

CONDOMINIUM DECLARATION Doc# BK Vol Pg
FOR PECAN FARM CABINS PHASE III, A CONDOMINIUM OR 63 278

This Condominium Declaration for Pecan Farm Cabins Phase III, a Condominium (this "Declaration," as hereafter amended), is made as of December 7, 2012, by Frio Pecan Farm, L.P., a Texas limited partnership ("Declarant").

RECITALS

- A. Declarant is the fee simple owner of (1) the Land (as defined below), and (2) such other property as may hereafter be included in the definition of "Land" by Declarant by unilateral amendment of this Declaration in accordance with the terms hereof.

- B. Declarant desires to create a Condominium pursuant to the provisions of the Act.

- C. Declarant intends hereby to establish a plan for the individual ownership of estates in real property consisting of Units and the appurtenant undivided interests in the Common Elements.

DEFINITIONS

"Access Easement" means a perpetual, irrevocable and non-exclusive easement and right of access and entry to each Unit as may reasonably be necessary for (i) the maintenance, repair or replacement of any of the Common Elements thereon or accessible therefrom, (ii) the making of emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit, and (iii) such other reasonable purposes as are deemed by the Association or Declarant to be necessary for the performance of the obligations of the Association or Declarant as described herein or in any other of the Governing Documents or as provided in the Act.

"Act" means chapter 82 of the Texas Property Code, as amended, and any successor law, known as the Texas Uniform Condominium Act.

"Assessment" means regular and special assessments, dues, fees, charges, interest, late fees, fines, collection costs, attorney's fees, and any other amount due to the Association by the Owner or levied against the Unit by the Association.

"Association" means Frio Pecan Farm Condominium Association, Inc., a Texas non-profit corporation organized under the Act and created for the purposes and possessing the rights, powers and authority set forth herein and in the Certificate, including the limitations and subrogation of operation and management authority as set out in Section E below.

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

"Building" means any structure located on the Land, including all elements thereof, exclusive only of elements otherwise within the definition of a Unit. 77 Elements 43 279

"Bylaws" means the Bylaws of the Association adopted by the Board. The initial Bylaws are attached as Exhibit "D".

"Certificate of Formation" means the Association's certificate of formation, which is attached as Exhibit "E".

"Common Elements" means all portions of the Condominium, including both the General Common Elements and the Limited Common Elements, but excluding the Units. The Common Elements are directly owned by the Condominium Unit Owners in undivided interests.

"Common Elements Easement" means a perpetual, irrevocable and non-exclusive easement over the General Common Elements for ingress to and egress from each Unit, together with the non-exclusive right to use and enjoy the General Common Elements, and the exclusive right to use and enjoy the Limited Common Elements appurtenant to each Unit (subject to the rights of other Owners to use and enjoy such Limited Common Elements if appurtenant to more than one Unit).

"Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

"Condominium" means the form of real property established by this Declaration with respect to the Property, in which portions of the Property are designated for individual ownership or occupancy and the remainder of the Property is designated for common ownership or occupancy solely by the owners of the remainder.

"Condominium Information Statement" means the condominium information statement prepared by Declarant in accordance with the provisions of the Act.

"Covenants" means the covenants, conditions, and restrictions contained in this Declaration.

"Declarant" means Frio Pecan Farm, L.P., a Texas limited partnership, whose address for notice is P.O. Box 425, Leakey, TX 78873, and any assignee of Declarant evidenced by a written instrument filed for record in the real property records of Real County, Texas, assigning the rights, powers, privileges and prerogatives of Declarant hereunder.

"Declarant Control." means the period of time during which Declarant can appoint a majority of the Board Members and Officers as provided by E.2.

"Development Rights" means a right or combination of rights reserved by Declarant to: (i) add real property to the Condominium; (ii) add, create, or

withdraw Units, General Common Elements or Limited Common Elements, from or within the Condominium; (iii) subdivide Units or convert Units into Common Elements; or (iv) withdraw real property from the Condominium. The Development Rights so reserved may be exercised by Declarant to the extent and only if permitted by the Act and at all times while Declarant owns any Unit or other real property interest in the Condominium, or for such lesser time as may be permitted by the Act.

"Easements" means collectively the Access Easement, the Common Elements Easement, and the Utility Easement.

"First Lien Indebtedness" means any indebtedness secured by a first and prior lien or encumbrance upon a Unit.

"First Mortgagee" means any person, entity or trust which is the holder, insurer or guarantor of First Lien Indebtedness and which has provided the Association with written notice of its name, address and description of the Unit upon which it holds First Lien Indebtedness.

"General Common Elements" means common elements that are not Limited Common Elements.

"Governing Documents" means this Declaration and the Certificate of Formation, Bylaws, and Rules, as amended.

"Improvements" means all Buildings, pavement, fencing, landscaping, recreational facilities, plumbing, electrical and telephone lines and computer cables and man-made objects of every type, existing or placed on the Land.

"Land" means that certain lot, tract or parcel of land more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes, together with all and singular the rights and appurtenances pertaining thereto.

"Limited Common Elements" means a portion of the Common Elements allocated by Declaration or the Act for the exclusive use of one or more but less than all of the Units, including porches and patios.

"Member" means Owner.

"Owner" means every record Owner of a fee interest in a Lot.

"Plat" means the Plat and any plans for the Condominium recorded with this Declaration as Exhibit "B" and any replat of or amendment to the Plat made in accordance with this Declaration.

"Property" means the Land and Improvements.

"Residential purposes" means recreational or dwelling purposes or both, including

but not limited to long-term, short-term, overnight, temporary, or tourist lodging or residency.

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"Rules" means the Rules related to the Condominium approved by the Board that do not conflict with law or the other Governing Documents. On request, an Owner will be provided a copy of the Rules.

"Special Declarant Rights" means a right or combination of rights reserved by or for the benefit of Declarant to: (i) complete or make improvements indicated on the Plat; (ii) exercise any Development Right; (iii) make the Condominium a part of a larger condominium or planned community; (iv) maintain sales offices, management offices, leasing offices, and models in Units or on the Common Elements, as well as signs advertising the Units or the Condominium; (v) use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations under the Act and this Declaration; (vi) appoint or remove any officer or Board member of the Association during any period of Declarant Control; or (vii) exercise the rights and powers set forth in paragraph L.1.

"Systems" includes, but is not limited to, all fixtures, equipment, pipes, lines, wires, computer cables, conduits and other systems used in the production, heating, cooling and/or transmission of air, water, gas, electricity, communications, waste water, sewage, and audio and video signals.

"Unit" means a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described by this Declaration, and includes (i) all Systems which exclusively serve such Unit and (ii) the finish materials, fixtures and appliances contained in the Unit, but excludes (x) any of the structural components of the Building in which such Unit is located and (y) System which serve more than one Unit, all as and subject the Act.

"Utility Easement" means a perpetual and irrevocable easement for utilities.

Each capitalized terms not otherwise defined in this Declaration has the meaning specified in the Act.

AGREEMENT

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the Act and the Condominium established hereby, and does hereby, publish and declare that the following terms, provisions, covenants, conditions, easements, restrictions, reservations, uses, limitations and obligations are hereby established and shall be deemed to run with the Land and shall be a burden and benefit to Declarant, the Association, the Owners and their respective heirs, legal representatives, successors and assigns:

A. Imposition of and Agreement to the Covenants

1. Declarant imposes the Covenants on the Property and subjects the Property to a condominium form of ownership in accordance with the provisions of the Act, subject to this Declaration. The Covenants run with the land and bind all Owners, occupants, and any other person holding an interest in a Unit.

