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# BIG SKY RANCH

## DEVELOPMENT AREA DECLARATION *[RESIDENTIAL]*

*Hays County, Texas*

DECLARANT: MERITAGE HOMES OF TEXAS, LLC, an Arizona limited liability company

Cross reference to Big Sky Ranch Master Covenant [Residential], recorded as Document  
No. 20002752 in the Official Public Records of Hays County, Texas.

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**BIG SKY RANCH**  
**DEVELOPMENT AREA DECLARATION**  
**[RESIDENTIAL]**

This Development Area Declaration for Big Sky Ranch [*Residential*] (this “**Development Area Declaration**”) is made by **MERITAGE HOMES OF TEXAS, LLC**, an Arizona limited liability company (the “**Declarant**”), and is as follows:

R E C I T A L S:

A. Declarant previously Recorded that certain Big Sky Ranch Master Covenant [*Residential*], recorded as Document No. 20002752 in the Official Public Records of Hays County, Texas (the “**Covenant**”).

B. Pursuant to the Covenant, Declarant served notice that portions of the Property may be made subject to one or more Development Area Declarations upon the Recording of one or more Notices of Applicability in accordance with *Section 9.5* of the Covenant, and once such Notices of Applicability have been Recorded, the portions of the Property described therein will constitute the Development Area and will be governed by and fully subject to this Development Area Declaration in addition to the Covenant.

**A Development Area is a portion of Big Sky Ranch which is subject to the terms and provisions of the Covenant. A Development Area Declaration includes specific restrictions which apply to the Development Area, in addition to the terms and provisions of the Covenant.**

C. Upon the further Recording of one or more Notices of Applicability, portions of the Property identified in such notice or notices will be subject to the terms and provisions of this Development Area Declaration. The Property made subject to the terms and provisions of this Development Area Declaration will be referred to herein as the “**Development Area**.”

**NOW, THEREFORE**, it is hereby declared: (i) those portions of the Property as and when made subject to this Development Area Declaration by the filing of a Notice of Applicability will be held, sold, conveyed, and occupied subject to the following covenants, conditions and restrictions which will run with such portions of the Property and will be binding upon all parties having right, title, or interest in or to such portions of the Property or any part thereof, their heirs, successors, and assigns and will inure to the benefit of each Owner thereof; (ii) each contract or deed conveying those portions of the Property which are made subject to this Development Area Declaration will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed;

and (iii) that this Development Area Declaration will supplement and be in addition to the covenants, conditions, and restrictions of the Covenant.

## ARTICLE 1 DEFINITIONS

Capitalized terms used but not defined in this Development Area Declaration shall have the meaning subscribed to such term in the Covenant. Unless the context otherwise specifies or requires, all other capitalized terms when used in this Development Area Declaration shall have the following meanings:

**“Landscaping Ordinance”** means Article 28.06, Landscaping and Tree Preservation, of Chapter 28, Subdivisions and Site Development of the City of Dripping Springs Code of Ordinances.

**“Outdoor Lighting Ordinance”** means Article 24.06, Outdoor Lighting, of Chapter 24 of the City of Dripping Springs Code of Ordinances.

**“Rainwater Harvesting System”** means one or more rain barrels, tanks, or rainwater harvesting systems used to collect and store rainwater runoff from roofs or downspouts for later reuse.

**“Solar Energy Device”** means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.

Any other capitalized terms used but not defined in this Development Area Declaration will have the meanings given to such terms in the Covenant.

## ARTICLE 2 USE RESTRICTIONS

All of the Development Area will be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions:

**2.1 Single Family Use Restrictions.** The Development Area shall be used solely for single-family residential purposes. The Development Area may not be used for any other purposes without the prior written consent of the Declarant, which consent may be withheld by the Declarant in its sole and absolute discretion.

No professional, business, or commercial activity to which the general public is invited shall be conducted on any portion of the Development Area, except an Owner or Occupant may

conduct business activities within a residence so long as: (i) such activity complies with Applicable Law; (ii) participation in the business activity is limited to the Owner(s) or Occupant(s) of a residence; (iii) the existence or operation of the business activity is not apparent or detectable by sight, i.e., no sign may be erected advertising the business within the Development Area, sound, or smell from outside the residence; (iv) the business activity does not involve door-to-door solicitation of residents within the Development; (v) the business does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Development Area which is noticeably greater than that which is typical of residences in which no business activity is being conducted; (vi) the business activity is consistent with the residential character of the Development Area and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Development as may be determined in the sole discretion of the Board; and (vii) the business does not require the installation of any machinery other than that customary to normal household operations. In addition, for the purpose of obtaining any business or commercial license, neither the residence nor the Lot will be considered open to the public. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) such activity is engaged in full or part-time; (y) such activity is intended to or does generate a profit; or (z) a license is required. Leasing of a residence shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Declarant or a Homebuilder.

Notwithstanding any provision in this Development Area Declaration to the contrary, until the expiration or termination of the Development Period:

(i) Declarant and/or its licensees may construct and maintain upon portions of the Common Area, the Special Common Area, any Lot, or any portion of the Property owned by the Declarant such facilities and may conduct such activities which, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of single family residences constructed upon the Lots, including, but not limited to, business offices, signs, model homes, and sales offices. Declarant and/or its assignees shall have an easement over and across the Common Area and the Special Common Area for access and use of such facilities at no charge; and

(ii) Declarant and/or its licensees will have an access easement over and across the Common Area and the Special Common Area for the purpose of making, constructing and installing Improvements upon the Common Area and the Special Common Area.

**2.2 Rentals.** Nothing in this Development Area Declaration shall prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes; provided that all rentals must be for terms of at least six (6) months. All leases shall be in writing. The Owner must provide to its lessee copies of the Documents and obtain written acknowledgement from lessee of the receipt of same. Notice of any lease, together with email and phone number of any Occupants and such additional information as may be required by the Board, shall be remitted to the Association by the Owner on or before the expiration of ten (10) days after the effective date of the lease. All leases must be for the entire residence.

**2.3 Rubbish and Debris.** As determined by the Big Sky Ranch Reviewer, no rubbish or debris of any kind may be placed or permitted to accumulate on or within the Development Area, and no odors will be permitted to arise therefrom so as to render all or any portion of the Development Area unsanitary, unsightly, offensive, or detrimental to any other property or Occupants. Refuse, garbage, and trash must be kept at all times in covered containers, and such containers must be kept within enclosed structures or appropriately screened from view. Each Owner will contract with an independent disposal service to collect all garbage or other wastes, if such service is not provided by a governmental entity or the Association.

**2.4 Trash Containers.** Trash containers and recycling bins must be stored in one of the following locations: (i) inside the garage of the residence; or (ii) behind or on the side of a residence in such a manner that the trash container and recycling bin is not visible from any street, alley, or adjacent residence, e.g. behind a privacy fence or other appropriate screening. The Big Sky Ranch Reviewer will have the right to specify additional locations in which trash containers or recycling bins must be stored.

**2.5 Unsightly Articles; Vehicles.** No article deemed to be unsightly by the Board will be permitted to remain on any Lot so as to be visible from adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, all-terrain vehicles and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash must be kept, stored, or allowed to accumulate on any portion of the Development Area except within enclosed structures or appropriately screened from view. No racing vehicles or any other vehicles (including, without limitation, motorcycles or motor scooters) that are inoperable or do not have a current license tag may be visible on any Lot or may be parked on any roadway within the Development Area. Motorcycles must be operated in a quiet manner.

