

**CONDOMINIUM DECLARATION
OF
THE LODGES AT THE BANDIT GOLF CLUB CONDOMINIUMS**

STATE OF TEXAS
COUNTY OF GUADALUPE

PREAMBLE

This Declaration is made on _____, 2008 by BANDIT CONDOMINIUMS, L.L.P., a Texas limited partnership ("Declarant") whose address is 512 E. Blanco Road, Suite 100, Boerne, Texas 78006.

RECITALS

1. Declarant is the owner of all of the real property, including the land; all improvements and structures on the property; and all easements, rights, and appurtenances belonging to the property that is located in the County of Guadalupe, State of Texas (the "Property"), more particularly described as Lot 1, Block 1, Bandit Condominium Subdivision as depicted on Subdivision plat recorded August 31, 2007 in Volume 7, Page 378, Map and Plat Records of Guadalupe County, Texas.
2. The Property is subject to and affected by the easements described in Exhibit "A" attached hereto.
3. Declarant submits the Property to a condominium regime established by the Texas Uniform Condominium Act (TUCA), which is codified in Chapter 82 of the Property Code.
4. The Property constitutes a condominium project (the "Project") within the meaning of TUCA. The formal name of the Project is THE LODGES AT THE BANDIT GOLF CLUB CONDOMINIUMS.
5. Declarant intends and desires to establish by this Declaration a plan of ownership for the condominium project ("Project"). The plan consists of individual ownership of residential units (the "Unit(s)") and other areas. The Project shall be divided into no more than 48 Units.
6. The Declarant intends to impose on the Project mutually beneficial restrictions for the benefit of all Units and the persons who own those Units (the "Owners"). The Declarant further intends, in accordance with the terms set forth herein, that the Owners will govern the Project by means of an organization of Owners (herein the "Association"), as more particularly set forth herein. The formal name of the Association is "THE LODGES AT THE BANDIT GOLF CLUB CONDOMINIUM OWNERS ASSOCIATION".
7. The Units and other areas of the Project are more particularly described in Exhibits B attached and incorporated by reference. The Owners each have an undivided interest in the remaining property of the Project (referred to as the "Common Elements"), which is also more particularly

described in Exhibit B. The measurements set forth on the plat as to each Unit are approximate values taken from the plans and specifications for the Property and may not be precisely accurate as to any Unit due to variances in construction and interior floor plans. NEITHER THE DECLARANT NOR ANY OWNER SHALL BE LIABLE TO ANY OTHER OWNER AS A RESULT OF ANY DISCREPANCIES IN ACUTAL MEASUREMENTS FROM THOSE SET FORTH ON THE MAP OR IN ANY CONTRACT TO WHICH DECLARANT OR ANY OWNER IS OR WAS A PARTY, AND EACH OWNER, BY ACCEPTING A DEED TO A UNIT, WAIVES ANY SUCH CLAIM OR CAUSE OF ACTION.

8. Therefore, the Declarant declares that the Project is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division of the Property into Units, and all of which are established and agreed on for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Project and every part of the Project. All of the covenants, conditions, and restrictions shall run with the Property and shall be binding on all parties having or acquiring any right, title, or interest in or any part of the Property and shall be for the benefit of each Owner of the Project or any interest in the Project and shall inure to the benefit of and be binding on each successor in interest of the Owners.

ARTICLE 1 DEFINITIONS

1.01. "Articles" mean the Articles of Incorporation of the Association that are or shall be filed in the Office of the Secretary of State of the State of Texas.

1.02. "Association" means the The Lodges At The Bandit Golf Club Condominium Owner's Association (LBCOA) , a corporation organized or to be organized under the Texas Non-Profit Corporation Act for the management of the Project, the membership of which consists of all of the Owners in the Project. Membership in the LBCOA is appurtenant to ownership of a Condominium Unit.

1.03. "Board" means the Board of Directors of the Association.

1.04. "Bylaws" mean the Bylaws of the Association and amendments to the Bylaws that are or shall be adopted by the Board.

1.05. "Condominium" means the separate ownership of single units in a multiple-unit structure or structures with common elements.

1.06. "Common Elements" mean all elements of the Project except the separately owned Units, includes both general and limited common elements.

1.07. "Declarant" means Bandit Condominiums, L.L.P., and its successors and assigns.

1.08. "Declaration" means this Declaration document and all that it contains.

1.09. "General Common Elements" mean all the Common Elements except the Limited Common Elements, and includes the land on which the buildings are located and all portions of the property not contained within any Unit, including, but not by way of limitation, the foundations, columns, girders, beams, supports, main walls, roofs, and entrances and exits of the buildings; the grounds, gardens, and storage spaces; maintenance storage buildings; installations of all central services, including power, light, gas, hot and cold water, heating, air conditioning equipment not serving an individual Unit; the tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatuses and installations existing for common use; any driveways; utility pipes, lines, or systems servicing more than a single Unit; all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used with them; swimming pool and cabana (if any), and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as common elements in the plat and all repairs and replacements of any of these items.

1.10. "Governing Instruments" mean the Declaration, and the Articles of Incorporation and Bylaws of the Association.

1.11. "Limited Common Elements" mean the Common Elements allocated for the exclusive use of one or more but less than all of the Units as shown on Exhibit B and includes the front porch of each unit and stairs. The rear porches and upstairs rear balconies are a part of the Unit.

1.12 "Long Creek Owner's Association" ("LCOA") means and refers to the homeowner's association established in the Declarations of Covenants, Conditions, and Restrictions of Long Creek Subdivision recorded in Volume 1292, Pages 191-232, Official Records of Guadalupe County, County Texas, and all subsequent amendments, restatements, or modifications thereto recorded in the Official Records of Guadalupe County, Texas. Membership in the LCOA is appurtenant to ownership of a Condominium Unit.

1.13. "Manager" means the person or corporation, if any, appointed by the Board to manage the Project.

1.14 "Mortgagee" means the owner and the holder of a recorded mortgage and a beneficiary under a deed of trust, but does not include a contractor or subcontractor who filed or caused to be filed an affidavit claiming a mechanic's lien..

1.15. "Owner(s)" means any person that owns a Unit within the Project.

1.16. "Plat" means the subdivision plat establishing Bandit Condominium Subdivision recorded in Volume 7, Page 378, Map and Plat Records of Guadalupe County, Texas.

1.17. "Person" means an individual, firm, corporation, partnership, association, trust, other legal entity, or any combination of persons or entities.

1.18. "Project" means the entire parcel or the Property described in Exhibit A, including the land, all improvements and structures on the Property, and all easements, rights, and appurtenances

belonging to the Property that are divided or may be divided into a maximum of forty-eight (48) Units to be owned and operated as a Condominium.

1.19. "Rules" mean and refer to the Rules and Regulations for the Project adopted by the Board pursuant to this Declaration.

1.20. "Unit" means a physical portion of the condominium designated by Exhibit B for separate ownership and occupancy.

ARTICLE 2 PROPERTY

2.01. Property Subject to Declaration

All the Property shown in Exhibit B to this declaration shall be subject to this Declaration. The portion of the Property shown as Phase 2 on Exhibit B and as described in Exhibit C is subject to the Special Declarant Rights and Development Rights as set forth herein.

