STATE OF TEXAS §

COUNTY OF KENDALL §

RULES AND REGULATIONS OF
ESPERANZA COMMUNITY ASSOCIATION, INC. FOR
ESPERANZA PHASE 1C
April 2020

Document reference. Reference is hereby made to that certain Declaration of Covenants, Conditions, and Restrictions for Esperanza Phase 1C April 2020, filed as Document No. 00341689, Vol. 1759, Page 893 in the Plat Records of Kendall County, Texas (together with all amendments and supplemental documents thereto, the "**Declarations**").

That certain Facility User Rules and Guidelines of Esperanza Community Association, Inc. August 2019 filed as Document No. 00334244, Vol. 1712 Page 446 in the Official Public Records of Kendall County, Texas, and amendments thereto, are not affected by this filing and remains in full force and effect.

WHEREAS the Declaration provides that owners of lots subject to the Declaration are automatically made members of Esperanza Community Association, Inc. (the "**Association**");

WHEREAS the Association is in the Declarant Control Period as defined in the Declaration and the Declarant, pursuant to the Declaration and Bylaws of the association may adopt and amend rules from time to time; and

THEREFORE, the rules attached as Exhibit "A" (the **"Rules"**), have been, and by these presents are, ADOPTED and APPROVED.

SIGNATURE PAGE FOLLOWS

LOOKOUT DEVELOPMENT GROUP, L.P.
A TEXAS LIMITED PARTNERSHIP
By: The Lookout Group, Inc.
Its General Partner

By: _____
James D. Plasek, Vice President

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 12 day of May 2020, by James D. Plasek, Vice President of the Lookout Group, Inc., the general partner for Lookout Development Group, L.P.

KELLY ATKIN
My Notary ID # 130040659
Expires December 2, 2022

_____
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My commission expires: 12-2-22

Printed Name: Kelly Atkin

EXHIBIT A: RULES
EXHIBIT B: TABLE OF RULES AND REGULATIONS

After recording, please return to:

James D. Plasek
Lookout Partners, L.P.
1789 S. Bagdad Road
Suite 104
Leander, Texas 78641

EXHIBIT A

RULES

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SECTION I. FLAGS

1. General. An Owner may display flags only on his or her Lot and only in compliance with this Section. An Owner may not display flags on the Common Areas, or on any other lands owned or maintained by the Association, for any reason or at any time. An Owner may have one flagpole, or one residence-mounted flag mount, but not both. The Declaration may impose alternate criteria for model homes, Declarant-owned lots, or other similar lots.

2. Prior Approval Required. All flagpoles, flag mounts and related installations (e.g., flag lighting) must be approved in advance by the Association's ACC. An Owner desiring to display a permitted flag must submit plans to the ACC for each installation, detailing the dimensions, type, location, materials, and style/appearance of flag poles or flag mount(s), lighting and related installations. The Association's ACC shall have the sole discretion of determining whether such items and installations comply with this Section, subject to any appeal rights that may exist elsewhere in the Association's governing documents or under State law.

3. Additional Requirements Related to Flags.
    a. Only the U.S. and Texas flags are permitted.
    b. Flags must be displayed on an approved flag mount or flagpole. Flags may not be displayed in any other manner.
    c. No more than one flag at a time may be displayed on a flag mount.
    d. No more than two flags at time may be displayed on a flagpole.
    e. Flags on flagpoles must be hoisted, flown, and lowered in a respectful manner.
    f. Flags must never be flown upside down and must never touch the ground.
    g. No mark, sign, insignia, design, or advertising of any kind may be added to a flag.
    h. If both the U.S. and Texas flags are displayed on a flagpole, they must be of approximately equal size.
    i. If the U.S. and Texas flags are flown on one pole, the U.S. flag must be the highest flag flown and the Texas flag the second highest.
    j. Only all-weather flags may be displayed during inclement weather.
    k. Flags must be no larger than 3'x5' in size.
    l. Flags may not contain commercial material, advertising, or any symbol or language that may be offensive to the ordinary person.
    m. A pennant, banner, plaque, sign, or other item that contains a rendition of a flag does not qualify as a flag under this Section.

4. Materials and Appearance of Flag Mounts and Flagpoles. A flag mount attached to a dwelling a freestanding flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials (per the discretion of the ACC) used in the construction of the mount and harmonious with the dwelling.
5. Additional Requirements for Flagpoles. The following additional requirements shall apply to flagpoles installed on Lots:
    a. No more than one flagpole may be installed on a Lot;
    b. The flagpole must be free-standing and installed vertically;
    c. The flagpole must be no greater than 20 feet in height measured from grade level;
    d. The location and construction of the flagpole must comply with applicable zoning ordinances, may not be located in any easements (including drainage easements), and must comply with all setback requirements;
    e. Unless otherwise approved by the ACC, the location of the pole must be within 10 feet of one of the side-most building lines of the home, and within 10 feet of the front most building line of the home. The ACC may require the pole to be installed on a particular side or otherwise require a particular location; and
    f. No trees may be removed for pole installation.
    g. An Owner must ensure that external halyards (hoisting rope) used in combination with a flagpole do not create an unreasonable amount of noise.

