

MILlicAN RESERVE

**AMENDED AND RESTATED MASTER DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,
EASEMENTS AND RIGHTS FOR MILlicAN RESERVE**

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**AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND
RIGHTS
FOR MILLICAN RESERVE**

This *AMENDED AND RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS FOR MILLICAN RESERVE* (this "Declaration"), is made as the date hereinafter set forth by ROCK BARN CONSERVATION PARTNERS, LLC, a Texas limited liability company (the "Town Founder"). Capitalized terms used in this Declaration shall have the meanings as defined in this Declaration. To the extent used in this Declaration as a defined term but otherwise not defined in this Declaration, such term shall have the meaning set forth in the Original Master Declaration (herein defined).

WITNESSETH

WHEREAS, that certain Master Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve (the "Original Master Declaration") dated October 27, 2015, was recorded in the Office of the County Clerk of Brazos County, Texas, under Clerk's File No. 2015-1247518, and in Volume 13020, Page 62, *et. seq.* on October 30, 2015, subjects certain property within Millican Reserve, a subdivision in Brazos County, Texas, to the covenants, conditions, restrictions, easements, charges and liens set forth in the Original Master Declaration; and

WHEREAS, Millican Reserve is a health-and-wellness-themed community centered around nature, founded on the vision of building a healthy community through connection with the land, and governed through a structure including the Town Founder, the Millican Reserve Community Foundation, and the Millican Reserve Land Conservancy, each with distinct but coordinated roles supporting this shared mission; and

WHEREAS, pursuant to the Original Master Declaration, the real property known as The Creek and the real property known as The Spring were originally subjected to and made part of Millican Reserve, encumbered with the covenants, conditions, restrictions, easements, charges and liens set forth in the Original Master Declaration, and subject to the jurisdiction of the Foundation (herein defined); and

WHEREAS, the real property known as The Hollow was annexed into Millican Reserve, encumbered with the covenants, conditions, restrictions, easements, charges and liens set forth in the Original Master Declaration, and to the jurisdiction of the Foundation (herein defined) pursuant to the Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve dated May 18, 2016, and recorded in the Office of the County Clerk of Brazos County, Texas, under Clerk's File No. 2016-1264261, and in Volume 13354, Page 118, *et. seq.* on May 19, 2016; and

WHEREAS, the real property known as The Meadows was annexed into Millican Reserve, encumbered with the covenants, conditions, restrictions, easements, charges and liens set forth in the Original Master Declaration, and to the jurisdiction of the Foundation (herein defined) pursuant to the Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve dated June 13, 2017, and recorded in the Office of the County Clerk of Brazos County, Texas, under Clerk's File No. 2017-1300294, and in Volume 14082, Page 27, *et. seq.* on June 14, 2017; and

WHEREAS, the real property known as Lakeside was annexed into Millican Reserve, encumbered with the covenants, conditions, restrictions, easements, charges and liens set forth in the Original Master Declaration, and to the jurisdiction of the Foundation (herein defined) pursuant to (i) the Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve (Annexation of Approximately 24.997 acres into Millican Reserve to be known as Lakeside at Millican Reserve) dated February 15, 2022, and recorded in the Office of the County Clerk of Brazos County, Texas, under Clerk's Document/Instrument No. 1461670 on February 16, 2022, and (ii) the Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve (Annexation of Approximately 24.995 acres into Millican Reserve to be known as Lakeside at Millican Reserve) dated January 23, 2025, and recorded in the Office of the County Clerk of Brazos County, Texas, under Clerk's Document/Instrument No. 1548335 on January 29, 2025; and

WHEREAS, it is the desire of the Town Founder to annex additional property into Millican Reserve; and

WHEREAS, effective May 10, 2021, Millican Reserve Land Conservancy, a Texas non-profit corporation, changed its name to Millican Reserve Community Foundation pursuant to the Certificate of Amendment filed with the Texas Secretary of State on May 19, 2021; and

WHEREAS, effective February 16, 2022, Millican Alliance, a Texas non-profit corporation, changed its name to Millican Reserve Land Conservancy pursuant to the Certificate of Amendment filed with the Texas Secretary of State on February 16, 2022; and

WHEREAS, DPC Land Investments, LP, a Texas limited partnership, no longer owns any property within Millican Reserve; and

WHEREAS, Millican DPC Partners, LP, a Texas limited partnership, no longer owns any property within Millican Reserve; and

WHEREAS, Article IX, Section 9.11 of the Original Master Declaration provides that the Town Founder can amend any provision of the Original Master Declaration, at its sole and absolute discretion, prior to the expiration of the Development Period (as defined in the Original Master Declaration and herein called the "Development Period"); and

WHEREAS, the Development Period has not expired; and

WHEREAS, the Town Founder desires to amend and restate the Original Master Declaration as set forth below; and

WHEREAS, Millican Reserve Land Conservancy, a Texas non-profit corporation, joins in the execution of this Declaration to acknowledge and agree to the provisions in this Declaration and to encumber the Conservancy Property as set forth in this Declaration;

NOW THEREFORE, the Town Founder does hereby amend and restate the Original Master Declaration with this Declaration and declares that the Original Master Declaration, as originally written, is amended and restated with this Declaration and any and all covenants, easements, liens, or other matters from the Original Master Declaration are carried forward to this Declaration (as such covenants, easements, liens, or other matters may be amended or revised in this Declaration).

Accordingly, the Property, as hereinafter defined, together with such additions thereto as may hereafter be made, shall hereafter be held, conveyed, sold, encumbered, developed, occupied, leased and used subject to the following covenants, conditions, restrictions, reservations, easements and rights which are for the purpose of protecting the value and desirability of, and which will run with the Property; shall be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns; shall inure to the benefit of every portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon the Owners of the Property or any part thereof, their successors in interest, and may be enforced as more specifically set forth herein, by the Town Founder its successor and assigns as provided herein, by any Owner or the Owner's successors in interest, or by the Foundation.

ARTICLE I – PURPOSE AND VISION STATEMENT

The Property is made subject to this Declaration in order to: (1) ensure proper use, appropriate development and improvement of the Property and every part thereof; (2) protect each Owner from the improper use of surrounding Common Property, Conservancy Property, Improvements, and Parcels, which may result in the depreciation in value of such Owner's Improvements, (3) guard against the erection on any Parcel of a building of inappropriate design or unsuitable materials; (4) encourage original designs and attractive Improvements on Parcels with appropriate locations thereof; (5) prevent haphazard and inharmonious Improvements; (6) provide high standards of maintenance for the benefit and convenience of all Owners; (7) provide healthful maintenance of the Property's landscaping for the benefit of all Owners; (8) protect and preserve the ecological balance and stability of the natural areas, wetlands, and ponds located throughout the Property; (9) permit the management of the Property for Wildlife Management Use or Agricultural Use and; (10) in general, provide for a first-class conservation-and-wellness focused community.

ARTICLE II - DEFINITIONS

2.01 "Agricultural Use" shall mean using any portion of the Property for agricultural purposes.

2.02 "Architectural Review Committee" or "ARC" shall mean the committee created and established pursuant to Article V of this Declaration and having the responsibilities set forth therein.

2.03 "Assessment" shall mean assessments of the Foundation and includes regular Annual Assessments, Special Assessments, Individual Assessments, and Capitalization Fees in accordance with, and as defined in, Article VII herein.

2.04 "Bylaws" shall mean the Bylaws of the Foundation, which have been or will be adopted and approved by the Town Council, and as may be adopted by the Town Council and from time to time amended by the Town Council.

2.05 "Certificate of Formation" shall mean the Certificate of Formation of Millican Reserve Community Foundation (whose name has since been changed from Millican Reserve Land Conservancy), which has been or will be filed in the office of the Secretary of State of the State of Texas, as the same are from time to time amended.

2.06 "Common Property" shall mean and refer to all real and personal property from time to time owned, leased or held by easement by the Foundation or Town Founder for the common use, enjoyment and benefit of all Owners including the areas of land designated in this Declaration for

use as Foundation entry features, open spaces, easements and facilities for surface water management, and easements for ingress and egress to the public rights of way, and such other property or easements conveyed, leased by or dedicated to the Foundation hereafter.

2.07 "Conservancy" shall mean and refer to Millican Reserve Land Conservancy, a Texas not for profit corporation which serves the charitable purpose of promoting healthy living through nature (the "Charitable Purpose") and may manage, maintain, lease, own or operate other property and conduct additional programming for such Charitable Purpose.

2.08 "Conservancy Property" shall mean and refer to all real and personal property from time to time owned, leased or held by easement within Millican Reserve by the Conservancy for its Charitable Purpose and subject to the terms of this Declaration.

2.09 "County" shall mean and refer to Brazos County, a political subdivision of the State of Texas, specifically including each and all of its departments and agencies.

2.10 "Declaration" shall mean and refer to this Amended and Restated Master Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve and all amendments, modifications and supplements thereto as are from time to time properly enacted.

2.11 "Design Guidelines" shall mean and refer to the current guidelines for architectural and landscape design, clearing plans, design review and approval processes, and construction on the Property, which are set forth in a document promulgated by the Town Founder and as amended from time to time by the Town Founder, in its sole discretion. After the expiration of the Development Period, or sooner if Town Founder so determines in its sole discretion, the authority to promulgate and amend the Design Guidelines shall automatically be assigned by the Town Founder to the Town Council. Design Guidelines have been created by the Town Founder which set forth, among other things, the design guidelines and improvement criteria that are applied by the ARC to any change made to the Property including, but not limited to, new construction or modification to an existing structure, clearing, grading, excavation, tree removal, landscaping or other change to land or an Improvement located within Property. Copies of the Design Guidelines are available to the Owners upon written request to the Foundation and payment of an amount determined by the Town Council from time to time. This document may be referred to as the Design Guidelines, Design Guidelines Book or any other label that may be placed upon it as amendments are made to the Design Guidelines and improvement criteria. The parameters of the Design Guidelines may vary among the Villages to create unique architectural and landscape design within each Village which is nonetheless harmonious with the rest of Millican Reserve. The Design Guidelines are incorporated herein by reference.

2.12 "Development Period" shall mean and refer to the period of time during which the Town Founder reserves the right to facilitate the development, construction, and marketing of the Property or and the right to direct the size, shape, and composition of the Property; which period of time begin upon the recordation of the Original Master Declaration in the Official Public Records of Brazos County, Texas, and shall terminate on the earlier of: (i) the date on which all of the Parcels have been conveyed by the Initial Owners (including any additional Initial Owners as may be added as set forth herein) and all Parcels have been improved with a Dwelling, or if the Parcel is located within a designated commercial area, a commercial building approved by the ARC; (ii) such earlier date as may be established by the Town Founder in a written instrument recorded in the Official Public Records of Brazos County, Texas.

2.13 "Dwelling" shall mean a single-family residential housing unit designed for use exclusively as living quarters for one Family. All Dwellings must meet the minimum architectural requirements

of the Design Guidelines, including approved materials palette, and must be approved in writing by the ARC prior to construction.

2.14 "Easement" shall mean any easement, right-of-way, or similar property interest affecting all or any portion of the Property, whether for access, ingress and egress, Utilities (as defined herein), drainage, conservation, maintenance, repair, or other purposes, as created by plat, separate recorded instrument, or applicable law, and as the same may be amended from time to time. This Declaration may impose restrictions, use limitations, and maintenance obligations with respect to Easements from time to time.

2.15 "Easement Area" shall mean the area of land burdened by an Easement, as shown on the applicable recorded plat, survey, or separate recorded instrument creating such Easement, or as otherwise established by applicable law.

2.16 "Exhibits" shall mean and refer to **Exhibits A-B** attached hereto.

2.17 "Facilities" shall mean any security gates or other devices controlling access, community trash receptacles, picnic areas, clubhouses, community mailboxes, and any other property, real or personal, commonly benefiting the Owners and owned by the Foundation.

2.18 "Family" shall mean one or more persons each related to the other by blood, marriage, or legal adoptions, or a group of not more than three individuals, none of which are so related together with their domestic workers to maintain a common household in a Dwelling. In no case may more than one Family occupy a Parcel at the same time for more than thirty (30) consecutive days.

2.19 "Fee Schedule" shall refer to a list of fees, fines, and Assessments hereunder and associated with the Property and Owner activity therein. The Town Council reserves the right to add, remove, and/or revise any of the items in the Fee Schedule at any time, and any omission of fees, fines, and Assessments from the Fee Schedule does not render them invalid for future inclusion in the Fee Schedule. It is each Owner's responsibility to confirm all fees, fines, and Assessments pertaining to the Parcel as specified within the Declaration and within the Fee Schedule before taking any action which may incur fees. A copy of the most current Fee Schedule will be maintained at all times by the Foundation.

2.20 "Foundation" shall mean and refer to the Millican Reserve Community Foundation, a Texas not for profit corporation which the Town Founder has caused to be formed and to which shall be delegated and assigned the powers, authorities, duties and obligations defined under Article IV.

2.21 "Fund" shall mean and refer to a fund composed of the total revenues received by the Foundation from the Assessments levied by the Foundation pursuant to this Declaration and such other monies as may be donated or gifted to the Foundation from time to time.

2.22 "Governmental Regulations" shall mean and refer to all applicable laws, statutes, codes, ordinances, rules, regulations, limitations, restrictions, orders, judgments or other requirements of any governmental authority having jurisdiction over the Property or any Improvements constructed or located thereon, including, without limitation, those pertaining to building and zoning.

2.23 "Household Pets" shall mean and refer to all dogs, cats, rabbits, birds, fish, and small and harmless reptiles and mammals.

2.24 "Improvements" shall mean and refer to all Structures and appurtenances thereto of every type and kind, including but not limited to, private roads, Dwellings, buildings, outbuildings, patios,

stables, garages, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, Landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning, antennas, water softener fixtures or equipment, pools, pool houses, pool equipment or fixtures, pumps, wells, tanks, ponds, pipes, lines, meters, towers, playground equipment and swing sets of any type, and tree houses. Improvement shall also mean any excavation or fill and any diversion ditch, fill or other device which affects or alters the natural flow or level of water over any portion of the Property.

2.25 "Initial Owners" shall individually and collectively mean any or all of: Peach Creek Partners, LP, a Texas limited partnership, McFarlane Interests, LP, a Texas limited partnership, Millican Land Development, LLC, a Texas limited liability company, RB Meadows, LLC, a Texas limited liability company, RB Ventures I, LLC, a Texas limited liability company, and any other party or entity designated by the Town Founder, in Town Founder's sole and absolute discretion, in a written document recorded in the Official Public Records of Brazos County, Texas. Further, successors and assigns of any Initial Owner, if any, shall be entitled to the rights specifically reserved herein to Initial Owners only upon the Town Founder, in its sole discretion, acknowledging and accepting such successors and assigns as an Initial Owners hereunder in a document signed and recorded in the Real Property Records of Brazos County, Texas.

2.26 "Landscaping" shall mean and refer to any modifications of the existing visible features of any Parcel through the use of living elements, such as flora and fauna, modification of grade or elevation, additions or removal of bodies of soil or water, or the installation of other materials other than Structures, including but not limited to edging materials for flower beds or gardens.

2.27 "Member" and/or "Members" shall mean and refer to all those Owners who are entitled to membership in the Foundation as provided in this Declaration.

2.28 "Millican Reserve" shall mean and refer to the residential, commercial, conservation and wellness community planned and to be developed, including but not limited to, the Property along with any other land that may be annexed into the Property and governed by the Foundation. Millican Reserve is generally planned to be developed on the real property described on Exhibit "A" hereto with the boundaries of such real property subject to future adjustment; however, no representation or warranties are made that all of the property designated as Millican Reserve in such exhibit will be annexed into the Property and governed by the Foundation.