2.02. Exclusive Ownership and Possession

Each Owner shall be entitled to the exclusive ownership and possession of the Owner's Unit. An Owner is deemed to own and has the exclusive right to paint, repaint, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of the walls, floors, ceilings, windows, and inside of the doors bounding the Owner's Unit. An Owner does not own the utilities running through the Owner's Unit that are utilized for or serve more than one Unit, except as a tenant in common with the other Owners.

2.03 Vertical and Horizontal Boundaries of a Unit

(a)Horizontal (Upper and Lower) Boundaries. The upper horizontal boundary of each Unit shall be the plane formed by the lower surface of the sheetrock or drywall of such ceiling, so that the drywall, resilient channel, or other material comprising the ceiling shall constitute a portion of the Common Elements. The lower horizontal boundary of each Unit shall be the plane formed by the upper surface of the subfloor of such Unit (the subfloor being defined as the upper surface of the material supporting the vapor barrier or padding beneath any carpet and/or vapor barrier or matting or other material beneath any hard surfaced flooring), with the floor covering constituting part of the Unit and the subfloor constituting part of the Common Elements.

(b)Vertical Boundaries The vertical boundaries of each Unit shall be the plane formed by the inner unfinished surface of the outermost walls of the Unit extended to their intersection with each other and the upper and lower horizontal boundaries, with the plaster, "sheetrock" or wallboard, or other material comprising the walls of the Unit constituting a portion of the Common Elements. Exterior doors, rear patios and rear balconies, windows and exterior glass surfaces serving the Unit, including the frames for such items, shall be included within the boundaries of the Unit. All portions of heating and air conditioning systems serving a single Unit (including the compressor and any pipes, wires, or lines serving such system located within

or outside the Unit boundaries, and all duct work for heating and air conditioning systems), and all appliances and plumbing fixtures within a Unit shall be a part of the Unit.

2.04. Common Elements

Each Owner shall be entitled to an undivided 1/12th interest in the Common Elements. The percentage of the undivided interest of each Owner in the Common Elements shall have a permanent character and shall not be altered without the consent of all Owners, expressed in an amended, duly recorded Declaration; provided however, that if at the end of the Declarant's Time Period for Exercise of Special Declarant Rights and Development Rights as set forth in paragraph, more than the 12 units have been developed, the ownership of the each Owner in the Common Elements will be adjusted to be equal ownership based upon the total number of Units in the Project. The percentage of the undivided interest in the Common Elements will not be separated from the Unit to which it pertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though the interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner may use the Common Elements in accordance with the purpose for which they are intended as long as the lawful rights of the other Owners are not hindered or encroached on. Each Unit Owner will be responsible for 1/12th of the common expense liability; provided that if more than 12 units are developed pursuant to the exercise of the Special Declarant Rights and Developments, the expense of each Unit Owner will be adjusted to be equal ownership based upon the total number of Units in the Project.

2.05. Partition of Common Elements

The Common Elements, both General and Limited, shall remain undivided and shall not be the object of an action for partition or division of ownership so long as the Property remains a Condominium Project. In any event, all mortgages must be paid prior to the bringing of an action for partition or the consent of all mortgagees must be obtained.

2.06. Nonexclusive Easements

Each Owner shall have a nonexclusive easement for the use and enjoyment of the General Common Elements and for ingress, egress, and support over and through the General Common Elements. These easements shall be appurtenant to and shall pass with the title to each Unit and shall be subordinate to the exclusive easements granted elsewhere in this Declaration, as well as to any rights reserved to the Association to regulate time and manner of use, to charge reasonable admission fees, and to perform its obligations under this Declaration.

2.07. Other Easements

The Association may grant to third parties easements in, on, and over the Common Elements for the purpose of constructing, installing, or maintaining necessary utilities and services. Each Owner, in accepting the deed to the Unit, expressly consents to such easements. No such easement may be granted, however, if it would interfere with any exclusive easement or with any Owner's use, occupancy, or enjoyment of the Owner's Unit.

2.08. Easements for Maintenance of Encroachments

None of the rights and obligations of the Owners created in this Declaration or by the deeds granting the Units shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of such encroachments so long as they shall exist provided, however, that in no event shall a valid easement for an encroachment be created in favor of any Owner if the encroachment occurred because of the willful conduct of the Owner.

ARTICLE 3 THE LODGES AT THE BANDIT GOLF CLUB CONDOMINIUM OWNERS ASSOCIATION “LBCOA”

3.01. Association

The Association shall be organized as a nonprofit corporation under the Texas Non-Profit Corporation Act, shall be operated under the name of The Lodges At the Bandit Golf Club Condominium Owner’s Association (“LBCOA”). LBCOA is charged with the duties and invested with the powers prescribed by law and set forth in this Declaration and in the Association's Articles of Incorporation and Bylaws.

3.02 Membership

Membership in the LBCOA is automatically granted to the Owner or Owners of each Unit in the Project. On the transfer of title to any Unit, the membership of the transferor automatically ceases and each new Owner becomes a member.

3.03 Voting Rights

The Owner of each Unit is entitled to one Vote, and if the Unit is owned by multiple owners, the aggregate vote of the Owners of the Unit may not exceed one vote.

3.04 Membership Meetings

Meetings of the Owners shall be called, held, and conducted in accordance with the requirements and procedures set forth in the Bylaws.

3.05 General Powers and Authority

The Association shall have all of the powers allowed by TUCA, as well as all the powers of a nonprofit corporation established under Texas law, subject only to the limitations contained in this Declaration and in the other Governing Instruments. The Association may perform all acts that may be necessary for, or incidental to, the performance of the obligations and duties imposed on it by this Declaration and the other Governing Instruments. The powers of the Association shall include, but are not limited to, the following:

(a) The power to establish, fix, and levy assessments against Owners in accordance with the procedures and subject to the limitations set forth in Article 4 of this Declaration.

(b) The power to adopt reasonable operating rules governing the use of the Common Elements and any facilities located on the Common Elements, as well as the use of any other Association property.

(c) The right to institute and maintain actions for damages or to restrain any actual or threatened breach of any of the provisions of the Governing Instruments or Association Rules in its own name, either on its own behalf or on behalf of any consenting Owner.

(d) The right to discipline Owners for violation of any of the provisions of the Governing Instruments or Association Rules by suspension of the violator's voting rights or privileges for use of the Common Elements or by imposition of monetary penalties, subject to the following limitations:

(i) The accused Owner must be given written notice of the violation or property damage, stating the amount of any proposed fine or damage charge and that the Owner may request a written hearing before the Board within thirty (30) days of the notice.

(ii) The accused Owner must be given a reasonable time, by a date specified in the notice, to cure the violation and avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

(iii) The accused Owner must be given written notice of a levied fine or damage charge within thirty (30) days after the date of levy.

(iv) Any suspension of privileges or imposition of monetary penalties shall be reasonably related to the Owner's violation.

(e) The power to delegate its authority, duties, and responsibilities, through the Board of Directors, to such committees, officers, or employees as are permitted to be retained under the Governing Instruments.

(f) The right, through its agents or employees, to enter any Unit when necessary in connection with any maintenance, landscaping, or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as is practicable and any damage caused by the entrance shall be repaired by the Association at its own expense.

