design buildings that blur the distinction between indoors and outdoors.

4.2 THE BLUEJACK NATIONAL STYLE

The basic elements are:

- Simple massing, typically a collection of one to one and a half story buildings, that are further articulated with building projections such as trellises, porches, dormers and balconies.
- Rooms or groups of rooms which are organized to create outdoor "rooms" and courtyards with a strong link from inside to outside.
- Multi-paned doors which open directly onto terraces, balconies and/ or colonnades.
- Windows that are deeply recessed, informally placed, multi-paned and often use additional decoration such as shutters, metal work, and/or walk-out balconies for enhanced detailing.
- Deep shade on the walls created by porches, balconies and deeply recessed windows.
- Buildings which utilize local building materials (i.e. stone, stucco, brick, timber).

4.3 BUILDING HEIGHT & BUILDING HEIGHT MEASUREMENT:

OBJECTIVES:

- To minimize the visual impacts of all Residences so that they blend with the forest landscape.
- Building Height (exclusive of chimneys and minor roof projections) should follow the grade and shall be measured from any point around the building at existing Lot grade to the ridgeline above.
- In an effort to keep roof lines low, the maximum Building Height is generally 32' of any ridge. Exceptions for Lots with challenging topography will be considered on a case-by-case basis at the discretion of the DRC.

4.4 BUILDING FORMS & MASSING

Massing is a primary concern of DRC and will be carefully reviewed. Scale and proportion can be deceiving.

MASSSES: Simple volumes, typically one to one and a half story, with the second floor generally being within the roof. A portion of the Residence may be a full two story mass. Structures should be articulated into 2 to 3 volumes with one volume being clearly dominant. Larger homes of 5000 square feet or more shall be composed of four (4) visual masses.

The Residence should create the image of a group of connected individual buildings or masses. Single two story height "boxes" and or long rectangular masses are not permitted. Multiple offsets and building projections such as porches, dormers, balconies and verandas shall be incorporated to soften and articulate buildings. Courtyards are encouraged to define entries and create outdoor rooms. Massings should have a minimum offset of 24" horizontally and 36" vertically.

Massing should reflect room size volumes or groups of volumes rather than one dominant mass.

Detached garages which utilize trellises or colonnades to connect to the main Residence are encouraged to avoid large bulky masses and to strengthen indoor/outdoor relationships. These structures should be covered.

EXTERIOR WALL HEIGHT: In general, the exterior wall height from finish floor to top of wall plate will be a minimum of 10 feet for the first floor. Styles requiring a different plate height will be considered at the discretion of the DRC on a case-by-case basis.

In general, second story masses or the dominant mass of the building should be located towards the center of the building mass and smaller masses to the sides.

4.5 ROOFS

In general, roofs shall have a moderate to steep pitch and may use flared curves at eaves. Flat roofs must be minimized, unless tied to the design of the buildings. Roofs should incorporate eaves and overhangs so that indoor living spaces are set into the shade. Roof design shall be consistent with the style of the house.

ROOF FORMS: Roof forms may be gable and/ or hipped, and may utilize a double pitch to flare at ends. No ridgeline may exceed 34' in length.

DORMERS: Gable or hip roof forms. Dormers shall be incorporated to break up large roof planes.

PRIMARY SPACE: A large volume space such as a great room that would form the main body of the home. This space could be a great room or the main living space under one overall roof.

SECONDARY SPACES: The normal single to two story volume spaces, these spaces shall utilize either hipped or gable roof forms.

ROOF PITCHES: Roof pitch shall be consistent with the style of the house. Typically 6:12 to 10:12 for single pitch roofs. Double pitch roofs may be up to 10:12 for the main pitch, while the secondary pitch may be between 5:12 and 7:12. Shed roofs may be used as secondary elements and may be used over porches, entries or other outdoor landscape spaces. In general, roof pitches shall be consistent with the style of the house. Styles requiring a roof pitch greater than 10:12 will be considered at the discretion of the DRC on a case-by-case basis.

EAVE DEPTHS: In general, eave depths shall be consistent with the style of the house. Eaves shall have enhanced design detail consistent with the overall architectural style and shall in no case be minimized. Enhanced eave detailing must be used consistently around the structure.

ROOF MATERIALS: In general, the materials selected for the roof should reflect the style and design intent of the home and shall have a "natural look" as encouraged by these guidelines.

Approved materials include flat clay tile, barrel clay tile and natural slates. Non-reflective metal roofs can only be used on secondary roofs. Wood shingles, wood shakes, composition tile (40 year only), concrete tile, or synthetic materials are prohibited unless otherwise approved by the DRC. Metal, standing seam roofs may be used on secondary roofs and, if appropriate, to the design of the house. All exposed flashing shall be copper brought to a natural patina within one year of construction (exception - metal standing seam roofs). Colors shall be earth tones in the grays, dark greens, and browns. Other types of roof materials will be reviewed and may be approved by the DRC on a case by case basis.

FASCIA DIMENSIONS: Fascia dimensions, in general, should be kept to a minimum and be consistent with the style of the house. Generally, 6 inches with no fascia's being larger than 8 inches.

GUTTERS, DOWNSPOUTS AND FLASHINGS: Gutters, downspouts, flashing designs and materials are to be copper and are required. However, on metal roofs, they can match the roof material. Material finishes shall be selected to minimize stains to the exterior facade. Gutters are required to be 6" half round patina or copper gutters. Downspouts are required to tie into underground drainage pipe system and be directed to a drainage easement. Non-sealed iron gutters may be used if encouraged to rust.

CHIMNEYS: Finish to match exterior finish of house. (See Figure 4.8 - Stone Chimney Design) No exposed spark arrestors. No siding allowed.

4.6 EXTERIOR WALLS & FINISHES

The exterior walls of buildings shall use a minimum of two materials with a maximum of three, with one material clearly dominant over the other(s). The majority of the home should be one material (with accents allowed); use of a stone front with brick sides and rear is prohibited.

EXTERIOR WALL DESIGN: Simple, refined wall compositions that firmly tie the building to the site. In general, natural stone shall be used to articulate the foundation and to anchor the house to the site. The exterior wall finish will only be allowed to change on an inside corner.

WOOD: All wood exterior infill areas shall be minimized. All wood infill areas are to be used to accent minor building elements and/or projections. Wood shall be fir, redwood, cedar, or a wood of similar quality, and may be used as an accent material for doors and/ or windows, railings and/ or landscape structures.

STONE/ROCK: Natural stone may be used as a foundation element with stucco slurry infill walls above as long as it is less than 20% over a wood frame or used as full height columns or walls. Stone masonry may have a dry-laid, rough textured and/ or rustic appearance or a more refined ashlar pattern, but should avoid shiny surface textures. Stone masonry shall have a structural appearance with larger stones placed at the base, corners of the wall or other places where justified by structural requirements. Corner details such as quoins must match the materials of the house.

STUCCO & PLASTER: Stucco or plaster, if used, should be used in conjunction with stone/ rock or brick. Stucco or plastered stone walls may be utilized for foundation elements or full height walls as discussed above in Stone/ Rock. Stucco or Plaster on a wood frame may not cover more than 20% of the surface.