2.29 "Natural Areas" shall mean and refer to manmade, natural, or environmentally sensitive areas, including ponds and streams, creeks, lagoons, ponds, or intermittent pools of water, muddy areas, and underbrush, among other things, all of which are important to the ecological balance and maintenance of the area as a wildlife habitat within the Property and owned by the Foundation, the Initial Owners or the Conservancy. The Natural Areas may serve as habitats for a variety of native plants and wildlife, including, without limitation, insects, venomous and non-venomous snakes and other reptiles, bobcats, cougars, coyotes, mountain lions, alligators, feral hogs, and other animals, some of which may pose hazards to persons or pets coming in contact with them.

2.30 "Owner" shall mean and refer to a person, whether one or more persons or entities, who holds record fee simple title to any Parcel which is a part of the Property including the Initial Owners, their successors and assigns, but excluding those having an interest in any such Parcel, merely as security for the payment of a debt or the performance of any obligation.

2.31 "Parcel" shall mean any tract, lot, or portion of land within the Property that is subject to this Declaration, whether platted or unplatted, improved or unimproved, and whether designated for residential, commercial, institutional, or other permitted uses, or as otherwise designated as a

"Parcel" by the Town Founder during the Development Period or by the Town Council thereafter, in their respective sole and absolute discretion. A Parcel shall be the primary unit of ownership, use, assessment, and regulation under this Declaration.

2.32 "Person" shall mean and refer to a natural person, firm, corporation, partnership, or any legal entity, public or private.

2.33 "Property" shall mean and refer to all lands included within and comprising a portion of Millican Reserve as herein described in this Declaration, on *Exhibit B*, together with all land added to this Declaration in accordance with the provisions hereof.

2.34 "Rules" shall mean and refer to the Rules adopted by the Town Founder or the Town Council pursuant to this Declaration, as they may be amended from time to time by the Town Founder or the Town Council.

2.35 "Setback" shall have the meaning ascribed to it in the Design Guidelines and any applicable Village Declaration.

2.36 "Single Family Residential Use" shall mean the occupation or use of a Dwelling by a single Family in conformity with this Declaration and the requirements imposed by applicable zoning laws or any other State, County or Municipal laws, rules, regulations, codes or ordinances.

2.37 "Structures" shall mean and refer to all buildings, pool, patios, decks, fences and other similar Improvements and all appurtenances thereto of every type and kind, including but not limited to Dwellings, garages, barns, and ancillary buildings. All Structures must meet the minimum architectural requirements of the Design Guidelines, and must be approved in writing by the ARC prior to construction.

2.38 "Town Council" or "Council" shall refer to the body responsible for administration of the Foundation and serving as the board of directors of the Foundation under Texas law. The initial Town Council shall be appointed by the Town Founder. Subject to the provisions of Section 4.04, the Town Founder hereby retains the right to appoint and remove all directors until the expiration of the Development Period. The Town Council appointed by Town Founder shall serve after the expiration of the Development Period until an election can be conducted to elect a new Town Council pursuant to the Bylaws. Notwithstanding anything to the contrary in this Declaration, during the Development Period, in the event of a direct conflict between an action, approval, or decision of the Town Council and that of the Town Founder, the action, approval, or decision of the Town Founder shall control, except to the extent otherwise expressly stated in this Declaration.

2.39 "Town Founder" shall mean and refer to Rock Barn Conservation Partners, LLC, a Texas limited liability company, its successors and assigns; provided, however, that any rights specifically reserved herein to Town Founder shall not inure to the benefit of its successors and assigns, unless specifically assigned in a recorded instrument or conveyed by operation of law.

2.40 "Utilities" shall mean water lines (both potable and non-potable), electric lines, gas lines, telecommunication infrastructure (e.g. telephone, cable TV, DSL, fiber, electronic data transmission services, etc.), sewer infrastructure, geothermal infrastructure, fire suppression infrastructure, and related facilities insofar as Town Founder has determined to include such Utilities at the Property.

2.41 "Village" shall mean one or more Parcels, which share common interests, other than those common to all Parcels in the Property, as more particularly described in Section 3.01(c). For example, a residential community with a wildlife conservation focus may be a separate Village from a residential community with an agricultural focus. A Village may be comprised of more than

one use, such as residential and commercial, and may include noncontiguous tracts of property. A Parcel may only be in one (1) Village.

2.42 "Village Declaration" shall mean the applicable Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights bringing or adding additional property within the scheme of this Declaration under the authority of the Foundation as set forth in Section 3.01 hereof or creates Villages, or imposes, expressly or by reference additional restrictions and obligations on the land described in such instrument. References herein (whether specific or general) to provisions set forth in "all (any) Village Declaration" shall be deemed to relate to all property covered by this or any Village Declaration.

2.43 "Village Foundation" shall mean any owners association having concurrent jurisdiction with the Foundation over any Village.

2.44 "Visible From Neighboring Property" shall mean that with respect to any given object on a Parcel, that such object is or would be visible to a person six (6) feet tall, standing on any part of a neighboring Parcel, right of way, Common Property, or Conservancy Property. The presence of a street, road, right-of-way or easement does not affect the contiguity of the Parcels.

2.45 "Wildlife Management Use" shall mean using a Parcel or portions of a Parcel for Wildlife Management Use Practices.

2.46 "Wildlife Management Use Practices" shall mean the wildlife management practices that are identified in the wildlife management use plan that the Foundation may implement and modify from time to time on the Property.

ARTICLE III - GENERAL PURPOSE AND REGULATIONS OF USES

3.01 Additions to the Property.

(a) Additions by Town Founder. During the Development Period, the Town Founder, its successors and assigns, shall have the unilateral right, in its sole and absolute discretion, to bring within the scheme of this Declaration additional properties in future stages of the development (including without limitations, subsequent sections of Millican Reserve and all or portions of other properties developed by Town Founder or affiliated or subsidiary entities) without the consent or approval of owners of any Parcels or otherwise. The Town Founder shall also have the unilateral right, in its sole and absolute discretion, to designate easements, designate different land uses including but not limited to multi-family attached Dwellings and commercial areas, and further define or change boundary lines of a Parcel with the consent of the owner of the Parcel. As additional properties are added, Town Founder shall, with respect to said properties, record Village Declarations which may incorporate this Declaration herein by reference, and which may supplement or modify this Declaration with such additional covenants, restrictions and conditions which may be appropriate for those properties. Upon the filing of a Village Declaration containing restrictive covenants pursuant thereto, then and thereafter the Owners of all Parcels in subsequent sections of the Property and all or portions of other properties developed by Town Founder or affiliated or subsidiary entities shall have the rights, privileges and obligations with respect to all Property then subject to this Declaration (including such additional properties) in accordance with the provisions of, and to the extent set forth in, this Declaration and each such Village Declaration. The total number of Parcels that may be created and made subject to this Declaration is two thousand two hundred and thirty-nine (2,239).

(b) Mergers. Upon a merger or consolidation of the Foundation with another association, the Foundation's properties, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Foundation as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions applicable to the properties of the other association. No such merger or consolidation, however, shall affect any covenants established by this Declaration or any amendment thereto. In addition, the Town Founder reserves the right to merge and subordinate the Foundation, during the Development Period, with another property owners association, at Town Founder's sole discretion.

(c) Villages. The Town Founder has established and to the extent necessary, hereby establishes, the following Villages: The Creek, The Hollow, The Meadows, The Spring, and Lakeside. During the Development Period, the Town Founder, in its sole and absolute discretion, may establish additional Villages within the Property, by designation in an Exhibit to this Declaration, a Village Declaration, or a plat. During the Development Period, the Town Founder may unilaterally amend this Declaration, any Village Declaration or any plat from time to time to assign property to a specific Village, to redesignate Village boundaries, or to remove property from a specific Village. The Parcels within a particular Village may be subject to additions covenants and/or the Owners of Parcels within a particular Village may be members of a Village property owner's association in addition to the Foundation. However, a Village property owners association shall not be required, except where required by law. No Village property owners association may be formed without the prior submission to and written approval of the Town Founder of all documents creating or establishing such Village property owners association, including without limitation, the submission of any declaration of covenants, conditions and restrictions, declaration of condominium, certificates of formation, by-laws, rules and regulations, architectural or design guidelines and other organizational and governing documents.

3.02 Land Use. It is the general intent that the Property be used primarily for residential and commercial use which will be specifically set forth in a Village Declaration applicable to such Parcel. If an Owner of a Parcel chooses to maintain an Agricultural Use or Wildlife Management Use valuation on their property pursuant to Texas Property Tax Code Section 23.51, it is each Owner's sole responsibility to ensure the Agricultural Use or Wildlife Management Use as permitted herein or by any applicable Village Declaration and other governing documents is approved by the Brazos County Appraisal District or other appropriate entity. Except as otherwise provided herein or as permitted by the Design Guidelines, all development must be approved in writing by the ARC pursuant to this Declaration and the Design Guidelines.

3.03 Mineral Exception. There is hereby excepted from the Property and Initial Owners will hereafter except from all its sales and conveyances of the Property, or any part thereof, including the Parcels and Common Property, all oil, gas, and other minerals, in, on, and under the Property. Initial Owners hereby reserve for themselves, and hereby assign to Town Founder, the right to designate future drill sites, and access thereto, on the Property. Such exceptions and such retained rights and reservations, if any, shall inure to the benefit of Initial Owners and their heirs, executors, administrators, successors, and assigns.

3.04 Limitations on Use. During the Development Period, the Town Founder, in its sole and absolute discretion, retains the right, but not the obligation, to limit the use of any portion of the Property, including any one Parcel or group of Parcels, to one or more, but less than all of the uses permitted by the Governmental Regulations. By way of example only, the Town Founder may limit the use of certain Parcels or Villages to single family Residential Use. The limitations on use imposed by the Town Founder pursuant to this Section 3.04 may not be changed without the written consent

of Town Founder during the Development Period. Thereafter, or at such time as Town Founder assigns these rights to the Foundation, any change in the limitations on use shall require the consent of the Town Council and the Owner(s) of the affected Parcel or Parcels and shall be set forth in a written instrument recorded in the Official Public Records of Brazos County, Texas.

3.05 Clearing Plan. There will be no clearing of any trees or understory plants except as described in the Design Guidelines unless expressly approved in writing by the ARC. However, Town Founder reserves the right to clear trees or understory plants within the Common Property and property owned by the Initial Owners at Town Founder's option and without approval of the ARC, even if such clearing is not in compliance with this Section 3.05. The clearing and construction process is to be carefully conceived and managed to ensure minimal site disruption and development impact. Existing trees and plants are to be salvaged to the extent possible.

3.06 Construction of Improvements. No Improvements to be located anywhere on a Parcel that is Visible From Neighboring Property shall be constructed, altered, restored, added to, located, remodeled on the exterior (including the painting or staining of any exterior surface), placed installed or permitted without, in each and every instance, the prior written approval of the ARC in the manner set forth in this Declaration and the Design Guidelines. The design review process and associated Fee Schedule are described in the Design Guidelines. No Owner shall do or permit to be done on his or her Parcel or anywhere else in the Property, any act or thing which will impair any easement or hereditament granted to any other party nor shall any Owner create or permit to exist on his or her Parcel or anywhere else in the Property any condition which will adversely affect the use or enjoyment of the Property or any part or portion thereof by any party entitled to such use or enjoyment.

New building materials used in the construction of Improvements erected upon any Parcel may be placed upon a Parcel at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the Improvements, after which these materials shall either be removed from the Parcel or stored in a suitable enclosure on the Parcel. In the case of Parcel over five (5) acres in size, such new building materials should not be Visible From Neighboring Property. In no case may building or construction materials be placed on Common Property or Conservancy Property. During the construction of the Dwelling or other substantial Improvements, the Owner shall provide or assure that the contractor employed by the Owner provides portable toilet facilities which will be maintained and serviced by a certified sanitary service company and in conformance with the minimum requirements of the health department and the health officer of Brazos County and the State of Texas, and a trash dumpster, which shall be regularly maintained. No portable toilet facilities or trash dumpsters shall be permitted on the Parcel except during construction. The location of all temporary and construction related items on a Parcel (including but not limited to fencing, portable toilets, trash dumpsters, and materials staging areas) shall not be Visible From Neighboring Property, when applicable on larger acreage Parcels, and shall be approved in writing by the ARC prior to the start of construction. All construction requirements, as well as the positioning of all Improvements upon Parcels is hereby expressly made subject to the ARC review and approval process as described in the Design Guidelines. Owner shall be responsible for any damage to the Property or to other Parcel, which occurs as a result of any construction on Owner's Parcel.

3.07 Landscaping Plan. Unless otherwise permitted by the Design Guidelines or this Declaration, no Landscaping may be installed without the prior written consent of the ARC, in the manner set forth in this Declaration or the Design Guidelines.

3.08 Subdivision. Owners are prohibited from subdividing any Parcel without the prior written consent of the Town Council, in its sole and absolute discretion.

3.09 Offensive Activity. No illegal, noxious, unsightly or offensive activity shall be carried on or conducted upon any portion of the Property, nor shall anything be permitted or done thereon which is or may tend to become or cause a nuisance or detriment to Millican Reserve. Town Founder may use speakers, horns, whistles, bells, or other devices at any time for special events to market the Property.

3.10 Hazardous Activities. No Owner shall conduct any activity on the Property and no Owner shall construct any Improvements on the Property, which are or might be unsafe or hazardous to any person or property. The Property contains a number of Natural Areas and the Town Council shall have the right to impose Rules governing the use of the Natural Areas. Any Owner who violates this Section or the restrictions contained in the Declaration or the Rules shall be responsible for the cost of restoring the affected Natural Areas to the satisfaction of the Town Council, Town Founder, and any governmental authority having jurisdiction thereof, and the Town Council shall have the right to prohibit the offending party from further use or enjoyment of the Natural Areas, if any is allowed, after prior notice and hearing before the Town Council. The Fee Schedule may include any applicable penalties.

The Natural Areas are to be retained in their natural state to enhance the natural experience at Millican Reserve which will benefit the Owners, their Family and guests, but such areas could be considered potentially hazardous for recreational activities. Neither the Foundation, nor the Initial Owners, nor any of their affiliates, has any obligation to provide security or supervision for any person using the Natural Areas. Neither the Foundation nor the Initial Owners, nor their affiliates nor any of their predecessors, shall have any liability whatsoever for any condition of the Natural Areas or any injury or death occurring thereon. Owners and their Family and guests agree to assume any and all risk involved in accessing the Natural Areas including, but not limited to, injury, illness, damage to personal property, emotional trauma, and death arising from the native plants, wildlife, and natural or man-made terrain and waterways. Owners acknowledge the risks, hazards, or dangers involved and agree to release fully the Foundation, Initial Owners, and any of their agents, employees, officers, directors, successors and associates from any and all claims, demands or actions that may arise in connection with entry into and use of the Natural Areas.

3.11 Household Pets. As may be set forth in the Rules from time to time promulgated by the Town Founder or the Town Council or in any Village Declaration, Town Founder and the Town Council reserve the right to limit the number of Household Pets which may be kept on a Parcel, provided that they are not kept, bred, or maintained for any commercial purpose. Animals shall not be permitted to run unsupervised beyond the boundaries of its Owner's Parcel, remaining at all times on a leash or under voice control when beyond the boundaries of its Owner's Parcel. Any pet excrement shall be promptly removed from the Property. Non-traditional household animals such as wild animals, crocodiles, alligators, venomous snakes, or exotic animals are strictly forbidden on any Parcel. Upon written request of any Owner, the Town Founder (if prior to the expiration of the Development Period) or the Town Council (if after the expiration of the Development Period) shall conclusively determine at its sole discretion, in accordance with its Rules, whether an animal or animals are: (1) a domestic Household Pet, (2) making an unreasonable amount of noise or odor, (3) allowed to run at large, (4) being maintained in an unhealthy manner, or (5) otherwise a nuisance to Millican Reserve. In its sole discretion, the Town Founder or the Town Council may require Owners to remove certain pets from a Parcel. The decision of the Town Founder or the Town Council in such matters is final, conclusive and shall be enforced as other restrictions contained herein.