3.06 Board of Directors and Officers of the Association

The affairs of the Association shall be managed and its duties and obligations performed by a Board of Directors. Provisions regulating the number, term, qualifications, manner of election, and conduct of meetings of the members of the Board of Directors shall be set forth in the Bylaws of the Association. The Board shall elect officers, which shall include a President,

Treasurer, Secretary, and such other officers as the Board may deem proper. Provisions regulating the numbers, term, qualifications, manner of election, powers and duties of the officers shall be set forth in the Bylaws of the Association; provided however that the Board shall be comprised initially of no more than three (3) directors, who shall be appointed, removed and/or reappointed by Declarant, and whose terms shall expire at the time of expiration of the rights of Declarant as set forth herein.

3.07 Duties of the Association

In addition to the duties delegated to the Association or its agents and employees elsewhere in these Governing Instruments, the Association shall be responsible for the following:

(a) Operation and maintenance of the Common Elements and the Limited Common Elements, and the facilities located on the Common Elements. This duty shall include, but shall not be limited to, exterior painting, maintenance, repair, and landscaping of the Common Elements and Limited Common Elements, and of the furnishings and equipment for the Common Elements and Limited Common Elements, as the Board shall determine are necessary and proper.

(b) Acquisition of and payment from the maintenance fund for the following:

(i) Water, sewer, garbage, electrical, telephone, gas, elevator, and other necessary utility service for the Common Elements and, to the extent not separately metered and charged, for the Units.

(ii) Blanket Policy insurance that names the Association and all Mortgagees as the insured, identifies the interest of each Condominium Unit Owner, and provides for a standard noncontributory mortgage clause in favor of each first mortgagee. The insurance shall insure against loss or damage by fire, vandalism, malicious mischief or such other hazards, as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements, Limited Common Elements, and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Each Owner irrevocably designates the Association as Attorney in Fact to administer and distribute such proceeds as is elsewhere provided in this Declaration. Such insurance policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after thirty (30) days prior written notice to each first mortgagee.

(iii) A comprehensive policy or policies of public liability insurance covering the Common Elements and Limited Common Elements of the Project and such policy or policies shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts by the Association. Such policy or policies shall be in amounts of not less than \$1,000,000.00 per occurrence/\$2,000,000.00 general aggregate, plus an umbrella policy for not less than \$1,000,000.00 for all claims for personal injury, including death, and/or property damage arising out of a single occurrence; and the policy shall include water damage liability, liability for non-owned and hired automobiles, liability for property of others and such other coverage as is customarily deemed necessary with respect to projects similar in nature. .

(iv) A policy or policies of liability insurance insuring the Board of Directors, officers, and employees of the Association against any claims, losses, liabilities, damages, or causes of action arising out of, or in connection with, or resulting from any act done or omission to act by any such person or entities

(v) Workers' compensation insurance to the extent necessary to comply with any applicable laws.

(vi) Insurance upon the Units, including all fixtures, installations or additions thereto contained within the unfinished interior surfaces of the perimeter walls, floors and ceilings of such Unit, as initially installed or replacements thereof. The Association shall not be responsible for procurement or maintenance of any insurance to cover Unit Owners' personal property, property upgrades, and/or personal liability for loss sustained within the Unit, the Unit's Limited Common Elements and in the Common Areas as a result of the negligence of the Unit Owner. Each Unit Owner shall obtain such insurance in policy limits of not less than \$500,000.00. Upon request by the Board, the Unit Owner shall provide proof of insurance within thirty (30) days from the date of the request. If the Unit Owner fails to provide of the insurance as requested, the Association may purchase insurance on behalf of the Unit Owner and assess the cost thereof the Unit Owner to be collected in the manner provided for collection of assessments herein.

(vii) The services of personnel that the Board shall determine to be necessary or proper for the operation of the Common Elements.

(viii) Legal and accounting services necessary or proper for the operation of the Common Elements or the enforcement of this Declaration.

(c) Preparation and distribution, on a regular basis, of financial statements to the Owners in accordance with the following:

(i) A pro forma operating statement for each fiscal year shall be distributed not less than forty-five days before the beginning of the fiscal year.

(ii) A balance sheet, as of an accounting date that is the last day of the month closest in time to six months from the date of closing of the first sale of a Unit in the Project, and an operating statement for the period from the date of the first closing to the accounting date shall be distributed within 45 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the numbers of the Project Units and the names of the persons assessed.

(iii) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year shall be distributed within 45 days after the close of the fiscal year.

(d) Maintenance of the following books and records, such books and records to be kept in accordance with generally accepted accounting procedures:

(i) Financial records with a detailed account of the receipts and expenditures affecting the Project and its administration and specifying the maintenance and regular expenses of the Common Elements and any other expenses incurred by or on behalf of the Project.

(ii) Minutes of proceedings of Owners, Board of Directors, and Committees to which any authority of the Board of Directors has been delegated.

(iii) Record of the names and addresses of all Owners with voting rights.

(iv) Plans and specifications used to construct the Project.

(v) The condominium information statement given to all Owners by the Declarant before sale.

(vi) Voting records, proxies, and correspondence relating to declaration amendments.

(e) Arrangement for an annual independent audit of all books and records of the Association.

3.08. Right of Action by Owners

Owners, acting collectively or individually, shall have no rights to maintain actions against the Association, its Officers and Directors, except for actions against the Association for its willful failure to perform its duties and responsibilities hereunder. No other action shall be brought against the Association or its affiliates, parents, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns by the Owners.

3.09 Declarant's Control Period

Declarant shall have the power to appoint and remove officers and members of the Board until one hundred twenty (120) days after Declarant has conveyed seventy-five (75) percent of the maximum number of Units in the Project to Owners other than Declarant, provided, however, that, not later than the one hundred twentieth (120th) day after Declarant's conveyance of fifty (50) percent of the maximum number of Units to Owners other than a Declarant, not less than one third of the Board members must be elected by Owners other than Declarant. Pursuant to Article 1.18, a total of 48 units may be created in the condominium Project.

3.10 Powers and Duties of the Board of Directors

The Board shall act in all instances on behalf of the Association, unless otherwise provided by this Declaration. The Board's powers and duties shall include all the powers, duties, and responsibilities as are now or may later be provided by the TUCA, this Declaration and Bylaws, including, but not limited to the following:

(a) Enforcement of the applicable provisions of this Declaration, the Bylaws, and any Rules of the Association.

- (b) Payment of taxes and assessments that are or could become a lien on the Common Elements or a portion of the Common Elements.
- (c) Contracting for casualty, liability, and other insurance on behalf of the Association, including directors' and officers liability insurance.
- (d) Contracting for goods and services for the Common Elements, facilities, and interests of the Association.
- (e) Delegation of its powers to such committees, officers, or employees of the Association as are expressly authorized by the Governing Instruments.
- (f) Preparation of budgets and financial statements for the Association as prescribed in the Governing Instruments.
- (g) Formulation of rules of operation for the Common Elements and facilities owned or controlled by the Association.
- (h) Initiation and execution of disciplinary proceedings against Owners for violations of provisions of the Governing Instruments in accordance with procedures set forth in the Governing Instruments.
- (i) Authorizing entry into any Unit as necessary in connection with construction, maintenance, or emergency repair for the benefit of the Common Element or the Owners in the aggregate.
- (j) Engaging the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to those persons a reasonable compensation for their services. In the event the Board determines that the management of the property should be conducted by a professional management company, any agreement relating to professional management will be for a contract term not to exceed three years.
- (k) Operating, maintaining and repairing the Common Elements including landscaping and the exterior surfaces of the Units.
- (l) Determine and pay the common expenses including water, sewer, garbage, gas, electricity and other necessary utility services for the common elements and Units. Charges for electricity furnished to individual Units will be separately metered and paid for by the Owner of the Unit.
- (m) Collect assessments due from Owners and enforcing collection of assessments on behalf of the LBCOA, including but not limited to the filing of liens, institution of lawsuits, and foreclosure of Units.
- (n) Open bank accounts on behalf of the Association and to designate the authorized signatures for those accounts.