4.7 DOORS & WINDOWS

All windows and doors shall be recessed and shaded by overhanging roofs. Window and door openings shall be arranged informally.

WINDOWS: Vertical, multi-paned, primarily casement and/or double hung. All window frames shall be wood and/or wood/aluminum clad or steel (no vinyl) and be recessed a minimum of 2 to 4 inches. Window shapes may utilize shallow arched and/ or flat head types. Generally, windows on the ground floor are larger than those on the second floor. Windows may not have exterior screens. Screens which are on the inside of the house with glass on the outside are acceptable. Screened exterior porches will be encouraged.

DOORS: In general, single or double door units, paneled, naturally stained wood and/or multi-paned glass. Shallow arched openings may be used in courtyards and breezeways or where one outdoor space is connected to another. Entry doors shall be recessed from the front plane of the house a minimum of 18 inches.

SHUTTERS: If used, operable shutters of wood, painted dark grays, medium to dark greens or stained a natural color. Colors shall complement the exterior finish materials and trim used on the building. Double shuttered windows shall be full sash height and the sash width for the window they adjoin. For single shuttered openings shutters shall be the full sash width and sash height for the window they adjoin.

LINTELS: Brick, cut stone, cast stone and or roughhewn wood members.

GLAZING AND GLASS: All glazing shall be double-pane. Glass may be coated or tinted to control solar heat gain, but a reflective, mirrored appearance is not permitted. Decorative glass (frosted, colored and/ or etched) may be used for accent areas. Glass blocks may be used in limited areas.

WINDOW AND DOOR MATERIALS AND COLORS: Stained / painted wood or metal clad wood. Aluminum or other metal windows are not permitted. Doors, window and door frames may be stained and/or painted. Steel frames will be considered by the DRC on a case by case basis.

SOLAR SCREENS: Solar screen panels are prohibited, however drop-down solar shades may be incorporated.

4.8 BUILDING PROJECTIONS & ACCESSORY STRUCTURES

The use of architectural extensions to provide shade and shadow, protect buildings from the sun and create a strong indoor/ outdoor relationship are outlined below. The style and details of these architectural elements, such as column and eave treatments, should be consistent with the architectural style of the house.

COVERED PORCHES: Informal in arrangement, these areas are to be a minimum of 6 feet in depth and utilize wide overhanging roofs. Flooring materials are to be natural stone, tile, brick and/ or colored concrete with bands of stone, tile or brick. In general, these areas should be extensions of the indoor areas they adjoin.

COVERED ENTRY AND/OR SIDE PORCHES/ PORTICOS: Covered porches which provide shelter from the sun, articulate building masses and accentuate entry areas are to be a minimum of 6 feet in depth.

PERGOLAS, ARBORS AND TRELLISES: Open, heavy timbers which connect separate structures, building masses and/ or are free-standing are to be a minimum of 6 feet wide.

RAILINGS: In general, decorative wrought iron which are extensions of the architecture style of the building.

MATERIALS: Materials and colors should be the same or similar to the main structure(s).

4.9 COLOR

In general, color should be muted and non-reflective. Stains may be used to protect wood from weathering, to give it a more refined texture, or to achieve a darker hue. A shiny appearance is not permitted. Woods, stone and rock should be carefully chosen so that their natural colors complement the forest landscape.

ROOFS: No solid colors. Medium to dark browns, dark greens and grays with varied tonal qualities. Masonry grout underneath the barrel clay roof tiles will be permitted provided it is compatible with the architectural style of the home.

WALLS: Natural, earth tone browns, and medium to dark grays.

TRIM AND ACCENT COLORS: Dark, rich earth tones that come from stains and/or refined woods, dark grays to medium to dark gray-blues, medium to dark greens and or medium to dark browns. Semi-transparent muted colors can be applied to trim and/ or shutters.

4.10 DECORATIVE ELEMENTS

Metals, such as wrought iron, copper (w/patina), carved stone, carved wood and/or decorative tiles may be used for fastenings and/ or decorative purposes. Forms and motifs should be consistent with the overall architecture of the buildings and draw on regional influences.

Sculptures and Artwork: All sculptures and/ or artwork visible from adjacent Residence, Golf Course, or Private Open Spaces must be approved by the DRC prior to installation and may be best located in a private area. No reflective materials or bright colors shall be allowed. The Final Design submittal is to include detailed information on size, location, materials, colors, mounting details and lighting.

SECTION 5 - ENVIRONMENTAL LIFE SAFETY & CONSIDERATIONS

THE FOLLOWING CHAPTER OUTLINES GUIDELINES FOR SYSTEMS REGARDING LIFE SAFETY SUCH AS FIRE SPRINKLERS AND ALARM SYSTEMS AND PRESENTS WAYS IN WHICH TO BUILD RESOURCE AND ENERGY EFFICIENT BUILDINGS.

5.1 ENERGY & RESOURCE CONSERVATION MEASURES

Site and building design along with construction techniques which utilize the latest advances in energy and resource conservation and home technology are encouraged. New building technologies, innovative building materials, thoughtful site planning and creative construction systems can be used to create more energy-efficient, durable, and better quality homes. The following measures are strongly recommended in the planning and design of a home at Bluejack National.

RECOMMENDED RESOURCE EFFICIENCY MEASURES:

- Building construction and design should emphasize efficient building practices and the reuse and reduction of materials. Recycling of materials should be maximized.
- Building designs should include adequate space for recycling bins in kitchens, utility areas, and trash enclosures.
- All buildings should utilize high-efficiency (low flow) shower-heads, toilets, faucets and similar appliances.
- We encourage LEED guidelines and practices.

RECOMMENDED BUILDING DESIGN MEASURES:

- Consider increasing the required insulation in walls, ceilings and foundations to reduce energy consumption and to lower utility bills.

SUGGESTED SOLAR ACCESS MEASURES:

- Living areas, such as living rooms, dining rooms, kitchens and bedrooms should be planned for maximum ventilation.

5.2 SKYLIGHTS

Skylights must be integrally designed into the roof structure and are not to be obtrusive. Skylights shall not be visible from front elevations or any public views. Skylight glazing shall not be back-lit or manufactured of reflective material. Skylight framing and glazing shall be colored or coated to match adjacent materials. Skylights shall be flat, low silhouette and non-glare. No bubble-type skylights are allowed. No skylights can extend up and over any ridgeline.

5.3 SOLAR EQUIPMENT

Solar power generating equipment is encouraged but should integrate with the architectural design of the roof structure. Solar panels may not be visible to the adjacent properties, Practice Golf Facilities, Private Open Spaces or any street. All solar designs must be reviewed and approved by the DRC. Solar cannot be located so as to cause any glare back to the golf course.

5.4 FIRE PROTECTION

In order to ensure adequate fire protection, all buildings designed for human occupancy, including garages, must have an automatic fire alarm system. Automatic fire sprinkler systems must meet all applicable codes and ordinances set forth by the County of Montgomery.