6. Lighting of Flag Displays. Any lights installed for the purpose of illuminating a flag must be pre-approved by the Association. Such light installations must be of a reasonable size and intensity and placed in a reasonable location, for the purpose of ensuring that the lights do not unreasonably disturb or distract other individuals. All flag illumination lighting must be specifically dedicated to that purpose. No other lighting, whether located inside or outside of the residence, may be directed toward a displayed flag for purposes of illuminating the flag (e.g., security flood or spotlights may not be oriented toward a displayed flag).

7. Maintenance. An Owner is responsible for ensuring that a displayed flag, flag mount(s), lighting and related installations are maintained in good and attractive condition at all time at the Owner's expense. Any flag, flagpole, flag mount, light, or related installation or item that is in a deteriorated or unsafe condition must be repaired, replaced, or removed promptly upon the discovery of its condition.

SECTION II. SOLAR ENERGY DEVICES

1. Conflict with Other Provisions; Applicability. Per state law, this Section controls over any provision in any other Association governing document to the contrary. The language of this Section II is applicable only after the Declarant Control Period has terminated. During the period of Declarant Control, the ACC may allow or deny solar installation requests in its sole discretion.

2. Prior Approval Required. **An Owner may install solar energy devices only on property solely owned and solely maintained by the Owner, and only in accordance with the restrictions provided herein.** Owners may not install solar energy devices except in accordance with the restrictions provided herein. Prior to installation of any solar energy device, the Owner must submit plans for the device and all appurtenances thereto to the ACC. The plans must provide an as-built rendering, and detail the location, size, materials, and color of all solar devices, and provide calculations of the estimated energy production of the proposed devices.

3. Definition. In this section, "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. All solar devices not meeting this definition are prohibited.

4. Prohibited Devices. Owners may not install solar energy devices that:
    a. threaten the public health or safety;
    b. violate a law;
    c. are located on property owned by the Association;
    d. are located in an area owned in common by the members of the Association;
    e. are located in an area on the property Owner's property other than:
        i. on the roof of the home (or of another structure on the Owner's lot allowed under the Association's governing documents); or
        ii. in a fenced yard or patio owned and maintained by the Owner;
    f. are installed in a manner that voids material warranties;
    g. are installed without prior approval by the ACC; or
    h. substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. *This determination may be made at any time, and the ACC may require removal of any device in violation of this or any other requirement.*

5. Limitations on Roof-Mounted Devices. If the device is mounted on the roof of the home, it must:
    a. extend no higher than or beyond the roofline;

b. be located only on the back of the home – the side of the roof opposite the street. The ACC may grant a variance in accordance with state law if the alternate location is substantially more efficient[1];
c. conform to the slope of the roof, and have all top edges parallel to the roofline;
d. not have a frame, a support bracket, or visible piping or wiring that is any color other than silver, bronze, or black tone commonly available in the marketplace.

6. Limitations on Devices in a Fenced Yard or Patio. If the device is located in a fenced yard or patio, it may not be taller than the fence line.

7. Additional provisions regarding shingles. Except as otherwise authorized in writing by the ACC or Board, provided that the proposed shingles otherwise comply with any other applicable requirements of the dedicatory instruments, the ACC will not deny an application for shingles if the shingles are:
   a. Designed primarily to:
      i. be wind and hail resistant;
      ii. provide heating/cooling efficiencies greater than those provided by customary composite shingles; or
      iii. provide solar generation capabilities; and
   b. When installed:
      i. resemble the shingles used or otherwise authorized for use on property in the subdivision;
      ii. are more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use on property in the subdivision;
      iii. match the aesthetics of the property surrounding the Owner's property.

SECTION III. RAIN BARRELS AND RAINWATER HARVESTING SYSTEMS

1. Pre-Approval Required. Owners may install rain barrels or rainwater harvesting systems only with pre-approval from the Association, and only in accordance with the restrictions described in this Section.

2. Prohibited Locations. Owners are prohibited from installing rain barrels or rainwater harvesting systems, **or any part thereof,** in the following locations:
   a. on property owned by the Association;
   b. on property owned in common by the members of the Association; or
   c. on property between the front of the Owner's home and an adjoining or adjacent street.