(o) Purchase, hold, sell, convey, mortgage or lease Units in the name of the Association or its designee.

(p) Own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Unit owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Board in the operation of the property, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

(q) Adopt Rules with respect to the day to day maintenance, operation, and enjoyment of the Common Elements, Limited Common Elements and the Project which may be amended from time to time by the Board, provided however, that the Rules may not be in conflict with the law, this Declaration, or the Bylaws.

(r) All other acts necessary for the operation and maintenance of the property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the appearance and value of the property and the Unit owner has failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of the maintenance or repair delivered by the Board. The Board will levy a special assessment against that Unit for the cost of the necessary maintenance or repair.

3.11 Limitations on Powers of Board of Directors

Notwithstanding the powers set forth in Paragraph 3.08 of this Declaration, the Board shall be prohibited from taking any of the following actions except with the approval of a majority of the voting power of the Association residing in the Owners:

(a) Entering into (i) a contract with a third person under which the third person will furnish goods or services for a term longer than one year, except for a management contract, (ii) a contract with a public utility if the rates charged are regulated by the Public Utilities Commission, provided that the term shall not exceed the shortest term for which the utility will contract at the regulated rate; or (iii) prepaid casualty and/or liability insurance of more than two (2) years duration, provided that the policy provides for short-rate cancellation by the insured.

(b) Incurring aggregate expenditures for capital improvements to the Common Elements in any fiscal year in excess of twenty percent (20%) of the budgeted gross expenses of the Association for that fiscal year.

(c) Selling during any fiscal year personal property of the Association having an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(d) Selling real property of the Association.

(e) Paying compensation to Directors or to officers of the Association for services rendered in the conduct of the Association's business, provided, however, that the Board may cause a Director or officer to be reimbursed for expenses incurred in carrying out the business of the Association.

3.12 Limitation on Liability and Indemnification

(a) Members of the Board, the officers and any assistant officers, (i) will not be liable to the Owner(s) or the Association as a result of their activities for any mistake of judgment, negligence or otherwise, except for their own intentional misconduct or bad faith; (ii) will have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in that capacity; (iii) will have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own intentional misconduct or bad faith, nor for acts performed for them in that capacity, and (iv) will have no personal liability arising out of the use, misuse or condition of the property, which might in any way be assessed against or imputed to them as a result or by virtue of that capacity.

(b) The Owners and Association will indemnify and hold harmless any person, his or her heirs and personal representatives, from and against all personal liability and all expenses, including attorneys' fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Owners or the Association, or any other persons or entities, to which he or she will be or will be threatened to be made a party by reason of the fact that he or she is or was a member of the Board or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, that the liability or expense is attributable to his or her intentional misconduct or bad faith, provided that, in the case of any settlement, the Board will have approved the settlement, which approval is not to be unreasonably withheld. This indemnification by the Owners and Association will be paid by the Board on behalf of the Owners and Association and will constitute a common expense and will be assessed and collectible as a common expense. At the election of the Board, policies of insurance may be secured, as a common expense, insuring the members of the Board and officers, assistant officers, agents and employees of the Association against all liability envisioned by this paragraph. The indemnification in this paragraph includes claims brought by the Association against a member of the Board for breach of fiduciary duty.

(c) The Association shall not be liable: (i) for injury or damage to any person or property caused by the elements or by an Owner or the occupant of any Unit, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from or over any portion of the Common Elements, or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain under this Declaration; (ii) to any Owner or occupants of any Unit for loss or damage, by theft or otherwise, or any property which may be stored in or upon any of the Common Elements; or (iii) to any Owner or occupant of a Unit for any damage or injury caused in whole or in part by the failure to of the Association to discharge its responsibilities set forth in herein or in the Bylaws.

(d) Subject to the Association's obligations under this Declaration, each Owner hereby releases, acquits and forever discharges the Association, and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns and agrees to hold such Persons harmless of and from

any and all claims, damages, liabilities, costs and/or expenses (including reasonable attorneys' fees) relating to the construction of, repair or restoration of, or the sale to the Owners of the Units or the Common Elements. This release shall release and forever discharge the Association and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns from all claims and causes of action, whether statutory or under the common law, known or unknown, now accrued, or that arise in the future.

3.13. Limitations on Association.

The Association shall not have the power to institute, defend, intervene in, settle or compromise litigation or administrative proceedings in the name or on behalf of any Owner or with respect to any portion of the Condominium except the Common Elements and where otherwise permitted herein.

ARTICLE 4 ASSESSMENTS

4.01 Covenant to Pay

(a) The Declarant covenants and agrees for each Unit owned by it in the Project, and each Owner by acceptance of the deed to such Owner's Unit is deemed to covenant and agree, to pay to the Association the regular and special assessments levied pursuant to the provisions of this Declaration. All moneys collected shall be put into a maintenance fund to be used to defray expenses attributable to the ownership, operation, and maintenance of common interests by the Association. The Owner may not waive or otherwise escape liability for these assessments by nonuse of the Common Elements or by abandonment of the Owner's Unit.

(b) The Declarant covenants and agrees for each Unit owned by it in the Project, and each Owner by acceptance of the deed to such Owner's Unit is deemed to covenant and agree, to pay to the Long Creek Owner's Association (LCOA) the same amount of annual assessment assessed on a "Lot" as that term is defined in the Declaration of Covenants, Conditions And Restrictions Of Long Creek Subdivision, said initial annual assessment being the in the amount of \$650.00 and special assessments levied by the LCOA in accordance with the LCOA's Declaration of Conditions, Covenants, and Restrictions. Increases in the assessments due to the LCOA shall be established in accordance with the LCOA's Declaration of Conditions, Covenants, and Restrictions. The LBCOA shall have the right, but the not the duty, to pay delinquent assessments owed to the LCOA by a unit owner, and shall have a lien upon the Unit in accordance with Section 4.08 hereunder.

4.02. Regular Assessments

Regular assessments shall be made in accordance with the following. Within 45 days prior to the beginning of each calendar year beginning 2009, the Board shall estimate the net charges to be paid during that year, including a reasonable provision for contingencies and replacements with

adjustments made for any expected income and surplus from the prior year's fund. This estimated cash requirement shall be assessed to each Owner according to the ratio of the number of Units owned by said Owner to the total number of Units in the Project subject to assessment. Each Owner is obligated to pay assessments to the Board in equal monthly installments on or before the first day of each month. The initial regular assessment shall be \$ 125.00 per Unit per month.

4.03 Special Assessments

Special assessments shall be made in accordance with the following. If the Board determines that the amount to be collected from regular assessments will be inadequate to defray the common expenses for the year because of the cost of any construction, unexpected repairs, replacements of capital improvements on the Common Elements, or for any other reason, it shall make a special assessment for the additional amount needed. Such special assessments shall be levied and collected in the same manner as regular assessments. Special assessments shall become delinquent 30 days after assessment. Delinquent special assessments shall bear interest at the rate of ten per cent (10%) per annum until paid in full. The Board may make special assessments against the Units served by Limited Common Elements for repairs to the Limited Common Elements.