5.5 SAFETY MEASURES

Owners may incorporate additional security measures into their plans, subject to the following controls:

- Exterior high-intensity lighting is not allowed.
- Audible alarm systems will not be approved because of their potentially disruptive impact upon the Community.
- Security fencing that interrupts the flow of landscape from the Public Zone to the Improvement Envelope is discouraged.

5.6 TELECOMMUNICATIONS & SMARTPADS

All Home sites within Bluejack National will have 2 - 4" PVC conduits in place along the property line that connects directly to the Bluejack National and County of Montgomery Telecommunications duct bank system. All Bluejack National Home sites will have the opportunity to attach a fiber optic Telecom Network.

Homes within Bluejack National shall be designed and constructed to provide a form of structured wiring in order to take advantage of the technology provided at each Home site.

SECTION 6 – CONSTRUCTION & BUILDER REGULATIONS

6.1 PRE-CONSTRUCTION CONFERENCE

Prior to commencing construction, the Builder must meet with the DRC to review the approved Final Plans, the Construction Area Plan, the Construction Regulations, and to coordinate scheduling and construction activities with the DRC. At this meeting, the Builder or Owner must bring a copy of the Building Permit issued and any related use permit from the County of Montgomery Building Department.

Construction Schedule - including start and completion dates for both building and landscape construction are required at this step. All construction shall be started within one year of Final Design Approval and shall be completed within 24 months from start of construction.

6.2 CONSTRUCTION AREA

Prior to the commencement of any Construction Activity the Builder will provide the DRC with a detailed plan of the proposed construction area within the lot-specific building envelope showing the area in which all Construction Activities will be confined, and how the remaining portions of the building envelope and site will be protected. Construction fencing will be required along the building envelope line. This Construction Area Plan will designate the location and size of the construction material storage and parking areas, and the locations of the chemical toilet, dumpster, debris storage, utility trenching, and the limits of excavation. The plan should clearly identify the methods for the protection of adjacent areas, such as fencing, flagging, rope, barricades or other means to be set up prior to construction. Care must be taken to avoid, or if unavoidable, minimize the visual impact of the Construction Area on neighboring lots, public areas and roads.

6.3 CONSTRUCTION DEPOSIT

In order to insure an Owner's compliance with the Documents, each Owner shall pay to the Association a construction deposit (in an amount established by the Board from time to time)

upon the Owner's submission of final plans and specifications for the construction or modification of an improvement under this Article. Currently, the construction deposit for new construction is \$25,000 and \$12,500 for remodels, additions or expansions. 80% of this deposit may be refundable at the time of completion.

The Association may, without waiving any other remedy provided by this Declaration or by law, draw upon the construction deposit or withhold the release of the deposit as necessary to cover, among other things:

1. The cost or anticipated cost to repair damage to the Private Open Space caused by the Owner, his contractors, sub-contractors, agents or employees.
2. The cost or anticipated cost, to perform the care, maintenance or repairs required to be performed by an Owner pursuant to this Declaration and any rules promulgated thereunder.
3. The cost or anticipated cost to restore an Owner's Lot to a condition existing prior to the commencement of the nonconforming work (including without limitation, the demolition and removal of any unapproved or nonconforming improvement).

If any part of the Construction Deposit is applied by the Association, the Owner shall, immediately upon demand, deposit with the Association a sum equal to the amount so applied in order to restore the Construction Deposit to its original amount.

6.4 ACCESS TO CONSTRUCTION AREA

Bluejack National requires all Builders to comply with the following:

1. Restrict access to the Construction Area only through the Bluejack National construction gate. All people entering will be required to show photo ID.
2. Identify all vehicles entering Bluejack National with the Builder's name and job site.
3. Enforce hours of access, speed limit and route of travel on the Bluejack National road system as specified by the DRC.
4. Limit access to the Construction Area only on designated routes as specified by the DRC.
5. Consolidate all deliveries of materials and equipment to the extent feasible.
6. All construction vehicles must park on the same side of the road.

6.5 VEHICLES & PARKING AREAS

Only vehicles, equipment and machinery that are essential to any Construction Activity may park within the Construction Area or such other specific area designated by the DRC so as to minimize potential damage to existing vegetation or landscape.

6.6 STORAGE OF MATERIALS & EQUIPMENT

All construction materials, equipment and vehicles will be stored within the fenced boundary of the DRC-approved Construction Area. Equipment and machinery will be stored on-site only while needed.

6.7 CONSTRUCTION VEHICLE ENTRY / CONSTRUCTION ACTIVITY TIMES

The vehicle entry hours are as follows:

Service and construction vehicles under one ton will be admitted:

7:30a.m. - 5:30 p.m., Monday - Friday

8:30 a.m. - 5:30 p.m., Saturday

No construction vehicle entry on Sunday

The time of construction will be limited to the period from 7:30 A.M. until 5:30 P.M. Monday through Friday, and 8:30 A.M. until 5:30 P.M. on Saturday. Construction on Sunday is not permitted. No personnel are to remain at the construction site after working hours. Construction on Holidays will be at the discretion of the DRC.

6.8 CONSTRUCTION TRAILERS AND/OR TEMPORARY STRUCTURES

Construction trailers & / or temporary structures are prohibited.

6.9 SANITARY FACILITIES

Sanitary facilities, including potable water, must be provided for construction personnel on-site in a location approved by the DRC. The facility must be screened from view from adjacent Residences and roads, and maintained regularly. Facilities should be tied to the exterior mock-up.

6.10 DEBRIS & TRASH REMOVAL

Contractors must clean up all trash and debris on the Construction Site at the end of each day. Trash and debris must be removed from each Construction Site at least once a week and transported to an authorized disposal site. Lightweight material, packaging and other items, must be covered or weighted down to prevent wind from blowing such materials off the Construction Site. Contractors are prohibited from dumping, burying or burning trash anywhere on the Lot or in Bluejack National except in areas, if any, expressly designated by the DRC.

During the construction period, each Construction Site must be kept neat and tidy to prevent it from becoming a public eyesore, or affecting adjacent Lots. Dirt, mud or debris resulting from activity on each Construction Site must be promptly removed from roads, open spaces and driveways, or other portions of Bluejack National. Any cleanup costs incurred by the DRC or the Association in enforcing these requirements will be taken out of the Construction Deposit or billed to the Owner as needed.

6.11 EXCAVATION, GRADING & TREE PROTECTION

Blowing dust resulting from grading and construction operations must be controlled by watering. During construction, erosion must be minimized on exposed cut and/ or fill slopes through proper soil stabilization, water control and re-vegetation. The Builder is responsible for the implementation of erosion control techniques. Grading operations may be suspended by the DRC during periods of heavy rains or high winds.

The construction entry are must be stabilized with crushed rock or gravel. Silt and construction fencing must be installed.

Every effort must be made to avoid compaction and/or disturbance within the drip line of all existing trees located within and outside an approved Construction Area / Building Envelope.

All topsoil disturbed by grading operations must be stockpiled and covered to minimize blowing dust within the Construction Area and reused as part of the site restoration/landscaping plans.