3. Pre-Approval Required for All Rain Barrels or Rainwater Harvesting Systems. Prior to any installation of any rain barrel or rain harvesting system (or any part thereof), prior written permission must be received from the ACC.

   Owners wishing to install such systems must submit plans showing the proposed location, color(s), material(s), shielding, dimensions of the proposed improvements, and whether any part of the proposed improvements will be visible from the street, another lot, or a Common Area (and if so, what part(s) will be visible). The location information must provide information as to how far (in feet and inches) the improvement(s) will be from the side, front, and back property line of the Owner's property.

[1] If an alternate location increases the estimated annual energy production of the device more than 10 percent above the energy production of the device if located on the back of the home, the Association will authorize an alternate location in accordance with these rules and state law. It is the Owner's responsibility to determine and provide sufficient evidence to the ACC of all energy production calculations. All calculations must be performed by an industry professional.

4. Color and Other Appearance Restrictions. Owners are prohibited from installing rain barrels or rainwater harvesting systems that:
    a. are of a color other than a color consistent with the color scheme of the Owner's home;
    b. display any language or other content that is not typically displayed by such a barrel or system as it is manufactured; or
    c. are not constructed in accordance with plans approved by the Association.

5. Additional Restrictions if Installed in a Side Yard or Improvements are Visible. If any part of the improvement is installed in a side yard, or will be visible from the street, another lot, or Common Area, the Association may impose restrictions on the size, type, materials, and shielding of, the improvement(s) (through denial of plans or conditional approval of plans).

SECTION IV. RELIGIOUS DISPLAYS

1. General. State statute allows Owners to display certain religious items in the Owner's entry, and further allows the Association to impose certain limitations on such entry displays. The following rule outlines the limitations on religious displays in an Owner's entry area. Notwithstanding any other language in the governing documents to the contrary, residents may display on the entry door or doorframe of the resident's dwelling one or more religious items, subject to the restrictions outlined in Paragraph 2 below. Allowed religious displays are limited to displays motivated by the resident's sincere religious belief.

2. Prohibited Items. No religious item(s) displayed in an entry area may:
    a. threaten the public health or safety;
    b. violate a law;
    c. contain language, graphics, or any display that is patently offensive to a passerby;
    d. be located anywhere other than the main entry door or main entry door frame of the dwelling;
    e. extend past the outer edge of the door frame of the door; or
    f. have a total size (individually or in combination) of greater than 25 square inches.

3. Remedies for Violation of this Section. Per state statute, if a religious item(s) is displayed in violation of this Section, the Association may remove the offending item without prior notice. This remedy is in addition to any other remedies the Association may have under its other governing documents or State law.

4. Seasonal Religious Holiday Decorations. This rule will not be interpreted to apply to otherwise-permitted temporary seasonal religious holiday decorations such as Christmas lighting or Christmas wreaths. The Board has the sole discretion to determine what items qualify as Seasonal Religious Holiday Decorations and may impose time limits and other restrictions on the display of such decorations. Seasonal Religious Holiday Decorations must comply with all other provisions of the governing documents but are not subject to this Section.

5. Other displays. Non-religious displays in the entry area to an Owner's dwelling and all displays (religious or otherwise) outside of the entry area to an Owner's dwelling are governed by other applicable governing document provisions.

SECTION V. RECORD PRODUCTION

1. Effective Date. Effective upon filing of record in the Kendall County Public Records.

2. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary to the extent of any conflict.

3. Request for Records. The Owner or the Owner's authorized representative requesting Association records must submit a written request by certified mail to the mailing address of the Association or authorized representative as reflected on the most current filed management certificate. The request must contain:
   a. sufficient detail to describe the books and records requested, and
   b. an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records.

4. Timeline for record production.
   a. If inspection requested. If an inspection is requested, the Association will respond within 10 business days by sending written notice by mail, fax, or email of the date(s) and times during normal business hours that the inspection may occur. Any inspection will take place at a mutually agreed time during normal business hours, and the requesting party must identify any books and records the party desires the Association to copy.
   b. If copies requested. If copies are requested, the Association will produce the copies within 10 business days of the request.
   c. Extension of timeline. If the Association is unable to produce the copies within 10 business days of the request, the Association will send written notice to the Owner of this by mail, fax, or email, and state a date, within 15 business days of the date of the Association's notice, that the copies or inspection will be available.