4.04 Benefited Assessments.

The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items or services not provided to all Units within the Condominium that are incurred for specific items or services relating to the Unit or (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees, or guests. The Association may also levy against or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of this Declaration (and any amendments or supplements thereto), the Articles, the By-Laws, and Rules, provided the Board complies with the notice and opportunity to cure provisions set forth in the By-Laws and the Rules.

4.05 Limitations on Assessments

The Board may not, without the approval of two-thirds (2/3) of the voting power of the Association residing in Owners other than Declarant, impose a regular annual assessment per Unit that is more than twenty (20) percent greater than the regular annual assessment for the preceding year, or levy special assessments that in the aggregate exceed five (5) percent of the budgeted gross expenses of the Association for that year. These limitations shall not apply to a special assessment levied against an Owner to reimburse the Association for funds expended in order to bring the Owner into compliance with the provisions of the Association's Governing Instruments or for special assessments for repairs to the Limited Common Elements.

4.06 Commencement of Assessments

Regular assessments shall commence on the first day of the month following the month in which the Declarant completes the transaction of sale of the condominium unit. . Declarant may, on an

annual basis, pay to the Association, until the expiration of the earlier to occur of (i) the expiration of 120 days following the conveyance by Declarant of more than 75% of the Units or (ii) the expiration of three years after the date on which the first sale of a Unit is consummated, in lieu of any Regular or Special Assessment with respect to all Units which Declarant owns during that period, an amount, if any, by which the operational expenses of the Association incurred during that period exceed the assessments paid by unit owners other than Declarant; or the common expense liability allocated to each Unit owned by Declarant.

4.06 Liability for Assessments

Each monthly portion of a regular assessment and each special assessment shall be a separate, distinct, and personal debt and obligation of the Owner against whom the assessments are assessed. The amount of any assessment not paid when due shall be deemed to be delinquent.

4.07 Payment of Assessments on Conveyance of Unit

On the sale or conveyance of a Unit, other than the initial sale by the Declarant, all unpaid assessments against an Owner for the Owner's share in the expenses to which Articles 4.02 and 4.03 of this Declaration refer shall first be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature, except the following:

- (a) Assessments, liens, and charges in favor of the State of Texas and any political subdivision of the State of Texas for taxes past due and unpaid on the Unit.
- (b) Amounts due under mortgage instruments duly recorded.

4.08 Lien and Foreclosure for Delinquent Assessments

The Association shall have a lien on each Unit for any delinquent assessments attributable to that Unit. The Association is authorized to enforce the lien through any available remedy, including nonjudicial foreclosure pursuant to Texas Property Code Section 51.002. The Owners expressly grant to the Board a power of sale, through a trustee designated in writing by the Board, in connection with any such liens.

4.09 Accumulation of Reserve Funds

The Association shall have the right to allow the accumulation of reserve funds indefinitely to provide for any anticipated expense.

4.10 Capitalization of Association.

Upon acquisition of record title to a Unit by an Owner thereof other than Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to (2) months of the annual assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. This amount shall be collected from the

purchaser in a separately designated account. The Association may not use these funds during the period that the Declarant has the right to appoint the directors of the Association. Thereafter, the Association may use the funds to cover unforeseen expenditures or to purchase additional equipment or services incurred by the Association to pursuant to this Declaration and the By-Laws.

ARTICLE 5 RESTRICTIONS AND COVENANTS

5.01 General Restrictions on Use

The right of an Owner and the Owner's guests to occupy or use the Owner's Unit or to use the Common Elements or any of the facilities on the Common Elements is subject to the following restrictions:

(a) No Owner shall occupy or use the Owner's Unit, or permit the Unit or any part of it to be occupied or used, for any purpose other than residential. Nothing in this Declaration shall prevent the Owner from leasing or renting out the Owner's Unit, provided the usage is in conformity with the bylaws adopted by the LBCOA and the Rules and Regulations adopted by the Board regarding the leasing or renting of the Unit. No owner shall be required to (a) participate in any rental management property agreement or other similar arrangement for the renting of such Owner's Unit, (b) use an exclusive rental agreement for the renting of its Unit, or (c) be otherwise materially restricted in its occupancy or rental of its Unit in a manner which is inconsistent with the terms of this Declaration. However, the Board shall have the authority to levy fees against an Owner and as an assessment ("Rental Assessment") against the Unit should the Owner rent the Unit through an outside managing agent not a part of a Rental Program established by the LBCOA. The LBCOA shall have the authority to collect and enforce Rental Assessments as a lien on the Unit in the same manner as delinquent Regular and Special Assessments.

(b) There shall be no obstruction of the Common Elements. Nothing shall be stored in the Common Elements without the prior consent of the Board, except as expressly provided for in the Declaration, or in designated storage areas.

(c) Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance on the Common Elements without the prior written consent of the Board. No Owner shall permit anything to be done or kept in the Owner's Unit or in the Common Elements that will result in the cancellation of insurance on any Unit or on any part of the Common Elements or that would be in violation of any law. No waste shall be permitted in the Common Elements. No gasoline, kerosene, cleaning solvents, or other flammable liquids shall be stored in the Common Elements or in any Unit, provided, however, that reasonable amounts in suitable containers may be stored in the storage spaces.

(d) No sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board, except a sign advertising the property for sale.

(e) No animals, livestock, or poultry of any kind shall be raised, bred, or kept in the Unit or in the Common Elements, except that dogs, cats, birds, or other household pets in a reasonable number may be kept in Units, subject to the Rules and Regulations adopted by the Board. No animal or bird will be allowed to make an unreasonable amount of noise, or to become a nuisance. The Board shall have the authority to conclusively determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal or bird is a generally recognized house or yard pet, or a nuisance, or whether the number of animals or birds in question is reasonable and in compliance with this subparagraph.

(f) No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done in any Unit or in the Common Elements that may be or become an annoyance or nuisance to the other Owners. No nuisances will be allowed on the Project, nor any use or practice which is the source of annoyance or offense to residents or which interferes with the peaceful possession and proper use of the property by its residents. The Units and Common Elements will not be used so as to disturb the neighborhood or occupants of adjoining Units. All parts of the property will be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Owner will permit any use of his or her unit or make any use of the General or Limited Common Elements which will constitute a nuisance or annoyance to the residents of other units. No immoral, improper, offensive or unlawful use will be made of the project, and all valid laws, zoning ordinances and regulations of the governmental bodies having jurisdiction of the property will be observed. The Board will determine whether an activity violates this provision and shall have the right to enforce this provision against the Owner in accordance with the Rules and Regulations adopted by the Board.

(g) Nothing shall be altered or constructed in, on, or removed from the Common Elements, except on the written consent of the Board.

(h) There shall be no violation of the Rules adopted by the Board and furnished in writing to the Owners pertaining to the use of the Common Elements. The Board is authorized to adopt such Rules.