3.12 Prohibited Uses. The following operations and uses shall not be permitted on the Property by Owners:

(a) Any use that is illegal or offensive in the opinion of Town Founder by reason of odor, fumes, light, dust, smoke, chemicals, noise or pollution, or which is hazardous by reason of excessive danger of fire or explosion;

(b) Any use that is obnoxious to or out of harmony with the development of Millican Reserve including, but not limited to, any trailer court, junk yard, scrap metal yard or waste material business; any dumping, disposal, incineration or reduction of garbage or refuse, not including compacting devices that temporarily hold refuse for disposal off site; and any fire or bankruptcy sale or auction house operation;

(c) Refining of petroleum or its products; smelting of iron, tin, zinc, or other ores; drilling for and/or removal of oil, gas, or other hydrocarbon substances;

(d) Any establishment whose premises offers or sells a product or service that is intended to provide sexual gratification to its users;

(e) Any excavations, removal of sand, gravel or soil except in connection with a grading and/or building construction plan approved as provided herein;

(f) Storage of rubbish or trash outside any building, except in dumpsters appropriately screened from view;

(g) Any carnival or fair unless such carnival or fair is sanctioned by the Town Council or an entity for whom the Town Council has given its prior written consent.

(h) Any establishment that offers or sells paraphernalia associated with or related to illegal drug usage;

(i) Any manufacture of chemicals and/or chemical products and/or manufacture, distribution and/or sale of illegal narcotics and/or controlled substances;

(j) Any other use or activity prohibited by this Declaration, the Rules, or any Village Declaration, as may be amended from time to time.

3.13 Storage of Vehicles or Equipment and Garage Doors. This Section 3.13 shall only apply to the residential areas within Millican Reserve and may be modified by the Town Founder (if prior to the expiration of the Development Period) or the Town Council (if after the expiration of the Development Period) in their sole discretion, as circumstances may warrant. No motor vehicle or non-motorized vehicle, motor home, truck-mounted camper, recreational vehicle, trailer, boat, aircraft, tow truck, machinery or equipment of any kind may be parked or stored on any part of any Parcel for over twenty-four (24) hours, unless such vehicle or object is parked or stored in such a manner so as not to be Visible From Neighboring Property. Passenger automobiles, passenger vans, motorcycles, or pickup trucks that are in operating condition, have current license plates, are in daily use as motor vehicles on the streets and highways of the State of Texas, and which do not exceed three-quarter (3/4) ton capacity are expected here provided that they shall not be parked overnight in the public rights of way or common rights of way. No portion of any Parcel shall be used as a parking area for vehicles used in an Owner's trade or business, other than a private

passenger automobile. Owners shall not keep more than two vehicles on any Parcel in such a manner as to be Visible From Neighboring Property for a period of more than twenty-four (24) hours. No parking of any vehicles shall be allowed in the Common Property except in areas as are designated by the Town Founder or the Town Council or allowed in the Conservancy Property except in areas as are designated by the Conservancy.

(a) This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of an approved Improvement in the immediate vicinity.

(b) After twenty-four (24) hours written notice, any vehicle parked or stored in violation of this Declaration or in violation of any Rules concerning vehicles may be towed away or otherwise removed by or at the request of the Town Founder or Town Council and at the sole expense of the owner of such vehicle. In the event of such towing or other removal, the Town Founder and the Town Council and its employees or agents shall not be liable or responsible to the owner of such vehicle for trespass, conversion or damage incurred as an incident to or for the cost of such removal or otherwise. Nor shall the Town Founder or Town Council, its employees or agents be guilty of any criminal act or have any civil liability by reason of such towing or removal, and neither its towing or removal nor the failure of the owner of the towed or removed vehicle to receive any notice of the violation of the provisions of this Section shall be grounds for relief of any kind. Owners violating these restrictions may be subject to fees as described in the Fee Schedule.

(c) All garage doors shall be maintained in operable condition.

3.14 Maintenance. Each Parcel and all Improvements, including Landscaping, Agricultural Use Areas or livestock areas, and any swales located thereon, shall at all times be kept and maintained in a safe, clean and attractive condition as determined by the Town Council, in its sole and absolute discretion and shall not be allowed to fall into disrepair or become unsafe or unsightly as determined by the Town Council, in its sole and absolute discretion. On the portions of the Parcels with mature natural vegetation, it is encouraged that areas be left in their existing state. No Parcel shall be used or maintained as a dumping ground for rubbish, garbage or debris of any kind, except composting is allowed in Section 3.15 below. The Owner of each Parcel shall, at his or her own expense, keep such Parcel, including any Easement Areas located on such Parcel, free of trash and rubbish, and any other unsightly objects. In the event the Owner fails to comply with this Section, then the Town Founder or Foundation shall have the right, but not the obligation, to go upon such Parcel to maintain any swale areas as may be further provided in the applicable Village Declaration and Rules promulgated by the Town Founder or the Town Council, remove rubbish and any unsightly or undesirable things and objects from the Parcel, cut the grass, and to do any other things and perform and furnish any labor necessary or desirable in its judgment to maintain any portion of the Parcel that is Visible From Neighboring Property in a neat and attractive condition, all at the expense of the Owner of such Parcel, which expense shall constitute an Individual Assessment against the Parcel as provided in this Declaration. Such entry by the Foundation upon a Parcel shall not be deemed a trespass. Notwithstanding anything contained herein to the contrary, it is understood that there is hereby reserved for the Town Founder and each Owner the right to maintain normal construction debris and vegetation on any Parcel in a neat and tidy manner and so as not to create a nuisance to other Parcels until the certificate of occupancy or equivalent approval has been issued (or, if such approval is not required by applicable law, when the structure is otherwise suitable for occupancy or use).

3.15 Garbage and Garbage Containers, and Collection. Composting of biodegradable matters is an encouraged practice and is permitted in accordance with the limitations of this Section

3.15. Except for designated curbside trash pick-up days, no garbage, compost, or trash containers (or their storage areas) shall be Visible From Neighboring Property or the public right-of-way. All equipment for the storage or disposal of rubbish, garbage or debris shall be kept in clean and sanitary condition. Each Owner may erect and maintain compost receptacles no larger than thirty-six (36) square feet. The Foundation may also establish a community composting area on the Common Property. Owners are required to seek written approval from the ARC regarding the selection of construction materials and the placement of a receptacle before the erection of composting receptacles which are Visible From Neighboring Property. Further, all compost, garbage and trash containers and their storage areas shall be designed and maintained so as to prevent wild animals from gaining access thereto. The Town Founder and the Town Council may from time to time establish additional Rules for the storage and disposal, and pick up of rubbish, debris, garbage and leaves and mandate the manner to dispose of such items. The Town Council may assess additional fees for such services as deemed necessary. In addition, certain requirements may be placed on the Owner as it pertains to the sorting of rubbish, debris, and garbage for recycling purposes. Accumulations of cut brush shall be permitted on Parcels, upon the prior written approval by the ARC but only if constructed to benefit wildlife in accordance with a wildlife management use plan approved by the Town Council and that the Owner is implementing his or her Parcel.

3.16 Burning. Except for the Town Founder's or Foundation's right to burn the prairie areas within the Property and unless otherwise expressly permitted in writing by the Town Council, no burning of trash, rubbish, garbage or other materials of any type shall be permitted or conducted on any Parcel. Nothing herein contained, however, shall be deemed to prohibit the burning of wood, logs or charcoal in properly constructed or installed fireplaces, fire pits, barbecue cookers or the like, whether inside or outside of the Dwelling located on any Parcel. Owners shall observe any Governmental Regulations regarding burning, including County burn bans, and always use safe burning practices and otherwise exercise extreme caution when burning outside; Owners will never leave an outdoor fire unattended. Permission for managed or controlled burns during construction or for other purposes may be granted in writing by the Town Founder or the Foundation.

3.17 Storage Tanks. With the exception of water catchment tanks tied to gutter systems on an Improvement, no storage tanks, including but not limited to, those for oil, propane gas, or other liquid, fuels or chemicals, including those used for swimming pools or the like, shall be Visible From Neighboring Property. No elevated tanks of any kind shall be erected, placed or permitted on any Parcel, except for elevated tanks used for Wildlife Management Use Practices are permitted on a Parcel if approved by the ARC. The location and design of any water catchment tanks which are Visible From Neighboring Property must be in compliance with the Design Guidelines and the Rules.

3.18 Mineral Exploration. Except as provided in Section 3.03, no exploration, mining, quarrying, or drilling for or exploration of minerals of any type or kind, including oil, gas, gravel, rocks, earth or earth substances of any kind shall be conducted by any Owner on their Parcel.

3.19 Burying and Dumping. No garbage, cans, grass clippings, animal feces, dirt, sand, fill, debris, rubbish, sewage, goods, chattels, oil, antifreeze, chemicals or other materials shall be dumped, buried, drained or deposited in or on any portion of the Property, including on any Parcel or on the Common Property or on the Conservancy Property, by any Owner, his/her Family, employees, agents, guests, invitees or by any other person using the Property.

3.20 Radio Transmission Equipment. No radio, microwave or other electronic transmission equipment, including ham radio, citizens band radios, and the like, shall be operated on the

Property without the prior written consent of the Town Council, and such consent, once given, may be revoked by the Town Council in the event that the operation of any such equipment interferes with ordinary radio and television reception or equipment, including any central cable television, security system, or any other communication system serving the Property or any other Owner.

3.21 Cell Towers and Antennas. Cell towers may not be erected on the Property by any Owner, and this prohibition cannot be waived by the Town Council or the ARC; non-cell towers (such as for domestic television or internet service) require ARC approval, may not exceed 60 feet in height, and may not be Visible From Neighboring Property. Exterior radio, internet, and television antennas, including aerial or receiving dishes greater than 24" in diameter, may be erected on any Parcel as long as they are not within 100 feet of a property line and are not Visible From Neighboring Property. Any exceptions to the restriction regarding the placement of antennas shall be approved by the ARC in writing and before the structure in question is erected. However, Town Founder reserves the right to erect antennas or towers, on the Property at Town Founder's option and without approval of the ARC, even if such antennas or towers are not in compliance with this Section 3.21. Such structures shall be erected by Town Founder or by Town Founder's designated representative.

3.22 Solar Panels. No solar panels that are Visible From Neighboring Property may be constructed or installed on a Parcel unless such solar panels are in compliance with the Design Guidelines and the Rules.

3.23 Pumping. Only the Town Founder or the Town Council may draw down the water from any of the Property; however, with written Town Council approval, an Owner of a Parcel exceeding ten (10) acres in size may employ a Texas certified well drilling contractor to drill a water well within a Parcel, but not closer than 75 feet to the Parcel boundary, and then only for strictly non-commercial, residential purposes and only in order to serve their Single Family Residential Use, irrigation, Agricultural Use and/or Wildlife Management Use; such water wells are limited to a maximum cumulative production rate of 20 gallons/minute per Parcel. The size and placement of each well must be pre-approved by the ARC.

3.24 Firearms. No firearms shall be discharged on the Property for any purposes including hunting, except for the discharge of firearms pursuant to a Wildlife Management Use Plan on the Parcels, Common Property and Conservancy Property to control populations of wild animals, which must be first approved in writing by the Town Council.

3.25 Use of Recreational Vehicles. Use of non-motorized (i.e. battery powered or electric) recreational vehicles on the Property is allowed by Owners only in areas specifically designated by the Foundation for their use. No dirt bikes, all-terrain vehicles (ATV's) and similar motorized recreational vehicles or passenger vehicles may be operated on any of the Property, except to the extent the use of any such vehicle is required for the transportation of the physically disabled; to enable Town Founder to complete construction or to show the Property to potential buyers; or as necessary for maintenance or upkeep of the Common Property, the Conservancy Property, or as expressly permitted by the applicable Village Declaration or the Rules from time to time promulgated by the Town Founder or the Town Council. The Town Founder or the Town Council, by promulgating a Rule, may establish a list of approved motorized recreational vehicles which may include the required use of an exhaust silencer. The purpose of this restriction is for sound control. The use of non-motorized recreational vehicles, including equestrian powered vehicles, within the Property shall be governed by the Foundation to provide recreational enjoyment to the Owners in a safe manner sensitive to the natural environment

3.26 Signs. No signs, billboards, unsightly objects, or advertising displays of any kind shall be installed, maintained or permitted to be erected and/or remain on any portion of the Property,

including any Parcel, Common Property, or Conservancy Property, commercial or residential, which is Visible From Neighboring Property or from streets or access roads, except those approved in writing by the ARC. Sales and/or rent information of any kind is not permitted on any signage within the Property. Notwithstanding the foregoing provisions of this Section, the Town Founder specifically reserves the right, for itself and its agents, employees, nominees and assigns the right, privilege and easement to construct, place and maintain upon any portion of the Property such signs as it deems appropriate in connection with the development, improvement, construction, marketing and sale of Parcels. The Town Council has the right to create common signage including but not limited to address displays, Parcel signage, and signs to be displayed during periods of construction, to be utilized throughout the Property, for any purpose, and each Owner shall be required to both pay for the signage and place same on their Parcel within the Property. The Foundation has the right to remove, without any penalty in trespass, all signs erected within the Property that are not approved by ARC. The Owner and/or builder will be solely responsible for all costs incurred in connection with the removal of the non-approved signage.

3.27 Grades and Drainage. The Town Founder shall have the sole and exclusive right to establish grades and slopes, drainage easements, swale areas and retention ponds on the Property and to fix the grade at which any Dwellings shall be erected or placed thereon. No portion of any Parcel, Conservancy Property, or Common Property shall be filled, graded or regraded without the express written consent of the ARC. Storm water from any Parcel, the Common Property, or the Conservancy Property shall not be permitted or allowed to drain or flow unnaturally onto, over, under, across or upon any contiguous or adjacent Parcel, the Common Property, or the Conservancy Property unless a drainage easement shall exist therefor. No Owner shall be permitted to alter the grade or slope of any Parcel, the Common Property, or the Conservancy Property or change the direction of, obstruct or retard the flow of surface water drainage or swale areas, construct a pond or interfere in any other way with the established drainage pattern within the Property unless adequate provision is made for proper drainage, and a site plan is submitted and is approved in writing by the ARC. The Town Council may develop guidelines for ponds.

3.28 Mailboxes, Mail, and Deliveries. Mail may be delivered to a community mail center or as otherwise determined by the Town Council or Town Founder. Display of individual mailboxes, or newspaper boxes, on Parcels which are Visible From Neighboring Property or from streets or access roads is prohibited. The Town Founder and/or Town Council reserves the right to grant access and entry gate codes to all mail carriers, including but not limited to the US Postal Service, UPS, and Federal Express, for the purpose of facilitating deliveries to the Owners' Parcels.

3.29 Fences and Gates. Privacy fences, garden fences, gates, and fencing for dogs will not be erected or maintained on a Parcel without the prior written approval of the ARC and must be constructed in accordance with the Design Guidelines, with the exception of non-visible in-ground dog fencing which is expressly permitted. All fences, if any, which have been erected by the Initial Owners, the Foundation or Owner on any Parcel shall be maintained in good repair by Owner, and Owner shall promptly repair or replace the same in the event of partial or total destruction.

3.30 Millican Reserve Entry Features. Public access to the Property may be restricted. Town Founder may install and own entry features, mailboxes and entry gates to the Property ("Entry Features"), but the Foundation is required to maintain these improvements. Town Founder, in its sole discretion, can convey the Entry Features to the Foundation at any time or move the location of the Entry Features.

3.31 Blocking Common Area. No cable, chain or other device that interferes with free passage on, about, around or across any portion of the Common Property or Conservancy Property shall be installed or maintained by any Owner.

3.32 Prohibited Structures. No trailer or mobile home, including a mobile home which has become affixed to any Parcel, shall be maintained or used on any Parcel at any time, for any purpose, unless approved by the ARC. Notwithstanding anything stated to the contrary herein, the Town Founder shall have the exclusive right to erect, place and maintain such facilities or maintain a sales or construction office, in or upon any portion of the Property as may be necessary or convenient while selling Parcels, selling or constructing residences and constructing other Improvements upon the Property.

3.33 Storage Yards. Any storage yard, wood pile or storage pile shall be located so as not to be Visible From Neighboring Property or streets or access roads.