Parking of commercial vehicles or equipment, recreational vehicles, boats and other watercraft, trailers, stored vehicles or inoperable vehicles in places other than: (i) in enclosed garages; and (ii) behind a fence so as to not be visible from any other portion of the Development Area is prohibited; provided, construction, service and delivery vehicles may be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a residence.

**2.6 Outside Burning.** No exterior fires are permitted with the exception of barbecues, outside fireplaces, braziers and incinerator fires that are contained within facilities or receptacles and in areas designated and approved by the Big Sky Ranch Reviewer. No Owner may permit any condition upon its portion of the Development Area which creates a fire hazard or violates Applicable Law.

**2.7 Hazardous Activities.** No activities may be conducted on or within the Development Area and no Improvements may be constructed on or within any portion of the Development Area which, in the opinion of the Board, are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks may be discharged upon any portion of the Development Area unless discharged in conjunction with an event approved in advance by the Big Sky Ranch Reviewer and no open fires may be lighted or permitted except within safe and well-designed fireplaces or in contained barbecue units while attended and in use for cooking purposes. No portion of the Development Area may be used for the takeoff, storage, or landing of aircraft (including, without limitation, helicopters) except for medical emergencies.

**2.8 Animals - Household Pets.** No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained, or cared for on or within the Development Area (as used in this paragraph, the term "domestic household pet" does not mean or include non-traditional pets such pot-bellied pigs, miniature horses, chickens, exotic snakes or lizards, ferrets, monkeys or other exotic animals). The Board may conclusively determine, in its sole discretion, whether a particular pet is a domestic household pet within the ordinary meaning and interpretation of such words. No Owner or Occupant may keep on a Lot more than three (3) cats and dogs, in the aggregate, without prior written consent of the Board. No animal may be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Development Area other than within the residence, or the fenced yard space associated therewith, unless confined to a leash. The Association may restrict pets to certain areas on the Development Area. No animal may be stabled, maintained, kept, cared for, or boarded for hire or remuneration on the Development Area, and no kennels or breeding operation will be allowed. No animal may be allowed to run at large, and all animals must be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. No pet may be left unattended in yards, porches or other outside areas of the Lot. All pet waste will be removed and appropriately disposed of by the owner of the pet



in a timely manner. All pets must be registered, licensed and inoculated as required by Applicable Law. All pets not confined to a residence must wear collars with appropriate identification tags and all outdoor cats are required to have a bell on their collar. If, in the opinion of the Board, any pet becomes a source of unreasonable annoyance to others, or the owner of the pet fails or refuses to comply with these restrictions, the Owner or Occupant, upon written notice, may be required to remove the pet from the Development Area.

**2.9 Maintenance.** The Owners of each Lot will jointly and severally have the duty and responsibility, at their sole cost and expense, to keep their Lot and all Improvements thereon in good condition and repair and in a well-maintained, safe, clean and attractive condition at all times. The Board, in its sole discretion, will determine whether a violation of the maintenance obligations set forth in this Section has occurred. Such maintenance includes, but is not limited to the following, which must be performed in a timely manner, as determined by the Board, in its sole discretion:

- (i) Prompt removal of all litter, trash, refuse, and wastes.
- (ii) Lawn mowing and edging.
- (iii) Tree and shrub pruning.
- (iv) Watering.
- (v) Keeping exterior lighting and mechanical facilities in working order.
- (vi) Keeping lawn and garden areas alive, free of weeds, and attractive.
- (vii) Keeping planting beds free of turf grass.
- (viii) Keeping sidewalks and driveways in good repair.
- (ix) Complying with Applicable Law.
- (x) Repainting of Improvements.
- (xi) Repair of exterior damage, and wear and tear to Improvements.

**2.10 Antennae.** Except as expressly provided below, no exterior radio or television antennae or aerial or satellite dish or disc, nor any Solar Energy Device, may be erected, maintained or placed on a Lot without the prior written approval of the Big Sky Ranch Reviewer; provided, however, that:

(i) an antenna designed to receive direct broadcast services, including direct-to-home satellite services, that is one meter or less in diameter; or

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(iii) an antenna that is designed to receive television broadcast signals;

(collectively, (a) through (c) are referred to herein as the **“Permitted Antennas”**) may be permitted subject to reasonable requirements as to location and screening as may be set forth in rules adopted by the Big Sky Ranch Reviewer, consistent with Applicable Law, in order to minimize obtrusiveness as viewed from streets and adjacent property. Declarant and/or the Association will have the right, but not the obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or any portion of the Development.

(iv) Location of Permitted Antennas. A Permitted Antenna may be installed solely on the Owner's Lot. Neither the Permitted Antenna nor any of its equipment may encroach upon any street, easement, Common Area, Special Common Area, or any other portion of the Development Area. A Permitted Antenna may be installed in a location on the Lot from which an acceptable quality signal can be obtained and where least visible from the street and the Development Area, other than the Lot. In order of preference, the locations of a Permitted Antenna which will be considered least visible by the Big Sky Ranch Reviewer are as follows:

(A) attached to the back of the principal single-family residence constructed on the Lot, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Lots and the street; then

(B) attached to the side of the principal single-family residence constructed on the Lot, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Lots and the street.

The Big Sky Ranch Reviewer may, from time to time, modify, amend, or supplement the rules regarding installation and placement of Permitted Antennas.

**Satellite dishes one meter or less in diameter, e.g., DirecTV or Dish satellite dishes, are permitted; HOWEVER, you are required to comply with the rules regarding installation and placement. These rules and regulations may be modified by the Big Sky Ranch Reviewer from time to time. Please contact the Big Sky Ranch Reviewer for the current rules regarding installation and placement.**

**2.11 Signs.** Unless otherwise permitted by Applicable Law, no sign of any kind may be displayed to the public view on any Lot without the prior written approval of the Big Sky Ranch Reviewer, except for:

2.11.1 Declarant Signs. Signs erected by the Declarant or erected with the advance written consent of the Declarant;

2.11.2 Security Signs. One small security service sign per Lot, provided that the sign has a maximum face area of two (2) square feet and is located no more than five (5) feet from the front elevation of the principal residence constructed upon the Lot;

2.11.3 Permits. Permits as may be required by Applicable Law;

2.11.4 Religious Item on Door. A religious item on the entry door or door frame of a residence (which may not extend beyond the outer edge of the door frame), provided that the size of the item(s), individually or in combination with other religious items on the entry door or door frame of the residence, does not exceed twenty-five (25) square inches;

2.11.5 Sale or Rental Signs. One (1) temporary "For Sale" or "For Lease" sign per Lot, provided that the sign will be limited to: (i) a maximum face area of five (5) square feet on each visible side and, if free standing, is mounted on a single or frame post; (ii) an overall height of the sign from finished grade at the spot where the sign is located may not exceed four feet (4'); and (iii) the sign must be removed within two (2) business days following the sale or lease of the Lot;

2.11.6 Candidate or Measure Signs. Candidate or measure signs may be erected provided the sign: (i) is erected no earlier than the 90<sup>th</sup> day before the date of the election to which the sign relates; (ii) is removed no later than the 10<sup>th</sup> day after the date of the election to which the sign relates; and (iii) is ground-mounted. Only one sign may be erected for each candidate or measure. In addition, signs which include any of the components or characteristics described in Section 202.009(c) of the Texas Property Code are prohibited; and

2.11.7 No Soliciting Signs. A "no soliciting" sign near or on the front door to the principal residence constructed upon the Lot, provided, that the sign may not exceed twenty-five (25) square inches.