(i) If the Declarant or the Association installs a central antenna system for video programming or fixed wireless services described in the Over-the-Air Reception Device Rule ("OTARD") adopted by the Federal Communications Commission, without the need for installation of individual antennas within an Owner's Unit, Balcony Area or other area subject to Owner's exclusive use and control, then Owners desiring the particular service received by such central antenna system may not install individual antennas for such service within their Unit, balcony or patio area, or other area subject to such Owner's exclusive use and control and must receive such service through the central antenna system. Except as provided herein, an Owner shall be permitted to install or maintain other antennas used to receive those video programming or fixed wireless services described in OTARD, subject to reasonable safety rules established by the Association from time to time. It is expressly provided, however, that no antennas or related structures shall be erected on, or fastened to, the roof, any exterior wall of a Unit, or any portion

of the Common Elements or anywhere else on the Property that is not subject to such Owner's exclusive use or control without the prior written consent of the Association.

(j) No trailer, motor home, tent, boat, watercraft, marine craft, hovercraft, aircraft, recreational vehicle, motor home, camper, camper body, travel trailer, or truck larger than a one (1) ton pick-up, or wrecked, junked, inoperable, or without current license and inspection, vehicle shall be kept, parked, stored, or maintained on the Property. No dismantling or assembling of a motor vehicle, boat, trailer, truck, or any other machinery or equipment shall be permitted on the Property. Only vehicles belonging to the Unit Owner and the Owner's Invitees or Tenants are permitted to be parked in the parking space designated for that particular Unit. All other parking spaces are available on a first-come first-serve basis to the Unit Owners and the Owner's Invitees and Tenants. All vehicles must be parked in the portions designated as parking spaces. No commercial vehicle bearing commercial insignia or names shall be parked on the Property, unless such vehicle is temporarily parked for the purpose of serving the Unit. Any vehicle located on the Property in violation of this provision and any vehicle objectionable to the Board is subject to immediate towing without notice and all expenses of towing and storage will be incurred by the vehicle's owner.

(k) Exterior windows shall be covered by only white, ivory, or tan shades, blinds, or drapes. No foil, tint or other material objectionable to the LBCOA shall be placed in or next to any window or glass door. Burglar bars may not be installed.

(l) Mailboxes shall be located on the Property as determined by Declarant. No other mailboxes are permitted.

(m) An Owner shall be strictly liable, regardless of fault, for all damages to other Units, Common Elements, or Limited Common Elements by water leaks from the dishwasher, bathtub, shower, commode, sinks, aquariums, waterbeds, and any other fixtures located in the Unit. Each Owner shall be responsible for promptly repairing leaks in all plumbing lines, plumbing fixtures, lavatories, sinks, tubs, and shower stalls inside the Owner's Unit. If the LBCOA deems it necessary to repair such items inside the Unit, the Owner shall reimburse the Association for the cost of repair, plus 20% for administrative overhead.

(n) Occupancy of a Unit shall be limited to four persons per two bedroom and six persons per two bedroom with game room or three bedroom; provided however, that up to eight persons per two bedroom and twelve persons per three bedroom will be permitted up to a maximum of 14 consecutive days.

5.02 Maintenance

Except for those portions that the Association is required to maintain and repair, each Owner shall, at the Owner's sole cost and expense, maintain and repair the Owner's Unit so as to keep it in good condition and repair. Any common expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed by the LBCOA equally against the Units to which the Limited Common Element is assigned.

5.03 Damage Liability

Each Owner shall be liable to the Association for all damage to the Common Elements or to other Association property that is sustained by reason of the negligence or willful misconduct of that Owner or the Owner's family, guests, or tenants.

5.04 Adjacent Golf Course

Each Owner covenants and represents that for itself and its successors and assigns, there is no guarantee or representation regarding any view over and across The Bandit Golf Course ("Golf Course") from the Property, Common Element, Limited Common Element or representation of continued usage as a golf course of the real property comprising it. Each Owner, by its purchase of a Unit, hereby expressly assumes the risk of personal injury, property damage, or other loss caused by maintenance and operation of the Golf Course including, without limitation: (i) noise from maintenance equipment (it being specifically understood that such maintenance typically takes place around or before sunrise or after sunset), (ii) noise caused by golfers, (iii) errant golf balls and golf clubs, (iv) use of pesticides, herbicides and fertilizers, (v) view restrictions, (vi) reduction in privacy caused by golf traffic on the Golf Course or the removal or pruning of shrubbery or trees in the Golf Course; and (vii) design of the Golf Course. Each Unit Owner agrees that Declarant, any successor Declarant, the Association, the owner of the Golf Course, or their successors, successors in title, or assigns, any officer, director or partner of any of the foregoing, or any organizer or sponsor of any tournament or special event (collectively, for the purposes of this paragraph "Released Parties") shall not be liable to any Unit Owner claiming any loss, injury, or damage based upon, due to, arising from, directly or indirectly, or otherwise related to the proximity of the Unit, Common Area, or Limited Common Area to the Golf Course, even if such loss, damage or injury is caused in whole or in part by the negligence of any of the Released Parties. Each Unit Owner, guests, invitees, tenants, and occupants of the Unit hereby agree to indemnify, defend, and hold harmless the Released Parties from and against any and all such claims as set forth in the preceding sentence by the Unit Owner, its lessees, licensees, invitees, tenants, and occupants of the Unit for injury, loss, or damage, whether known or unknown, foreseen or unforeseen, arising from or resulting from, directly or indirectly, acts or omissions of the Released Parties, even if caused in whole or in part by the negligence of the Released Parties. **The foregoing release and indemnity is intended to release and indemnify the released parties from and against their own negligence.**

5.05 Exemption for Declarant

Declarant shall be exempt from the restrictions of Article 5.01 of this Declaration to the extent reasonably necessary for completion of construction, sales, or additions to the Project. Such exemption includes, but is not limited to, maintaining Units as model homes, placing advertising signs on Project property, and generally making use of the Project lots and Common Elements as is reasonably necessary to carry on construction activity and exercise Special Declarant Rights and Development Rights as set forth herein.

5.06 Allocation of Specified Common Elements

The Board may designate parts of the Common Elements from time to time for use by less than all of the Unit Owners or by nonowners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Board.

ARTICLE 6
DAMAGE OR DESTRUCTION

6.01 Application of Insurance Proceeds

(a) If the Project is damaged by fire or any other disaster, the insurance proceeds, except as provided in Paragraph 6.01(b) of this Declaration, shall be applied to reconstruct the Project. The insurance proceeds will be paid to the Board, as Trustee, to be held in trust for the benefit of the Owners and their mortgagees as their respective interests may appear.

(b) Reconstruction shall not be compulsory if at least 80 percent of the vote of the Owners, which shall include the vote of each Owner of a unit or assigned limited common element that will not be rebuilt or repaired, is cast not to rebuild. If the Owners so vote to not rebuild any Unit, that Unit's allocated interests shall be automatically reallocated on the vote as if the Unit had been condemned, and the Association shall prepare, execute, and record an amendment the Declaration reflecting the reallocation. If the entire Project is not repaired or replaced and unless otherwise unanimously agreed to by the Owners, the proceeds shall be delivered pro rata to the Owners or their mortgagees, as their interest may appear, in accordance with the percentages or fractions set forth herein for each Unit destroyed, less the cost to remove any remaining debris. The insurance proceeds for Common Areas that are destroyed and not rebuilt shall be paid to the Association.

6.02 Insufficient Insurance Proceeds

When reconstruction is required by the terms of Article 6.01 of this Declaration, but the insurance proceeds are insufficient to cover the cost of reconstruction, the costs in excess of the insurance proceeds and reserves shall be considered a common expense that is subject to the Association's lien rights.