5. Format. The Association may produce documents in hard copy, electronic, or other format of its choosing.

6. Charges. Per state law, the Association may charge for time spent compiling and producing all records and may charge for copy costs if copies are requested. Those charges will be the maximum amount then-allowed by law under the Texas Administrative Code. The Association may require advance payment of actual or estimated costs. As of July 2011, a summary of the maximum permitted charges for common items are:
   a. Paper copies - 10¢ per page
   b. CD - $1 per disc
   c. DVD - $3 per disc
   d. Labor charge for requests of more than 50 pages - $15 per hour
   e. Overhead charge for requests of more than 50 pages - 20% of the labor charge
   f. Labor and overhead may be charged for requests for fewer than 50 pages if the records are kept in a remote location and must be retrieved from it

7. Private Information Exempted from Production. Per state law, the Association has **no obligation** to provide information of the following types:

   a. Owner violation history
   b. Owner personal financial information
   c. Owner contact information other than the Owner's address
   d. Information relating to an Association employee, including personnel files

8. Existing Records Only. The duty to provide documents on request applies only to existing books and records. The Association has no obligation to create a new document, prepare a summary of information, or compile and report data.

SECTION VI. RECORD RETENTION

1. Effective Date. Effective upon filing of record in the Kendall County Public Records.

2. Conflict with Other Provisions. Per state law, this Section relating to record retention controls over any provision in any other Association governing document to the contrary to the extent of any conflict.

3. Record Retention. The Association will keep the following records for at least the following time periods:
   a. Contracts with terms of at least one year; 4 years after expiration of contract
   b. Account records of current Owners; 5 years
   c. Minutes of Owner meetings and Board meetings; 7 years
   d. Tax returns and audits; 7 years
   e. Financial books and records (other than account records of current Owners); 7 years
   f. Governing documents, including Articles of Incorporation/Certificate of Formation, Bylaws, Declaration, Rules, and all amendments; permanently

4. Other Records. Records not listed above may be maintained or discarded in the Association's sole discretion.

SECTION VII. PAYMENT PLANS

1. Effective date. Effective upon filing of record in the Kendall County Official Public Records.

2. Eligibility for Payment Plan.

   Standard payment plans. An Owner is eligible for a Standard Payment Plan (*see* Rule (3) below) *only* if:
   a. The Owner has not defaulted under a prior payment plan with the Association in the prior 24-month period;

   b. The Owner requests a payment plan no later than 30 days after the Association sends notice to the Owner via certified mail, return receipt requested under Property Code §209.0064 (notifying the Owner of the amount due, providing 30 days for payment, and describing the options for curing the delinquency). Owner is responsible for confirming that the Association has received the Owner's request for a payment plan within this 30-day period. It is recommended that requests be in writing; and

   c. The Association receives the executed Standard Payment Plan and the first payment within 15 days of the Standard Payment Plan being sent via email, fax, mail, or hand delivered to the Owner.

   Other payment plans. An Owner who is not eligible for a Standard Payment Plan may still request that the Association's Board grant the Owner an alternate payment plan. Any such request must be directed to the person or entity currently handing the collection of the debt (i.e., the property manager or Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Association's Board.

3. Standard Payment Plans. The terms and conditions for a Standard Payment Plan are:

   a. *Term.* Standard Payment Plans are for a term of 6 months. (See also paragraph 6 for Board discretion involving term lengths.)

b. *Payments*. Payments will be made at least monthly and will be roughly equal in amount or have a larger initial payment (small initial payments with a large balloon payment at the end of the term are not allowed). Payments must be received by the Association at the designated address by the required dates and may not be rejected, returned, or denied by the Owner's bank for any reason (i.e., check returned NSF). The Association may require ACH (automated/auto debit) payments under any plan.

c. *Assessments and other amounts coming due during plan*. The Owner will keep current on all additional assessments and other charges posted to the Owner's account during the term of the payment plan, which amounts may but need not be included in calculating the payments due under the plan.

d. *Additional charges*. The Owner is responsible for reasonable charges related to negotiating, preparing and administering the payment plan, and for interest in the amount of 10%, all of which shall be included in calculating the total amount due under the plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the Owner is complying with all terms of a payment plan.

e. *Contact information*. The Owner will provide relevant contact information and keep same updated.

f. *Additional conditions*. The Owner will comply with such additional conditions under the plan as the Board may establish.

g. *Default*. The Owner will be in default under the plan if the Owner fails to comply with any requirements of these rules or the payment plan agreement.

4. Account Sent to an Attorney/Agent for Formal Collections. An Owner does not have the right to a Standard Payment Plan after the 30-day timeframe reference in paragraph 2(b). Once an account is sent to an attorney or agent for collection, the delinquent Owner must communicate with that attorney or agent to arrange for payment of the debt. The decision to grant or deny the Owner an alternate payment plan, and the terms and conditions of any such plan, is solely at the discretion of the Board.