Except for signs which are erected by the Declarant or erected with the advance written consent of the Declarant, no sign may be displayed in the window of any Improvement located on a Lot.

**2.12 Flags.** Owners are permitted to display certain flags on the Owner's Lot, as further set forth below.

**2.12.1 Approval Requirements.** An Owner is permitted to display the flag of the United States of America, the flag of the State of Texas, an official or replica flag of any branch of the United States Military, or one (1) flag with official insignia of a college or university ("**Permitted Flag**") and permitted to install a flagpole no more than five feet (5') in length affixed to the front of a residence near the principal entry or affixed to the rear of a residence ("**Permitted Flagpole**"). Only two (2) Permitted Flagpoles are allowed per residence. A Permitted Flag or Permitted Flagpole need not be approved in advance by the Big Sky Ranch Reviewer. Approval by the Big Sky Ranch Reviewer is required prior to installing vertical freestanding flagpoles installed in the front or back yard area of any Lot ("**Freestanding Flagpole**").

**2.12.2 Installation and Display.** Unless otherwise approved in advance and in writing by the Big Sky Ranch Reviewer, Permitted Flags, Permitted Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application, must comply with the following:

- (i) No more than one (1) Freestanding Flagpole OR no more than two (2) Permitted Flagpoles are permitted per Lot, on which only Permitted Flags may be displayed;
- (ii) Any Permitted Flagpole must be no longer than five feet (5') in length and any Freestanding Flagpole must be no more than twenty feet (20') in height;
- (iii) Any Permitted Flag displayed on any Permitted Flagpole may not be more than three feet in height by five feet in width (3' x 5');
- (iv) The flag of the United States of America must be displayed in accordance with 4 U.S.C. Sections 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;
- (v) The display of a Permitted Flag, or the location and construction of a Permitted Flagpole must comply with Applicable Law, easements and setbacks of record;

(vi) Any Permitted Flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;

(vii) A flag or a flagpole must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed;

(viii) Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which will not be aimed towards or directly affect any neighboring Lot. Such illumination will also comply with the outdoor lighting restrictions set forth in the Documents and in the Outdoor Lighting Ordinance; and

(ix) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

**2.13 Tanks.** The Big Sky Ranch Reviewer must approve any tank used or proposed in connection with a residence, including tanks for storage of fuel, water, oil, or liquid petroleum gas (LPG), and including swimming pool filter tanks. No elevated tanks of any kind may be erected, placed or permitted on any Lot within the Development Area without the advance written approval of the Big Sky Ranch Reviewer. All permitted tanks must be screened from view in accordance with a screening plan approved in advance by the Big Sky Ranch Reviewer. This provision will not apply to a tank used to operate a standard residential gas grills, nor will it apply to barrels used as part of a Rainwater Harvesting Systems with a capacity of less than 50 gallons, so long as such barrels are actively being used for rainwater collection and storage.

**2.14 Temporary Structures.** No tent, shack, or other temporary building, Improvement, or structure must be placed upon the Development Area without the prior written approval of the Big Sky Ranch Reviewer; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for Homebuilders, architects, and foremen during actual construction may be maintained with the prior approval of the Declarant, approval to include the nature, size, duration, and location of such structure.

**2.15 Mobile Homes, Travel Trailers and Recreational Vehicles.** No mobile home (with or without wheels, temporarily or permanently affixed), manufactured homes, pre-fabricated homes, modular homes, travel trailer, or recreational vehicle may be parked or placed on any Lot or used as a residence, either temporary or permanent, at any time. Notwithstanding the foregoing, sales trailers, construction trailers or other temporary structures expressly approved by the Big Sky Ranch Reviewer or allowed pursuant to *Section 9.2* of the Covenant will be permitted.

**2.16 Party Walls.** A fence or wall located on or near the dividing line between two (2) Lots and intended to benefit both Lots constitutes a “**Party Wall**”. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions will apply thereto. Party Walls will also be subject to the following:

2.16.1 Encroachments & Easement. If the Party Wall is on one Lot due to an error in construction, the Party Wall is nevertheless deemed to be on the dividing line for purposes of this Section. Each Lot sharing a Party Wall is subject to an easement for the existence and continuance of any encroachment by the Party Wall as a result of construction, repair, shifting, settlement, or movement in any portion of the Party Wall, so that the encroachment may remain undisturbed as long as the Party Wall stands. Each Lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall.

2.16.2 Right to Repair. If the Party Wall is damaged or destroyed from any cause, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, the Owner of either Lot may repair or rebuild the Party Wall to its previous condition, and the other Owner or Owners that the wall serves will thereafter contribute to the cost of restoration thereof in equal proportions without prejudice, subject however, to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions. The Owners of both Lots, their successors and assigns, have the right to the full use of the repaired or rebuilt Party Wall. No Party Wall may be constructed, repaired, or rebuilt without the advance written approval of the Big Sky Ranch Reviewer in accordance with *Article 6* of the Covenant.

2.16.3 Maintenance Costs. The Owners of the adjoining Lots share equally the costs of repair, reconstruction, or replacement of the Party Wall, subject to the right of one Owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions. If an Owner is responsible for damage to or destruction of the Party Wall, that Owner will bear the entire cost of repair, reconstruction, or replacement. If an Owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the Official Public Records of Hays County, Texas, and has the right to foreclose the lien as if it were a mechanic’s lien. The right of an Owner to require contribution from another Owner under this Section is appurtenant to the Lot and passes to the Owner’s successors in title.

2.16.4 Alterations. The Owner of a Lot sharing a Party Wall may not cut openings in the Party Wall or alter or change the Party Wall in any manner that affects the use, condition, or appearance of the Party Wall to the adjoining Lot. The Party Wall will always remain in the same location as when erected unless otherwise approved by the Owner of each Lot sharing the Party Wall and the Big Sky Ranch Reviewer.

2.16.5 Dispute Resolution. In the event of any dispute arising concerning a Party Wall, or under the provisions of this Section (the “**Dispute**”), the parties must submit the Dispute to mediation. Should the parties be unable to agree on a mediator within ten (10) days after written request therefore by the Board, the Board will appoint a mediator. If the Dispute is not resolved by mediation, the Dispute will be resolved by binding arbitration. Either party may initiate the arbitration. Should the parties be unable to agree on an arbitrator within ten (10) days after written request therefore by the Board, the Board will appoint an arbitrator. The decision of the arbitrator will be binding upon the parties and will be in lieu of any right of legal action that either party may have against the other. In the event an Owner fails to properly and on a timely basis (both standards to be determined by the Board in the Board’s sole and absolute discretion) implement the decision of the mediator or arbitrator, as applicable, the Board may implement said mediator’s or arbitrator’s decision, as applicable. If the Board implements the mediator’s or arbitrator’s decision on behalf of an Owner, the Owner otherwise responsible therefor will be personally liable to the Association for the cost of obtaining the all costs and expenses incurred by the Association in conjunction therewith. If such Owner fails to pay such costs and expenses upon demand by the Association, such costs and expenses (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one-half percent (1-1/2%) per month) will be assessed against and chargeable to the Owner’s Lot(s). Any such amounts assessed and chargeable against a Lot hereunder will be secured by the liens reserved in the Covenant for Assessments and may be collected by any means provided in the Covenant for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner’s Lot(s).