3.34 Damaged Buildings. The Owner will have three (3) months from the date any building is destroyed partially or totally by fire, storm or any other means to begin the repair or demolition and restoration of the building to an orderly and attractive condition. Any repair, rebuilding or reconstruction on account of casualty or other damage on any Parcel or any part or parts thereof, must be approved in writing by ARC.

3.35 Herbicides and Other Chemicals. The Town Council has the right, by Rule, to restrict the use of chemicals or aquatic herbicides on the Parcels or which may be released into the waterways to control algae and plant growth. Use of herbicides or other chemicals by an Owner on a Parcel or by the Town Founder or Foundation on the Common Property or Conservancy Property shall only be applied in an environmentally sensitive manner to insure protection of the surrounding environment and to prevent runoff onto driveways, sidewalks, neighboring Parcels, Common Property, Conservancy Property or into waterways. Authority to define and regulate herbicides and other chemicals shall be with the Town Council.

3.36 Septic Systems. All septic systems located on any Parcel shall be built with a septic tank or other sewage disposal system that is approved by Brazos County and the State of Texas. Owners are responsible for all maintenance, upkeep, and regulatory compliance. The Foundation has the right to access a Parcel to enforce any compliance violations and/or for the purpose of repairing any damage to the septic system to ensure the safety and welfare of the Property and Owners. Any costs incurred for such compliance enforcement or repair will be the sole responsibility of the Owner.

3.37 Private Amenities. The Town Founder, or any other Person, with the written approval of the Town Founder or the Town Council, may construct Improvements which are located adjacent to, in the vicinity of, or within the Property for social, recreational or other purposes (a "Private Amenity"). Any Private Amenity shall be designated by the Town Founder in its sole discretion. The use of the term "Private Amenity" shall not be construed to imply or require a private club. Private Amenities may be operated on a club membership, daily fee, use fee, public, or private basis or otherwise. Access to and use of any Private Amenity is strictly subject to the rules and procedures of the owner of such Private Amenity, and no Person gains any right to enter or to use any Private Amenity by virtue of membership in the Conservancy, the Foundation, or ownership or occupancy of a Parcel. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Town Founder, the Foundation or any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed

by the record owner of the Private Amenity.

3.38 Initial Owners' Use. Notwithstanding anything stated to the contrary herein, until the expiration of the Development Period, neither any of the Owner's, nor the Foundation's use of the Property shall interfere with the completion of contemplated Improvements by the Initial Owners and the sale of the Parcels by Initial Owners. It is the obligation of Town Founder to provide certain utilities, easements, and roads within the Common Property. Any additional Improvements are in the Town Founder's discretion to build. Town Founder may make such use of the unsold Parcels, the Common Property, the Conservancy Property, or any part thereof, without any charge, as may facilitate such completion and sale, including, but not limited to, maintenance of a sales office, construction office, storage barn, security area, the showing of the Property and the display of signs and the use of the Parcels. Common Property, the Conservancy Property, as parking areas or to walk or drive upon to reach another portion of the Property.

The Town Founder has contemplated developing additional land near the Property and the Town Founder, its successors, assigns, and/or affiliates reserve the right to add additional amenities and services not provided herein and establish additional fees in the event such amenities and services are provided to Owners at Millican Reserve. THE TOWN FOUNDER DOES NOT GUARANTEE NOR MAKE ANY WARRANTIES TO OWNERS REGARDING THE DEVELOPMENT OF ADDITIONAL LAND, THE ADDITION OF AMENITIES, OR THE USE OF ANY FACILITIES RELATED TO CONTEMPLATED FUTURE DEVELOPMENT, INCLUDING BUT NOT LIMITED TO ANY PROPOSED DEVELOPMENT THAT MAY BE INCLUDED IN TOWN FOUNDER'S PROMOTIONAL MATERIALS.

3.39 Contracting with Initial Owners or Initial Owners' Affiliate. The Foundation or any Village Foundation may enter into contracts with Initial Owners, the Town Founder, and/or affiliates for any services, management, or construction-related activities including but not limited to construction of any Common Property improvements as described in this Declaration. Rates charged under any such contract should be generally comparable to prevailing market rates for such services.

3.40 Leasing. It is permitted for Owners to lease the Owner's Parcel and attendant use of the residence and improvements thereon so long as the lessee(s) are leasing the entire Parcel and attendant use of the residence and improvements thereon. No fraction or portion of any Parcel and attendant use of the residence and improvements thereon may be leased or rented. "Leasing" for the purposes of this Declaration, is defined as occupancy of a Parcel and attendant use of the residence and improvements thereon for Single Family Residential Use by any person other than the Owner of the Parcel, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Provided, however, "leasing" for purposes of this Declaration does not include leases such as, by way of illustration and not limitation, transient or hotel purposes, vacation rentals, boarding house rentals, backyard rentals, swimming pool rentals, "Swimply", party venue rentals, bed and breakfast or other short-term rental uses and such uses are strictly prohibited and are considered to be a prohibited business, commercial, or trade purpose use. Leasing a Parcel and attendant use of the residence and improvements thereon for Single Family Residential Use as allowed hereunder will not be considered a business, commercial, or trade purpose use. This provision will not preclude the Foundation from leasing a Parcel and attendant use of the residence and improvements thereon upon taking title following foreclosure of its security interest in the Parcel or upon acceptance of a deed in lieu of foreclosure.

No Parcel and attendant use of the residence and improvements thereon shall be leased for a term of less than thirty (30) full consecutive calendar days to the same lessee, nor shall any lease be for less than the entire Parcel and attendant use of the residence and improvements thereon or be

advertised or marketed seeking lessees or lease(s) for a term less than thirty (30) full consecutive calendar days. An Owner who leases the Owner's Parcel and attendant use of the residence and improvements thereon shall be deemed to have assigned to the lessee for such Parcel for the period of the lease all of Owner's rights to use the Common Property and amenities located thereon.

All leases must be in writing and must contain such terms as the Town Council may prescribe from time to time. All leases must provide that they are subject to all provisions in this Declaration and all other governing documents of the Foundation (the "Governing Documents") and that the lease may be terminated in the event of a violation of this Declaration or the other Governing Documents by an occupant or occupant's family, and the Town Council, in its sole discretion, may require termination by the Owner and eviction of the occupant in such event. Rental or lease of the Parcel and attendant use of the residence and improvements thereon will not relieve the Owner from compliance with this Declaration or the other Governing Documents.

All lessees shall be subject to the terms and conditions of this Declaration and the other Governing Documents as though such lessees were an Owner. Each Owner agrees to cause the Owner's lessees to comply with this Declaration and the other Governing Documents, and is responsible and liable for all violations and losses caused by such lessees, notwithstanding the fact that such lessees are fully liable for any such violation. All provisions of this Declaration and of the other Governing Documents which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all lessees and occupants even though such lessees and occupants are not specifically mentioned.

Notwithstanding the foregoing, individual Village Foundations may adopt and enforce additional or different leasing regulations applicable to residential Parcels within such Village, subject to the approval of, and in coordination with, the Town Founder or the Town Council, as applicable, in which case any such additional or different leasing regulations will control as to such Village only in the event of a conflict with this Section 3.40. This Section applies solely to the leasing of residential Parcels. Leasing of commercial property or other non-residential property within Millican Reserve shall be permitted, restricted, or regulated solely at the discretion of the Town Founder or the Town Council, as applicable.

ARTICLE IV - THE FOUNDATION

4.01 Organization and Purpose. In order to implement the general purposes of this Declaration, Town Founder shall cause the Foundation to be organized and formed as a non-profit corporation under the laws of the State of Texas. The purpose of the Foundation, in general, shall be to ensure high standards of maintenance and operation of all the Common Property, to insure the provision of services and facilities for the common benefit of all Owners, and in general to maintain and promote the desired character of the Property as an environmentally sensitive, first class residential community.

4.02 Membership. Every person who is an Owner of any Parcel (whether one or more persons or entities) which is subject to an Annual Assessment shall automatically be a Member of the Foundation. Owners of any Parcel that is not subject to an Annual Assessment are not Members and will not be afforded any Member rights, including but not limited to the right to vote. Notwithstanding the foregoing, even though Initial Owners do not pay any Assessments except for Capitalization Fees, all Initial Owners will be Members of the Foundation as set forth in Section 4.03. Membership in the Foundation as set forth herein shall be appurtenant to and may not be separated from ownership of any Parcel. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation.

4.03 Voting Rights. In all matters submitted to a vote of the Members of the Foundation, there shall be two classes of voting memberships:

(a) **Class A:** Except for Class B Members as set forth below, each Member automatically become a Class A Member of the Foundation and shall remain a Class A Member thereof until his or her ownership of a Parcel which is subject to an Annual Assessment ceases for any reason as stated above, but there shall only be one (1) vote per Parcel. Class A Members shall be all Members other than Class B Members. Initial Owners shall become a Class A Member with regard to Parcels owned by Initial Owners upon conversion of Initial Owners' Class B membership to Class A membership as provided herein below.

(b) **Class B:** The Class B Members shall be the Initial Owners. The Class B Members shall be entitled to five (5) votes per acre owned within the Property. The Class B membership shall cease and be converted to Class A membership upon the expiration of the Development Period. The Initial Owners, in their sole and absolute discretion, may convert Class B membership to Class A membership at any time in a document recorded in the Official Public Records of Brazos County, Texas.

If the Initial Owners determine, at Initial Owners' sole discretion, that the Foundation is capable of performing the necessary duties as defined herein, the Initial Owners reserve the right at any time to turn over any of its rights and duties to the Foundation, or to unilaterally convert the Initial Owners' membership status from Class B to Class A.

(c) **Reinstatement of Class "B" Votes.** Notwithstanding the prior provisions of subsection (b) above, if additional property is made subject to the jurisdiction of the Foundation pursuant to a Village Declaration, or if Initial Owners repurchase any Parcel, such that Initial Owners again own any Parcel in the Property, then the provisions regarding Class "B" votes in this Section 4.03, shall be automatically reinstated ipso facto.

(d) **Joint Owner Disputes.** The vote for each Parcel shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that Members voting on behalf of the same Parcel are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. The submittal of conflicting votes by Members voting on behalf of the same Parcel shall invalidate those votes. If any Member casts a vote representing a certain Parcel, it will thereafter be conclusively presumed for all purposes that he/she or they were acting with the authority and consent of all other Owners and Members of the same Parcel.

(e) **Transfer of Voting Rights.** The right to vote may not be severed or separated from the ownership of the Parcel to which it is appurtenant. Any sale, transfer or conveyance of such a Parcel to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner(s) and Member(s).

4.04 Town Council and Officers. The affairs of the Foundation shall be conducted by a Town Council and such officers as the Town Council may elect or appoint, in accordance with the Certificate of Formation and Bylaws, as the same may be amended from time to time. The initial Town Council shall be appointed by Town Founder. The Town Council appointed by Town Founder shall exist until the expiration of the Development Period, at which time the Members shall elect a Town Council as provided in the Bylaws. Notwithstanding the foregoing, on or before the one-hundred twentieth (120th) day after the date seventy-five (75%) percent of the Parcels that may be created and made subject to this Declaration are conveyed to Owners other than the Town Founder or a Builder in the business of constructing homes who purchased the Parcels from the Town Founder for the purpose of selling completed homes built on the Parcels, or sooner as determined

by Town Founder, in its sole and absolute discretion, the Town Council will call a meeting of Members for the purpose of electing one-third of the Town Council (the "Initial Member Election Meeting"), which Town Council member(s) must be elected by Members other than the Town Founder. The Town Founder shall continue to have the sole right to appoint and remove two-thirds of the Town Council from and after the Initial Member Election Meeting until expiration of the Development Period.

4.05 Powers and Authority of the Foundation. The Foundation shall have all the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Certificate of Formation, Bylaws, or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Foundation under and by virtue of this Declaration, the Certificate of Formation, the Bylaws and the Texas Business Organizations Code. Without in any way limiting the generality of any of the foregoing provisions, the Foundation shall have the power and authority at any time to do the following:

(a) **Assessments.** To levy Assessments on the Owners of the Parcels, and to enforce payment of such Assessments in accordance with the provisions of Article VII hereof, and to collect, on behalf of any Village Foundation, such Village Foundation assessments to facilitate collection of the Foundation and Village Foundation assessments.

(b) **Right of Entry and Enforcement.** The Town Founder and/or the Foundation shall enforce the provisions hereof relating to the building plans, specifications, with assistance as needed by the ARC, including those set forth in the Design Guidelines, all as amended from time to time by the ARC. The Town Founder, ARC, and/or Foundation reserve the right to perform onsite visits to ensure compliance. If for any reason whatsoever, the Owner violates this Declaration or any applicable Village Declaration, or the Rules, the Town Founder or Foundation has the right to enter upon any portion of the Property or onto any Common Property or Conservancy Property for the purpose of enforcing the Declaration, the Rules or for the purpose of maintaining or repairing any area, Improvement or Facility to conform to the restrictions herein established, at the expense of the Owner thereof. Notwithstanding the foregoing, the Town Founder or the Foundation will not enter a Dwelling without the permission of the Owner. Any such entry upon a Parcel shall not be deemed a trespass. The Foundation reserves the right to immediately halt and prevent further activity pertaining to any clearing and/or construction deemed in violation of the Design Guidelines until such time the violation has been remedied and in compliance. Any cost related to the stop of the clearing and/or construction including but not limited to any cost associated with the delay in the clearing and/or construction will be the sole responsibility of the Owner. Should the Town Founder and/or the Foundation be required to enforce the provisions hereof by legal action, the recovery of attorney's fees as more fully set forth in Article VII, and costs incurred, whether or not judicial proceedings are involved shall be collectible from the Owner and shall constitute an Individual Assessment against the Parcel as provided in Article VII herein. Town Founder and the Foundation, or its respective agents or employees, shall not be liable to the Owner for any damages or injury to the Parcel or any Improvements thereon resulting from any action taken pursuant to this Section.

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

- (1) Parks, parkways, campgrounds, or other recreational facilities or structures;
- (2) Roads, private roads, walks, driveways, trails and paths;

- (3) Lines, cables, wires, conduits, pipelines, or other devices for utility purposes;
- (4) Storm water drainage systems, sprinkler systems and pipelines; and
- (5) Any similar public, quasi-public, or private Improvements or Facilities.

Nothing above contained, however, shall be construed to permit use or occupancy of any Improvement or other Facility in a way, which would violate applicable use and occupancy restrictions imposed thereon by other provisions of this Declaration. In addition, the Town Council reserves the right to grant and convey any roads within the Property to the County or local municipality in the event such roads are made public.

(d) **Create Another Association.** To create a subsidiary or other association to have the rights and powers, and to perform the duties, obligations or functions necessary to the obtaining of a tax exemption, if it shall ever be ruled or held that an exemption under the Internal Revenue Code is unavailable to the Foundation under this Declaration; or alternatively, the Foundation may retain the rights, powers, duties, obligations and functions which prevent the obtaining of the tax exemption and transfer some of all of its other rights, powers, duties, obligations, and functions to such subsidiary or other association.

4.06 Rules. The Town Founder and/or the Town Council may adopt, amend and repeal such Rules as either deems proper for the use and occupancy of the Property. A copy of said Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner, or recorded in the Official Public Records of Brazos County, Texas. Upon such mailing, delivery or recordation, said Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. As part of the Rules that may be adopted from time to time by the Town Founder or Town Council, a fine may be imposed by the Town Council for violation by any Owner, his/her Family, of any guests or invitees of this Declaration or any applicable Village Declaration or the Rules. In the event any such fine is imposed, it shall constitute an Individual Assessment as provided in Article VII hereof. Before imposing any such fine the Town Founder or Town Council shall give such Owner notice and hearing as may be required by Texas law.