2. All Owners and other occupants of the Units by their acceptance of their deeds, leases, or by occupancy of any Unit agree that the Condominium is subject to the Covenants. Each Owner, each occupant of a Unit and the Association agree to comply with the Governing Documents and to be subject to an action arising out of or related to the Governing Documents for declaratory judgment, damages, or for injunctive relief.

B. Plat and Easements

1. The Plat is part of this Declaration and is incorporated by reference.

2. To the extent that a Unit or Common Element encroaches on another Unit or Common Element, a valid easement for the encroachment exists. The easement does not relieve an Owner of liability in case of willful misconduct or relieve Declarant or any other person of liability for failure to adhere to the Plat.

3. Declarant hereby reserves the Access Easement and Utility Easement for the benefit of Declarant, all Owners, the Association, and each of their respective agents, employees and representatives, and each Owner shall by virtue of this Dedication accept the deed such Owner's Unit subject to the Access Easement and the Utility Easement.

4. Declarant hereby reserves for the benefit of each Owner the Common Elements Easement and declares that by virtue of this Declaration the Common Elements shall be subject to the Common Elements Easement.

5. Declarant hereby grants to each Owner a perpetual, irrevocable and non-exclusive easement for ingress to and egress from the Condominium over, along and across the road more particularly described in Exhibit "F" attached hereto and made a part hereof for all purposes.

C. Use and Activities

1. Permitted Use. A Unit shall be used only for Residential Purposes.

2. Prohibited Activities/Use and Occupancy Restrictions. Subject to the Special Declarant Rights, the following use restrictions apply to all Units and to the Common Elements:

- a. No activity that is otherwise prohibited by the Governing Documents.
- b. No illegal activity.
- c. No nuisance, noxious, or offensive activity.

- d. No dumping of trash or rubbish, except in approved locations and in an approved manner.
- e. No storage of building materials except during the construction or renovation of a Unit.
- f. No drying of clothes outside of a Unit.
- g. No oil, gas, other mineral, or water exploration of any type is permitted on the Property. No excavation or digging for artifacts is permitted in the Property.
- h. Water will be supplied to each Unit by a central water system operated by Declarant or a third party, and each Owner will be charged fees by the operator of such system to connect to and receive water from such system. No water well may be drilled on the Property without the prior written consent of Declarant or Declarant's successor in interest of the water system supplying water to the Units. Water may not be drawn directly from any river, creek, or other waterway within or adjacent to the Property for any reason.
- i. The Property contains on-site sewage facilities, some or all of which may be located within the Common Elements. Each on-site sewage facility is considered a Limited Common Element for the benefit of the Unit serviced by such on-site sewage facility, and each Owner is responsible for the cost and expense of installing, operating, maintaining and repairing the on-site sewage facility which services such Owner's Unit. Each Owner is hereby granted a perpetual, irrevocable and non-exclusive easement over the Common Elements for the purpose of the installation, operation, maintenance and repair of the on-site sewage facilities, or portions thereof, located within the Common Elements.
- j. No activity or use of any Unit or the erection or maintenance of any structure on any Unit which violates in any way any law, statute, ordinance, regulation or rule of any governmental entity with applicable jurisdiction shall be permitted. Noxious or offensive activity shall not be permitted on any Unit, nor shall anything be done on any Unit that may become an annoyance or nuisance to any Owner.
- k. No tent, travel trailer, motor home, other recreational vehicle, or other temporary or transient style shelter is permitted on the Property.
- l. The Board may adopt rules and regulations for speed limits and to prohibit or limit the use on the Property of specific types of vehicles. All vehicles operated on the Property must be operated by a licensed driver. All vehicles must be parked in designated parking areas on the Property.
- m. No hunting or discharging of firearms or any other device (including but not limited to bows and traps) capable of killing, injuring or causing property damage is permitted on the Property.
- n. Trash, garbage and other waste for pickup must be kept in containers in an enclosed structure in locations designated by the Association for trash pick-up, and protected from scattering by animals or other means.
- o. No inoperative vehicle or equipment may remain on the Property.
- p. Generally recognized household/family pets of a reasonable number are permitted on the Property; provided, however, that no animal may be

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kept or maintained on the Property for commercial purposes and no swine, poultry, game chickens, emus, ostriches, exotic or dangerous pets of any type (i.e. pit bulls, boa constrictors, etc.) are permitted on the Property. Any pet which endangers any Owner or Guest or which creates a nuisance or unreasonable disturbance or is not a common household pet must be immediately removed from the Property.

q. No Unit may be designated as the business or residential homestead of any person or entity.

r. Each Unit may be placed in a rental pool operated by Declarant or a person or entity approved by or in contract with Declarant and rented on a nightly basis in accordance with written policies and procedures adopted by the Association and Declarant. Without the prior written consent of Declarant, no Unit may be rented or placed in a rental pool other than a rental pool operated by Declarant or a person or entity approved by or in contract with Declarant. All users of lodging services must acknowledge in advance in writing that he or she has been made aware of and agrees to abide by all of the covenants, conditions, easements and restrictions set forth in this Declaration. The use of any Unit for lodging services does not and will not release any Owner from compliance with any of the obligations and duties as an Owner under this Declaration.

s. No structural change may be made to the exterior of any Unit without the prior written approval of the Association. All improvements on Unit must meet written architectural guidelines adopted by the Association.

t. No exterior lighting of any sort shall be installed or maintained on any Unit where the light is offensive to Declarant, any Owner of the Association.

u. No exterior horns, bells, whistles or other sound devices shall be places or used on any Unit.

D. Units

1. Number of Units. The number of Units in the Condominium is as shown on the Plat. Declarant reserves the right to create additional Units and to withdraw Units as described in Development Rights.

2. Identification of Units. The identification number of each Unit is as shown on the Plat.

3. Unit Boundaries. The boundaries of each Unit are the walls, floors, and ceilings of the Unit. The boundaries of each Unit are located as shown on the Plat and are more particularly described in paragraph D.4.

4. Parts of Unit. A Unit includes all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting part of the finished surfaces that are a part of a Unit, and the spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit. A Unit does not include any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture that is

partially within and partially outside the designated boundaries of a Unit, of which the portion serving only that Unit is a Limited Common Element allocated solely to that Unit and of which the portion serving more than one Unit or the Common Elements is part of the General Common Elements.

5. No Subdivision or Consolidation of Units. No Unit will be subdivided or consolidated with another Unit unless approved by the Board.

6. No Structural Modification of Unit without Board Approval. No structural modifications or alterations will be made in a Unit unless plans, specifications, and any other documents requested by the Board are submitted to and approved by the Board in accordance with the Rules. The Association, the Board, and their members will not be liable to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove of any request. Any structural modification made to a Unit (a) without Board approval, (b) not in conformity with the Board approval, or (c) without the required permit from the applicable entity are unauthorized modifications. The Board may require the Owner to restore the Unit, at the Owner's expense, to the condition before the unauthorized modifications were made.

7. Maintenance. Each Unit will be maintained by its Owner.

8. Restrictions on Transfer. A Unit may not be conveyed pursuant to a time-sharing arrangement.

E. Association

1. Establishment and Governance. The Association is established by filing its Certificate of Formation and is governed Governing Documents. The Association, acting through the Board, will administer and manage the Condominium in accordance with the Governing Documents. The Association has the powers (a) of a nonprofit corporation under the Texas Business Organizations Code, (b) of a condominium association under the Act, and (c) stated in the Governing Documents, respectively as amended. All acts of the Association must be by and through the Board, except as otherwise provided by this Declaration or Bylaws or by law.