2.17 Water Quality Facilities, Drainage Facilities and Drainage Ponds. The Property may include one or more water treatment plant, waste water treatment plant, water quality facilities, sedimentation, drainage and detention facilities, or ponds which serve all or a portion of the Property and are inspected, maintained and administered by the Association or a Governmental Entity in accordance with all Applicable Law. Access to these facilities and ponds is limited to persons engaged by the Association or a Governmental Entity to periodically maintain such facilities. Each Owner is advised that the water treatment plant, waste water treatment plant, water quality facilities, sedimentation, drainage and detention facilities, and ponds are an active utility feature integral to the proper operation of the Property and may periodically hold standing water. Each Owner is advised that entry into the water treatment plant, waste water treatment plant, water quality facilities, sedimentation, drainage and detention facilities, or ponds may result in injury and is a violation of the Rules.

2.18 No Warranty of Enforceability. Declarant makes no warranty or representation as to the present or future validity or enforceability of the Documents. Any Owner acquiring a Lot in reliance on one or more of the Documents will assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

2.19 Owner’s Obligation to Maintain Street Landscape. Each Owner will be responsible, at such Owner’s sole cost and expense, for maintaining mowing, replacing,

pruning, and irrigating the landscaping between the boundary of such Owner's Lot and the edge of the pavement of any adjacent public right-of-way, street or alley (the "**ST Landscape Area**") unless the responsibility for maintaining the ST Landscape Area or any portion thereof has been assumed by the Association, in the Board's sole discretion, in a Recorded written instrument identifying all or any portion of the ST Landscape Area to be maintained (the "**Association Landscape Area**"). If the Association assumes such responsibility as set forth herein, Owner may neither perform any maintenance in the Association Landscape Area nor construct any Improvements therein. Otherwise specifically, and not by way of limitation, each Owner, at such Owner's sole cost and expense, will be required to maintain, irrigate and replace any trees located within the ST Landscape Area. No landscaping, including trees, may be removed from or installed within the ST Landscape Area without the advance written consent of the Board. In the event an Owner fails to properly and on a timely basis (both standards to be determined by the Board in the Board's sole and absolute discretion) mow, replace, prune, and/or irrigate any landscaping, including trees, in such Owner's ST Landscape Area, such failure will constitute a violation of the Documents and the Board may cause such landscaping, including trees, to be mowed, replaced, pruned and/or irrigated in a manner determined by the Board, in its sole and absolute discretion. If the Board causes such landscaping, including trees, to be mowed, replaced, pruned and irrigated, the Owner otherwise responsible therefor will be personally liable to the Association for all costs and expenses incurred by the Association for effecting such work. If such Owner fails to pay such costs and expenses upon demand by the Association, such costs and expenses (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one-half percent (1½%) per month) will be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed and chargeable against a Lot hereunder will be secured by the liens reserved in the Covenant for Assessments and may be collected by any means provided in the Covenant for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). EACH OWNER AND OCCUPANT WILL INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF THE ASSOCIATION'S ACTS OR ACTIVITIES UNDER THIS SECTION INCLUDING ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE ASSOCIATION'S NEGLIGENCE IN CONNECTION THEREWITH), EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING BY REASON OF THE ASSOCIATION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. "GROSS NEGLIGENCE" AS USED HEREIN DOES NOT INCLUDE SIMPLE NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE.

**2.20 Compliance with Documents.** Each Owner, his or her family, occupants of a Lot, and the Owner's tenants, guests, invitees, and licensees will comply strictly with the provisions of the Documents as the same may be amended from time to time. Failure to comply with any of the Documents will constitute a violation of thereof and may result in a fine against



the Owner in accordance with *Section 5.14* of the Covenant, and will give rise to a cause of action to recover sums due for damages or injunctive relief, or both, maintainable by the Declarant, the Board on behalf of the Association, the Big Sky Ranch Reviewer, or by an aggrieved Owner. Without limiting any rights or powers of the Association, either the Board or the Big Sky Ranch Reviewer may (but neither will be obligated to) remedy or attempt to remedy any violation of any of the provisions of Documents, and the Owner whose violation has been so remedied will be personally liable to the Association for all costs and expenses of effecting (or attempting to effect) such remedy. If such Owner fails to pay such costs and expenses upon demand by the Association, such costs and expenses (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one half percent (1½%) per month) will be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed and chargeable against a Lot will be secured by the liens reserved in this Development Area Declaration and/or the Covenant for Assessments and may be collected by any means provided in this Development Area Declaration and/or the Covenant for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). Each such Owner will release and hold harmless the Association and its officers, directors, employees and agents from any cost, loss, damage, expense, liability, claim or cause of action incurred or that may arise by reason of the Association's acts or activities under this Section (including any cost, loss, damage, expense, liability, claim or cause of action arising out of the Association's negligence in connection therewith), except for such cost, loss, damage, expense, liability, claim or cause of action arising by reason of the Association's gross negligence or willful misconduct. "Gross negligence" as used herein does not include simple negligence, contributory negligence or similar negligence short of actual gross negligence.

**2.21 Insurance Rates.** Nothing may be done or kept on the Development Area that would increase the rate of casualty or liability insurance or cause the cancellation of any such insurance on the Common Area or Special Common Area, or the Improvements located thereon, without the prior written approval of the Board.

**2.22 Release.** EACH OWNER HEREBY RELEASES AND HOLDS HARMLESS THE ASSOCIATION, DECLARANT, THE BIG SKY RANCH REVIEWER AND THEIR AFFILIATES, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF SUCH OWNER'S USE OF ANY COMMON AREA OR SPECIAL COMMON AREA.

Neither the Association nor Declarant will assume any responsibility or liability for any personal injury or property damage which is occasioned by use of any Common Area or Special Common Area, and in no circumstance will words or actions by the Association or Declarant constitute an implied or express representation or warranty regarding the fitness or condition of any Common Area or Special Common Area.

**2.23 Basketball Goals.** Permanent basketball goals are not permitted. Portable basketball goals are only allowed between the street right-of-way and the front of the residence on a Lot and must not be placed, at any time on any street or right of way located within the Development Area. When not in use, portable basketball goals must be stored in a garage or in the rear of the Lots (i.e., out of public view). Basketball goals must be properly maintained and painted, with the net in good repair. All basketball goals must be approved by the Big Sky Ranch Reviewer prior to being placed on any Lot.

**2.24 Temporary Structures.** No tent, shack, or other temporary building, Improvement, or structure must be placed upon the Development Area without the prior written approval of the Big Sky Ranch Reviewer; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for Homebuilders, architects, and foremen during actual construction may be maintained with the prior approval of the Declarant, approval to include the nature, size, duration, and location of such structure. No accessory or temporary structures are permitted in the front yard of any Lot.

**2.25 Playscapes and Sports Courts.** Playscapes and sport courts are permissible at the sole discretion of the Big Sky Ranch Reviewer. If allowed, these facilities (i) must be constructed in accordance with the Design Guidelines, if adopted; (ii) may not exceed twelve (12) feet in height, when measured from the surface of the Lot to the peak of the roof; and (iii) must be properly sited and screened so as to minimize the visual and audio impact of the facility on adjacent properties. Sport courts may not be lighted or enclosed with netting. Tennis courts are not permitted.

**2.26 Decorations and Exterior Lighting.** Unless otherwise permitted by *Section 2.11.4*, no decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains, or other decorative embellishments shall be placed on the residence or on the front yard or on any other portion of a Lot which is visible from any street, unless such specific items have been approved in advance and in writing by the Big Sky Ranch Reviewer. Customary seasonal decorations for holidays are permitted without approval by the Big Sky Ranch Reviewer but shall be removed within thirty (30) days after the applicable holiday. Outside lighting fixtures shall be placed so as to illuminate only the yard of the applicable Lot and so as not to affect or reflect into surrounding residences or yards and must otherwise comply with the Outdoor Lighting Ordinance. No mercury vapor, sodium or halogen light shall be installed on any Lot which is visible from any street unless otherwise approved by the Big Sky Ranch Reviewer.