5. Default. If the Owner defaults under any payment plan, the Association may proceed with any collection activity authorized under the governing documents or state law without further notice. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. All late fees and other charges that otherwise would have been posted to the Owner's account may also be assessed to the Owner's account in the event of a default.

   Any payments received during a time an Owner is in default under any payment plan may be applied to out-of-pocket costs (including attorney's fees for administering the plan), administrative and late fees, assessments, and fines (if any), in any order determined by the Association, except that fines will not be given priority over any other amount owed but may be satisfied proportionately (e.g. a $100 payment may be applied proportionately to all amounts owed, in proportion to the amount owed relative to other amounts owed).

6. Board Discretion. The Association's Board may vary the obligations imposed on Owners under these rules on a case-by-case basis, including curtailing or lengthening the payment plan terms (so long as the plan is between 3 and 18 months), as it may deem appropriate and reasonable. The term length set forth in paragraph 3 shall be the default term length absent Board action setting a different term length. No such action shall be construed as a general abandonment or waiver of these rules, nor vest rights in any other Owner to receive a payment plan at variance with the requirements set forth in these rules.

7. Legal Compliance. These payment plan rules are intended to comply with the relevant requirements established under Texas Property Code §209. In case of ambiguity, uncertainty, or conflict, these rules shall be interpreted in a manner consistent with all such legal requirements.

SECTION VIII. VOTING

1. Form of Proxy or Ballot. The Board may dictate the form for all proxies, ballots, or other voting instruments or vehicles. No form other than the form put forth by the Board will be accepted.

2. Deadline for Return of Voting Paperwork. The Board may establish a deadline, which may be communicated on the proxy form, absentee ballot, or otherwise communicated to the membership, for return of electronic ballots, absentee ballots, proxies, or other votes.

SECTION IX. TRANSFER FEES

1. Transfer Fees. In addition to fees for issuance of a resale certificate and any updates or re-issuance of the resale certificate, transfer fees are due upon the sale of any property in accordance with the then-current fee schedule, including any fee charged by the Association's managing agent. It is the Owner/seller's responsibility to determine the then-current fees. Transfer fees not paid at or before closing are the responsibility of the purchasing Owner and will be assessed to the Owner's account accordingly. The Association may require payment in advance for issuance of any resale certificate or other transfer-related documentation.

   If a resale certificate is not requested and a transfer occurs, all fees associated with Association record updates related to the transfer will be the responsibility of the new Owner and may be assessed to the unit's account at the time the transfer becomes known. These fees will be set according to the then-current fee schedule of the Association or its managing agent and may be equivalent to the resale certificate fee or in any other amount.

2. All transfer fees shall be collectible in the same manner as assessments, including lien and other assessment collection rights, to the maximum extent allowed by law. Fees may include working capital or reserve funding fees, resale certificate fees, resale certificate update fees, rush fees, and other such fees.

SECTION X. EMAIL ADDRESSES

1. Email Addresses. An Owner is required to keep a current email address on file with the Association if the Owner desires to receive email communications from the Association. Failure to supply an email to the Association or to update the address in a manner required by these rules may result in an Owner not receiving Association emails. The Association has no duty to request an updated address from an Owner, in response to returned email or otherwise. The Association may require Owners to sign up for a group email, email list serve or other such email subscription service in order to receive Association emails.

2. Updating Email Addresses. An Owner is required to notify the Association when email addresses change. Such notice must be in writing and delivered to the Association's managing agent by fax, mail, or email. In lieu of this in the Association's discretion, if available, an Owner must update his email address through the Association's website, list server, or other vehicle as directed by the Association. Any notice of email change provided to the Association's manager must be for the sole purpose of requesting an update to the Owner's email address. For example, merely sending an email from a new email address, or including an email address in a communication sent for any

other purpose other than providing notice of a new email address, does not constitute a request to change the Owner's email in the records of the Association.

SECTION XI. ENFORCEMENT

Summary of Deed Restriction Enforcement Policy

1. Send Courtesy Warning Letter (curable violations only)
2. Send 209 Violation Notice (In accordance with Texas Property Code Ch. 209)
3. Levy fines and/or damage assessments as appropriate
4. Subsequent Violation Notices (optional)

The Board may vary from this policy on a case-by-case basis so long in the enforcement process meets state law requirements. Variances may include sending no Courtesy Warning Letter, sending more than one, and/or setting fines at levels other than as indicated on the Standard Fine Schedule.

Deed Restriction Enforcement

1. Types of Violations and Acts Covered. The Board has adopted this policy to address situations where an owner has committed a violation of the deed restrictions[2] other than by failing to pay assessments or other sums due to the Association. Delinquency violations are handled by an alternate process.