6.12 FOUNDATIONS

The Owner is encouraged to seek the assistance of a licensed Soil Engineer to examine and test soils conditions on his Lot prior to undertaking any design or construction. Declarant makes no representations or warranties express or implied, as to the soil conditions.

- The Owner and the Owner's Architect, Civil Engineer and Builder shall give due consideration to the design of the foundation systems of all structures.
- It is the Owner's responsibility to conduct an independent soils engineering investigation to determine the suitability and feasibility of any Lot for construction of the intended Improvement.

6.13 LOT SURVEY

Prior to commencement of design, it is the responsibility of the Owner to obtain a survey by a Surveyor licensed in the State of Texas to confirm existing grades, tops and toes of slope, edges of existing ponds and any other features or Lot attributes that would affect the design of any Lot Improvement. As part of the design submittal, the engineer is encouraged to stake the layout prior to construction.

6.14 CONSTRUCTION SCHEDULE

All Improvements commenced on a Lot shall be completed within 24 months after commencement according to approved final design review plans, unless an exception is granted in writing by the DRC. If an Improvement is commenced and construction is then abandoned for more than 90 days, or if construction is not completed within the required 24-month period, the Association may impose a fine of not less than \$100.00 per day (or such other reasonable amount as the Board of the HOA may set) to be charged against the Owner of the Lot until construction resumes, or the Improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the DRC that such abandonment is for circumstances beyond the Owner's control.

6.15 DAMAGE REPAIR & RESTORATION

Damage and scarring to other property, including Open Space, adjacent Parcels, roads, driveways and/or other Improvements will not be permitted. If any such damage occurs, it must be repaired and/or restored promptly at the expense of the person causing the damage or the Owner of the Parcel. Upon completion of construction, each Owner and Builder will be responsible for cleaning up the Construction Site and for the repair of all property that was damaged, including but not limited to restoring grades, planting shrubs and trees as approved or required by the DRC, and repair of streets, driveways, pathways, drains, culverts, ditches, signs, lighting and fencing. Any property repair costs as mentioned above, incurred by the DRC or the HOA will be taken out of the Construction Deposit or billed to the Owner.

6.16 CONSTRUCTION OBSERVATIONS

In addition to the building inspections required by the County of Montgomery, the following construction observations must be scheduled with the DRC:

1. Schematic design staking and review
2. Mock-up Observation - This observation includes review of an on-site mock-up that shall be constructed for approval by the DRC. Construct a full scale mock-up utilizing a minimum 4' x 8' mock-up, that accurately conveys all proposed exterior materials, colors, (including roof, eave and wall materials) and detailing, including window, corner and trim details and/or details of areas where one material changes to another. This observation must be completed prior to installation of exterior materials.
3. Framing Observation - This observation must be done prior to enclosure of exterior walls and roof.
4. Final Observation - This observation must be done prior to obtaining necessary approvals / Certificate of Occupancy issued by the County of Montgomery.

6.17 RIGHT TO FINE

The DRC reserves the right to issue fines to the Builder/Owner and/or Contractor, or to apply the fine to the posted Construction Deposit, for the violation of any of the procedures set forth in these Guidelines. All fines imposed will be responsive to the nature and consequences of the violation.

6.18 CONSTRUCTION SIGNS AND "BUILDER" SIGN GUIDELINES

Pursuant to Section 7.8 of the Covenants, Conditions and Restrictions for Bluejack National and Section 6.18 of the Bluejack National Design Guidelines, the Bluejack National Design Review Committee hereby adopts the following regulations concerning the posting of "Builder" signs regarding homes under construction at Bluejack National. When a property is under construction the builder may install a "Builder" sign as follows:

1. A builder may install one sign per property. Only one sign per property will be allowed, it can either be a real estate sign or a builder sign, not both.
2. Signs shall be placed at the front of the property at least 10 feet back from the street.
3. Signs must be placed parallel to the fronting street.
4. No sign may be placed on the golf course side of the property.
5. The signs must be purchased from and installed by:

TBD VENDOR - The signs are dark brown, 21" inch square, turned into a diamond shape with the top and bottom cut off. There is a vinyl trim cap around the edge of the entire sign. The sign company has the correct colors and fonts for the sign. The post is wood and 3" square by 6" long and shall be buried in the ground approximately 14-16." The signs shall include the following language only:

Bluejack National Builder Name, Address of the Lot and Phone Number.

Examples of items not allowed on the sign: Words "for sale"

1. The builder shall be responsible for maintaining the sign. If the sign is not maintained, the Homeowners Association shall have the right to remove the sign.

2. "Builder" signs must be removed when the property is no longer under construction.
3. "Builder" signs will not be allowed on empty lots until Final Design Review has been approved and the Pre-Construction meeting has occurred.
4. No other signs may be displayed on the property without written approval of the DRC.

6.19 POLITICAL SIGNS

Signs advertising a political candidate or ballot item for an election are allowed on a Lot subject to the following restrictions:

- 6.19.1 The sign is only allowed on or after the 90th day before the date of the election to which it relates, and must be removed no later than the 10th day after the election date.
- 6.19.2 The sign must be ground mounted and there may only be one sign for each candidate or ballot item.
- 6.19.3 The sign may not contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping or nonstandard decorative components.
- 6.19.4 The sign may not be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object.
- 6.19.5 The sign may not (a) include the painting of architectural surfaces; (b) threaten the public health or safety; (c) be larger than four feet by six feet; (d) violate a law; (e) contain language, graphics or any display that would be offensive to the ordinary person; or (f) be accompanied by music or other sounds or by streamers or otherwise be distracting to motorists.
- 6.19.6 The Association may remove a sign displayed in violation of these restrictions.

6.20 NO PETS

Construction personnel are prohibited from bringing pets, particularly dogs, into Bluejack National.

6.21 SECURITY

Security precautions at the Construction Site may include temporary fencing approved by the DRC, around the building improvement line only. Security lights, audible alarms and guard animals will not be permitted.

6.22 NOISE

Builder will make every effort to keep noise to a minimum. Radios will not be allowed in order to minimize disturbance to neighbors.

APPENDIX 1 - DEFINITIONS

UNLESS THE CONTEXT OTHERWISE SPECIFIES OR REQUIRES, THE FOLLOWING WORDS OR PHRASES, WHEN USED IN THESE DESIGN GUIDELINES, SHALL HAVE THE FOLLOWING MEANINGS.

ACCESSORY STRUCTURE

- Any structure detached from the main Residence a minimum of ten feet.

ARCHITECT

- A person licensed to practice architecture in the State of Texas.

ASSOCIATION

- The Bluejack National Master Association, Inc., a Texas non-profit corporation, the members of which shall be the Owners of Parcels within Bluejack National, their successors and assigns.

BLUEJACK NATIONAL

- Means the community created by the CC&R's, consisting of the Property (including any Expansion Property, after annexation of it in accordance with Article XVII of the CC&R's) and all of the Improvements located on the Property.

BOARD

- The term "Board" shall mean the Board of Directors of the Association, its governing body.