**2.27 Model Home.** The Declarant may construct, or the Big Sky Ranch Reviewer may approve, a model home constructed on a Lot with exterior finishes, fencing and other components that do not conform to the requirements imposed on other single-family residences within the Development Area. Declarant's construction, or approval by the Big Sky Ranch Reviewer, of a model home which differs from the requirements imposed on other single-family residences within the Development Area shall in no event constitute a waiver of the terms and provisions of the Documents.

**2.28 Noise.** No exterior speakers, horns, whistles, bells, or other sound devices (other than security devices used exclusively for security purposes) shall be located, used, or placed on any portion of the Development Area. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Development Area as to be offensive or detrimental to any other portion of the Development Area or to its Occupants. Without limiting the generality of the foregoing, if any noise or nuisance emanates from any Improvement on any Lot, the Association may (but shall not be obligated to) enter any such Improvement and take such reasonable actions necessary to terminate such noise (including silencing any burglar or break-in alarm).

**2.29 Drainage.** There shall be no interference with the established drainage patterns or detention areas over any of the Development Area, including the Lots, except by Declarant, unless adequate provision is made for proper drainage, and such provision is approved in advance by the Big Sky Ranch Reviewer. Specifically, and not by way of limitation, no Improvement, including landscaping, may be installed which impedes the proper drainage of water between Lots.

### ARTICLE 3 CONSTRUCTION RESTRICTIONS

**3.1 Construction of Improvements.** Unless prosecuted by the Declarant, no Improvements of any kind shall hereafter be placed, maintained, erected or constructed upon any portion of the Development Area unless placed, maintained, erected or constructed in accordance with Applicable Law, including but not limited to the Big Sky Ranch PDD, and approved in advance and in writing by the Big Sky Ranch Reviewer in accordance with the Covenant. Pursuant to *Section 6.4* of the Covenant, the Big Sky Ranch Reviewer may adopt Design Guidelines applicable to the Development Area. All Improvements must strictly comply with the requirements of the Big Sky Ranch PDD and, if adopted, the Design Guidelines, unless a variance is obtained pursuant to the Covenant. The Design Guidelines, if adopted, may be supplemented, modified, amended, or restated by the Big Sky Ranch Reviewer as authorized by the Covenant.

**3.2 Utility Lines.** Unless otherwise approved by the Big Sky Ranch Reviewer, no sewer, drainage or utility lines or wires or other devices for the communication or transmission of electric current, power, or signals including telephone, television, microwave or radio signals, shall be constructed, placed or maintained anywhere in or upon any portion of the Development Area other than within buildings or structures unless the same shall be contained in conduits or cables constructed, placed or maintained underground, concealed in or under buildings or other structures.

**3.3 Garages.** All garages shall be approved in advance of construction by the Big Sky Ranch Reviewer. The Improvements on each Lot must contain a private, enclosed garage capable of housing at least two (2) automobiles. No carports or other open automobile storage

units will be permitted. No garage may be permanently enclosed or otherwise used for habitation. The location, orientation and opening into a garage (*i.e.*, side-entry or front-entry) must be approved in advance by the Big Sky Ranch Reviewer. The parking of vehicles in the yard of any Lot is not permitted.

**3.4 Fences.** No fence may be constructed on the Development Area without the prior written consent of the Big Sky Ranch Reviewer. All fences must strictly comply with the requirements of the Big Sky Ranch PDD and, if adopted, the Design Guidelines, unless a variance is obtained pursuant to the Covenant. Notwithstanding the foregoing, the minimum fencing requirements for Lots on which a rear-entry residence has been or will be constructed are set forth below:

- (i) Front Yard – maximum of three (3) feet in height.
- (ii) Side and Rear Yards – maximum of four (4) feet in height.
- (iii) Fences must be constructed of metal.

**3.5 Driveways.** The design, construction material, and location of: (i) all driveways, and (ii) culverts incorporated into driveways for ditch or drainage crossings, must be approved by the Big Sky Ranch Reviewer. Each Owner will be responsible, at such Owner's sole cost and expense, for properly and on a timely basis (both standards to be determined by the Board in the Board's sole and absolute discretion) maintaining and repairing the driveway on such Owner's Lot.

**3.6 Construction Activities.** The Documents will not be construed or applied so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant or a Homebuilder) upon or within the Development Area. Specifically, no such construction activities will be deemed to constitute a nuisance or a violation of the Documents by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event that construction upon any Lot does not conform to usual practices in the area as determined by the Big Sky Ranch Reviewer in its sole and reasonable judgment, the Big Sky Ranch Reviewer will have the authority to seek an injunction to stop such construction. In addition, if during the course of construction upon any Lot there is excessive accumulation of debris of any kind which would render the Lot or any portion thereof unsanitary, unsightly, offensive, or detrimental to it or any other portion of the Property, then the Big Sky Ranch Reviewer may contract for or cause such debris to be removed, and the Owner of the Lot will be liable for all reasonable expenses incurred in connection therewith.

**3.7 Roofing.** All roofing material must be approved in advance of construction by the Big Sky Ranch Reviewer. In addition, roofs of buildings may be constructed with "Energy Efficient Roofing" with the advance written approval of the Big Sky Ranch Reviewer. For the

purpose of this Section, “**Energy Efficient Roofing**” means shingles that are designed primarily to: (a) be wind and hail resistant; (b) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (c) provide solar generation capabilities. The Big Sky Ranch Reviewer will not prohibit an Owner from installing Energy Efficient Roofing provided that the Energy Efficient Roofing shingles: (i) resemble the shingles used or otherwise authorized for use within the Development Area; (ii) are more durable than, and are of equal or superior quality to, the shingles used or otherwise authorized for use within the community; and (iii) match the aesthetics of adjacent property. An Owner who desires to install Energy Efficient Roofing will be required to comply with the architectural review and approval procedures set forth in the Documents. In conjunction with any such approval process, the Owner should submit information which will enable the Big Sky Ranch Reviewer to confirm the criteria set forth in this Section. Any other type of roofing material will be permitted only with the advance written approval of the Big Sky Ranch Reviewer.

**3.8 HVAC Location.** No air-conditioning apparatus may be installed on the ground in front of a residence or on the roof of any residence, unless otherwise approved in advance by the Big Sky Ranch Reviewer. No window air-conditioning apparatus or evaporative cooler may be attached to any front wall or front window of a residence or at any other location where it would be visible from any street, any other residence, Common Area, or Special Common Area. All HVAC units must be screened in a manner approved in advance by the Big Sky Ranch Reviewer, or as otherwise set forth in the Big Sky Ranch PDD and, if adopted, the Design Guidelines.

**3.9 Swimming Pools.** Any swimming pool constructed on a Lot must be enclosed with a fence or other enclosure device completely surrounding the swimming pool which, at a minimum, satisfies all Applicable Law and be approved in advance by the Big Sky Ranch Reviewer. Nothing in this Section 3.9 is intended or shall be construed to limit or affect an Owner’s obligation to comply with any Applicable Law concerning swimming pool enclosure requirements. Unless otherwise approved in advance by the Big Sky Ranch Reviewer, above-ground or temporary swimming pools are not permitted on a Lot.