2. Violation Notices.

   i. Courtesy Warning Letter (curable violations only). Upon becoming aware of a deed restriction violation that is curable (*see* Section 3(i) below) and at the sole option of the Board or management professional, the Association may send a Courtesy Warning Letter requesting that the owner cure that violation by a date certain to avoid fines or other enforcement action.

   ii. 209 Violation Notice. If a violation is not cured in response to any Courtesy Warning Letter or if a Courtesy Warning Letter is not sent, the Board, in addition to all other available remedies, may:

      a. Levy a fine;
      b. Suspend the owner's right to use common area; and/or
      c. Charge the owner for damage to common area.

   Any such action shall be initiated by sending a 209 Violation Notice to the owner. The 209 Violation Notice shall:

      A. Be in writing and sent certified mail to the most current owner address shown on the Association's records;
      B. Describe the violation or property damage at issue;
      C. State any amount due by the owner;
      D. If the violation is curable and does not pose a threat to public health or safety, state a reasonable, specific date by which the owner may cure the violation and avoid a fine;
      E. Inform the owner that he has a right to request a Board hearing to discuss the enforcement action on or before the 30th day after the notice was mailed to the owner (*see* Section 6 below);

[2] This includes instances where the owner is responsible for acts of his or her family members, guests, tenants, or invitees.

F. Inform the owner that he will be responsible for attorney fees and costs incurred in relation to the violation if the violation continues after a specific date. Such fees and costs may be assessed to the owner's account after a hearing is held or, if a hearing is not requested, after the deadline for requesting a hearing has passed[3];
G. Inform the owner that he may have special rights or relief related to enforcement under federal law, including the Servicemembers Civil Relief Act; and
H. Otherwise comply with Section 209 of the Texas Property Code and state law.

iii. Subsequent Violation Notices for repeat violations. If an owner has been sent a 209 Violation Notice for a particular violation and the same violation continues or a similar violation is committed within six months of the 209 Violation Notice, the Association may levy additional fines either with or without notice to the owner. If it desires to send notice of additional fines, the Association shall do so by means of a Subsequent Violation Notice. A Subsequent Violation Notice may be of any form and sent in any manner, as such notices are not required to comply with Section 209 of the Texas Property Code, including the requirements set forth in Section 2(ii) above.

3. 209 Violation Notices – Description of Curable vs. Uncurable Violations.

i. Curable Violation. Curable violations are those that are ongoing or otherwise can be remedied by affirmative action. The following is a non-exhaustive list of curable violations: ongoing parking violations; maintenance violations; failing to construct improvements or modifications in accordance with approved plans and specifications; and ongoing noise violations such as a barking dog.

ii. Uncurable Violation. Uncurable violations include those that are not of an ongoing nature, involve conditions that otherwise cannot be remedied by affirmative action, and those that pose a threat to public health or safety. The following is a non-exhaustive list of uncurable violations: shooting fireworks, committing a noise violation that is not ongoing, damaging common area property, and holding a prohibited.

4. 209 Violation Notices -- When an initial fine or damage assessment may be levied; Board hearings.

i. Curable Violations – Initial Fine. If an owner is sent a 209 Violation Notice for a curable violation and cures that violation by the deadline in such notice, no fine shall be levied. If the owner fails to cure the violation by the deadline, a fine may be levied after the time has lapsed for the owner to request a Board hearing, or, if a hearing is timely requested, after the date the hearing is held, and a decision is made.

ii. Uncurable Violations – Initial Fine/damage assessment. A fine or property damage assessment may be levied in a 209 Violation Notice for an uncurable violation, regardless of whether the owner subsequently requests a Board hearing.

iii. Subsequent Fines. This Section 4 does not apply to fines levied after the initial fine. (*See* Section 2(iii) – Subsequent Violations, above.)

5. Standard Fine Schedule. Below is the Standard Fine Schedule for deed restriction violations. *The Board may vary from this schedule on a case-by-case basis (i.e., set fines higher or lower than indicated below), so long as that decision is based upon the facts surrounding that particular violation. The Board may also change the fine amounts in this Standard Fine Schedule at any time by resolution.*

[3] This notice is required only if the association wishes to charge attorney's fees and costs to the owner's account.

i. Curable Violations.

Courtesy Warning Notice:	No fine.
209 Violation Notice:	$25.00 fine (daily/weekly or one-time); and/or Suspension of common area usage rights.
Subsequent Violation Notices:	$50.00 fine (daily/weekly or one-time); $100.00 fine (daily/weekly or one-time); $125.00 fine (daily/weekly or one-time); (Increases $25.00 for each additional notice).

ii. Uncurable Violations.