BUILDER

A person or entity engaged by an Owner for the purpose of constructing any Improvement within Bluejack National. The Builder and Owner may be the same person or entity.

BUILDING COVERAGE

- The total area of a Lot covered by building(s). Measured from outside of all exterior walls at ground level, it includes all exterior stairways, covered parking and covered walkway areas. It does not include roof overhangs, uncovered walkways, uncovered parking and uncovered above-grade decks.

BUILDING HEIGHT

- Building Height is defined as the vertical distance from existing grade to the ridgeline of the highest sloping roof above.

BUFFER ZONE

- Means the area(s) between the property line and the amenity line.

CIVIL ENGINEER

- A person licensed to practice engineering in the State of Texas.

CONSTRUCTION ACTIVITY

- Any site disturbance, construction, addition or alteration of any building, landscaping or any other Improvement on any Construction Site.

CONSTRUCTION DEPOSIT

- The deposit that is required to be delivered to the DRC prior to commencing a Construction Activity.

CONSTRUCTION SITE

- A site upon which Construction Activity takes place, inside the building envelope only.

CONSTRUCTION VEHICLE

- Any car, truck, tractor, trailer or other vehicle used to perform any part of a Construction Activity or to transport equipment, supplies or workers to a Construction Site.

DECLARANT

- Means Bluejack National, or its successors or assigns, including any Successor Declarant to the extent the rights of Declarant are assigned to the Successor Declarant.

DESIGN GUIDELINES (GUIDELINES)

- The architectural, design and construction regulations, restrictions and review procedures adopted and enforced by the DRC as set forth in this document and as amended from time to time by the DRC.

DESIGN REVIEW COMMITTEE (DRC)

- The DRC appointed by the Declarant or Bluejack National Association Board as provided in the CC&R's to review and either approve or disapprove proposals and/ or plans and specifications for the construction, exterior additions, landscaping, or changes and alterations within Bluejack National.

EXCAVATION

- Any disturbance of the surface of the land (except to the extent reasonably necessary for planting of approved vegetation), including any trenching that results in the removal of earth, rock or other substance from a depth of more than 12 inches below the natural surface of the land or any grading of the surface.

FILL

- Any addition of earth, rock or other materials to the surface of the land, which increases the natural elevation of such surface.

FINAL MAP

- The recorded final Subdivision map or Parcel map for any portion of Bluejack National.

HOME SITE DIAGRAM

- The term Home Site Diagram shall refer to the individual site plans for each Parcel provided to the Owner. Each Home Site Diagram specifies the Building Envelope area, and any special restrictions pertinent to the Parcel's development as recorded with the County of Montgomery, together with any additional factors that the DRC may consider to be pertinent.

HOMEOWNER

- See definition for Owner.

IMPROVEMENT ENVELOPE

- That portion of any Parcel within which the construction of buildings and/ or accessory and appurtenant structures are located.

IMPROVEMENT(S)

- Means all Buildings, parking areas, loading areas, fences, walls, plantings, lighting, poles, driveways, roads, lakes, ponds, pools, trails, gates, signs, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, road construction, utility Improvements, removal of trees or plantings, and any new exterior construction or exterior Improvement which may not be included in the foregoing "Improvement(s)" does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearance. "Improvements" does include both original Improvements and all later changes and Improvements.

IRRIGATOR

- A person licensed to install landscape irrigation in the State of Texas.

LANDSCAPE ARCHITECT

- A person licensed to practice landscape architecture in the State of Texas.

LOT

- Means a parcel of land designated as a Lot on any Plat of the Property or of any Expansion Property which the Declarant makes subject to this Declaration, or any Expansion Property which the Declarant makes subject to this Declaration. The streets, roads, and Private Open Spaces on any Plat.

MAXIMUM FLOOR AREA

- The sum of horizontal areas of all floors of a building measured from the outside of all exterior walls.

MINIMUM FLOOR AREA

- Minimum Floor Area shall be 3,000 square feet (floor area is defined the same as in Maximum Floor Area, above).

NATURAL VEGETATION

- Means the maintenance of the original vegetation that was on the lot when purchased.

OWNER

- See definition contained in the CC&R's.

PERIOD OF DECLARANT CONTROL

- Means the period beginning on the date the CC&R's is first recorded in the office of the Clerk and Recorder of Montgomery County, Texas, and ending on the earlier of : (a) the date which is 25 years later, or (b) the date on which the Declarant has platted all of the Expansion Property and sold 95% of the Lots in each of the Plats. When Declarant has determined that no additional property shall be considered Expansion Property, Declarant shall so notify the Association in writing.

PRIVATE OPEN SPACE

- Means any real property described in the Exhibit B of the CC&R's and any other property in which the Association owns an interest for the common use, benefit and enjoyment of some or all of the Members and such other persons as may be permitted to use the Private Open Space under the terms of the CC&R's or any contract with the Association. Such interest owned by the Association may include, without limitation, estates in fee, estates for terms of years, or easements. Declarant may, but will not be obligated to, include among the Private Open Space parcels of real estate for use as one or more trail system, other amenities and open space areas.

PUBLIC ZONE

- Those areas of the Lot that are visible from public viewing areas such as the golf course, open space, Private Open Spaces and/ or streets.

RESIDENCE

- The Building or Buildings, including any garage, or other Accessory Building, used for residential purposes constructed on a Parcel, and any Improvements constructed in connection therewith.

STORY

- That portion of any building (including garage) included between the surface of any floor and the surface of the floor above it, or if there is no floor above, then the space between the floor and the ceiling next above it. Any portion of a Story exceeding 20 feet in height shall be considered as an additional Story for each 20 feet or fraction thereof. If the finished floor level directly above a basement or cellar is more than six feet above grade, such basement or cellar shall be considered a Story.

SURVEYOR

- A person licensed to survey property in the State of Texas.

APPENDIX 2 - APPROVED PLANT LIST FOR BUILDING ENVELOPES

TREES (COMMON NAME)

- Caddo
- Maple
- Texas Buckeye
- Texas Redbud
- Mexican Redbud
- Oklahoma Redbud
- Washington Hawthorn
- Desert Willow
- Chitalpa
- Roughleaf Dogwood
- Dogwood
- Texas Persimmon
- Common Persimmon
- Ginkgo
- Foster
- Holly
- Yaupon Holly
- Eastern Red Cedar
- Crape Myrtle
- Sweetgum
- Crabapple
- Wax Myrtle
- Southern Magnolia
- Dwarf Southern Magnolia Star Magnolia
- Eldarica Pineia
- Austrian Pine
- Chinese Pistache
- Purpleleaf Plum
- Mexican Plum
- Flowering Peach
- Callery Pear cultivar
- Burr Oak
- Blackjack Oak
- Chinquapin Oak
- Live Oak
- Post Oak
- Shumard Red Oak
- Texas Red Oak
- Carolina Buckthorn

- Flameleaf Sumac
- Prairie Flameleaf Sumac
- Eve's Necklace
- Western Soapberry
- Bald Cypress
- Cedar Elm
- Lacebark Elm
- Mexican Buckeye
- Rusty Backhaw

SHRUBS (COMMON NAME)