4.07 Liability of Initial Owners, Town Council, ARC and Foundation. Neither the Initial Owners, Town Council, ARC nor the Foundation shall be personally liable to any Owner or to any other party, for any damage, loss or prejudice suffered or claimed on account of any act or omission of Initial Owners, Town Council, ARC or the Foundation, or any other representatives or employees of same, provided that such Person has, upon the basis of such information as may be possessed by him or her, acted in good faith. Further, the Initial Owners, Town Council and ARC shall be indemnified by the Foundation against all expenses and liability, including attorney fees, reasonably incurred by or imposed in connection with any proceeding as a result of the performance of their duties for Millican Reserve except where the Initial Owners, Town Council, ARC or their officer is adjudged guilty of willful misfeasance or malfeasance in the performance of their duties. Neither the Foundation nor the Initial Owners, Town Council or ARC shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Member, occupant or user of any portion of the Property, including without limitation, Owners and their respective families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. The Foundation and the Initial Owners, Town Council and ARC are not empowered, and have not been created, to act as an entity which enforces or ensures any other individual or entity's compliance with applicable laws or the prevention of criminal, tortious or other like regulated activities. Every Owner, by taking title to any part of the Property, covenants and agrees to hold harmless and to indemnify the Foundation and the Initial Owners, Town Council and ARC from and against all claims of any kind, whatsoever by any invitee, licensee,

Family member, employee, or other representative or agent of that Owner for any loss or damage arising in connection with the use, ownership or occupancy of any portion of the Property. The Town Council, in its sole discretion, shall also have the authority to obtain liability insurance insuring the Town Council, the ARC or officers of the Foundation against any claims, losses, liabilities, damages or causes of action arising out of or in conjunction with or resulting from an act or omission in their representative capacity. It is each Owner's sole responsibility to ensure the Wildlife Management Use or Agricultural Use is approved by the Brazos County Appraisal District and the Foundation, the Initial Owners, Town Council, and ARC shall not be responsible for denial of a Wildlife Management or Agricultural Use appraisal, pursuant to Texas Property Tax Code Section 23.51(1), by the Brazos County Appraisal District.

4.08 Reimbursement of Initial Owners and/or Town Founder. Recognizing that the Foundation may have to be subsidized by Initial Owners and/or the Town Founder, the Board (whether the Board is the same as Initial Owners and/or the Town Founder, its agents, servants, or employees and without being liable for any claim made by any Member that the Board's fiduciary duty to the other Members has been breached due to a conflict of interest) may execute promissory notes and/or other instruments evidencing any debt the Foundation owes the Initial Owners and/or the Town Founder for monies expended by the Initial Owners and/or the Town Founder or loaned to the Foundation by Initial Owners and/or the Town Founder for and on behalf of the Foundation; provided, however, such promissory notes shall not be secured by a lien on any of the Common Area conveyed by Initial Owners and/or the Town Founder to the Foundation.

ARTICLE V - ARCHITECTURAL REVIEW COMMITTEE

5.01 Composition of ARC. The ARC shall consist of between two (2) and seven (7) members. Notwithstanding anything stated to the contrary herein, until the expiration of the Development Period, Town Founder shall have the sole and absolute right to appoint and remove ARC members at any time without cause. Each of said persons shall hold office until such time as he or she has resigned or has been removed or his successor has been appointed, as provided herein. Upon the expiration of the Development Period, or sooner if Town Founder so determines in its sole discretion, the Town Council shall have the sole and absolute right to appoint and remove ARC members at any time without cause. Except for members of the ARC appointed by the Town Founder, members of the ARC shall be Owners, and shall serve without salary or pay and none of the members shall be required to be an architect or to meet any other particular qualifications for membership.

5.02 ARC Approval Required. Except as may otherwise be provided in any Village Declaration or the Design Guidelines, no Dwelling, Structure, other Improvements, Landscaping, additions thereto, or any exterior aspect of a Dwelling, Structure or Improvement, nor any construction, installation or location of any structure or improvement which is appurtenant to a Dwelling, shall be constructed, altered, restored, added to, located, remodeled on the exterior, placed installed or permitted without, in each and every instance, the prior written approval of the ARC in the manner set forth in this Declaration and the Design Guidelines. The ARC may require professional renderings of the plans or any other aspect of the proposed building, addition or Improvement. The ARC may, in its Design Guidelines, rules or otherwise provide for the payment of a fee(s) to accompany each request for approval of any proposed Improvement. The ARC may provide that the amount of such fee(s) shall be uniform for similar types of proposed Improvements or that the fee shall be determined in any other reasonable manner, such as based upon the reasonable cost of the proposed Improvement. Approval of preliminary plans or conditional approval of preliminary plans by the ARC is not final approval of the plans by the ARC and such preliminary or conditional approval is not binding upon the ARC in any manner. Approval of the final plans by the ARC is required in all circumstances. The ARC shall have jurisdiction over all matters of

architectural design, construction, exterior appearance, and site improvements within the Property, regardless of Parcel use or classification, including but not limited to Residential, Commercial, or Institutional Parcels. All improvements and structures within the Property are subject to review and approval by the ARC as provided in this Article.

5.03 Duties. The ARC shall have the following powers and duties:

(a) To consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to the Design Guidelines, both as applicable to all Property in Millican Reserve and as applicable to the Village in which the Owner's Parcel is located, for any and all improvements and construction which shall be commenced, erected or maintained upon the Property as well as any exterior additions to or changes or alterations therein. The ARC shall approve, in its sole discretion, proposals or plans and specifications submitted for its approval only if it deems that the construction, location, alterations, or additions contemplated thereby in the locations indicated are in compliance with the Design Guidelines, any design guidelines promulgated by any Village Foundation or set forth in any Village Declaration and will not be detrimental to the overall development and the appearance of the Property, as a whole and that the appearance of any Improvement affected thereby will be in harmony with the surrounding Improvements and topography, preserve the Natural Areas, and be aesthetically attractive and architecturally well designed. The ARC may require a reasonable fee for performing the functions herein prescribed, and may disapprove plans, specifications, designs and plot plans for failure to pay such fee.

(b) The conclusion and opinion of the ARC shall be binding, if in its opinion, for any reason, including purely aesthetic reasons, the ARC shall determine that said Improvement, alteration, addition, activity or change is not consistent with the development plan formulated by the Town Founder and the requirements set forth in the Design Guidelines. The ARC will notify the Town Council of all conclusions and opinions as it relates to design review matters including but not limited to approval and denial of plans submitted by Owners.

5.04 Design Guidelines. The Town Founder, in order to give guidelines to Owners concerning construction and maintenance of Improvements located on Parcels within the Property, has promulgated Design Guidelines, which may be amended by the Town Founder from time to time. The Property shall be held, transferred, sold, conveyed and occupied subject to the Design Guidelines as may be amended from time to time by the Town Founder. Upon the expiration of the Development Period, or sooner if Town Founder so determines in its sole discretion, the authority to promulgate or amend the Design Guidelines shall automatically be assigned by the Town Founder to the Town Council.

5.05 Timely Review. In order to avoid significant inconvenience to Owners, the ARC shall conduct reviews of requests in a timely manner. Approval of plans shall not cover or include approval for any other purpose and specifically, but without limitation, shall not be construed as any representation as to or responsibility for the design of the Improvement or the ultimate construction thereof. In the event the ARC fails to approve such plans and specifications within sixty (60) days after the receipt thereof, they shall be deemed to be disapproved.

5.06 Meetings of the ARC. The ARC shall meet from time to time as necessary to perform its duties hereunder. The ARC may, by resolution unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of the ARC, except the granting of variances as hereinafter provided. In the absence of such designation, the vote of a majority of all the ARC members taken at a meeting shall constitute an act of the ARC. The ARC may take action without formal meeting (including by electronic means) by written consent of a majority of its members on any matter which it might consider at a formal meeting; provided,

however, that any approval of a variance shall require the unanimous written consent of all ARC members. Such written consent shall constitute the act of the ARC. Should a member of the ARC submit their own plans to the ARC for review, that member will recuse themselves from the approval process. The ARC shall keep and maintain written records of all actions taken by it at such meetings or otherwise.

5.07 No Waiver of Future Approval. The approval of the ARC of any proposals, plans, specifications, or drawings for any work done or proposed or any approval in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawing or matter whether subsequently or additionally submitted for approval or consent.

5.08 Statute of Limitations. Any final approvals granted by the ARC will be in effect for a period of one (1) year and are transferrable to the successor Owner of any Parcel. Construction must be started within one (1) year of the approval date by the ARC. If one year (1) has elapsed since final plan approval was granted, the plan must be resubmitted to the ARC, including any applicable fees, and written approval must be received prior to any construction. The Design Guidelines are subject to change and any plans resubmitted after the one (1) year approval date must be in compliance with the current Design Guidelines at time of resubmittal. The foregoing limitation shall apply solely to final approvals of plans and specifications. The ARC may, by rule, guideline, or resolution, adopt different time periods or expiration provisions applicable to preliminary, conditional, or other types of approvals.

5.09 Decisions Conclusive. All decisions of the ARC shall be final and conclusive, and no Owner or any other person, association or entity shall have any recourse against the ARC, or any member thereof, for its or such member's approval or refusal to approve all or any portion of the plans or of any materials submitted therewith, or for any other decision rendered under the authority of this Declaration.

5.10 Non-Liability of ARC. Neither Town Founder nor the ARC, nor any ARC member shall be liable to the Foundation or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the ARC's duties hereunder, unless due to the willful misconduct or bad faith of the ARC. The ARC shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the Property. A primary goal of the ARC is to review applications, plans, specifications, materials and samples submitted by Owners in order to determine if the proposed improvement or modification conforms in appearance and design with the standards and policies set forth. The ARC shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features. The Town Founder, the Foundation and the ARC do not assume responsibility for, including but not limited to, the following:

1. The structural adequacy, capacity or safety features of the proposed improvement or structure;
2. Soil erosion or unstable soil conditions;
3. Compliance with any or all building codes, safety requirements, or state laws, regulations or ordinances;

4. Performance or quality of design and/or construction performed by any approved architect, builder, or contractor;
5. Marketability of the product;
6. The financial solvency of any builder and/or architect; and
7. The approval of or satisfaction from any plans or designs submitted by a recommended builder and/or architect.

5.11 Variances. The Town Council, with written recommendation from the ARC, may authorize variances from compliance with any of the architectural provisions of this Declaration, any Village Declaration, the Rules and the Design Guidelines, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, and authorize the placement of structures nearer to Parcel lines than otherwise provided for herein and in the Design Guidelines when circumstances such as topography, natural obstructions, hardship, Parcel size or configuration, aesthetic or environmental considerations may require. If such variances are granted, no violation of this Declaration, any Village Declaration, the Rules or Design Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such variance shall not operate to waive any of the terms and provisions of this Declaration, any Village Declaration, the Rules or Design Guidelines for any purpose except as to the particular property and particular provisions hereof covered by the variance. Any variances granted by the ARC will not be considered the establishment of a new precedent and all variance requests will be reviewed and action will be taken on a case by case basis.

5.12 Reimbursement. The ARC members shall be entitled to fees and reimbursement for expenses incurred by them in the performance of their duties hereunder.

5.13 Government Agency Approval. Nothing in this Declaration or the Design Guidelines shall relieve or be interpreted as purporting to relieve any Owner from also securing such approval(s), certificate(s) or permit(s) of any governmental agency of entity (including but not limited to Brazos County, Texas) with jurisdiction as may be required by law, as a condition to the commencement, construction, maintenance, addition, change or alteration to or of any Improvement, and the ARC may require that a copy of such approval(s), certificate(s) or permit(s) be provided to the ARC as a final condition to approval of plans and specifications, or as additional insurance to the ARC that the Improvements and uses of approved plans and specifications meet governmental requirements, or for both such purposes.

ARTICLE VI - COMMON PROPERTY AND CONSERVANCY PROPERTY

6.01 Dedication of Conservancy Property. Subject to the provisions of Article VIII and any applicable instrument or lease, the Conservancy shall be deemed to have dedicated the Conservancy Property for the use and benefit of the community in furtherance of the Conservancy's mission of land stewardship, wildlife management, and the promotion of health and wellness through connection with nature. Use of Conservancy Property shall remain subject to the Conservancy's Rules, applicable leases, and any restrictions necessary to protect habitat, ensure safety, or support program activities, and further subject to such liens, or easements reserved herein or as may be designated from time to time. Notwithstanding any other provision to the contrary, the Conservancy, with the approval of the Town Founder during the Development Period or the Town Council, shall have the power and authority to dedicate, convey or grant an easement on the Conservancy Property as may be determined from time to time in the best interest of the protection of the environment, and in the best interest of Millican Reserve or the Conservancy. Provided,

however, for as long as Initial Owners own any Parcel, the Town Founder, its assigns, agents, invitees and licensees are granted an easement to the extent necessary for the following: to complete construction of all Improvements to the Property, and the Common Property, or any portion thereof; to show and sell Parcels, including the unrestricted right to erect signs; to use the Conservancy Property, or any part thereof, for ingress and egress and for marketing and sales activities and to grant and record easements over, under, through, across, upon, in and on, the Conservancy Property or portions thereof for the installation, construction and maintenance of any utility service, Landscaping, buffering, ingress and egress, and such other purposes as Town Founder, in its reasonable discretion, deems necessary, desirable or required for the preservation of the Natural Areas or by the final engineering plans for the Property. The Conservancy hereby covenants for itself, its successors and assigns that said Conservancy Property shall be subject to and bound by the terms of this Declaration and Exhibits attached hereto. The use and enjoyment of the Conservancy Property shall be subject to such rules relating thereto as are set forth in this Declaration or as may be adopted or amended by the Town Founder, Town Council, or the Conservancy from time to time. The Conservancy, with the written consent of the Town Founder shall have the right from time to time to designate additional real property as Conservancy Property either in a supplement or amendment to this Declaration executed for the purposes of submitting any additional real property to the terms of this Declaration. The maintenance, repair, improvement, use, enjoyment, and operation of all of the Conservancy Property shall be in accordance with the terms and provisions of this Declaration.

6.02 Declaration and Conveyance of Common Property. Subject to the provisions of Article VIII and any applicable instrument or lease, the Town Founder shall be deemed to have dedicated the Common Property for the mutual use, enjoyment, common safety and welfare of the residents of the Property, subject to such Rules, restrictions, liens, or easements reserved herein or as may be designated from time to time by the Town Founder or the Town Council and subject to the Town Founder or Town Council, in their sole discretion, removing property from the Common Property at any time. Notwithstanding any other provision to the contrary, the Town Founder or the Town Council shall each have the power and authority to dedicate, convey or grant an easement on the Common Property as may be determined from time to time in the best interest of the protection of the environment, and in the best interest of Millican Reserve. Provided, however, for as long as Initial Owners own any Parcel, the Town Founder, its assigns, agents, invitees and licensees are granted an easement to the extent necessary for the following: to complete construction of all Improvements to the Property, and the Common Property, or any portion thereof; to show and sell Parcels, including the unrestricted right to erect signs; to use the Common Property, or any part thereof, for ingress and egress and for marketing and sales activities and to grant and record easements over, under, through, across, upon, in and on, the Common Property or portions thereof for the installation, construction and maintenance of any utility service, Landscaping, buffering, ingress and egress, and such other purposes as Town Founder, in its reasonable discretion, deems necessary, desirable or required for the preservation of the Natural Areas or by the final engineering plans for the Property. The Town Founder covenants for itself, its successors and assigns that said Common Property shall be subject to and bound by the terms of this Declaration and Exhibits attached hereto. The use and enjoyment of the Common Property shall be subject to such Rules relating thereto as are set forth in this Declaration or as may be adopted or amended by the Town Founder or Town Council from time to time in accordance with this Declaration. Town Founder shall have the right from time to time to designate additional real property as Common Property either in a supplement or amendment to this Declaration executed for the purposes of submitting any additional real property to the terms of this Declaration, in an instrument conveying any real estate to the Foundation. The maintenance, repair, improvement, use, enjoyment and operation of all of the Common Property shall be in accordance with the terms and provisions of this Declaration.