**3.10 Compliance with Setbacks.** No residence or any other permanent structure or Improvement may be constructed on any Lot nearer to a street than the minimum building setback lines shown on the Plat and in the Big Sky Ranch PDD, and no building shall be located on any utility easements. The Big Sky Ranch Reviewer may require additional setbacks in conjunction with the review and approval of proposed Improvements in accordance with Article 6 of the Covenant.

**3.11 Solar Energy Device.** During the Development Period, Solar Energy Devices may be installed with the advance written approval of the Declarant, or after the expiration or termination of the Development Period the Big Sky Ranch Reviewer, in accordance with the procedures and requirements set forth below:

3.11.1 Application. To obtain approval of a Solar Energy Device, the Owner will provide the Big Sky Ranch Reviewer with the following information: (i) the proposed installation location of the Solar Energy Device; and (ii) a description of the Solar Energy Device, including the dimensions, manufacturer, and photograph or other accurate depiction (the “**Solar Application**”). A Solar Application may only be submitted by an Owner. The Solar Application must be submitted in accordance with the provisions of *Article 6* of the Covenant.

3.11.2 Approval Process. The Big Sky Ranch Reviewer will review the Solar Application in accordance with the terms and provisions of *Article 6* of the Covenant. The Big Sky Ranch Reviewer will approve a Solar Energy Device if the Solar Application complies with *Section 3.11.3* below **UNLESS** the Big Sky Ranch Reviewer makes a written determination that placement of the Solar Energy Device, despite compliance with *Section 3.11.3*, creates a condition that substantially interferes with the use and enjoyment of property within the Development by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The Big Sky Ranch Reviewer’s right to make a written determination in accordance with the foregoing sentence is negated if all Owners of Lots immediately adjacent to the Owner/applicant provide written approval of the proposed placement. Any proposal to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by Members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this Section when considering any such request.

3.11.3 Approval Conditions. Unless otherwise approved in advance and in writing by the Big Sky Ranch Reviewer, each Solar Application and each Solar Energy Device to be installed in accordance therewith must comply with the following:

(i) The Solar Energy Device must be located on the roof of the residence located on the Owner’s Lot, entirely within a fenced area of the Owner’s Lot, or entirely within a fenced patio located on the Owner’s Lot. If the Solar Energy Device will be located on the roof of the residence, the Big Sky Ranch Reviewer may designate the location for placement unless the location proposed by the Owner increases the estimated annual energy production of the Solar Energy Device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than ten percent (10%) above the energy production of the Solar Energy Device if installed in the location designated by the Big Sky Ranch Reviewer. If the Owner desires to contest the alternate location proposed by the Big Sky Ranch Reviewer, the Owner should submit information to the Big Sky Ranch Reviewer which demonstrates that the Owner’s proposed location meets the foregoing criteria. If the Solar Energy Device will be located in the fenced area of the Owner’s Lot or patio, no portion of the Solar Energy Device may extend above the fence line.

(ii) If the Solar Energy Device is mounted on the roof of the principal residence located on the Owner's Lot, then: (A) the Solar Energy Device may not extend higher than or beyond the roofline; (B) the Solar Energy Device must conform to the slope of the roof and the top edge of the Solar Device must be parallel to the roofline; (C) the frame, support brackets, or visible piping or wiring associated with the Solar Energy Device must be bronze or black.

**3.12 Rainwater Harvesting Systems.** Rainwater Harvesting Systems may be installed with the advance written approval of the Big Sky Ranch Reviewer.

3.12.1 Application. To obtain the Big Sky Ranch Reviewer approval of a Rainwater Harvesting System, the Owner shall provide the Big Sky Ranch Reviewer with the following information: (i) the proposed installation location of the Rainwater Harvesting System; and (ii) a description of the Rainwater Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction (the "**Rain System Application**"). A Rain System Application may only be submitted by an Owner.

3.12.2 Approval Process. The decision of the Big Sky Ranch Reviewer will be made in accordance with *Article 6* of the Covenant. Any proposal to install a Rainwater Harvesting System on property owned by the Association or property owned in common by Members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this Section when considering any such request.

3.12.3 Approval Conditions. Unless otherwise approved in advance and in writing by the Big Sky Ranch Reviewer, each Rain System Application and each Rainwater Harvesting System to be installed in accordance therewith must comply with the following:

(i) The Rainwater Harvesting System must be consistent with the color scheme of the residence constructed on the Owner's Lot, as reasonably determined by the Big Sky Ranch Reviewer.

(ii) The Rainwater Harvesting System does not include any language or other content that is not typically displayed on such a device.

(iii) The Rainwater Harvesting System is in no event located between the front of the residence constructed on the Owner's Lot and any adjoining or adjacent street.

(iv) There is sufficient area on the Owner's Lot to install the Rainwater Harvesting System, as reasonably determined by the Big Sky Ranch Reviewer.

3.12.4 Guidelines. If the Rainwater Harvesting System will be installed on or within the side yard of a Lot, or would otherwise be visible from a street, the Common Area, Special Common Area, or another Owner's Lot, the Big Sky Ranch Reviewer may regulate the size, type, shielding of, and materials used in the construction of the Rainwater Harvesting System. Accordingly, when submitting a Rain System Application, the application should describe methods proposed by the Owner to shield the Rainwater Harvesting System from the view of any street, Common Area, Special Common Area, or another Owner's Lot. When reviewing a Rain System Application for a Rainwater Harvesting System that will be installed on or within the side yard of a Lot, or would otherwise be visible from a street, the Common Area, Special Common Area, or another Owner's Lot, any additional requirements imposed by the Big Sky Ranch Reviewer to regulate the size, type, shielding of, and materials used in the construction of the Rainwater Harvesting System, may not prohibit the economic installation of the Rainwater Harvesting System, as reasonably determined by the Big Sky Ranch Reviewer.

3.13 Xeriscaping. As part of the installation and maintenance of landscaping on an Owner's Lot, an Owner may submit plans for and install drought tolerant landscaping ("Xeriscaping") upon written approval by the Big Sky Ranch Reviewer. All Owners implementing Xeriscaping shall comply with the following:

3.13.1 Application. Approval by the Big Sky Ranch Reviewer is required prior to installing Xeriscaping. To obtain the approval of the Big Sky Ranch Reviewer for Xeriscaping, the Owner shall provide the Big Sky Ranch Reviewer with the following information: (i) the proposed site location of the Xeriscaping on the Owner's Lot; (ii) a description of the Xeriscaping, including the types of plants, border materials, hardscape materials and photograph or other accurate depiction and (iii) the percentage of yard to be covered with gravel, rocks and cacti (the "Xeriscaping Application"). A Xeriscaping Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Xeriscaping Application. The Big Sky Ranch Reviewer is not responsible for: (i) errors or omissions in the Xeriscaping Application submitted to the Big Sky Ranch Reviewer for approval; (ii) supervising installation or construction to confirm compliance with an approved Xeriscaping Application or (iii) the compliance of an approved application with Applicable Law.

3.13.2 Approval Conditions. Unless otherwise approved in advance and in writing by the Big Sky Ranch Reviewer each Xeriscaping Application and all Xeriscaping to be installed in accordance therewith must comply with the following:

- (i) The Xeriscaping must be aesthetically compatible with other landscaping in the community as reasonably determined by the Big Sky Ranch Reviewer. For purposes of this *Section 3.13.2(i)*, "aesthetically compatible" will mean overall and long-term aesthetic compatibility within the community. For example, an Owner's Lot plan may be denied if the Big Sky Ranch Reviewer determines that: (A) the proposed Xeriscaping



would not be harmonious with already established turf and landscaping in the overall community; and/or (B) the use of specific turf or plant materials would result in damage to or cause deterioration of the turf or landscaping of an adjacent property owner, resulting in a reduction of aesthetic appeal of the adjacent property Owner's Lot.