- Glossy Abelia
- Indigobush amorphia
- Texas Barberry
- Japanese Barberry
- Littleleaf Boxwood
- American Beautybush
- Flowering Quince
- Cotoneaster
- Smokebush Euonymous
- Japanese Fatsia
- Forsythia
- Red Yucca
- St. John's Wort
- Holly
- Juniper
- Crape Myrtle
- Texas Ranger
- Wax Leaf Ligustrum
- Japanese Ligustrum
- White Honeysuckle Bush
- Mahonia
- Wax Myrtle
- Dwarf Wax Myrtle
- Nandina
- Chinese Photinia
- Fraser's Photinia
- Pittosporum
- India Hawthorn
- Knock Out Rose
- Azaleas
- Fragrant Sumac

- Smooth Sumac
- Spirea
- Mountain Sage
- Cleyera Viburnum
- Soft Yucca

GROUND COVERS (COMMON NAME):

- Ajuga
- Coralberry
- Purple Wintercreeper
- Blue Glaucagrass
- Gill Ivy
- English Ivy
- Lilyturf
- Creeping Lilyturf
- Honeysuckle
- Mondo Grass
- Spring cinquefoil
- Rosmarinus
- 'Lockwood de Forest'
- Prostratus Rosemary
- Trachelospermum asiaticum
- Asian Jasmine
- Vinca major
- Bigleaf Periwinkle
- Vinca minor
- Dwarf Periwinkle

VINES (COMMON NAME)

- Mountainrose
- Coralvine
- Crossvine
- Trumpet Vine
- Sweet Autumn Clematis
- Creeping Fig
- Carolina Jessamine
- English Ivy
- Oral Honeysuckle
- Virginia Creeper
- Boston Ivy
- Climbing Prairie Rose
- Lady Bank's Rose

- Chinese Wisteria

ANNUALS/ PERENNIALS:

GRASSES (COMMON NAME):

- Big Bluestem
- Brushy Bluestem
- Splitbeard Bluestem
- Sideoats Grama
- Buffalo Grass
- Common Bermuda Grass
- Tif Bermuda
- Tall Fescue
- Alamo Switch Grass
- Little Bluestem
- Lometa Indian Grass
- St. Augustine Grass
- Eastern Grama Grass
- Deer Grass
- Maidengrass
- Fountain grass
- Emerald Zoysia

WILDFLOWERS (COMMON NAME):

- Texas Paintbrush (Indian Paintbrush)
- Ox-Eyed Daisy
- Plains Coreopsis
- Lanceleaf Coreopsis
- Cornflower
- Purple Coneflower
- Indian Blanket
- Scarlet Flax
- Lemon Mint
- Showy Primrose
- Drummond Phlox
- Mexican Hat
- Black-eyed Susan
- Moss Verbena
- Johnny Jump-Up

APPENDIX 3 - APPROVED PLANT LIST FOR PUBLIC ZONES (COMMON NAME)

FOREST CANOPY TREES

- Chinese Pistache
- Burr Oak
- Live Oak
- Shumard
- Red Oak
- Cedar Elm
- Lacebark Elm
- Caddo Maple

UNDERSTORY ORNAMENTAL TREES:

- White Oklahoma Redbud
- Chitalpa
- Dogwood
- Yaupon
- Holly
- Crapemyrtle
- Dwarf Southern Magnolia
- Wax Myrtle
- Eve's Necklace
- Texas Rosebud

SHRUBS:

- Glossy Abelia
- Indigobush amorph
- Texas Barberry
- Japanese Barberry
- American Beautybush
- Forsythia
- Red Yucca
- St. John's Wort
- Holly
- Grape Myrtle
- Texas Ranger
- White Honeysuckle Bush
- Mahonia
- Wax Myrtle
- Dwarf Wax Myrtle
- Nandina
- Chinese Photinia
- Fraser's Photinia
- India Hawthorn
- Fragrant Sumac
- Smooth Sumac

- Knock Out Roses
- Rose Spirea
- Mountain Sage
- Cleyera
- Viburnum

GROUND COVERS:

- Coralberry
- Purple Wintercreeper
- English Ivy
- Japanese Honeysuckle
- Asian Jasmine
- Bigleaf Periwinkle
- Dwarf Periwinkle
- Lilyturf

VINES:

- Mountainrose
- Coralvine
- Crossvine
- Trumpet Vine
- Sweet Autumn Clematis
- English Ivy
- Coral Honeysuckle
- Virginia Creeper
- Climbing Prairie Rose
- Chinese Wisteria
- Carolina Jessamine

GRASSES:

- Big Bluestem
- Brushy Bluestem
- Splitbeard Bluestem
- Sideoats Grama
- Buffalo Grass (609, stampede)
- Common Bermuda Grass
- Tifway Bermuda
- Tall Fescue
- Alamo Switch Grass
- Little Bluestem
- Lometa
- Indian Grass
- St. Augustine Grass
- Eastern Grama Grass

- Maidengrass
- Fountain Grass
- Emerald Zoysia

WILDFLOWERS:

- Texas Paintbrush (Indian Paintbrush)
- Ox-Eyed Daisy
- Plains Coreopsis
- Lanceleaf
- Coreopsis Cornflower
- Purple Coneflower
- Indian Blanket
- Scarlet Flax
- Lemon Mint
- Showy Primrose
- Drummond
- Phlox
- Mexican Hat
- Black-eyed Susan
- Moss Verbena
- Johnny Jump-Up

APPENDIX 4 - PROHIBITED PLANTS (COMMON NAME)

TREES

- Silver Maple
- Box Elder
- Mimosa
- Catalpa
- Hackberry
- Arizona Ash
- Honey Locust
- Chinaberry
- Cottonwood Willows
- American Elm
- Bois d'arc
- Sweetgum

APPENDIX 5 - GOVERNING REGULATIONS

All proposed Improvements shall comply with the following:

- This Guideline document;
- The Declaration of Covenants, Conditions and Restrictions for Bluejack National.
- All applicable Federal State and/or local County of Montgomery Ordinances, Regulations and/or Codes;
- The Unified Development Code for the County of Montgomery, and any other applicable codes of the County of Montgomery; and
- All applicable Local, State and Federal Codes and Regulations.

Summary of the Design Review Process

Bluejack National's design review process takes place in seven steps: Builder Registration, Pre-Design Conference, Preliminary Design Review, Final Design Review, Pre Construction Conference, On-Site Reviews and Final Compliance. The following is a brief summary of each of the steps. Sections 2 and 3 of the Design Guidelines provide more detailed information.