6.03 Improvement of Common Property. It is the duty of the Town Founder to complete certain utilities, roadways and easements at the Property. The right of the Town Founder herein reserved shall entitle Town Founder, but not obligate Town Founder, to make or construct such other Improvements to the Common Property, such as the installation of Landscaping, wetlands, signage, barns, fencing, pavilion, club house, picnic areas, trails, observation tower, fire pits, agricultural areas, greenhouses, tree houses, and lighting as the Town Founder determines in its sole discretion. After initial construction, the future maintenance, repair and replacement of the Common Property, including Improvements thereto, shall be the obligation of the Foundation as hereinafter provided in this Declaration or in the Bylaws and the Town Founder is not obligated to rebuild and/or replace any Common Property features in the event of damage or destruction.

6.04 Property Rights. Subject to the terms in this Declaration, every Owner of a Parcel designated for Single Family Residential Use shall have the limited and non-exclusive right and easement of enjoyment in and to the Common Property and the Conservancy Property. The Initial Owners reserves the right to convey the Common Property to the Foundation at any time. The Conservancy reserves the right to convey the Conservancy Property to the Foundation at any time. Such right and easement of each Owner in and to the Common Property and the Conservancy Property, or any part thereof, shall be appurtenant to and shall pass with the title to every Parcel. The Town Founder and Foundation shall have the right to use, access, and grant access to third parties to the Common Property and Facilities. The Town Founder and the Town Council shall have the right to establish an additional set of Rules as it relates to the use and access to Common Property and the Conservancy Property, including but not limited to the types of activity that can be conducted on the Common Property and the Conservancy Property. Further, the Conservancy may adopt and amend rules from time to time as it relates to the use and access of the Conservancy Property, including but not limited to the types of activity that can be conducted on the Conservancy Property. With regard to their limited and non-exclusive right and easement of enjoyment in and to the Common Property and the Conservancy Property, every Owner of a Parcel designated for Single Family Residential Use shall be subject to all rules established by the Town Founder, the Town Council, or the Conservancy, as they may change from time to time and including rules which prohibit access to certain portions of Common Property or Conservancy Property. The Foundation shall have the right to remove or cause to be removed anything placed on the Common Property, the Conservancy Property, or any part thereof, in violation of the provisions of this Section, to restore the Common Property, the Conservancy Property or any part thereof, to its condition prior to the violation and to assess the Owner or Owners responsible for the cost of such removal and restoration. Such Assessment shall constitute an Individual Assessment as provided in Section 7.08 against the Parcel of said Owner or Owners that may be enforced in the manner set forth in Article VII hereof. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Property or Conservancy Property to or for any public use or purpose whatsoever, provided however, with prior approval from Town Founder or the Town Council, from time to time, certain members of the public, such as school children, etc. may be invited to tour or study in specified areas of the Common Property or Conservancy Property.

6.05 Use of Common Property. Any persons entitled to use the Common Property shall not use such Common Property or carry on any activity on such Common Property that will detract from, impair or interfere in any way with the value, Wildlife Management Use, Agricultural Use or enjoyment (including aesthetic enjoyment) of such Common Property by Town Founder or other Owners. No Owner shall plant, place, fix, install or construct any vegetation, hedge, tree, shrub, fence, wall, signage, structure or other Improvement or store any of his/her personal property or prohibit the free flow of pedestrian traffic on the Common Property or any part thereof except as specifically permitted by this Declaration or any applicable Village Declaration or the Rules. Town

Founder or the Town Council shall have the right to prohibit any use which, in the opinion of Town Founder or the Town Council, is in violation of the foregoing restriction. The Town Founder and the Town Council may from time to time each promulgate Rules in accordance with this Declaration, the Certificate of Formation and Bylaws for the purpose of regulating the use of the Common Property. The Initial Owners and the Town Council also have the right at any time after the date hereof, to unilaterally withdraw, sell, transfer, gift or convey Common Property without notice to, or consent of, the Owners.

6.06 Use of Conservancy Property. Any persons entitled to use the Conservancy Property shall not use such Conservancy Property or carry on any activity on such Conservancy Property that will detract from, impair or interfere in any way with the value, Wildlife Management Use, Agricultural Use or enjoyment (including aesthetic enjoyment) of such Conservancy Property. No Owner shall plant, place, fix, install or construct any vegetation, hedge, tree, shrub, fence, wall, signage, structure or other Improvement or store any of his/her personal property or prohibit the free flow of pedestrian traffic on the Conservancy Property or any part thereof except as specifically permitted by this Declaration or any applicable Village Declaration, the Rules or rules established by the Conservancy. Town Founder, the Town Council, and the Conservancy shall each have the right to prohibit any use which, in the opinion of Town Founder, the Town Council or the Conservancy, as the case may be, is in violation of the foregoing restriction. Access to and use of Conservancy Property shall be managed by the Conservancy in accordance with its mission and applicable agreements with the Town Founder and the Foundation. The Conservancy may limit or condition access to any portion of the Conservancy Property to protect sensitive areas or for other purposes. The Town Founder, the Town Council, and the Conservancy from time to time each promulgate rules for the purpose of regulating the use of the Conservancy Property. The Conservancy, with the consent of the Town Founder or the Town Council, also has the right at any time after the date hereof, to withdraw, sell, transfer, gift or convey the Conservancy Property without notice to, or consent of, the Owners.

The Conservancy shall operate within the Conservancy Property by establishing programs and membership opportunities consistent with its charitable mission; by separate written agreement between the Conservancy and the Town Founder or Town Council, as appropriate, such programs and membership opportunities shall generally be made available to Owners of Parcels designated for Single Family Residential Use.

6.07 Liability and Maintenance of Conservancy Property. The Town Founder and Initial Owners reserve the right to participate in or undertake, maintenance of any Conservancy Property at their sole discretion; however, the Town Founder or Initial Owners shall not be responsible for maintenance of the Conservancy Property or for any loss or damage to the Owners, their heirs, successors, or assigns, families, guests, invitees, agents or employees for the design of, or any failure to maintain, the Conservancy Property. Accordingly, each Owner of a Parcel, by the acceptance of a deed or other conveyance to his/her Parcel shall be deemed to have agreed that the Town Founder and Initial Owners shall have no liability or responsibility whatsoever (whether financial or otherwise) with respect to the design of the Conservancy Property. Said Conservancy Property is private, not public. The Conservancy shall, subject to the terms and provisions of this Declaration, have sole and exclusive jurisdiction over responsibility for the administration, management, regulation, care, maintenance, repair, restoration, replacement, improvement, preservation and protection of the Conservancy Property.

6.08 Liability and Maintenance of Common Property. Town Founder and Initial Owners reserve the right to participate in or undertake, maintenance of any Common Property at their sole discretion; however, Town Founder or Initial Owners shall not be responsible for maintenance of the Common Property or for any loss or damage to the Owners, their heirs, successors, or assigns,

families, guests, invitees, agents or employees for the design of, or any failure to maintain, the Common Property. Accordingly, each Owner of a Parcel, by the acceptance of a deed or other conveyance to his/her Parcel shall be deemed to have agreed that the Town Founder and Initial Owners shall have no liability or responsibility whatsoever (whether financial or otherwise) with respect to the design of the Common Property. Said Common Property is private, not public. The Foundation, on behalf of all of the Owners shall, subject to the terms and provisions of this Declaration, have sole and exclusive jurisdiction over responsibility for the administration, management, regulation, care, maintenance, repair, restoration, replacement, improvement, preservation and protection of the Common Property.

6.09 Owner Responsibility, Assumption of Risk, and Indemnification.

(a) Each Owner and his/her successors and assigns shall be responsible for their conduct and the conduct of any invitee, lessee, licensee, Family member, employee, or other representative or agent of that Owner, who use the Common Property and the Conservancy Property under terms of this Declaration and shall be liable for any loss or damages resulting from the violation by any such person or persons of the terms, conditions and restrictions herein provided.

(b) The Town Founder, Initial Owners, the Foundation, and the Conservancy shall not be responsible for any loss or damage to the Foundation, the Conservancy, any Owner, his/her Family, guests, invitees, agents or employees, heirs or assigns, or any other person who uses the Common Property or the Conservancy Property under the terms of this Declaration due to any act or omission of any contractor or subcontractor employed by the Town Founder, any Initial Owners, the Foundation, or Conservancy for the construction and development, enlargement, or maintenance of the Common Property, or the Conservancy Property, or due to any act or omission of any adjoining Owner, or due to any act or omission of any other person or persons using the Common Property, or the Conservancy Property, or due to any act of omission of any other person or persons using the Common Property, or the Conservancy Property without authorization.

(c) Use of the Common Property or the Conservancy Property by an Owner, heirs, successors or assigns, or any person who occupies the Parcel owned by the Owner or the guests of such person, shall be at the risk of the Owner and user and the Initial Owners, the Foundation and the Conservancy shall not be responsible for any injury, loss or damages to such user or any other person resulting from such use. **EACH OWNER, AGREES FOR HIM/HERSELF AND HIS/HER HEIRS AND ASSIGNS TO INDEMNIFY AND SAVE INITIAL OWNERS, AND THE FOUNDATION AND THE CONSERVANCY, THEIR SUCCESSORS AND ASSIGNS, HARMLESS FROM ANY CLAIM OF INJURY, LOSS OR DAMAGES RESULTING FROM THE USE OF THE COMMON PROPERTY OR CONSERVANCY PROPERTY BY AN OWNER, HIS/HER HEIRS, SUCCESSORS, OR ASSIGNS, SUCH PERSONS WHO OCCUPY OWNER'S PARCEL, OR THE GUESTS OF SUCH PERSONS.** Please refer to Section 3.10 - Hazardous Activities for a more detailed description of possible hazardous activities.

6.10 Conveyance to the Foundation by the Initial Owners. Initial Owners may retain, for as long as it deems necessary or convenient, the legal title to easements or fee simple parcels designated or to be designated as Common Property. Initial Owners may, at any time after the date hereof, convey legal title to all or a portion of such Common Property to the Foundation, which conveyance shall be on an "AS IS, WHERE IS" basis. The Foundation shall be obligated to accept title to, operate and maintain the Common Property conveyed to the Foundation as elsewhere provided in this Declaration. Even if legal title has not yet been conveyed, the Foundation shall pay all operating expenses for any easement and/or fee simple parcels designated and/or utilized temporarily or permanently as Common Property, including but not limited to maintenance, taxes, insurances and every other cost or expense related to the operation

of such Common Property.

6.11 Conveyance to the Foundation by the Conservancy. The Conservancy may retain, for as long as it deems necessary or convenient, the legal title to easements or fee simple parcels designated or to be designated as Conservancy Property. The Conservancy may but shall not be obligated, at any time after the date hereof, convey legal title to all or a portion of such Conservancy Property to the Foundation, which conveyance shall be on an "AS IS, WHERE IS" basis. The Foundation shall be obligated to accept title to, operate and maintain the Conservancy Property conveyed to the Foundation as elsewhere provided in this Declaration.

6.12 Non-Use by Commercial Owners. Notwithstanding anything contained herein to the contrary, Owners of real property encumbered by this Declaration for which such real property is also not restricted for Single Family Residential use and for which commercial or institutional use is allowed ("Commercial Area") do not have the non-exclusive right and easement of enjoyment in and to the Common Property or the Conservancy Property in any manner whatsoever and may not use and enjoy the Common Property or the Conservancy Property in any manner whatsoever based upon being an Owner in a Commercial Area.

ARTICLE VII – ASSESSMENTS

7.01 Purpose of Assessments. In general, the Assessments levied by the Foundation shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property, for enforcement of this Declaration, any Village Declaration, the Rules, the Design Guidelines and for the improvement, conservation oversight, and maintenance of the Common Property and the Conservancy Property.

7.02. Creation of the Lien and Personal Obligation for Assessments. The Initial Owners hereby covenant, and each Owner of any Parcel by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Foundation:

- (a) Annual Assessments;
- (b) Special Assessments;
- (c) Individual Assessments;
- (d) Capitalization Fees.

The Annual Assessments, Special Assessments, Individual Assessments and Maintenance Fees and the Capitalization Fees (collectively the "Assessment or the "Assessments"), together with late charges established by the Town Council from time to time, interest, costs, fines and reasonable attorney's fees, shall also be a charge on the Parcel and shall be a continuing lien upon the Parcel against which the Assessments are made. Each such Assessment and other charges, together with late charges, interest, costs, fines and reasonable attorneys' fees, shall also be the personal obligation of the Owner of the Parcel at the time when the Assessments fell due and shall not be affected by any change in the ownership thereof. The Town Council may waive, in whole or in part, the Assessments due from any Owner, at the sole and absolute discretion of the Town Council.

Parcels which are owned by any of the Initial Owners shall not be subject to any Assessments hereunder whatsoever, except Capitalization Fees. Parcels owned by Builders (herein defined)

are subject to all Assessments hereunder unless the Town Founder or the Town Council, in their sole discretion and on a case by case basis, determine in a written and signed document that a different rate or manner of determining and imposing the Assessments on Parcels owned by a Builder is appropriate. As used herein, the term "Builder" shall mean an Owner who is in the construction business and has plans to construct a Dwelling or commercial Improvements upon such Parcel. The rate of assessment for each Parcel shall change as the character of ownership changes. The applicable Annual Assessment and Special Assessment for each Parcel shall be prorated for each calendar year according to the purchase date and rate applicable for each type of ownership of the Parcel during that calendar year.

7.03 Annual Assessment. An Annual Assessment (herein so called), calculated on a uniform per Parcel basis for all Parcels designated for Single Family Residential Use, shall be levied to provide for and assure the availability of the funds necessary to establish a reserve for capital improvements and pay common expenses, which shall include, but not be limited to, the following: (i) expenses incurred for the repair, maintenance, preservation, protection and improvement of the Common Property and the Conservancy Property, including without limitation, storm water drainage, swales, Landscaping, mowing, irrigation, trail maintenance, signage, fencing, walls, lighting, wildlife maintenance practices, and controlling vegetation growth; (ii) expenses incurred for utility services for the common safety and welfare of the residents of the Property, including without limitation, all subsurface and surface drainage improvements, as shown by the survey; catch basins, swales and drainage ditches, wells, lighting, electric or gas power for any entry feature; (iii) expenses incurred for any inspection, repair, maintenance or Improvement to the Property as provided herein; (iv) expenses incurred in the administration of the business of the Foundation including without limitation, necessary and appropriate fees for services rendered by engineers, biologists, accountants and attorneys; (v) expenses incurred for the payment of real and personal property taxes and assessments for any property, including without limitation, the Common Property and the Conservancy Property, (vi) expenses incurred for the maintenance of insurance, including any insurance as set forth in Article IV; (vii) expenses incurred for doing any other thing necessary or desirable, which in the judgment of the Foundation may be of general benefit to the Owners and the Property, including, without limitation expenses related to agreements with other associations or organizations to provide additional services and or amenities to the Owners.

Parcels not designated for Single Family Residential Use, including without limitation Parcels designated for commercial or institutional uses, shall be levied an Annual Assessment in an amount established each year at the sole and absolute discretion of the Town Council, unless otherwise provided by written agreement between the Town Founder (or the Foundation) and the Owner of such Parcel not designated for Single Family Residential Use, including without limitation Parcels designated for commercial or institutional uses. The amount of such assessment shall be reasonably related to the use, intensity of development, or benefit received by such Parcel not designated for Single Family Residential Use, including without limitation Parcels designated for commercial or institutional uses, as determined by the Town Council, in its sole and absolute discretion. Notwithstanding the provisions herein, any Parcel which is considered common property within a Village pursuant to the applicable Village Declaration shall not be subject to Annual Assessments but may be subject to the other Assessments herein at the sole and absolute discretion of the Town Council.

Subject to the provisions set forth relating to exemptions and to the rate at which the Annual Assessment imposed herein shall be paid on the Parcel, each and every eligible Parcel is hereby severally subjected to and impressed with a regular Annual Assessment which shall run with the land, subject to increase and decrease and payable as provided herein.