Notwithstanding the above, the operation and management of the Association will be delegated to and under the authority of Frio Pecan Farm Cabins Community Association, a Texas non-profit corporation (the "Pecan Farm Community Association"), which is the community association for Pecan Farm Cabins, a subdivision located in Real County, Texas, as more completely described in the plats recorded in Volume 1, Page 161 and Volume 1, Page 169 of the Plat Records of Real County, Texas. Each Owner will have all rights and obligations of a member of the Pecan Farm Community Association as set out in the Certificate of Formation, Bylaws and other governing documents of the Pecan Farm Community Association.

All assessments collected by the Association are hereby assigned to and will be held, managed and controlled by the Pecan Farm Community Association for the benefit of the Pecan Farm Community Association and the Association.

The Pecan Farm Community Association will maintain the Common Elements and insurance in accordance with the Act. The Pecan Farm Community Association may from time to time adopt or amend the Rules.

Any matter described in any Governing Document or in the Act as being subject to the approval or vote of or adoption by the Board will instead be solely subject to the approval or vote of or adoption by the Board of Directors of the Pecan Farm Community Association.

2. Declarant Control. Declarant has all the powers reserved in the Act to appoint and remove officers and members of the Board until the 120th day after conveyance of 50 percent of the Units that may be created to Owners other than Declarant, at which time not less than one-third of the Board members must be elected by owners other than Declarant. Not later than the 120th day after conveyance of 75 percent of the Units to Owners other than Declarant, the Declarant Control Period terminates, and all the Board and Association officers shall be elected by the Owners as provided in the Bylaws.

3. Membership and Voting Rights. Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Unit. On termination of the Declarant Control Period, the Members have the voting rights provided in the Bylaws.

4. Assignment of Future Income. The Association may assign its future income, including its rights to receive Common Expenses assessments, only by the affirmative vote of Unit Owners of Units to which at least 51 percent of the votes in the Association are allocated, at a meeting called for that purpose.

F. Assessments

1. Authority. The Association will levy Assessments for Common Expenses and fines.

2. Personal Obligation. An Assessment is a personal obligation of each Owner when the Assessment accrues.

3. Creation of Lien. Assessments are secured by a continuing lien on each Unit as provided in Section 82.113 of the Act. This lien is reserved by Declarant and assigned to the Association and Pecan Farm Community Association. By acceptance of a deed to a Unit, each Owner grants the lien, together with the power of sale, to the Association and Pecan Farm Community Association to secure Assessments.

4. Commencement. A Unit becomes subject to Assessments on conveyance of the Unit by Declarant.

5. Regular Assessments

a. Rate. Regular Assessments are levied by the Board to fund the budgeted Common Expenses. Until changed by the Board, the Regular Assessments for each Unit shall be \$50.00 per month, plus an Initial Association Capitalization Fee of \$1,500.00 per Unit, payable at the closing of the initial purchase of such Unit from Declarant.

b. Changes to Regular Assessments. Regular Assessments may be changed by the Board. Written notice of the regular assessment will be sent to every Owner at least thirty days before its effective date. In fixing the Regular Assessments, the Board may, but shall not be required to, add reasonable anticipated depreciation and necessary replacement and repair of capital assets and improvements and may from time to time establish one or more funds or accounts to accumulate amounts deemed necessary therefore.

c. Collections. Regular Assessments will be collected monthly in advance, payable on the first day of each calendar month.

d. Expenses for Maintenance, Repair, or Replacement of Limited Common Elements. Expenses for the maintenance, repair or replacement of a Limited Common Element shall be assessed to the Owner whose Unit benefits from the Limited Common Element.

6. Special Assessments. In addition to the regular assessments, the Board may levy special assessments for the purpose of funding the cost of any construction, reconstruction, repair, or replacement of any capital improvement on the Common Elements or for any other purpose benefiting the Condominium but requiring funds exceeding those available from the regular assessments. Written notice of the terms of the special assessment will be sent to every Owner. Any special assessment must be approved by a majority vote at a meeting of the Members in accordance with the Bylaws if the Special Assessments in any calendar year would exceed Five Hundred Dollars and No/100 (\$500.00) for any Unit.

7. Subordination of Lien to Mortgages. The lien granted and reserved to the Association is subordinate to the liens described in Section 82.113(b) of the Act.

8. Delinquent Assessments. Any Assessment not paid within ten (10) days after it is due is delinquent.

G. Remedial Rights

1. Late Charges and Interest. Owners will pay the Association a late charge of \$25.00 for Delinquent Assessments. Owners will pay the Association interest at the maximum lawful rate of interest under Texas law or, if there be no

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maximum lawful rate, the rate of eighteen percent (18%) of per year on Delinquent Assessments from the delinquent date until the date paid. The Board may change the late charge and the interest rate; however, the interest rate may not exceed the maximum permitted by law.

2. Costs, Attorney's Fees, and Expenses. The prevailing party in any legal proceeding among the Association, an Owner, or an occupant of a Unit related to the Governing Documents is entitled to recover reasonable attorney's fees and all costs of such proceeding incurred by the prevailing party. A prevailing party is the party who successfully prosecutes the action or successfully defends against it, prevailing on the main issue, even though not to the extent of its original contention.

3. Nonjudicial Foreclosure of Lien. The Association may foreclose the Association's lien against a Unit in accordance with Section 82.113 of the Act.

4. Judicial Action. The Association may sue an Owner and an occupant of a Unit to enforce the Governing Documents for damages for breach of the Governing Documents, for injunctive relief regarding the Governing Documents, and to foreclose the Association's lien on a Unit. An Owner and an occupant of a Unit may sue the Association, any Owner, and any occupant of a Unit to enforce the Governing Documents, for injunctive relief regarding the Governing Documents, and for damages for breach of the Governing Documents.

5. Remedy of Violations. The Association may access an Owner's Unit to remedy a violation of the Governing Documents.

6. Suspension of Voting. An Owner delinquent in payment of any Assessment may not vote.

7. Suspension of Other Rights. If an Owner violates the Governing Documents, the Association may suspend the Owner's rights under the Governing Documents in accordance with law until the violation is cured.

8. Damage to Property. An Owner is liable to the Association for damage to Common Areas caused by the Owner or the Owner's family, guests, agents, independent contractors, and invitees in accordance with law.

H. Limited Common Elements

1. Allocation of Reserved Limited Common Elements.

a. Limited Common Elements are marked on the Plat and include vehicle parking areas, storage areas, and others.

b. To the extent the Limited Common Elements are not allocated to a Unit by this Declaration, Declarant reserves the right to allocate the Limited Common Elements for the exclusive use of one or more Units (i) by making the allocation in a recorded instrument, (ii) in the deed to the Unit to which the Limited Common Element is ancillary, or (iii) by recording an

appropriate amendment to this Declaration.

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2. 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 Owners or by non-owners 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. Any such designation by the Board shall not be a sale or disposition of such portions of the Common Elements.

I. Allocated Interests. The Owners' respective undivided interest in the Common Elements, the Owners' respective Common Expense Liability, and the Owners' respective votes in the Association allocated to each Unit are set forth in Exhibit "C".

J. Amendment of Declaration. This Declaration may be amended by (i) consent of the Pecan Farm Community Association, together with (ii) consent of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated:

1. By written ballot that states the exact wording or substance of the amendment and that specifies the date by which a ballot must be received to be counted;

2. At a meeting of the Members of the Association after written notice of the meeting has been delivered to an Owner of each Unit state that a purpose of the meeting is to consider an amendment to this Declaration; or

3. By unanimous written consent of the Owners.

Notwithstanding anything in this Declaration to the contrary, no amendment may remove, revoke or modify any right or privilege of Declarant (Development Rights and Special Declarant Rights), without the written consent of Declarant or its prospective assignee of such right or privilege.