6.03 Obtaining Bids for Reconstruction

If the Project or any part thereof is damaged by fire or any other disaster, the Board shall immediately obtain firm bids, including the obligation to obtain a performance bond, from two or more responsible contractors to rebuild the Project in accordance with its original plans and specifications. The Board shall also, as soon as possible after obtaining the bids, call a special meeting of the Owners to consider the bids. If the Board fails to do so within sixty (60) days after the casualty occurs, any Owner may obtain bids and call and conduct a meeting as provided by this Article 6.03. At such meeting, the Owners may, by a vote of not less than sixty-seven (67) percent of the votes present, elect to reject all of the bids or, by not less than fifty-one (51) percent of the votes present, elect to reject all the bids requiring amounts more than five hundred dollars (\$500) in excess of available insurance proceeds. If all bids are rejected, the Board shall obtain additional bids for presentation to the Owners. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable.

6.04 Reconstruction

Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board.

ARTICLE 7 MORTGAGEES AND BENEFICIARIES UNDER DEED OF TRUST

7.01 Mortgagee Protection

The term “mortgage” as used here means any first lien deed of trust. The term “mortgagee” means the owner and the holder of a mortgage and includes a beneficiary under a deed of trust.

7.02 Notification to Mortgagees of Owner’s Default

The Board will give to any mortgagee on the roster written notification of any default by the mortgagor of the respective Unit in the performance of that mortgagor's obligations under the Declaration which is not cured within thirty (30) days in the event the Board intends to exercise its remedies as provided in this Declaration

7.03 .Affect of Unit Liens Upon Mortgagees

Any liens on any Unit created under the Act or pursuant to this Declaration or the Bylaws will be subject and subordinate to, and will not affect the rights of any mortgagee under, a mortgage on that Unit made in good faith and for value, provided however, that any lien created after a foreclosure or sale will have the same effect and be enforced in the same manner as provided in the Act, the Declaration and the Bylaws.

7.04 Roster of Mortgagees

The Board will maintain a roster of Unit owners from the evidence of change of ownership furnished to the Board, which roster will include the mailing addresses of all Unit owners. The Board will also maintain a roster containing the name and address of each mortgagee of a Unit if the Board is provided notice of a mortgage by way of a certified copy of the recorded instrument evidencing the mortgage and containing the name and address of the mortgagee. The mortgagee will be stricken from the roster on request by the mortgagee or on receipt by the Board of a certified copy of a recorded release or satisfaction of the mortgage. Notice of removal will be given to the mortgagee unless the removal is requested by the mortgagee.

7.05 Amendment Of This Paragraph Upon Existing Mortgagees

No amendment to this paragraph will affect the rights of a mortgagee who has recorded a valid mortgage prior to the recordation of any amendment.

ARTICLE 8
SPECIAL DECLARANT RIGHTS AND DEVELOPMENT RIGHTS

8.01 Special Declarant Rights And Development Rights

The Declarant reserves the following Special Declarant Rights and Development Rights.

- (a) the right to complete or make improvements indicated on the Plats and Plans, but not the obligation unless indicated as “Must Be Built”. ;
- (b) the right to create or add units, common elements, or limited common elements within the Project;
- (c) the right to change the numbers, sizes, and types, and phasing of units, including the right to combine and subdivide units;
- (d) the right to withdraw real property from the Project, including that shown as Phase 2 on Exhibit B and described in Exhibit C or any portion of Phase 2 such that the Declarant’s development right as to Phase 2 may be exercised by Declarant, at Declarant’s choice, in all or in any portion of Phase 2;
- (e) the right to add or withdraw real property to the Project;
- (f) the right to maintain sales offices, management offices, leasing offices, and models in Units or on the Common Elements;
- (g) make the Project part of a larger condominium or planned community;
- (h) the right to maintain signs on the Unit to advertise the Unit or the Project;
- (i) the right to use, and to permit others to use, easements through the Common Elements for the purpose of making improvements within the Project and within real property that may be added to the Project; for the purpose of discharging the Declarant’s obligations under the TUCA and this declaration, and for the purpose of completing construction of the Project;
- (j) the right to create easements through the Common Elements for the benefit of property adjoining the Project, whether owned by the Declarant or third parties, including the property shown in Phase II regardless of whether said property is withdrawn from the Project;
- (k) the right to appoint or remove any officer or board member of the Association during any period of declarant control;
- (l) the right, but not the obligation, to make improvements and changes to all or part of the Common Elements and to any Units owned by Declarant (other than changes to the location of Unit boundaries), including, without limitation, addition and realignment of parking spaces,

renovation and installation of changes to utility systems and facilities, rearrangement and installation of security and refuse facilities, work relating to building exteriors, landscaping and extension of the drives and utility lines and pipes located on the Project;

(m) the right to amend or vacate the Plat for any reason, excluding but not limited to the addition or withdrawal of real property from the project; and

(n) the right to amend this Declaration.

8.02 Phasing of Development Rights

Regarding Portions of the real property shown on the Plat and Plans as “Development Rights Reserved” or “Phase 2”, Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed, or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

8.03 Time Period for Exercise of Special Declarant Rights and Development Rights .

Declarant reserves the Special Declarant Rights and Development Rights at all times while Declarant or any affiliate of Declarant owns any Unit or any other real property interest in the Project.

8.04 Declarant as Attorney-in-Fact and Proxy.

To facilitate the exercise of the Special Declarant Rights and Development Rights reserved by Declarant herein, each Owner, by accepting the benefits of a Deed conveying a Unit in the Project, each Mortgagee, by acting the benefits of a mortgage against a Unit, and any other person, by accepting the benefits of a mortgage, deed of trust, mechanic’s lien contract, mechanic’s lien claim, vendor’s lien and/or any other security interest against any Unit, shall thereby be deemed to have appointed Declarant their irrevocable attorney-in-fact, with full power of substitution, to do and perform each and every act permitted or required pursuant to the Special Declarant Rights and Development Rights. This power of attorney vested in Declarant shall be deemed, conclusively, to be coupled with an interest and shall survive dissolution, termination, insolvency, bankruptcy, incompetency and death of the persons or entities for whom the Declarant is acting on behalf of as attorney-in-fact and shall be binding upon their legal representatives, administrators, executors, successors, heirs and assigns. In addition, Declarant is deemed appointed by such persons and entities as their proxy, with full power of substitution, to cast a vote for each such person or entity at any meeting of the Members or Unit Owners for the purpose of approving or consenting to any amendment to this Declaration in order to effect and perfect any Special Declarant Rights and Development Rights reserved by the Declarant and to likewise execute and record amendments on their behalf to such effect.

ARTICLE 9
GENERAL PROVISIONS

9.01 Amendment

(a) This Declaration may be amended only at a meeting of the Unit Owners at which the amendment is approved by the holders of at least sixty-seven (67) percent of the ownership interests in the Project.

(b) An amendment of the Declaration may not alter or destroy a Unit or a Limited Common Element without the consent of the affected Owners and the Owners' first lien mortgagees.

(c) Any amendment shall be evidenced by a writing that is prepared, signed, and acknowledged by the President or other officer designated by the Board to certify amendments. The amendment shall be effective on filing in the office of the county clerk of Guadalupe County, Texas.

9.02 Nonwaiver of Remedies

Each remedy provided for in this Declaration is separate, distinct, and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy.