1. Builder Registration - All builders must be on the approved builder list as determined by the DRC/HOA.
2. Pre Design Conference- Prior to the preparation of any materials for formal DRC review, the Owner(s) and/or Consultant(s) must meet with representatives of the DRC.
3. Preliminary Design Review- This package shall include two full-size sets (minimum 24"x36" and maximum 30"x42") and one 8.5" x 11.0" copy of the following drawings and/ or materials and must be accompanied by the Preliminary Design Review Application Form and Fee (\$5,000) for new home construction, (\$2,500) for additions, remodels or modifications. Check should be made payable to Bluejack National HOA. Owner/Builder(s) are not required to attend this meeting. Checklist:
 - I. Application Form
 - II. Application Fee
 - III. Design Approach Statement
 - IV. Parcel Survey by a Texas licensed surveyor (must show existing grades
 - V. Boundary & Topo Survey
 - VI. Preliminary Site Plan (must show existing and proposed grades)
 - VII. Schematic Floor and Roof Plans
 - VIII. Schematic Elevations
 - IX. Site Sections
 - X. Study Model (may be physical or virtual)
 - XI. Colored Renderings
 - XII. Preliminary Grading Plans by a Texas Licensed Civil Engineer
4. Final Design Review - Final Design documents shall generally conform to the noted Preliminary Design Review documents. Submit two full size sets of final plans that include the following and must include the Construction Deposit (\$25,000) for new home construction, (\$12,500) for additions, remodels or modifications. Checks should be made

payable to Bluejack National HOA. Owner/Builder(s) are not required to attend this meeting.
Checklist:

- I. Application Form
- II. Site Plan
- III. Schematic Floor and Roof Plans
- IV. Schematic Elevations
- V. Site Sections
- VI. Conceptual Landscape Plan
- VII. Material and Color Selections Sheet
- VIII. Construction Deposit
- IX. Construction Schedule
- X. Drainage Affidavit (notarized)

NOTE: Final Landscape, Irrigation and Swimming Pool plans are due no less than 90 days prior to installation. A Licensed Irrigator must stamp final irrigation plans.

5. Pre-Construction Conference - Prior to commencing construction, the Builder must schedule and meet with authorized representatives of the DRC to review the approved Final Plans, the Construction Area Plan, the Construction Regulations and to coordinate scheduling and construction activities. The Builder must furnish a copy of the Building Permit and any related use permits from the County of Montgomery or Montgomery County Building Departments. A Construction Schedule showing basic timelines of the construction process from start to finish must also be provided at Pre-Construction Conference. The Construction Gate must be provided with a list of authorized contractors before they will be allowed to enter the property. Proper identification is required for entry.
6. On-Site Reviews - During the building process, four on-site reviews are required. The builder is responsible for contacting the DRC Committee to schedule these reviews. These reviews will only be done on regularly scheduled DRC meeting dates.
 - I. Schematic Staking
 - II. Framing Observation
 - III. Mock Up Panel Review
 - IV. Final Observation
7. Compliance - The builder is required to schedule a Final Observation with the DRC Committee. Once all items have been approved and are compliant, the DRC will request the return of the Construction Deposit for the Homeowner. This process usually takes 2-4 weeks.

General Information

Applications for Review - Applications for DRC review are included in this packet of information. The application forms provide the DRC with the basic information needed for review and serve as a checklist for the Builder so that all design elements have been considered in the project.

Meeting Schedule of the DRC - The DRC will convene for the review of plan submissions a regular basis. All submittals must be received no later than seven (7) days prior to the DRC meeting. Incomplete submittals will not be reviewed.

Submittal and Response Deadlines - All submittals required by Section 2 of the Design Guidelines must be submitted, reviewed and approved by the DRC prior to the commencement of that stage consideration.

A written decision of the DRC will be rendered no later than seven (7) days after the DRC meeting in which it was discussed. The decisions will be one of the following:

- Approved
- Approved as Noted
- Disapproved

The above information is a summary of the DRC process. Sections 2 and 3 of the Bluejack National Design Guidelines provide more detailed information.

EXHIBIT E

PRIVATE OPEN SPACES LEGAL DESCRIPTION

The following parcels as described in the plat titled Final Plat of Phase 1A Bluejack National, recorded at Cabinet Z, Sheet Nos. 3074-3088, File No. 2014-102281 of the Map Records of Montgomery County, Texas;

- Reserve N – 19.76 Acres (Entry Core)
- Reserve S – 6.676 Acres (Greenbelt between Jack's Barn Road and Ferrell Ridge)
- Reserve T – 1.749 Acres (Park off Ferrell Ridge/Between Parcel 49 & 64)
- Reserve U – 3.666 Acres (Greenbelt between Sayde Ridge and Ferrell Ridge)
- Reserve X – 0.9387 Acres (Area adjacent to Homestead #3)
- Reserve AA – 1.550 Acres (Area between Phase 1B and Bluejack National Blvd. near front of property)

EXHIBIT F

RECORD PRODUCTION AND COPYING

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary to the extent of any conflict.
2. Request for Records. The Owner or the Owner's authorized representative requesting Association records must submit a written request by certified mail to the mailing address of the Association or authorized representative as reflected on the most current filed management certificate. The request must contain:
 - a. sufficient detail to describe the books and records requested, and
 - b. an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records.
3. Timeline for record production.
 - a. If inspection requested. If an inspection is requested, the Association will respond within 10 business days by sending written notice by mail, fax or email of the date(s) and times during normal business hours that the inspection may occur. Any inspection will take place at a mutually agreed time during normal business hours, and the requesting party must identify any books and records the party desires the Association to copy.
 - b. If copies requested. If copies are requested, the Association will produce the copies within 10 business days of the request.
 - c. Extension of timeline. If the Association is unable to produce the copies within 10 business days of the request, the Association will send written notice to the Owner of this by mail, fax or email and state a date, within 15 business days of the date of the Association's notice, that the copies or inspection will be available.
4. Format. The Association may produce documents in hard copy, electronic or other format of its choosing.
5. Charges. Per state law, the Association may charge for time spent compiling and producing all records, and may charge for copy costs if copies are requested. Those charges will be the maximum amount then-allowed by law under the Texas Administrative Code. The Association may require advance payment of actual or estimated costs. As of November, 2014, a summary of the maximum permitted charges for common items are:
 - a. Paper copies – 10¢ per page
 - b. CD - \$1 per disc
 - c. DVD - \$3 per disc
 - d. Labor charge for requests of more than 50 pages - \$15 per hour
 - e. Overhead charge for requests of more than 50 pages – 20% of the labor charge
 - f. Labor and overhead may be charged for requests for fewer than 50 pages if the records are kept in a remote location and must be retrieved from it.

6. Private Information Exempted from Production. Per state law, the Association has no obligation to provide information of the following types:
 - a. Owner violation history
 - b. Owner personal financial information
 - c. Owner contact information other than the owner's address
 - d. Information relating to an Association employee, including personnel files
7. Existing Records Only. The duty to provide documents on request applies only to existing books and records. The Association has no obligation to create a new document, prepare a summary of information or compile and report data.

RECORD RETENTION

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the extent of any conflict.
2. Record Retention. The Association will keep the following records for at least the following time periods:
 - a. Contracts with terms of at least one year; 4 years after expiration of contract
 - b. Account records of current Owners; 5 years
 - c. Minutes of Owner meetings and Board meetings; 7 years
 - d. Tax returns and audits; 7 years
 - e. Financial books and records (other than account records of current Owners); 7 years
 - f. Governing documents, including Articles of Incorporation/Certificate of Formation, Bylaws, Declaration, Rules and all amendments; permanently.
3. Other Records. Records not listed above may be maintained or discarded in the Association's sole discretion.