K. Reconstruction after Loss. On a casualty to any portion of the Condominium for which insurance is required, the Association must promptly repair or replace that portion unless (1) the Condominium is terminated, (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) at least 80 percent of the Owners, including each Owner of a Unit or assigned Limited Common Element that will not be rebuilt or repaired, vote to not rebuild.

L. Special Declarant Rights, Development Rights and Reservations

1. Special Declarant Rights. Declarant reserves the Special Declarant Rights. Furthermore, to the extent and only if permitted by the Act, and at all times while Declarant owns any Unit or any other real property interest in the Condominium or for such lesser time as may be permitted by the Act, Declarant

reserves, as part of the Special Declarant Rights, the following rights: (i) to make and record corrections to the Plat to conform the same to the actual location of the Improvements, the actual size and location of the Units and/or the proper designation of the elements of the Improvements as Units, General Common Elements or Limited Common Elements; (ii) to establish, vacate, relocate and use the Easements as set forth in this Declaration; provided, however, that no modification of any Easement shall have the effect of altering or destroying any Unit or Limited Common Element unless consented to by the Owner of such Unit or by the Owner to whose Unit such Limited Common Element is appurtenant, as well as by the First Mortgagee of any such Unit; (iii) to include, in any instrument initially conveying a Unit, such additional reservations, exceptions and exclusions as it may deem consistent with and in the best interest of the Owners and the Association; and (iv) have and use an easement over, under and across any and all of the Common Elements to the extent that same may be necessary or useful in constructing, repairing or completing the Units or as may be reasonably necessary for the exercise of any Special Declarant Rights or Development Rights or the performance of any obligations of Declarant.

2. Development Rights. Declarant reserves the Development Rights.

3. Declarant hereby reserves from the Condominium, for itself and its successors and assigns:

- a. All oil, gas, and other minerals in and under and that may be produced from the Property. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it;
- b. All water in and under and that may be produced from the Property. If the water estate is subject to existing production or an existing license, this reservation includes the production, the license, and all benefits from it; and
- c. All rights of Declarant under Certificate of Adjudication Numbers 21-3155 and 21-3155A regarding the diversion and use of water from the Frio River.

M. General Provisions

1. Term. The Condominium may be terminated:

- a. By a taking of all of the Units by condemnation; or
- b. By approval of at least eighty percent (80%) of the Members of the Association and each holder of a deed of trust or vendor's lien on a Unit.

2. No Waiver. Failure by the Association of an Owner to enforce the Governing Documents is not a Waiver.

3. Corrections. The Board may correct typographical or grammatical errors, ambiguities, or inconsistencies contained in this Declaration, provided that any correction must not impair or affect a vested property right of any Owner.

4. Conflict. This Declaration controls over the other Governing Documents.

5. Severability. If a provision of this Declaration is unenforceable for any reason, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability does not affect any other provision of this Declaration, and this Declaration is to be construed as if the unenforceable provision is not a part of this Declaration.

6. Notices. Any notice required or permitted by the Governing Documents must be in writing. To the extent required by law, notices regarding remedial rights must be given by certified mail, return receipt requested. All other notices may be given by regular mail. Notice is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to a Member at the Member's last known address according to the Association's records and the Association, the Board, or a managing agent at the Association's principal office or another address designated in a notice to the Members. Unless otherwise required by law or the Governing Documents, actual notice, however delivered, is sufficient.

7. Governing Law. THIS DECLARATION AND THE BYLAWS, CERTIFICATE OF FORMATION, AND RULES AND REGULATIONS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS. VENUE FOR ANY ACTION BROUGHT IN CONNECTION WITH THE CONDOMINIUM SHALL BE IN REAL COUNTY, TEXAS.

DECLARANT:

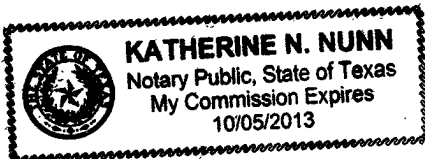
Frio Pecan Farm, L.P., a Texas limited partnership

By: Frio Pecan Farm Management, Inc., a Texas corporation, its general partner

By: John H. Seibert, Jr.
Name: John H. Seibert, Jr.
Title: President

STATE OF TEXAS
COUNTY OF Real

This instrument was acknowledged before me on December 13, 2012, by John H. Seibert, Jr., President of Frio Pecan Farm Management, Inc., a Texas corporation, general partner of Frio Pecan Farm, L.P., a Texas limited partnership, on behalf of said limited partnership.



Katherine N. Nunn
Notary Public, State of Texas

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Exhibit "A" Property Description of the Land
Exhibit "B" Plat
Exhibit "C" Allocations per Unit
Exhibit "D" Bylaws of the Association
Exhibit "E" Certificate of Formation of the Association
Exhibit "F" Road Easement

MEETS & BOUNDS DESCRIPTION OF THE
REVISED TRACT "A", PHASE III
FRIO PECAN FARM
REAL COUNTY, TEXAS

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Beginning at an iron pin set in the South line of Phase II of the Frio Pecan Farm, same being the Northeast corner of Tract "A", Phase III of the Frio Pecan Farm; said pin bearing S78-32-55W, 30-01 feet from the Southeast corner of Phase II of the Frio Pecan Farm;

Thence, S10-00-35E, 818.35 feet to an iron pin set;

Thence, S35-43-19W, 34.30 feet to an iron pin set;

Thence, S82-28-51W, 690.50 feet to an iron pin set for the Southwest corner of Tract "A";

Thence, N10-00-35W, 190.49 feet to an iron pin set;

Thence, N 82-28-51E, 480.00 feet to an iron pin set;

Thence, N08-52-48E, 101.72 feet to iron pin set;

Thence, N10-00-34W, 132.0 feet to an iron pin set;

Thence, N78-32-51E, 27.02 feet to an iron pin set;

Thence, N10-00-35W, 409.33 feet to an iron pin set;

Thence, N78-32-56E, 57.96 feet to an iron pin found as the Southwest corner of Phase II of the Frio Pecan Farm;

Thence N78-32-56E, 117.02 feet to the POINT OF BEGINNING and containing 5.89 acres +/-.

STATE OF TEXAS

KNOWN TO ALL MEN BY THESE PRESENTS

COUNTY OF KERR

I, R. B. Motheral, Registered Professional Land Surveyor, do hereby certify that under my supervision an actual survey on the ground of the above described land was made, and that the corner monuments were as found or set. This tract does not lie within the 100 year flood plain as shown by the Flood Insurance Rate Map.