7.04 Distributions. It is understood that the judgment of the Town Council in the expenditure of the Assessments and other funds shall be final and conclusive so long as said judgment is exercised in good faith. This includes distribution by the Town Council of its funds to the Conservancy for uses as the Conservancy directs and deems worthy.

7.05 Amount. Annual Assessments shall be payable in advance on or before January 1 of each year. The Town Council may fix the Annual Assessment at an amount not in excess of the maximum, and shall fix the amount of the Annual Assessment against each Parcel by December 1 preceding the Annual Assessment period. The Annual Assessment period shall begin on January 1 of each year. Written notice of the Annual Assessment shall be sent to every Owner subject thereto at the address of each Parcel or at such other address provided to the Foundation in writing from the Owner. Annual Assessments shall be considered delinquent if not received by January 31 of the year for which the Annual Assessment pertains.

7.06 Increases. The maximum Annual Assessment for calendar year 2026 shall be in the amount of Five Hundred and no/100 Dollars (\$500.00) per Parcel designated for Single Family Residential Use. Beginning with the calendar year 2027, the maximum Annual Assessment may be increased once a year by the Town Council, by an amount not to exceed twenty percent (20%) over the prior year's maximum Annual Assessment. For example, if the maximum Annual Assessment for the prior year was \$500 per Parcel but the actual amount of the Annual Assessment assessed was \$300, the maximum Annual Assessment for the following year may be increased by the Town Council to \$600 (\$500 + 20%) even though the maximum Annual Assessment (\$600.00) may not actually be assessed. Unless waived in writing by the Initial Owners, in the event the Foundation becomes indebted to the Initial Owners in any manner, the Town Council will be required to increase and assess the Owners the twenty percent (20%) maximum Annual Assessment provided for in this Section each year to provide for the repayment to the Initial Owners until the Initial Owners have been paid in full.

The maximum Annual Assessment for any Parcel not designated for Single Family Residential Use, including without limitation any Parcel designated for commercial or institutional use, shall be the same as Parcels designated for Single Family Residential Use unless otherwise determined by the Town Founder (or, after turnover, by the Town Council) in such amount as determined in good faith to be reasonable and proportionate to the use, intensity of development, or benefit received by such Parcel.

The Annual Assessment may be increased above that allowed by this Section, if, and only if, the increase is approved by the affirmative vote of two-thirds (2/3) of the total eligible votes of the Foundation present, in person or by proxy, at a meeting duly called for that purpose. Voting may also be handled by mail ballot as long as the ballots contain the name, property address, and certification by the Secretary of the Foundation, alternate address of the Member, if applicable, and the date and signature of the Member. Ballots may be returned by U.S. mail in envelopes specifically marked as containing ballots for the election, or may be collected by door-to-door canvas.

Upon the increase of the maximum Annual Assessment requiring the vote of the Foundation pursuant to the provisions of this Section, the Foundation shall cause to be recorded in the Office of the County Clerk of Brazos County, Texas, a sworn affidavit of the President (or any Vice President) and of the Secretary of the Foundation which shall certify, among other items that may be appropriate, the total number of eligible votes as of the date of the voting, the quorum required, the number of votes represented, the number of votes voting "for" and "against" the levy, the amount of the increased Annual Assessment so authorized, and the date by which the increased

Annual Assessment must be paid to avoid being delinquent. The increase in the maximum Annual Assessment so approved shall become effective on the date specified in the document evidencing such approval, and shall be filed for record in the Office of the County Clerk of Brazos County, Texas.

7.07 Special Assessments for Capital Improvements. In addition to the Annual Assessments, the Town Council may, upon the affirmative vote of two-thirds (2/3) of the total eligible votes of the Foundation present, in person or by proxy, at a meeting duly called for this purpose, levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto. Voting may also be handled by mail ballot as long as the ballots contain the name, property address, certification by the Secretary of the Foundation, alternate address of the Member, if applicable, and the date and signature of the Member. Ballots may be returned by U. S. First Class Mail in envelopes specifically marked as containing ballots for the election, or may be collected by door-to-door canvas. Upon the levying of any Special Assessment pursuant to the provisions of this Section, the Foundation shall cause to be recorded in the Office of the County Clerk of Brazos County, Texas, a sworn affidavit of the President or any Vice President and of the Secretary of the Foundation which shall certify, among other items that may be appropriate, the total number of eligible votes of the Foundation as of the date of the voting, the quorum required, the number of votes voting "For" and "Against" the Special Assessment, the amount of the Special Assessment authorized, and the date by which the Special Assessment must be paid in order to avoid being delinquent.

7.08 Individual Assessments. The Town Council shall have the authority to levy and collect, against an Owner of a Parcel, an Individual Assessment (herein so called) for:

- (a) Costs and expenses incurred by the Foundation in bringing a particular Owner's Parcel into compliance with the provisions of this Declaration, including any action taken, cost or expense incurred by the Foundation to cure and eliminate any violation of or noncompliance with the provisions of this Declaration, following the failure of such Owner to cure or remedy such violation or noncompliance.
- (b) Costs and expenses, including attorneys' fees as provided in Article VII, whether or not suit is brought, incurred by the Foundation in the enforcement of the provisions of this Declaration against a particular Parcel or the Owner of such Parcel.
- (c) Costs and expenses incurred by the Foundation in furnishing or providing labor, services and materials which benefit a particular Parcel or the Owner of a particular Parcel provided that such labor, services or materials can be accepted or rejected by such particular Owner (provided that Owner shall bring his/her Parcel into compliance as provided in this Declaration) in advance of the Foundation's furnishing or providing the same and that such Owner's acceptance of any such labor, services or materials shall be deemed to have been such Owner's agreement that the costs and expenses associated therewith shall be a lien against said Parcel and shall be levied and collected as an Individual Assessment against such particular Owner and his/her particular Parcel.
- (d) The fine assessed against any Owner for violation by any Owner, Family, guests, lessees or invitees of the provisions of this Declaration, any Village Declarations or Rules.
- (e) Reasonable overhead expenses of the Foundation associated with any Individual Assessment levied and collected pursuant to this Section 7.08.
- (f) Interest as provided for herein and late charges as determined from time to time by the Town Council.

7.09 Capitalization Fees. Each Owner of a Parcel (whether one or more persons and regardless of whether such Owner holds the fee interest singularly or jointly), other than Builders (to the extent the Town Founder or the Town Council has determined in a written and signed document that a different rate or manner of determining and imposing the Capitalization Fee on Parcel(s) owned by the Builder is appropriate as set forth in Section 7.02 above), at the time such Owner sells a Parcel, shall be obligated to make a contribution to the Foundation, which funds shall be used to defray costs and expenses of the Foundation, including but not limited to funding of operating costs, reserves, Conservancy funding obligations, and maintenance costs, as the Town Council shall determine in its sole discretion. The Capitalization Fee shall be in the amount of three percent (3%) of the gross sales price for any Parcel that is an "Unimproved Parcel" and zero-point-six-five percent (0.65%) of the gross sales price for any "Improved Parcel." For purposes of this Declaration, an "Improved Parcel" means any Parcel upon which a primary completed residential or non-residential structure has been constructed and for which a certificate of occupancy or equivalent approval has been issued (or, if such approval is not required by applicable law, when the structure is otherwise suitable for occupancy or use in the opinion of the Town Council); provided, however, that an "Improved Parcel" shall not include a Parcel that has no improvements or a Parcel improved only with an ancillary or secondary structure that, in the opinion of the Town Council, is not the primary structure on the Parcel (such Parcel being deemed an "Unimproved Parcel"). The foregoing rates shall apply to both residential and non-residential Parcels unless otherwise established by written agreement between the Town Founder (or the Foundation) and the Owner of such Parcel, in which case the agreed rate or method of calculation shall control.

7.10 Fund. The Foundation shall establish a Fund into which shall be deposited all moneys paid to the Foundation, including all Assessments, and from which disbursements shall be made in performing the functions of the Foundation under this Declaration. Town Founder and the Foundation reserve the right from time to time to establish separate accounts into which deposits of money will be paid to the Foundation for special projects including but not limited to projects related to capital improvements or Special Assessments.

7.11 Effect of Nonpayment of Assessments. Any of the Assessments which are not paid within thirty (30) days after the due date shall be delinquent and shall be subject to the following:

(a) interest at the rate of eighteen percent (18%) per annum from the due date or the maximum rate of interest allowed by law, if less than eighteen percent (18%), and all costs of collection, including reasonable attorney's fees;

(b) the rights of the Owner, as a Member of the Foundation (but not such Owner's responsibility as a Member of the Foundation), to use the Common Property and/or the Conservancy Property, may be suspended after notice as may be required by Texas law until all Assessments and related costs are paid in full;

(c) an action at law against the Owner personally obligated to pay the same, and/or foreclose on the lien herein retained against the Parcel. Interest, costs of court, and reasonable attorneys' fees (when placed with an attorney for collection, whether with or without suit) incurred in any such action shall be added to the amount of such Assessment or charge; and

(d) a late charge in an amount as may be determined by the Town Council from time to time.

7.12 Contractual Lien. Assessments (together with interest, and reasonable attorney's fees if it becomes necessary for the Foundation to enforce collection of any amount in respect of any Parcel), late charges, costs, fines and other charges herein shall be a charge on each Parcel and shall be secured by a continuing lien upon each Parcel against which such assessment is made until paid.

7.13 Notice of Lien. Additional notice of the lien created by this Section may be effected by recording in the Real Property Records of Brazos County, Texas, an affidavit, duly executed, sworn to and acknowledged by an officer of the Foundation, setting forth the amount owed, the name of the Owner or Owners of the affected Parcel, according to the books and records of the Foundation, and the legal description of such Parcel.

7.14 Creation of Lien. Each Owner, by his acceptance of a deed to a Parcel, hereby expressly grants to the Foundation a lien for the purpose of securing payment of Assessments upon such Parcel. The Foundation, acting by and through the Town Council may, but shall not be obligated to, prepare and record in the Real Property Records of Brazos County, Texas, a notice of such lien which will constitute further evidence of the lien for Assessments against a Parcel. In addition to and in connection therewith, by acceptance of the deed to his Parcel, each Owner expressly GRANTS, BARGAINS, SELLS and CONVEYS to the President and/or Vice President or agent of the Foundation from time to time serving, as Trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Parcel, and all rights appurtenant thereto, in trust, for the purpose of securing the Assessments levied hereunder, and other sums due hereunder remaining unpaid hereunder from time to time. The Trustee herein designated may be changed for any reason and at any time and from time to time by execution of an instrument in writing signed by the President or a Vice-President of the Foundation and filed in the Real Property Records of Brazos County, Texas.

7.15 Enforcement of Lien. The Foundation shall have the right to enforce the aforesaid lien by all methods available for the enforcement of such liens, both judicially and by nonjudicial foreclosure pursuant to Section 51.002 of the Texas Property Code and Chapter 209 of the Texas Property Code (as same may be amended or revised from time to time hereafter). In the event of the election by the Town Council to foreclose the lien herein provided for non-payment of sums secured by such lien, then it shall be the duty of the Trustee, or his successor, as hereinabove provided, at the request of the Town Council (which request shall be presumed) to enforce this trust and to sell such Parcel, and all rights appurtenant thereto in accordance with Section 51.002 of the Texas Property Code (as said statute shall read at the time of enforcement) and to make due conveyance to purchaser or purchasers by deed binding upon the Owner or Owners of such Parcel and his heirs, executors, administrators and successors. The Trustee shall give notice of such proposed sale as required by Section 51.002 of the Texas Property Code (as said statute shall read at the time notice is given).

7.16 Additional Matters Pertaining to Foreclosure. At any foreclosure, judicial or nonjudicial, the Foundation shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Foundation covered by the lien foreclosed. From and after any such foreclosure the occupants of such Parcel shall be required to pay a reasonable rent for the use of such Parcel and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect such rents and further, shall be entitled to sue for recovery of possession of such Parcel by forcible detainer without further notice.

7.17 Non-Use, Etc. No Owner may waive or otherwise escape said lien and liability for the Assessments provided for herein by non-use of the Common Property or Conservancy Property, or

abandonment, non-use or divestiture of ownership of a Parcel for any Assessment which became due and payable during the time when such Owner owned the Parcel.

7.18 Exempt Portions of the Property. All portions of the Property dedicated to, and accepted by, a local public authority exempt from taxation by the laws of the State of Texas, and all Common Property and Conservancy Property shall be exempt from the Assessments and other charges created herein. Notwithstanding the foregoing, no Parcel which is used, or is intended for use, as a residence shall be exempt from Assessments and charges and the lien herein securing payment thereof.

7.19 No Offsets. The Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, (a) any claim that the Foundation or the Town Council is not properly exercising its duties and powers under this Declaration, (b) any claim by the Owner of non-use of the Common Property or Conservancy Property or abandonment of his Parcel, (c) any claim by the Owner of inconvenience or discomfort arising from the making of repairs or Improvements to Common Property or Conservancy Property, or (d) any claim by the Owner of inconvenience or discomfort arising from any action taken to comply with any law or any determination of the Town Council or for any other reason.

7.20 Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to any first lien purchase money mortgages (and refinancing of same) relating to the Parcels or liens relating to construction upon the Parcel; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Parcel pursuant to a decree of foreclosure or a foreclosure by trustee's sale under a deed of trust or a foreclosure of the assessment lien retained and reserved herein. Sale or transfer of any Parcel shall not affect the lien of the Assessment; however, the sale or transfer of any Parcel pursuant to the foreclosure of a first lien purchase money mortgage (and any refinancing of same) or any proceeding in lieu thereof, shall extinguish the lien of the Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Parcel from liability for the Assessments thereafter becoming due or from the lien thereof. A selling Owner of a Parcel shall not be relieved of personal liability for any Assessments accruing on such Parcel prior to the date of sale or transfer.

ARTICLE VIII - RESERVATIONS AND EASEMENTS

8.01 Reservations and Restrictions. The Initial Owners grant unto the Town Founder and Foundation the right to grant further Easements within the Property as the Town Founder or the Town Council may determine are reasonably required for the benefit of the Property, the Town Founder, the Foundation, and the Owners, as applicable. Easements are subject to the following restrictions:

(a) Unless otherwise stated, Easements do not include vehicular parking rights for Owners within the Easement Area.

(b) The Town Founder reserves, for itself and the Foundation, the right to temporarily close all portions of Easement Areas for the reasonable period of time legally necessary, in the opinion of the Town Founder's or the Foundation's counsel, to prevent the dedication of any portion of the Property for public use or the acquisition of prescriptive rights by anyone.

(c) The Initial Owners reserve, for the Town Founder and the Foundation, the right to barricade, temporarily, any portion of the Easement Area as shall be reasonably necessary for purposes of preparing or maintaining the surface area thereof or for installing, maintaining, repairing or replacing any Utilities or distribution lines located thereon or thereunder.

(d) The Initial Owners reserve, for Town Founder and the Foundation, the right to dedicate all or any portion of the Easement Area to Brazos County or any municipality which may hereafter contain any portion of the Property.

(e) Each Owner shall be responsible, at its sole cost and expense, for obtaining, connecting, installing, repairing and maintaining all utility lines, connections and facilities exclusively serving such Owner's Parcel and shall pay all impact, connection and tap-in fees, sewer service charges and charges for electricity, telephone and other communication services and all other utilities and similar services rendered or supplied to such Owner's Parcel, or other similar charges levied or charged against, or in connection with, such Owner's Parcel; all such utilities shall be installed underground. Each Owner shall be solely responsible for the costs of constructing the driveways connecting such Owner's Parcel to the road and for the lines, cable and fiber optic lines and other utilities not addressed herein which are exclusively for the use of such Owner's Parcel. Town Founder is responsible for providing services to the front of the Parcel but is not responsible for any connecting, installing, repairing, relocating, clearing, maintenance, and/or construction of any kind on any individual Parcel. Town Founder does reserve the right to assist Owners on a case by case basis however any assistance would not be considered a standard practice to be applied to all Parcels.

(f) Any Easements granted herein are subject and subordinate to any and all matters of record as of the date hereof.