(ii) No Owners shall install gravel, rocks or cacti that in the aggregate encompass over ten percent (10%) of such Owner's front yard or ten percent (10%) of such Owner's back yard without advanced written approval of the Big Sky Ranch Reviewer.

(iii) The Xeriscaping may not attract diseases and insects that are harmful to the existing landscaping on neighboring Lots, as reasonably determined by the Big Sky Ranch Reviewer.

3.13.3 Process. The decision of the Big Sky Ranch Reviewer will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A Xeriscaping Application submitted to install Xeriscaping on property owned by the Association or property owned in common by members of the Association will not be approved. Any proposal to install Xeriscaping on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to the requirements set forth in this *Section 3.13* when considering any such request.

3.13.4 Approval. Each Owner is advised that if the Xeriscaping Application is approved by the Big Sky Ranch Reviewer installation of the Xeriscaping must: (i) strictly comply with the Xeriscaping Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Xeriscaping to be installed in accordance with the approved Xeriscaping Application, the Big Sky Ranch Reviewer may require the Owner to: (i) modify the Xeriscaping Application to accurately reflect the Xeriscaping installed on the property; or (ii) remove the Xeriscaping and reinstall the Xeriscaping in accordance with the approved Xeriscaping Application. Failure to install Xeriscaping in accordance with the approved Xeriscaping Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of the Covenant and may subject the Owner to fines and penalties. Any requirement imposed by the Big Sky Ranch Reviewer to resubmit a Xeriscaping Application or remove and relocate Xeriscaping in accordance with the approved Xeriscaping Application will be at the Owner's sole cost and expense.

**3.14 Landscaping and Tree Preservation**. Landscaping plans must comply with the Landscaping Ordinance and must be approved in writing by the Big Sky Ranch Reviewer prior to construction and installation. A minimum of two (2) shade trees are required on each Lot

pursuant to the Landscaping Ordinance. After installation, landscaping (including temporary landscaping) shall be properly maintained at all times. Any Owner who wishes to plant one or more gardens upon their Lot must obtain the approval of the Big Sky Ranch Reviewer of any such garden and must follow applicable requirements as to size of the Lot, visibility of the Lot from other Lots, streets or common areas, and such other matters as the Big Sky Ranch Reviewer may specify in any written approval.

**3.15 Square Footage and Height Requirements.** Residences must be constructed in accordance with the minimum square footage requirements and height restrictions as set forth in the Big Sky Ranch PDD and, if adopted, the Design Guidelines.

**3.16 Roofs and Overhead Structures.** On residences with pitched roofs, the minimum main roof pitch is 5:12. Lower roof pitches are acceptable on porch elements, awnings or architectural feature elements. Pitched roofs shall be clad in 30-year minimum composition shingles or low reflectivity coated metal roofing materials.

**3.17 Masonry.** All masonry materials but be approved by the Big Sky Ranch Reviewer and must otherwise comply with the Big Sky Ranch PDD. Residences shall consist of one hundred percent (100%) masonry on all front-facing and street facing elevations (excluding alleys). Native stone and/or brick masonry, doors and windows shall comprise a minimum of seventy percent (70%) of these elevations. Stucco elements shall be deemed an appropriate architectural features to satisfy the remaining street-facing elevation requirements. Side and rear elevations may be constructed of horizontally installed cement based or wood-based siding.

**3.18 Landscape Buffer Easement.** The Property includes a landscape buffer easement along the rear boundary lines of Lots 14, 15 and 17 in Block 6; Lots 1, 3, 4, and 5 in Block 8; and Lots 9, 10, 11, 21 and 22 in Block 53 of Big Sky Ranch, Phase One at Dripping Springs, as shown on the Recorded Plat for Big Sky Ranch, Phase One (the "**Landscape Easement Area**"). The Landscape Easement Area is an area of undisturbed native vegetation that has been established to aid in screening from a neighboring development. Clearing within the Landscape Easement Area is prohibited. Any construction, installation of landscaping, or other disturbance is prohibited within the Landscape Easement Area.

**3.19 Notice Regarding Impervious Cover.** There may be limits on the amount of impervious cover that may be incorporated into the Property. "Impervious Cover" and the calculation thereof will mean and shall be determined by the Big Sky Ranch Reviewer in accordance with the Big Sky Ranch PDD or any successor code, ordinance, or regulation. Pursuant to *Section 3.1* above, no Improvement within the Property may be constructed, altered, or modified without the advance written approval of the Big Sky Ranch Reviewer. In the event an Improvement to a Lot is added without the advance written approvals, the Owner responsible for such Improvement may be required to remove the Improvement and impervious cover, if any, associated therewith at the Owner's sole cost and expense.

Constructing an Improvement without such advance written approval will constitute a violation of the terms and provisions of the Documents.

**WARNING**

**THE AMOUNT OF IMPERVIOUS COVER WHICH MAY BE INCORPORATED INTO YOUR LOT IS LIMITED. IF YOU EXCEED THE ALLOCATION, YOU WILL HAVE VIOLATED THE TERMS AND PROVISIONS OF THE DOCUMENTS. EXCEEDING THE IMPERVIOUS COVER ALLOCATED TO YOUR LOT MAY EXPOSE YOU TO CIVIL LIABILITY.**

**ARTICLE 4  
DEVELOPMENT**

**4.1 Notice of Applicability.** Upon Recording, this Development Area Declaration serves to provide notice that at any time, and from time to time, Declarant, and Declarant only, may subject all or any portion of the Property to the terms, covenants, conditions, restrictions and obligations of this Development Area Declaration. This Development Area Declaration will apply to and burden a portion or portions of the Property upon the filing of a Notice of Applicability in accordance with *Section 9.5* of the Covenant describing such Property by a legally sufficient description and expressly providing that such Property will be subject to the terms, covenants conditions, restrictions and obligations of this Development Area Declaration. To add land to the Development Area, Declarant will be required only to Record a Notice of Applicability filed pursuant to *Section 9.5* of the Covenant containing the following provisions:

- (i) A reference to this Development Area Declaration, which will include the recordation information thereof;
- (ii) A statement that such land will be considered a part of the Development Area for purposes of this Development Area Declaration, and that all of the terms, covenants, conditions, restrictions and obligations of this Development Area Declaration will apply to the added land; and
- (iii) A legal description of the added land.

**4.2 Withdrawal of Land.** Declarant may, at any time and from time to time, reduce or withdraw land from the Development Area and remove and exclude from the burden of this Development Area Declaration any portion of the Development Area. Upon any such withdrawal this Development Area Declaration and the covenants, conditions, restrictions and obligations set forth herein will no longer apply to the portion of the Development Area withdrawn. To withdraw lands from the Development Area hereunder, Declarant will be required only to Record a notice of withdrawal of land containing the following provisions:

- (i) A reference to this Development Area Declaration, which will include the recordation information thereof;
- (ii) A statement that the provisions of this Development Area Declaration will no longer apply to the withdrawn land; and
- (iii) A legal description of the withdrawn land.