TO CERTIFY WHICH, WITNESS my hand and seal at Kerrville, Kerr County, Texas, this the 27 day of Sept, 2012, AD

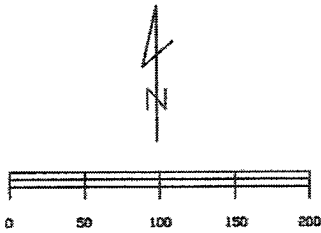

R. B. Motheral, Registered Professional Land Surveyor
State of Texas No. 2874



12-1206
10-01-12

EXHIBIT "A"

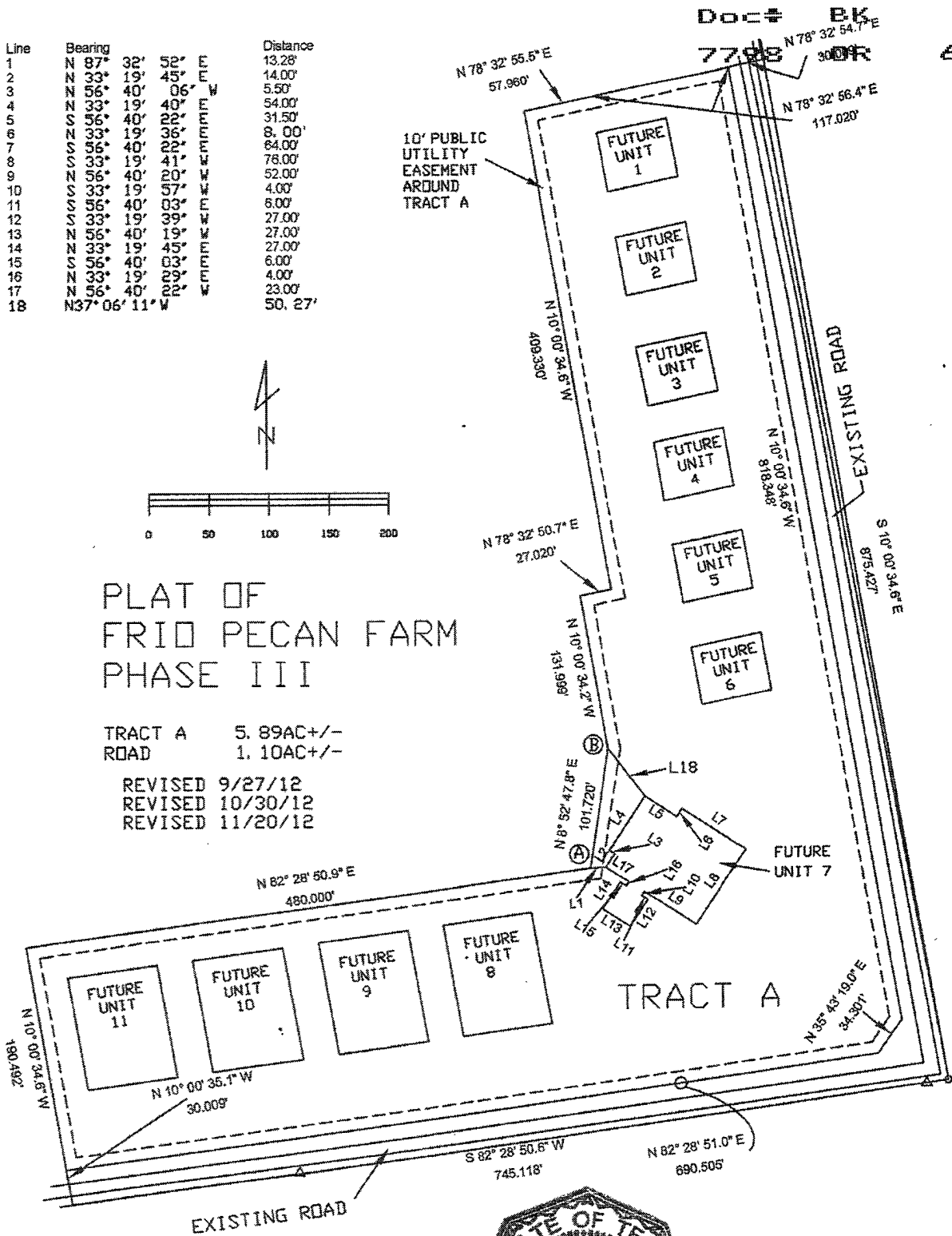
Line	Bearing	Distance
1	N 87° 32' 52" E	13.28'
2	N 33° 19' 45" W	14.00'
3	N 56° 40' 06" W	5.50'
4	N 33° 19' 40" W	54.00'
5	S 56° 40' 22" E	31.50'
6	N 33° 19' 36" E	8.00'
7	S 56° 40' 22" E	64.00'
8	S 33° 19' 41" W	78.00'
9	N 56° 40' 20" W	52.00'
10	S 33° 19' 57" W	4.00'
11	S 56° 40' 03" E	8.00'
12	S 33° 19' 39" W	27.00'
13	N 56° 40' 19" W	27.00'
14	N 33° 19' 45" W	27.00'
15	S 56° 40' 03" W	6.00'
16	N 33° 19' 29" W	4.00'
17	N 56° 40' 22" W	23.00'
18	N 37° 06' 11" W	50.27'



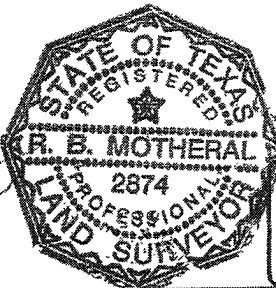
PLAT OF FRID PECAN FARM PHASE III

TRACT A 5.89AC+/-
ROAD 1.10AC+/-

REVISED 9/27/12
REVISED 10/30/12
REVISED 11/20/12



[Signature]
26 November 2012



MII Engineering Surveying Management	Drawn RBN	Date 20 NOV. 2012
	Approved Job 121206	Scale Drawing
	FB	FILED 100804-00
	MOTHERAL INDUSTRIES, INC. 812-A SONEY BAKER KERRVILLE, TEXAS 78028	

Allocations

<u>Unit Number</u>	<u>Undivided Interest in Common Elements</u>
1	9.09%
2	9.09%
3	9.09%
4	9.09%
5	9.09%
6	9.09%
7	9.09%
8	9.09%
9	9.09%
10	9.09%
11	9.09%

**BYLAWS OF
FRIO PECAN FARM CONDOMINIUM ASSOCIATION, INC.,
A TEXAS NONPROFIT CORPORATION**

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ARTICLE 1
NAME AND OFFICE

1.01. Name. The name of the corporation is FRIO PECAN FARM CONDOMINIUM ASSOCIATION, INC. (the "Association").

1.02. Principal Office. The principal office of the Association shall be located in or near Leakey, Real County, Texas. The Association may have such other offices within the State of Texas as the Board of Directors may determine or as the affairs of the Association may require from time to time.

1.03. Registered Office; Registered Agent. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is identical with such registered office, as required by the Texas Business Organizations Code. The registered office may be, but need not be, identical with the principal office of the Association. The Board of Directors may change the address of the registered office of the Association from time to time.

ARTICLE 2
DEFINITIONS

2.01. "Certificate" means the Certificate of Formation of the Association filed with the Secretary of State, as such instrument may now or hereafter exist.

2.02. "Declaration" means the Condominium Declaration recorded in Volume ____, Page ____ of the Official Public Records of Real County, Texas, as such instrument may now or hereafter exist.

2.04. "Member" means a person entitled to membership in the Association as set out in the Certificate.

2.05. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Unit, including contract seller(s), but excluding those persons or entities having such interest merely as security for the performance of an obligation.

2.06. "Property" means Pecan Farm Cabins Phase III, a condominium located in Real County, Texas, as more completely described in the Declaration (as may be amended from time to time hereafter, the "Plat"), and such other property as may hereafter be included in the definition of "Property" by action of the Declarant as provided in the Declaration.

2.07. Any capitalized term not defined herein has the meaning assigned to such term in

the Declaration.

ARTICLE 3 MEETING OF MEMBERS

3.01. Annual Meeting. An annual meeting of the Members shall be held on the third Saturday in May of each year for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or any adjournment thereof, the Board of Directors shall cause the election to be held at a Special meeting of the Members as soon thereafter as possible.

3.02. Special Meetings. The President, the Board of Directors, or not less than ten percent (10%), in number, of the Members having voting rights may call a special meeting of the Members.