EXHIBIT G
PAYMENT PLANS

1. Eligibility for Payment Plan.

Standard Payment Plans – An Owner is eligible for a Standard Payment Plan (See Section 2 below) only if:

- a. The Owner has not defaulted under a prior payment plan with the Association in the prior 24-month period;
- b. The Owner requests a payment plan no later than 30 days after the Association sends notice to the Owner via certified mail, return receipt requested under Property Code Section 209.0064 (notifying the Owner of the amount due, providing 30 days for payment, and describing the options for curing the delinquency). The Owner is responsible for confirming that the Association has received the Owner's request for a payment plan within this 30-day period. It is recommended that that all such requests be in writing; and
- c. The Association receives the executed Standard Payment Plan and the first payment with 15 days of the Standard Payment Plan being send via email, fax, mail or hand delivered to the Owner.

Other Payment Plans. An Owner who is not eligible for a Standard Payment Plan may still request that the Board of the Association grant the Owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the debt (i.e. the property manager or the attorney for the Association). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Board of the Association.

2. Standard Payment Plans. The terms and conditions for a Standard Payment Plan are:

- a. Term. Standard Payment Plans are for a term of 6 months.
- b. Payments. Payments will be made at least monthly and will be approximately equal in amount or have a larger initial payment. A smaller initial payment with a large balloon payment at the end of the term is not allowed. Payments must be received by the Association at the designated address by the required dates and may not be rejected, returned or denied by the Owner's bank for any reason.

- c. Assessments and other amounts coming due during plan. The Owner will keep current on all additional Assessments and other charges posted to the Owner's account during the term of the payment plan, which amount may but need not be included in calculating the payments due under the plan.
 - d. Additional charges. The Owner is responsible for reasonable charges related to negotiating, preparing and administering the payment plan, and for interest at the rate of the lesser of twelve percent (12%) per annum or the highest rate permitted by Texas law, all of which shall be included in calculating the total amount due under the plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the Owner is complying with all terms of the payment plan.
 - e. Contact information. The Owner will provide contact information to the Association and keep it updated.
 - f. Additional conditions. The Owner will comply with such additional conditions under the plan as the Board may reasonably establish.
 - g. Default. The Owner will be in default under the plan if the Owner fails to comply with any requirement of these rules or the payment plan agreement.
3. Account Sent to an Attorney/Agent for Formal Collection. An Owner does not have the right to a Standard Payment Plan after the 30-day timeframe reference in Section 1(b). Once an account is sent to an attorney or agent for collection, the delinquent Owner must communicate with that attorney or agent to arrange for payment of the debt. The decision to grant or deny the Owner an alternate payment plan, and the terms and conditions of any such plan, is solely at the discretion of the Board of the Association.
4. Default. If the Owner defaults under any payment plan, the Association may proceed with any collection activity authorized under the governing documents or state law without further notice. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. All late fees and other charges that otherwise would have been posted to the Owner's account may also be assessed to the Owner's account in the event of a default.

Any payments received during a time an Owner is in default under any payment plan may be applied to out-of-pocket costs (including attorneys fees for administering the plan), administrative and late fees, assessments and fine (if any), in any order determined by the Association, except that fines will not be given priority over any other amount owed but may be satisfied proportionately, i.e. a \$50 payment may be applied proportionately to all amounts owed, in proportion to the amount owed relative to the other amounts owed.

5. Board Discretion. The Board of the Association may vary the obligations imposed on Owners under these rules on a case-by-case basis, including curtailing or lengthening the payment plan terms (so long as the plan is between 3 and 18 months), as it may deem appropriate and reasonable. No such action shall be construed as a general abandonment or waiver of these rules, nor vest right in any other Owner to receive a payment plan which varies with the requirements set forth in these rules.

6. Legal Compliance. The payment plan rules are intended to comply with the relevant requirements established under Texas Property Code Section 209. In case of ambiguity, uncertainty or conflict, these rules shall be interpreted in a manner consistent with all such legal requirements.


EXHIBIT H
FINE SCHEDULE OF
BLUEJACK NATIONAL MASTER ASSOCIATION, INC.

1. Violation Policy and Penalties. Any violation of any of the Bylaws, Design Guidelines, Rules and Regulations, and Declaration, which are applicable to the Property or the Association, by an individual Owner, or resident, shall result in the following actions and penalties.
 - a. First Violation – a warning will be issued in writing to the Owner and, if known to the Association, to the resident of the property. The warning, which may be in the form of a letter, shall contain all required statutory notices, including, without limitation, the notice required under the Texas Residential Property Owners Protection Act, Texas Property Code Section 209.0006, as it may be amended from time to time.
 - b. Subsequent Violations — Owners and residents will be subject to the following penalties for any subsequent violations:
 - (1) Non-Continuing Violations. For all non-continuing violations re-occurring within six (6) months of the First Violation:
 - (a) \$100.00 for the second occurrence.
 - (b) \$200.00 for the third occurrence.
 - (c) \$300.00 for each additional occurrence thereafter.
 - (2) Continuing Violations. For all continuing violations, including the failure to obtain Design Review Committee approval, failure to maintain Improvements as required, failure to abide by any use restrictions as set out in the Declaration, failure to abide by architectural restrictions as set out in the Declaration, failure to abide by the Bylaws, Design Guidelines or Rules and Regulations of the Association, and other continuing violations:
 - (a) \$150.00 per thirty (30) day period of continuing violation.
2. Penalties Responsibility of Owner. All monetary penalties will be billed to the Owner's account and will be payable by the Owner to the Association within 30 days of the date of billing.
3. Penalties Cumulative. All penalties shall be cumulative but the total amount fined will not exceed \$1,000.00 during the six (6) month period following the First Violation. If the violation continues for more than six (6) months or reoccurs after the end of a six (6) month period, such violation shall be subject to an additional \$1,000.00 cap for each subsequent six (6) month period.

4. Non-Exclusive Remedies. The imposition of the monetary penalties provided herein shall not be construed to be an exclusive remedy, and shall be in addition to all other rights and remedies to which the Association may otherwise be entitled, including, without limitation, the filing of an Affidavit of Non-Compliance in the Real Property Records of Montgomery County, Texas, and/or the initiation of legal proceedings seeking injunctive relief and/or damages, attorneys' fees, costs of court and all other remedies, at law or in equity, to which the Association may be entitled.
5. Violation by Resident, Tenant, or Agent. A violation by a resident, tenant, guest, or agent of the Owner shall be treated as a violation of the Owner of the property. All monetary penalties shall be billed to the Owner.
6. Courtesy Notice. For less severe violations, the Association may provide the Owner and, if known by the Association, the resident, a courtesy notice and request for compliance within a specified time prior to initiating the notice procedure contained in paragraph 1.a.

FILED FOR RECORD

11/14/2014 4:33PM



COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in file number
sequence on the date and at the time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

11/14/2014



County Clerk
Montgomery County, Texas