9.03 Severability

The provisions of this Declaration shall be deemed independent and severable. The invalidity, partial invalidity, or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

9.04 Binding

This Declaration, as well as any amendment to this Declaration, and any valid action or directive made pursuant to it shall be binding on the Declarant and the Owners and their heirs, grantees, tenants, successors, and assigns.

9.05 Interpretation

The provisions of this Declaration shall be liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce the provision or any other provision of this Declaration.

9.06 Limitation of Liability

The liability of any Owner for performance of any of the provisions of this Declaration shall terminate on sale, transfer, assignment, or other divestment of the Owner's entire interest in the Owner's Unit with respect to obligations arising from and after the date of such divestment.

9.07 Fair Housing

Neither Declarant nor any Owner shall, either directly or indirectly, forbid the conveyance, encumbrance, renting, leasing, or occupancy of the Owner's Unit to any person on the basis of race, color, sex, religion, ancestry, or national origin.

9.08 Notices

(a) Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given with when delivered personally at the appropriate address set forth in Article 8.08(b) of this Declaration, or three (3) days after deposit in any United States post office box, postage prepaid, addressed as set forth in Article 8.08(b) of this Declaration.

(b) Any notice to an Owner required under this Declaration shall be addressed to the Owner at the last address for the Owner appearing in the records of the Association or, if there is none, at the address of the Unit in the Project. Notice to the Association shall be addressed to the address designated by the Association by written notice all Owners. Notices to the Manager shall be addressed to the address designated by the Manager. Notices to Declarant shall be addressed to Bandit Condominiums, L.L.P. 550 Main Street, Suite #100., Boerne, Texas 78006.

9.09 Number, Gender, and Headings

As used in this Declaration, the singular shall include the plural and the masculine shall include the feminine and the neuter, unless the context requires the contrary. All headings are not a part of this Declaration and shall not affect the interpretation of any provision.

BANDIT CONDOMINIUMS, L.L.P., a Texas limited partnership,

By: FORESIGHT CONDOMINIUM PARTNERS, LTD., a
Texas limited partnership, Managing Joint Venturer

By: PEDMILL, L.L.C., a Texas limited liability
corporation, its General Partner

By: _____
DANIEL A. PEDROTTI, JR., Member

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2008 by DANIEL A. PEDROTTI, JR., as Member of PedMill, L.L.C., a Texas limited liability corporation, the General Partner of Foresight Condominium Partners, Ltd., a Texas limited partnership and Managing Joint Venturer of Bandit Condominiums, L.L.P, a Texas limited partnership on behalf of said entities.

NOTARY PUBLIC, STATE OF TEXAS

Exhibit A

Easements and licenses appurtenant to or included in the Project

a) Easement and Right of Way, dated May 10, 1928, executed by August J. Blumberg to San Antonio Public Service Company, recorded in Volume 97, Page 360, Deed Records of Guadalupe County, Texas, as assigned to Guadalupe Valley Electric Cooperative, Inc., by instrument dated January 16, 1986, executed by the Lower Colorado River Authority, recorded in Volume 744, Page 1433, Official Records of Guadalupe County, Texas.

b) Easement, dated July 13, 1928, executed by A.J. Blumberg to Texas Power Corporation, recorded in Volume 97, Page 488, Deed Records of Guadalupe County, Texas.

c) Electric Line Right of Way Agreement, dated July 5, 1945, executed by Bernard Vogel to the City of San Antonio, Electric and Gas System, recorded in Volume 217, Page 352, Deed Records of Guadalupe County, Texas

d) Right of Way Easement, dated April 30, 1997, executed by Golf Associates, Ltd to Guadalupe Valley Electric Cooperative, Inc., recorded in Volume 1266, Page 675, Official Public Records of Guadalupe County, Texas

e) All easements and other matters affecting the land by reason of and as reflected on the Plat of Bandit Condominium Subdivision according to map or plat thereof recorded in Volume 7, Page 378, Map and Plat records of Guadalupe County, Texas, including, specifically, but without limitation, the following: aerial easement five feet on each side of all easements and streets and extending upward as required; 25 foot building setback line; proposed 20' electric, telephone and cable TV easement

f) Easements as shown on the plat of Long Creek Subdivision recorded in Volume 6, Pages 39-43, Plat Records of Guadalupe County, Texas: 14' sanitary sewer easement; 10' electric easement; and 10' electric, telephone and cable TV easement

g) Electric Line Easement to Guadalupe Valley Electric Cooperative, Inc. recorded August 19, 2008, Volume 2657, Page 1017, Official Public Records, Guadalupe County, Texas

h) The terms, covenants, conditions, restrictions and stipulations set forth in the "Notes" shown on the Plat of Bandit Condominium Subdivision according to map or plat thereof recorded in Volume 7, Page 378, Map and Plat records Guadalupe County, Texas.

i) Access to Private cemetery or burial site located adjacent to the the Bandit Condominium Subdivision with respect to any person interred therein, as set forth in Warranty Deed, dated October 18, 1996, recorded in Volume 1234, Page 417, Official Public Records of Guadalupe County, Texas. An Affidavit and Notice of Unknown or Abandoned Cemetery, dated October 14, 1999, is recorded in Volume 1468, Page 942, Official Public Records of Guadalupe County, Texas

(j) Easement, dated February 11, 1964, executed by Walter Buch and Hulda Buch to Green Valley Water Supply Corporation, recorded in Volume 365, Page 465, Deed Records of Guadalupe County, Texas

(k) Easement and Right of Way, dated June 22, 1970, executed by Hulda Buch to City of San Antonio, Recorded in Volume 431, Page 253, Deed Records of Guadalupe County, Texas

(l) Right of Way Easement, dated February 11, 1997, executed by Golf Associates, Ltd. to Guadalupe Valley Electric Cooperative, Inc., recorded in Volume 1254, Page 572, Official Public Records of Guadalupe County, Texas

(m) Right of Way Easement, dated April 30, 1997, executed by Golf Associates, Ltd., to Guadalupe Valley Electric Cooperative, Inc., recorded in Volume 1266, Page 670, Official Public Records of Guadalupe County, Texas

(n) Agreement for Electric Transmission Line Easement and Access Easement, dated June 13, 1997, executed by and between Guadalupe-Blanco River Authority and Golf Associates, Ltd., recorded in Volume 1275, Page 111, Official Public Records of Guadalupe County, Texas

(o) The following easements as shown on the plat of Long Creek Subdivision, filed September 28, 1998, recorded in Volume 6, Page 39-43, Plat Records of Guadalupe County, Texas: 10' electric, telephone and CATV easement

(n) Electric line easement to Guadalupe Valley Electric Cooperative, Inc. recorded on August 19, 2008, in Volume 257, Page 1017, Official Public Records, Guadalupe County, Texas.

CONSENT TO DECLARATION BY AMERICAN BANK, NA.

The undersigned lienholder consents to the Condominium Declaration Of The Lodges At The Bandit Golf Club Condominiums as required by Section 82.051 of the Texas Uniform Condominium Act.

AMERICAN BANK, N.A.

By: _____
PHILLIP J. RITLEY
Senior Lending Officer

STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of _____ 2008, by Phillip J. Ritley, Senior Lending Officer of American Bank, N.A., a National Banking Association on behalf of said Association.

NOTARY PUBLIC, STATE OF TEXAS