3.03. Place of Meeting. The Board of Directors may designate any place as the place of meeting for any annual or special meeting of the Members. If no designation is made or if a special meeting is otherwise called, the place of meeting shall be the registered office of the Association in the State of Texas; but if all of the Members shall meet at any time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice and any corporate action may be taken at such meeting.

3.04. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of Members shall be delivered, either personally, by mail, or by e-mail to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, the Secretary, or the persons calling the meeting. In case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid.

3.05. Quorum. The presence at a meeting of Members entitled to cast, or of proxies entitled to cast, thirty-three and 33/100 percent (33 1/3%) of the votes of Membership shall constitute a quorum for any action except as otherwise provided in the Certificate, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.06. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his or her duly authorized attorney-in-fact. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided

in the proxy. Each proxy is revocable. Each proxy with respect to a Unit shall automatically cease upon any sale, transfer or other conveyance by the Member of his or her ownership interest in such Unit.

3.07. Denial of Cumulative Voting. At each election for Directors, every Member entitled to vote at such election shall have the right to vote, in person or by proxy, for as many persons as there are Directors to be elected and for whose election he or she has a right to vote; provided, however, that no Member may cumulate his or her votes by giving one candidate as many votes as the number of such Directors multiplied by his or her vote shall equal or by distributing such votes on the same principle among any number of such candidates.

3.08. Informal Action By Members. Any action required by the Texas Business Organizations Code to be taken at a meeting of the members or any action that may be taken at a meeting of the members or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members or committee members as would be necessary to take that action at a meeting at which all of the members or members of the committee were present and voted. Such approval in writing may be evidenced by the original signature of a member, a facsimile thereof transmitted to the Board of Directors, an e-mail transmission from a member, or any combination thereof. Such approvals may be in multiple counterparts that shall be attached to the minutes of the informal action taken by the members.

ARTICLE 4 BOARD OF DIRECTORS

4.01. General Powers. The Board of Directors of the Association shall manage the affairs of the Association. Other than the initial Directors, each Director must be a Member of the Association. A director may be a principal of a business entity that is also a member of the Association. The Board of Directors shall have the power to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by the Certificate, the Declaration, or these Bylaws.

Notwithstanding anything to the contrary otherwise set out in these Bylaws, the operation and management of the Association will be delegated to and under the authority of Frio Pecan Farm Cabins Community Association, a Texas non-profit corporation (the "Pecan Farm Community Association"), which is the community association for Pecan Farm Cabins, a subdivision located in Real County, Texas, as more completely described in the plats recorded in Volume 1, Page 161 and Volume 1, Page 169 of the Plat Records of Real County, Texas. Each Owner will have all rights and obligations of a member of the Pecan Farm Community Association as set out in the Certificate of Formation, Bylaws and other governing documents of the Pecan Farm Community Association.

All assessments collected by the Association are hereby assigned to and will be held, managed and controlled by the Pecan Farm Community Association for the benefit of the Pecan Farm Community Association and the Association.

The Pecan Farm Community Association will maintain the Common Elements and insurance in accordance with the Act. The Pecan Farm Community Association may from time to time adopt or amend the Rules.

Any matter described in any Governing Document or in the Act as being subject to the approval or vote of or adoption by the Board will instead be solely subject to the approval or vote of or adoption by the Board of Directors of the Pecan Farm Community Association.

4.02. Number and Tenure. The number of Directors shall be three (3). The number of Directors may be increased from time to time by amendment to these Bylaws; provided, however, that the number of Directors of the Association shall not be less than three (3). The Directors shall be elected annually by the Members at the regular annual meeting of the Members. If the election of Directors shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. All Directors shall continue to hold office until his or her annual term expires and until his or her successor has been elected and qualified.

4.03. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors even though less than a quorum of the Board of Directors. A Director appointed or elected to fill a vacancy shall serve the unexpired term of his or her predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors shall be filled at an annual meeting or at a special meeting of the Members called for that purpose. If at any time any Director shall at any time sell or otherwise dispose of his or her ownership interest in a Unit or voluntarily or involuntarily cease to be an Owner during his or her term of office, then upon such termination or cessation of his or her ownership interest, such Director shall automatically be deemed to have effectively resigned from the Board of Directors and he or she shall automatically be removed therefrom.

4.04. Regular Meetings. An annual meeting of the Board of Directors shall be held without other notice immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and place in Real County, Texas, for the holding of additional regular meetings of the Board of Directors without other notice than such resolution.

4.05. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place in Real County, Texas, as the place for holding any special meeting of the Board of Directors called by them.

4.06. Notice. Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice delivered personally or sent by mail, e-mail or fax to each Director at his or her address as shown on the records of the Association. If mailed, such notice shall be deemed to be delivered to a Director when deposited in the United

States mail so addressed to the Director with postage thereon prepaid. If e-mailed, such notice shall be deemed to be delivered to a Director when sent by e-mail to the last known e-mail address of the Director. If faxed, such notice shall be deemed to be delivered to a Director when transmitted to the fax number of record for the Director in the Association's records. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Directors need to be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws. All notices of special meetings shall specify the business to be transacted at such meeting and no other business not so specified shall be acted upon at any special meeting.

4.07. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

4.08. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law. Directors present by proxy may not be counted toward a quorum.

4.09. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

4.10. Informal Action by Directors. Any action required by the Texas Business Organizations Code to be taken at a meeting of the directors of the Association or any action that may be taken at a meeting of the directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of directors or committee members as would be necessary to take that action at a meeting at which all of the directors or members of the committee were present and voted. Such approval in writing may be evidenced by the original signature of a director, a facsimile thereof transmitted to the Board of Directors, an e-mail transmission from director, or any combination thereof. Such approvals may be in multiple counterparts that shall be attached to the minutes of the informal action taken by the Directors.

4.11. Budget. The Board of Directors shall adopt an annual budget for the Association's estimated corporate expenses each year and shall provide the manner of assessing and collecting

from the Members their respective shares of such estimated expenses, subject to any limitations contained in the Declaration. The annual budget as estimated by the Board of Directors for each fiscal year shall be approved by the Board of Directors, and copies thereof shall be furnished to each Member at or prior to the annual meeting of the Members.

4.12. Limitation of Liability. No person shall be liable to the Association for any loss or damage suffered by any other person resulting from any action taken or omitted to be taken by a director or officer of the Association in good faith.

ARTICLE 5 OFFICERS

5.01. Officers. The Officers of the Association shall be a President, a Secretary, a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. An officer need not be a Member of the Association.

5.02. Election and Term of Office. The Officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

5.03. Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby.

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

5.05. President. The President shall be the principal Executive Officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Members and of the Board of Directors. The President may sign, with the Secretary or any other proper Officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed; except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other Officer or agent of the Association; and in general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5.06. Vice President. In the absence of the President or in the event of his or her inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him or her by the President or Board of Directors.

5.07. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for money due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

5.08. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records of the Association; keep a register of the post office address of each Member, which shall be furnished to the Secretary by each Member; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

5.09. Assistant Treasurers and Assistant Secretaries. The Assistant Treasurers and Assistant Secretaries, if any, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

5.10. Compensation. Any Officer may receive compensation for his or her services if and to the extent approved by resolution of the Board of Directors.

ARTICLE 6 COMMITTEES

A majority of the Directors present at a meeting at which a quorum is present may by resolution designate one or more committees to report to the Board of Directors and to carry out certain duties on behalf of the Board of Directors. Except as otherwise provided in such resolution, members of each such Committee shall be Members of the Association. Any member of a committee may be removed by the Board of Directors whenever, in the judgment of the Board of Directors, the best interest of the Association shall be served by such removal. The resolution designating such committee shall set forth the term of office of the members of the committee and the procedures for designation of the committee chairperson, method of filling vacancies, designating a quorum and establishing rules for its own government not inconsistent with these Bylaws, statutory law or with rules adopted by the Board of Directors.