209 Violation Notice:	$50.00 fine; or Property damage assessment.
Subsequent Violation Notices:	$75.00 fine; $100.00 fine; $125.00 fine; (Increases $25.00 for each additional notice).

6. **Hearings.** If a Member receives a 209 Violation Notice and requests a hearing in a timely manner, that hearing shall be held in accordance with Section 209.007 of the Texas Property Code. The Board may impose rules of conduct for the hearing and limit the amount of time allotted to an owner to present his information to the Board. The Board may either make its decision at the hearing or take the matter under advisement and communicate its decision to the owner at a later date.

7. **Authority of agents.** The management company, Association attorney, and other authorized agents of the Association are granted authority to send violation notices, levy fines according to the Standard Fine Schedule, and levy property damage assessments, all in accordance with this Enforcement Policy. Such parties may act without any explicit direction from the Board and without further vote or action of the Board. The enforcing party shall communicate with the Board and/or certain designated officers or agents on a routine basis with regard to enforcement actions. The foregoing notwithstanding, the Board reserves the right to make decisions about particular enforcement actions on a case-by-case basis at a properly noticed meeting if and when it deems appropriate.

8. **Future changes in state law.** This Deed Restriction Enforcement Policy is intended to reflect current state law requirements, including those established under Section 209 of the Texas Property Code. If such laws are changed in the future, this policy shall be deemed amended to reflect such changes.

9. **Force mows and other self-help enforcement action.** Notwithstanding other language herein, the management company, Association attorney, or other authorized agent of the Association is granted authority to carry out force mow or self-help remedies on behalf of the Association, in accordance with any procedure described in the Declaration or other governing documents. (Declaration §4.04(I)).

10. **Authority of agents**. The management company, Association attorney, or other authorized agent of the Association is granted authority to carry out this standard enforcement and fining procedure absent express direction otherwise from the Board, without further vote or action of the Board. This authority notwithstanding, the management company or Association attorney shall

communicate with the Board and/or certain designated officers or agents on a routine basis with regard to enforcement actions, and the Board reserves the right to establish further policies with regard to enforcement efforts generally and to make decisions about particular enforcement actions on a case-by-case basis if and when it deems appropriate.

XII. SATELLITE DISHES/ANTENNAE

1. General. Satellite dish antennas with a diameter of one meter (39.37 inches) or less used to receive video (or other antennas whose installation is protected under Federal law or regulations) may be installed outside a home without prior approval from the Board or ARC, so long as the antenna is installed at the location with the highest placement priority (see Placement Acceptability Lists in paragraphs 2 and 3 below, as appropriate) that affords a viable signal and will not result in an unreasonable expense.

2. Placement Acceptability List: Interior Lots. The prioritized placement acceptability list for homes on interior lots is as follows:

    1) **Rear Yard Fascia.** Anywhere on the roofline fascia that faces the rear of the lot.
    2) **Lower Rear Portion of Roof.** On the portion of the roof that slopes toward the rear of the lot and within 15 feet of the rear roofline.
    3) **Side Yard Fascia (as far back as possible).** On the roofline fascia facing either side of the lot, except that *the mounting location must be as close to the rear roofline as possible* while still permitting adequate signal strength.
    4) **Roof (as hidden as possible).** Any location on the roof of the home, except that the mounting location *must be as hidden as possible from the front of the lot* while still permitting adequate signal strength.
    5) **Ground Mounted & Screened.** Ground-mount on the lot in an area that is not visible from the street, is wholly contained on the homeowner's lot, and is appropriately screened from view.
    6) **Any Other Lot Location.** Any other location on the home or lot.

3. Placement Acceptability List: Corner Lots. The prioritized placement acceptability list for homes on corner lots is as follows:

    1) **Rear Yard Fascia (away from side street).** On the roofline fascia that faces the rear of the lot *and* within 15 feet of the side of the home that does not face to a street.
    2) **Lower Rear Portion of Roof (away from side street).** On the portion of the roof that slopes toward the rear of the lot, within 15 feet of the rear roofline, *and* within 15 feet of the side of the home that does not face to a street.
    3) **Side Yard Fascia (away from side street; as far back as possible).** On the roofline fascia facing the side of the lot that does not face a street, except that the mounting location *must be as close to the rear roofline as possible* while still permitting adequate signal strength.
    4) **Roof (as hidden as possible).** Any location on the roof of the home, except that the mounting location *must be as hidden as possible from the front of the lot and the side of the lot that faces the street* while still permitting adequate signal strength.
    5) **Ground Mounted & Screened.** Ground-mount on the lot in an area that is not visible from a street, is wholly contained on the homeowner's lot, and is appropriately screened from view.
    6) **Any Other Lot Location.** Any other location on the home or lot.