8.02 Reservation of Right to Consent to Construction. Town Founder is hereby granted the right to grant consents for the construction and maintenance within the Common Property and Conservancy Property. Town Founder, for the benefit of itself, the Foundation and all Owners hereby reserves easements in, on and over the Property over any and all other portions of the Property as may be reasonably required from time to time in order to provide access, Utilities, storm water or surface water drainage to all or any portion of the Property; provided, however, that any such use shall not unreasonably interfere with the use and enjoyment by any Owner of the particular Parcels, Common Property or Conservancy Property affected hereby or any Improvements from time to time placed, located, constructed, erected or installed thereon.

8.03 Future Easements. There is hereby reserved to the Town Founder and its successors and assigns, and to the Foundation, the right to grant and transfer the same, the right, power and privilege to, at any time hereafter, grant to itself, the County or any other parties such other further and additional easements in, on and over the Property as may be reasonably necessary or desirable, in the sole opinion and within the sole discretion of the Town Founder or the Foundation, for the future orderly development of the Property in accordance with the objectives and purposes set forth in this Declaration. It is expressly provided, however, that no such further or additional easements shall be granted or created over and upon any Parcel pursuant to the provisions of this Section if any such easement shall unreasonably interfere with the presently contemplated or future use and development of a particular Parcel as may be set forth in any Village Declaration encumbering such Parcel. The easements contemplated by this Article VIII may include, without limitation, such easements as may be required for Utilities services, maintenance of the Common Property, Conservancy Property, drainage, road right of way or other purposes reasonably

related to the orderly development of the Property in accordance with the objectives and purposes specified in this Declaration.

8.04 General Easement. There are hereby created, declared and granted to the Foundation, the ARC and the Town Founder, such easements over and upon all or any portion of the Property as may be reasonably necessary to permit the Foundation, the ARC and the Town Founder to carry out and discharge their respective duties, obligations and responsibilities under and pursuant to this Declaration and the Certificate of Formation, Bylaws, Village Declarations and Rules.

8.05 Maintenance of Easements. The Owners of the Parcels, subject to the easements, shall acquire no right, title or interest in or to any fence or facilities placed on, in, over or under the Property which is subject to any of the easements reserved in Article VIII of this Declaration. The Foundation shall be responsible for maintaining any easements located on the Property which it has expressly undertaken to maintain. However, the Foundation is not responsible for maintaining any easements located on an Owner's Parcel.

ARTICLE IX - GENERAL COVENANTS AND RESTRICTIONS

9.01 Laws and Ordinances of the State of Texas. The laws and ordinances of the State of Texas and Brazos County, as well as the rules and regulations of their administrative agencies now or hereafter in effect, are hereby incorporated herein and made a part hereof for all purposes.

9.02 Duration and Amendment. This Declaration shall be deemed to run with the land; shall continue in full force and effect for a period of ninety-nine (99) years from the date hereof; shall inure to the benefit of and be enforceable by the Town Founder, the Foundation and the Owners of the Parcels, their respective successors, assigns, heirs, executors, administrators and personal representatives; at the end of which period said restrictions shall be automatically extended for successive periods of ten (10) years each, unless Members holding at least sixty-seven percent (67%) of the votes in the Foundation vote to terminate this Declaration. Any termination of this Declaration during the Development Period shall also require to prior written consent of Town Founder. The Town Founder can at any time and from time to time amend or restate any provision of this Declaration, at its sole and absolute discretion, or terminate this Declaration, at its sole and absolute discretion prior to the expiration of the Development Period. Otherwise, during the Development Period, the vote of Members holding at least sixty-seven (67%) percent of the votes in the Foundation is required to amend this Declaration along with the prior written consent of the Town Founder. After the expiration of the Development Period, the vote of Members holding at least sixty-seven (67%) percent of the votes in the Foundation is required to amend this Declaration.

9.03 Compliance. It shall be the responsibility of each Owner or tenant or occupant of a Parcel to obtain copies of and become familiar with the terms of this Declaration, Bylaws, and Rules. Every Owner of any Parcel shall comply with all lawful provisions of the Declaration, Bylaws and Rules. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Town Founder, the Foundation or, in a proper case, by any aggrieved Owner or Owners. In addition, the Foundation may avail itself of any and all remedies provided in this Declaration or the Bylaws, including, but not limited to, the right to assess fines for failure to comply.

9.04 Enforcement. The Foundation, Town Founder, and any Owner shall have the right to enforce, by any proceedings at law or in equity, all assessments (including liens or charges), conditions, covenants, easements, reservations, and restrictions now or hereafter imposed by the provisions of this Declaration, any additional restrictions imposed by the Town Founder on any Parcel, in any Village Declaration filed on the Parcel. Failure by the Foundation, the Town Founder,

or any Owner to exercise its enforcement rights does not constitute a waiver of the right to do so thereafter.

9.05 Fines for Violations. The Town Council may promulgate and impose fines for a violation of the Bylaws, this Declaration, the Design Guidelines and any Rules. Any fine unpaid thirty (30) days after demand shall be collectable as an Assessment in this Declaration and secured by the Assessment lien herein reserved.

9.06 Notices.

Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Foundation at the time of such mailing. If the records of the Foundation do not contain an address for the Owner, the address of the Parcel shall be presumed to be the Owner's address. Alternatively, any notice may be delivered by electronic mail ("email") to the last email address provided by the Owner to the Foundation for the purpose of receiving official communications. Notice sent by email shall be deemed delivered on the date transmitted, provided that no bounce-back or delivery failure message is received. Owners are responsible for keeping their mailing and email addresses current in the records of the Foundation.

9.07 Attorney Fees. In the event any action to enforce this Declaration, any Village Declaration, Bylaws, Design Guidelines or Rules is initiated against an Owner or occupant of a Parcel by the Town Founder, the Foundation or Owners, as the case may be, the Town Founder, Foundation or Owner shall be entitled to recovery reasonable attorney fees from the Owner or occupant of a Parcel who violated this Declaration, any Village Declaration, Bylaws, Design Guidelines or Rules.

9.08 Precedence Over Less Stringent Governmental Regulations. In those instances where the covenants, conditions and restrictions set forth in this Declaration set or establish standards, limitations or restrictions on use in excess of Governmental Regulations, the covenants, conditions and restrictions set forth in this Declaration shall take precedence and prevail over less stringent Governmental Regulations.

9.09 Conflicts with Village Declarations. It is anticipated that the covenants, conditions and restrictions contained in a Village Declaration, if any, will be more restrictive than the covenants, conditions and restrictions contained in this Declaration. However, in those instances where the covenants, conditions and restrictions set forth in this Declaration directly conflict with the covenants, conditions and restrictions set forth in the Village Declaration, the covenants, conditions and restrictions set forth in this Declaration shall prevail.

9.10 Severability. Should any covenant or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

9.11 Security. The Foundation may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than they otherwise might be. THE INITIAL OWNERS, THE FOUNDATION, THE CONSERVANCY, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AND AGENTS, SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. INITIAL OWNER, AND THE FOUNDATION, SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH

OWNER AND OCCUPANT OF ANY PARCEL, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE INITIAL OWNER, AND THE FOUNDATION, ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY PARCEL AND EACH TENANT, GUEST, AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO PARCELS, AND TO THE CONTENTS OF PARCELS, AND FURTHER ACKNOWLEDGES THAT THE INITIAL OWNER, THE CONSERVANCY, AND THE FOUNDATION, HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY SECURITY SYSTEMS OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

9.12 De-annexation of the Property. Town Founder may de-annex and remove any property from Millican Reserve, so long as the Owner of such property consents in writing to such de-annexation. Such de-annexation shall be accomplished by the execution and filing for record of an instrument setting forth the land being de-annexed and signed by the Town Founder and Owner of the property being de-annexed. If the property is Common Property, the Foundation shall consent to such withdrawal as evidenced by the majority vote of the Town Council. Upon the completion of the de-annexation requirements herein described above, the portion of the Property being de-annexed shall no longer be a part of the Property encumbered by the Declaration and any amendments and/or supplements thereto.

9.13 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

9.14 Ratification, Confirmation and Approval of Agreements. The fact that some or all of the officers, trustees, Members or employees of the Foundation and the Initial Owners may be identical, and the fact that the one (1) or more of the Initial Owners or their nominees, have heretofore or may hereafter enter into agreements with the Foundation, and its Members, from time to time, will not relieve any parties of the obligation to abide by and comply with the terms and conditions thereof. The purchase of a Parcel, and the acceptance of the deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, his/her heirs, successors, legal representative and assigns of the Property and legality of said agreements.

9.15 Constructive Notice and Acceptance. Every person, corporation, partnership, limited partnership, limited liability company, trust, association or other legal entity, who now or hereafter owns or acquires any right, title or estate in any portion of the Property is and shall be conclusively deemed, to have consented and agreed to each and every term, provision, covenant, condition, restriction, easement, reservation and right contained or by reference incorporated in this Declaration and the Exhibits attached hereto, whether or not any reference to this Declaration is contained in the deed, document or other instrument pursuant to which such person, corporation, partnership, limited partnership, limited liability company, trust, association or other legal entity shall have acquired such right, title, interest or estate in the Property or any portion thereof.

9.16 Assignment of Town Founder's and Initial Owners' Rights and Interests. The rights and interests of the Town Founder and any other Initial Owners under this Declaration may be transferred and assigned by the Town Founder by an express transfer, conveyance or assignment incorporated into any recorded deed or other instrument, acknowledged as a deed, transferring, conveying or assigning such rights and interest to such successor.

9.17 Word Meanings. The words such as “herein”, “hereafter”, “hereof”, “hereunder” and “hereinabove” refer to this Declaration as a whole and not merely to a section or paragraph or article in which such words appear unless the context otherwise requires. Singular shall include the plural, and the masculine gender shall include the feminine and neuter and vice versa unless the context otherwise requires.

9.18 Captions and Section Headings. The captions and headings of various articles, sections, paragraphs or subparagraphs of this Declaration are for convenience only, and are not to be considered as defining or limiting in any way the intent of the provisions hereof or thereof.

9.19 Conflicts with Foundation Governing Documents. In case of any conflict between the terms and provisions in this Declaration and the terms and provisions in the Bylaws or in the Certificate of Formation, the terms and provisions in this Declaration shall control.

9.20 Exhibits.

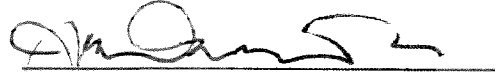
- A Millican Reserve
- B The Property

EXECUTED this 17th day of June, 2026.

TOWN FOUNDER:

ROCK BARN CONSERVATION PARTNERS, LLC, a
Texas limited liability company

By:

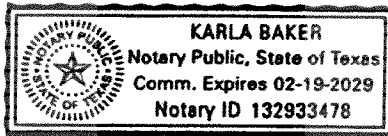

John E. McFarlane, Jr., President

THE STATE OF TEXAS

§
§
§

COUNTY OF BRAZOS

This instrument was acknowledged before me on the day of June 17th, 2026, by
John E. McFarlane, Jr., the President of Rock Barn Conservation Partners, LLC, a Texas limited
liability company, on behalf of said company.




Notary Public

**ACKNOWLEDGED,
ACCEPTED AND AGREED TO BY
THE MILLICAN RESERVE LAND CONSERVANCY:**

MILICAN RESERVE LAND CONSERVANCY,
a Texas non-profit corporation

By:

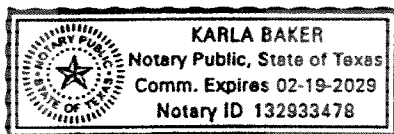

Chad Murphy, Board Member

THE STATE OF TEXAS

§
§
§

COUNTY OF BRAZOS

This instrument was acknowledged before me on the day of June 17th, 2026, by
Chad Murphy, Board Member of Millican Reserve Land Conservancy, a Texas non-profit
corporation, on behalf of said entity.




Notary Public

AFTER RECORDING, RETURN TO:

Mark K. Knop
Hoover Slovacek, L.L.P.
5051 Westheimer Road, Suite 1200
Houston, Texas 77056

**EXHIBIT A
"MILlicAN RESERVE"**



**Millican Reserve Schematic Plan
Brazos County, Texas
Subject to Change**

This Exhibit A is included solely for general reference and illustrative purposes. The boundaries, acreage, configuration, phasing, and extent of the area referred to as "Millican Reserve" are conceptual only and are subject to change from time to time, without notice, in the sole discretion of the Town Founder. No representation or warranty is made that all land shown on this Exhibit A will be annexed into, subjected to, or governed by this Declaration or the Foundation, and additional land not shown on this Exhibit A may be included within Millican Reserve or annexed into the Property.

No representation or warranty is made as to the present or future use, classification, designation, location, size, configuration, or existence of any lots, tracts, parcels, roads, amenities, open space, conservation areas, commercial areas, recreational areas, or other improvements reflected on this Exhibit A or within the Property. Any such matters are conceptual only, included for general informational purposes, and are subject to change or elimination without notice. No representation or warranty is made that this Exhibit A, or any matter shown hereon, has received approval from any municipality, county, governmental authority, or other regulatory body.

EXHIBIT B

"Property"

The Property consists of all real property subjected to that certain Master Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve dated October 27, 2015, recorded under Clerk's File No. 2015-1247518 in the Official Public Records of Brazos County, Texas, and in Volume 13020, Page 62, et seq., on October 30, 2015 (the "Original Master Declaration"), together with all real property subsequently annexed thereto pursuant to and as more particularly described in the following recorded instruments:

Original Master Declaration

All real property originally subjected to the Original Master Declaration, including without limitation the real property commonly known as The Creek and The Spring, as more particularly described in the Original Master Declaration and the exhibits thereto.

The Hollow

The real property annexed into Millican Reserve pursuant to that certain Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve dated May 18, 2016, recorded in the Official Public Records of Brazos County, Texas under Clerk's File No. 2016-1264261, and in Volume 13354, Page 118, et seq., on May 19, 2016.

The Meadows

The real property annexed into Millican Reserve pursuant to that certain Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve dated June 13, 2017, recorded in the Official Public Records of Brazos County, Texas under Clerk's File No. 2017-1300294, and in Volume 14082, Page 27, et seq., on June 14, 2017.

Lakeside – First Annexation

The real property annexed into Millican Reserve pursuant to that certain Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve (Annexation of Approximately 24.997 acres into Millican Reserve to be known as Lakeside at Millican Reserve) dated February 15, 2022, recorded in the Official Public Records of Brazos County, Texas under Clerk's Document/Instrument No. 1461670 on February 16, 2022.

Lakeside – Second Annexation

The real property annexed into Millican Reserve pursuant to that certain Village Declaration of Covenants, Conditions, Restrictions, Reservations, Easements and Rights for Millican Reserve (Annexation of Approximately 24.995 acres into Millican Reserve to be known as Lakeside at Millican Reserve) dated January 23, 2025, recorded in the Official Public Records of Brazos County, Texas under Clerk's Document/Instrument No. 1548335 on January 29, 2025.

All of the foregoing real property, together with any additional real property hereafter annexed into and made subject to the Declaration in accordance with its terms, constitutes the Property.

**Brazos County
Karen McQueen
County Clerk**

Instrument Number: 1589608

Volume : 20635

ERecordings - Real Property

Recorded On: June 22, 2026 09:05 AM

Number of Pages: 53

" Examined and Charged as Follows: "

Total Recording: \$233.00

******* THIS PAGE IS PART OF THE INSTRUMENT *******

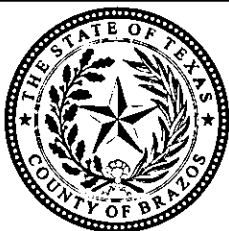
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 1589608
Receipt Number: 20260622000023
Recorded Date/Time: June 22, 2026 09:05 AM
User: Karen M
Station: MXL14430XP.bc.local

Record and Return To:

CSC Global
OPTION 3 ON PHONE



STATE OF TEXAS
COUNTY OF BRAZOS

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Public Records of Brazos County, Texas.

Karen McQueen
County Clerk
Brazos County, TX