ARTICLE 7
CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

7.01. Contracts. The Board of Directors may authorize any Officer(s) or agent(s) of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association that is not inconsistent with the Declaration. Such authority may be general or confined to specific instances.

7.02. Checks and Drafts. All checks, drafts or orders for the payment of money, notices, or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer(s) or agent(s) of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

7.03. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

7.04. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purpose or any special purpose of the Association.

7.05 Insurance. The Association will maintain liability insurance for the Common Areas, naming the Declarant (as such term is defined in the Declaration) and each principal in Declarant as additional insureds, with a waiver of subrogation in favor of the Declarant and each principal in the Declarant, in the amount of at least One Million and No/100ths Dollars (\$1,000,000.00) per occurrence and at least Two Million and No/100ths Dollars (\$2,000,000.00) in the aggregate, together with an umbrella policy or excess liability policy of at least One Million and No/100ths Dollars (\$1,000,000.00). The Association will also maintain director and officer liability insurance in the amount of at least One Million and No/100ths Dollars (\$1,000,000.00).

ARTICLE 8
BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and Committees having any of the authority of the Board of Directors, and shall keep at the Association's registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association, including the Certificate, the Declaration, and these Bylaws, shall be available and may be inspected by any Member or his or her agent or attorney at the principal office of the Association, for any proper purpose at any reasonable time

with at least five (5) business days' prior written notice, and copies may be purchased at a reasonable cost.

ARTICLE 9
CORPORATE SEAL

The Association shall not be required to have a corporate seal.

ARTICLE 10
AMENDMENTS

The power to amend or repeal any provision of these Bylaws or to adopt new Bylaws is reserved exclusively to the Members. These Bylaws may be amended or repealed and new Bylaws may be adopted only (a) with the affirmative vote of at least two thirds (2/3) of the votes entitled to be cast with respect to matters to be voted on by the Members, and (b) at a regular or special meeting of the Members duly called for such purpose at which a quorum of the Members is present in person or by proxy. Notice of all such meetings of the Members shall be given as provided in these Bylaws and shall contain the proposed amendment to these Bylaws, specify the section or sections of these Bylaws proposed to be repealed, or contain the new Bylaws proposed to be adopted.

ARTICLE 11
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Business Organizations Code or under the provisions of the Certificate, the Declaration, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 12
FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

ARTICLE 13
CONFLICTS

In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between the Certificate and the Declaration, the Certificate shall control.

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I, the undersigned, do hereby certify that I am the duly elected and acting President of the Association and that the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted by unanimous consent of the Directors thereof effective on December __, 2012.

Name: John H. Seibert, Jr.
Title: President

**CERTIFICATE OF FORMATION OF
FRIO PECAN FARM CONDOMINIUM ASSOCIATION, INC.,
A TEXAS NONPROFIT CORPORATION**

BK Vol Ps
7798 OR 63 306

This Certificate of Formation is submitted for filing pursuant to the applicable provisions of the Texas Business Organizations Code.

1. **Name.** The name of the corporation is FRIO PECAN FARM CONDOMINIUM ASSOCIATION, INC. (the "Association").

2. **Type of Filing Entity.** The type of filing entity being formed is a nonprofit corporation.

3. **Definitions.** "Property" as used herein means Pecan Farm Cabins Phase III, a condominium located in Real County, Texas, as more completely described in the Condominium Declaration recorded in Volume _____, Page _____ of the Official Public Records of Real County, Texas (as may be amended from time to time hereafter, the "Declaration"), and such other property as may hereafter be included in the definition of "Property" by Declarant (as defined the Declaration) pursuant to the Declaration. Any capitalized term not defined herein will have the meaning assigned to such term in the Declaration.

4. **Purposes.** The Association does not contemplate pecuniary gain or profit to the members thereof. The specific and primary purpose for which the Association is formed is to govern the affairs of the Property. IT SHALL NOT BE ONE OF THE PURPOSES OF THE ASSOCIATION TO PROVIDE SECURITY TO THE RESIDENTS OR OWNERS OF THE PROPERTY OR THEIR GUESTS OR INVITEES. NEITHER DECLARANT, ITS SUCCESSORS, ASSIGNS, BENEFICIARIES, OR PARTNERS OR THE DECLARANT OF ANY ADDITIONAL PROPERTIES BROUGHT WITHIN THE JURISDICTION OF THE ASSOCIATION, THE ASSOCIATION, THE ASSOCIATION'S BOARD OF DIRECTORS, OR ANY AGENT OR REPRESENTATIVE OF THE ASSOCIATION SHALL EVER IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY, NOR SHALL ANY OF THE FOREGOING BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF THE ALLEGED FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKE, IF ANY. The Association is also formed for the purpose of:

A. Exercising the powers and privileges and performing the duties and obligations of the Association as set forth in the Declaration.

B. Fixing, levying, collecting and enforcing payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; paying expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed.

C. Having and exercising any and all powers, rights and privileges which a corporation organized under Texas law, subject to the limitations set forth herein and in the Declaration.

5. **Restrictions and Limitations.** Notwithstanding anything to the contrary herein, the Association may not:

A. Engage in any activity or take any action prohibited by the applicable provisions of the Texas Business Organizations Code or not permitted for a homeowner's association exempt from tax under the Internal Revenue Code (the "Code"), as the same now or may hereafter exist.

B. Pay any dividend or distribute any part of the income of the Association to its members, directors, or officers; provided, however, that the Association may pay compensation in a reasonable amount to its members, directors, or officers for services rendered and may confer benefits upon its members in conformity with its purposes, provided such compensation and benefits are reasonable.

C. Except as otherwise set forth herein, make loans to the Association's directors.

D. Engage in any activity, except to an insubstantial degree, which is not in furtherance of the purpose or purposes of the Association.

6. **Period of Duration.** The period of duration of the filing entity is perpetual.

7. **Initial Registered Office.** The street address of the initial registered office of the filing entity and the name of its initial registered agent at that address are:

Name: John H. Seibert, Jr.
Address: P.O. Box 425, Leakey, Real County, TX 78873

8. **Organizer.** The name and address of the organizer for the filing entity are:

Name: John H. Seibert, Jr.
Address: P.O. Box 425, Leakey, Real County, TX 78873

9. **Organizational Structure.** The Association will have members and one class of voting membership. Each Unit is allocated one membership in the Association and one vote on each matter to be voted on by the members of the Association. The persons and/or entities that own fee title to the Unit will designate to the Association in writing the name of one person who is entitled to cast votes on behalf of such Unit. In the absence of such written designation, no vote may be cast for such Unit. The vote for such Unit shall be exercised as the fee owners of that Unit determine, but in no event shall more than one vote be cast with respect to any one Unit. Holders of future interests not entitled to present possession shall not be considered as fee owners for the purposes hereof. Membership in the Association shall be appurtenant to and may not be separated from ownership of a Unit.