**4.3 Assignment of Declarant's Rights.** Notwithstanding any provision in this Development Area Declaration to the contrary, Declarant may, by written instrument, assign, in whole or in part, any of its privileges, exemptions, rights, and duties under this Development Area Declaration to any person or entity and may permit the participation, in whole, in part, exclusively, or non-exclusively, by any other person or entity in any of its privileges, exemptions, rights, and duties hereunder.

**4.4 Disputes.** If a dispute arises regarding the allocation of maintenance responsibilities by this Development Area Declaration, the dispute will be resolved by the Board, who shall delegate such maintenance responsibility to either the Association or the individual Owner(s), as determined by the Board in its sole and absolute discretion.

## ARTICLE 5 GENERAL PROVISIONS

**5.1 Term.** The terms, covenants, conditions, restrictions, easements, charges, and liens set out in this Development Area Declaration will run with and bind the portion of the Property described, in a Notice of Applicability Recorded pursuant to *Section 9.5* of the Covenant or in any Recorded notice, and will inure to the benefit of and be enforceable by the Association, and every Owner, including Declarant, and their respective legal representatives, heirs, successors, and assigns, for a term beginning on the date this Development Area Declaration is Recorded, and continuing through and including January 1, 2089, after which time this Development Area Declaration will be automatically extended for successive periods of ten (10) years unless a change (the word "change" meaning a termination, or change of term or renewal term) is approved by Members entitled to cast at least sixty-seven percent (67%) of the total number of votes of the Association, voting in person or by proxy at a meeting duly called for such purpose, written notice of which will be given to all Members at least thirty (30) days in advance and will set forth the purpose of such meeting; provided, however, that such change will be effective only upon the Recording of a certified copy of such resolution. The foregoing sentence will in no way be interpreted to mean sixty-seven percent (67%) of a quorum as established pursuant to the Bylaws. The Representative System of Voting is not applicable to an amendment as contemplated in this Section, it being understood and agreed that any change must be approved by a vote of the Members, with each Member casting their vote individually. Notwithstanding any provision in this Section to the contrary, if any provision of this Development Area Declaration would be unlawful, void, or voidable by reason of any

Applicable Law restricting the period of time that covenants on land may be enforced, such provision will expire twenty-one (21) years after the death of the last survivor of the now living as of the date of the Recording of this document descendants of Elizabeth II, Queen of England.

**5.2 Amendment.** This Development Area Declaration may be amended or terminated by the Recording of an instrument setting forth the amendment executed and acknowledged by (i) the Declarant, acting alone; or (ii) by the president and secretary of the Association setting forth the amendment and certifying that such amendment has been approved by Declarant (until expiration or termination of the Development Period) and Members entitled to cast at least sixty-seven percent (67%) of the total number of votes of the Association. The foregoing sentence will in no way be interpreted to mean sixty-seven percent (67%) of a quorum as established pursuant to the Bylaws. The Representative System of Voting is not applicable to an amendment as contemplated in this *Section 5.2*, it being understood and agreed that any such amendment must be approved by a vote of the Members, with each Member casting their vote individually. No amendment will be effective without the written consent of Declarant during the Development Period.

**5.3 Interpretation.** The provisions of this Development Area Declaration will be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of the Development Area, provided, however, that the provisions of this Development Area Declaration will not be held to impose any restriction, condition or covenant whatsoever on any land owned by Declarant other than the Development Area. This Development Area Declaration will be construed and governed under the laws of the State of Texas.

**5.4 Gender.** Whenever the context so requires, all words herein in the male gender will be deemed to include the female or neuter gender, all singular words will include the plural, and all plural words will include the singular.

**5.5 Enforcement and Nonwaiver.** Except as otherwise provided herein, any Owner of Lot, at such Owner's own expense, Declarant and the Association will have the right to enforce all of the provisions of this Development Area Declaration. The Association and/or the Declarant may initiate, defend or intervene in any action brought to enforce any provision of this Development Area Declaration. Such right of enforcement will include both damages for and injunctive relief against the breach of any provision hereof. Every act or omission whereby any provision of the Documents is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated by any Owner of a Lot (at such Owner's own expense), Declarant or the Association. Any violation of any Applicable Law pertaining to the ownership, occupancy, or use of any portion of the Development Area is hereby declared to be a violation of this Development Area Declaration and subject to all of the enforcement procedures set forth herein. The failure to enforce any provision of the Documents at any time will not constitute a waiver of the right thereafter to enforce any such provision or any other provision of the Documents.

**5.6 Severability.** If any provision of this Development Area Declaration is held to be invalid by any court of competent jurisdiction, such invalidity will not affect the validity of any other provision of this Development Area Declaration, or, to the extent permitted by applicable law, the validity of such provision as applied to any other person or entity.

**5.7 Captions.** All captions and titles used in this Development Area Declaration are intended solely for convenience of reference and will not enlarge, limit, or otherwise affect that which is set forth in any of the paragraphs, sections, or articles hereof.

**5.8 Conflicts.** If there is any conflict between the provisions of the Covenant, this Development Area Declaration, or any Rules adopted pursuant to the terms of such documents, the provisions of the Covenant, then the Development Area Declaration, then the Rules, in that order, will govern.

**5.9 Higher Authority.** The terms and provisions of this Development Area Declaration are subordinate to Applicable Law. Generally, the terms and provisions of this Development Area Declaration are enforceable to the extent they do not violate or conflict with Applicable Law.


**5.10 Acceptance by Owners.** Each Owner of a Lot, Condominium Unit, or other real property interest in the Development Area, by the acceptance of a deed of conveyance, and each subsequent purchaser, accepts the same subject to all terms, restrictions, conditions, covenants, reservations, easements, liens and charges, and the jurisdiction rights and powers created or reserved by this Development Area Declaration or to whom this Development Area Declaration is subject, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared. Furthermore, each Owner agrees that no assignee or successor to Declarant hereunder will have any liability for any act or omission of Declarant which occurred prior to the effective date of any such succession or assignment. All impositions and obligations hereby imposed will constitute covenants running with the land within the Development Area, and will bind any person having at any time any interest or estate in the Development Area, and will inure to the benefit of each Owner in like manner as though the provisions of this Development Area Declaration were recited and stipulated at length in each and every deed of conveyance.

*[SIGNATURE PAGE FOLLOWS]*

EXECUTED to be effective the 23<sup>rd</sup> day of January, 2020.

**DECLARANT:**

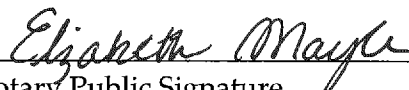
**MERITAGE HOMES OF TEXAS, LLC**, an Arizona limited liability company

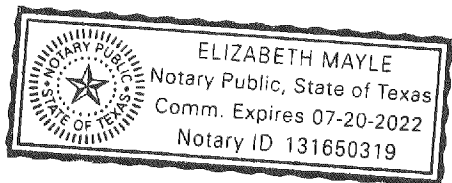
By:   
Printed Name: Matthew Scrivener  
Title: Vice President of Land Development

THE STATE OF TEXAS    §  
  §  
COUNTY OF Travis    §

This instrument was acknowledged before me this 23<sup>rd</sup> day of January, 2020 by Matthew Scrivener, Vice President of Land Development of **MERITAGE HOMES OF TEXAS, LLC**, an Arizona limited liability company, on behalf of said limited liability company.

(SEAL)

  
Notary Public Signature



**THE STATE OF TEXAS  
COUNTY OF HAYS**

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Hays County, Texas.

20002813 DECLARATION  
01/24/2020 09:48:01 AM Total Fees: \$146.00

Elaine H. Cárdenas, MBA, PhD, County Clerk  
Hays County, Texas