10. **Governing Authority.** Management of the affairs of the Association is to be vested in its board of directors. A director may be a principal of a business entity that is also a member of the Association. The number of initial directors shall be three (3). The number of directors shall be set by the bylaws of the Association as may be amended from time to time, provided that the number of directors may never be less than three. The names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are:

<u>Name:</u>	<u>Address:</u>
John H. Seibert, Jr.	P.O. Box 425, Leakey, TX 78873
Rick Collins	P.O. Box 425, Leakey, TX 78873
Shelly Collins	P.O. Box 425, Leakey, TX 78873

Other than initial directors, directors of the Association must also be members of the Association. If at any time, a director ceases to be a member, his or her directorship shall at such time become vacant. At each election for directors, every member entitled to vote at such election shall have the right to vote, in person or by proxy, for as many persons as there are directors to be elected; members are expressly precluded from cumulating their votes for directors.

Notwithstanding anything to the contrary otherwise set out in this Certificate, the operation and management of the Association will be delegated to and under the authority of Frio Pecan Farm Cabins Community Association, a Texas non-profit corporation (the "Pecan Farm Community Association"), which is the community association for Pecan Farm Cabins, a subdivision located in Real County, Texas, as more completely described in the plats recorded in Volume 1, Page 161 and Volume 1, Page 169 of the Plat Records of Real County, Texas. Each Owner will have all rights and obligations of a member of the Pecan Farm Community Association as set out in the Certificate of Formation, Bylaws and other governing documents of the Pecan Farm Community Association.

All assessments collected by the Association are hereby assigned to and will be held, managed and controlled by the Pecan Farm Community Association for the benefit of the Pecan Farm Community Association and the Association.

The Pecan Farm Community Association will maintain the Common Elements and insurance in accordance with the Act. The Pecan Farm Community Association may from time to time adopt or amend the Rules.

Any matter described in any Governing Document or in the Act as being subject to the approval or vote of or adoption by the Board will instead be solely subject to the approval or vote of or adoption by the Board of Directors of the Pecan Farm Community Association.

11. **Actions Without A Meeting.** Any action required by the Texas Business Organizations Code to be taken at a meeting of the members or directors of the Association or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of

members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voted. Such approval in writing may be evidenced by the original signature of a member or director, a facsimile thereof transmitted to the Board of Directors, an e-mail transmission from a member or director, or any combination thereof. Such approvals may be in multiple counterparts that shall be attached to the minutes of the informal action taken by the members or Directors.

12. **Amendment.** The power to amend or restate this Certificate of Formation is reserved exclusively to the Members. This Certificate of Formation may be amended or restated only with the affirmative vote of at least two thirds (2/3) of the votes entitled to be cast at a meeting at which a quorum of the Members is present, in person or by proxy, duly called for such purpose. Notice of all such meetings of the Members shall be given as provided in the Bylaws of the Association and shall contain the proposed amendment or restatement of this Certificate of Formation.

13. **Indemnification.** To the full extent permitted by the applicable provisions of the Texas Business Organizations Code and other applicable law, the Association shall advance expenses to and indemnify any present and former directors, officers, employees, and agents of the Association and persons serving or formerly serving at the request of the Association as directors, officers, partners, venturers, proprietors, trustees, employees, agents or similar functionaries of another foreign or domestic corporation, employee benefit plan, other enterprise or entity against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such action, suit or proceeding and any inquiry or investigation that could lead to such an action suit or proceeding, because the person is or was acting in one of the capacities set forth above.

14. **Contracts or Transactions with Interested Directors, Officers and Members.** This provision applies only to a contract or transaction between the Association and one or more of its directors or officers, or between the Association and an entity or other organization in which one or more of the Association's directors or officers is a managerial official or has a financial interest. An otherwise valid contract or transaction is valid notwithstanding that a director, officer, or member of the Association is present at or participates in the meeting of the board of directors, of a committee of the board, or of the members that authorizes the contract or transaction, or votes to authorize the contract or transaction, if: (1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by (a) the Association's board of directors, a committee of the board of directors, or the members, and the board, the committee, or the members in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested directors, committee members or members, regardless of whether the disinterested directors, committee members or members constitute a quorum; or (b) the members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the members; or (2) the contract or transaction is fair to the Association when the contract or transaction is authorized, approved, or ratified by the board of directors, a committee of the board of directors, or the members. Common or interested directors or members of the Association may be included in determining the

presence of a quorum at a meeting of the board, a committee of the board, or members that
authorizes the contract or transaction. 7788 25 310

15. **Member Consent Required For Fundamental Action.** The affirmative vote of at least two thirds (2/3) of the members of the Association entitled to vote shall be sufficient to approve a Fundamental Action (as the term is defined by Section 22.164 of the Texas Business Organizations Code, as amended from time to time).

16. **Distribution of Assets Upon Winding Up.** After all liabilities and obligations of the Association in the process of winding up are paid, satisfied and discharged, the property of the Association shall be applied and distributed in accordance with section 22.304, Texas Business Organizations Code. On dissolution, the Association's assets shall be distributed to an organization exempt from taxes under Internal Revenue Code Section 501(c)(3) to be used to accomplish the general purposes for which the Association was organized.

17. **Effective Date of Filing.** This certificate of formation becomes effective when the document is filed by the Secretary of State.

This document is signed subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Signed on December ____, 2012.

John H. Seibert, Jr.

MEETS & BOUNDS DESCRIPTION OF ROAD
AT SOUTHEAST CORNER OF ORIGINAL
FRIO PECAN FARM
REAL COUNTY, TEXAS

Doc# BK Vol Pg
7798 OR 63 311

Beginning at an iron pin found as the Southeast corner from the Phase II of the original Frio Pecan Farm, same being in the East line of the original Frio Pecan Farm;

Thence, S10-00-35W, 875.43 feet to a fence post, same claimed to be the Southeast corner of the original Frio Pecan Farm;

Thence, S82-28-51W, 745.12 feet along the South line of the original Frio Pecan Farm to an iron pin set for the Southwest corner of the existing road right-of-way;

Thence, N10-00-35W, 30.01 feet to an iron pin set for a right-of-way line of the existing road;

Thence, N82-28-51E, 690.50 feet to an iron pin set as a point on the right-of-way line;

Thence, N35-43-19E, 34.30 feet to an iron pin set for a point on the right-of-way line;

Thence, N10-00-35W, 818.35 feet to an iron pin set for the northerly West point in the right-of-way line, same being the south line of Phase II of the Frio Pecan Farm Subdivision;

Thence, 78-32-55E, 30.01 feet to the POINT OF BEGINNING and containing 1.10 acres +/-.

STATE OF TEXAS

KNOWN TO ALL MEN BY THESE PRESENTS

COUNTY OF KERR

I, R. B. Motheral, Registered Professional Land Surveyor, do hereby certify that under my supervision an actual survey on the ground of the above described land was made, and that the corner monuments were as found or set. This tract does not lie within the 100 year flood plain as shown by the Flood Insurance Rate Map.

TO CERTIFY WHICH, WITNESS my hand and seal at Kerrville, Kerr County, Texas, this the 27 day of Sept, 2012, AD


R. B. Motheral, Registered Professional Land Surveyor
State of Texas No. 2874



12-1206
10-01-12

EXHIBIT "F"

Doc# 7798 BK OR Vol Pg 63 312

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On: Dec 13, 2012 at 11:19A

Receipt#: 7950
BK/Vol/Pg: OR 63 312
Document Number: 7798
Amount: 148.00

By D Ann Green, Deputy

STATE OF TEXAS COUNTY OF REAL
I hereby certify that this instrument was
FILED on this date and time stamped hereon by
me and was duly RECORDED in the OFFICIAL PUBLIC
RECORDS OF REAL COUNTY, TEXAS in the volume
and page as shown.

Bella Rubio, County Clerk
Real county, Texas

By D Ann Green, Deputy

Any provision herein which restricts the sale,
rental or use of the described real property
because of color or race is invalid and
unenforceable under federal law.