4. General. This rule applies prospectively from the date of adoption of these rules, but the Owner of any antenna or dish installed prior to the adoption of this rule is requested to comply with this rule voluntarily for the benefit of the neighborhood. Replacement antennas or dishes (replacements of an antenna or dish installed prior to adoption of these rules) are *not* "grandfathered" and must

comply with these rules. After the date of adoption of this rule, should an Owner fail to install an antenna or dish according to the highest priority location noted above, upon request of the Association, an Owner must provide confirmation from an industry professional reasonably acceptable to the Association that placement of the antenna at the location(s) higher on the priority list would have precluded a quality/viable signal or would have unreasonably increased the cost of installation. If evidence indicates that a quality/viable signal is achievable at a higher priority location, and the initial installation of the antenna or dish at this location would not have unreasonably increased the cost of installation over and above the cost of installation at its location, the Owner must at the Owner's expense move the dish or antenna to the highest priority location at which a quality/viable signal is achievable.

XIII. GENERATORS

1. General. Unless otherwise approved in writing by the ACC, which approval may be denied, approved, or approved with conditions, an Owner may not install a standby electric generator on the common area, or any other property owned or maintained by the Association.

2. Scope of Rule. Only a standby electric generator may be used to provide backup electric service to a residence. A "standby electric generator" means a device that converts mechanical energy to electric energy and is:

    a. Powered by natural gas, liquefied petroleum gas, diesel fuel, or hydrogen;
    b. Fully enclosed in an integral manufacturer-supplied sound attenuating enclosure;
    c. Connected to the main electrical panel of a residence by a manual or automatic transfer switch;
    d. Rated for a generating capacity of not less than seven (7) kilowatts; and
    e. Permanently installed on a lot.

3. Conflict with Other Provisions. Per state law, this rule relating to standby electric generators controls over any contrary provision in the Association's governing documents.

4. Prior Approval Required. Prior to the installation of any standby electric generator (or any part thereof), an owner must receive written approval the ACC. Owners wishing to install standby electric generators must submit plans and specifications to the ACC. The following requirements apply to plans and specifications:

    a. An owner must provide a reasonably accurate and scaled schematic of the lot showing the property boundaries of the lot and the location of the residence, other permanent structures, fencing, and any adjoining streets.
    b. The schematic must also contain a scaled drawing of the generator at the proposed location and indicate the distance (in feet and inches) from the closest rear and side lot line.
    c. All other applicable information typically required by the Association for architectural approval (e.g., color samples, samples of screening materials, etc.) and necessary to ensure compliance with this rule must also be provided.

5. Installation. The following installation requirements apply to standby electric generators:

    a. Installation must be done in compliance with the manufacturer's specifications and applicable governmental health, safety, electrical, and building codes.
    b. All electrical, plumbing, and fuel line connections must be installed by a licensed contractor.

c. All electrical connections must be installed in accordance with applicable governmental health, safety, electric, and building codes.
d. All natural gas, diesel fuel, biodiesel fuel, or hydrogen fuel line connections must be installed in accordance with applicable governmental health, safety, electrical, and building codes.
e. All liquefied petroleum gas fuel line connections must be installed in accordance with rule and standards promulgated and adopted by the Railroad Commission of Texas and other applicable governmental health, safety, electrical, and building codes.
f. If a generator uses a fuel tank that is separate from the generator (i.e., the tank is not manufactured as an integral part of the generator system), the fuel tank must be installed in compliance with municipal zoning ordinances and governmental health, safety, electrical, and building codes.

6. Maintenance. The following maintenance requirements apply to standby electric generators:

a. The generator and its electrical and fuel lines must be maintained in good condition at all times, including maintenance that is in compliance with the manufacturer's specifications and applicable governmental health, safety, electric, and building codes.
b. Any deteriorated or unsafe component of a standby electric generator, including electrical and fuel line, must be promptly repaired, replaced, or removed.
c. A generator may be tested for preventative maintenance only between 9:00AM and 6:00PM and not more frequently than suggested by the manufacturer.

7. Location. The following requirements apply to the location of a standby electric generator:

a. Generators must be located in the rear yard area of the lot (behind the rear-most building line of the home) in an area that is not visible from the street, any common area, or any other lot from ground level (i.e. not visible from the first story or yard of any neighboring home.)
b. The ACC has no duty to but may in its discretion authorize a variance to allow the generator to be located in an area other than as described in subsection (a) if the ACC deems that a variance is appropriate for topographical or other considerations, and a plan for adequate screening of the generator is submitted and approved[4].
c. Generators are expressly prohibited from being located on Association common areas or any other areas maintained by the Association.
d. No portion of the generator may be installed within any applicable setback.

8. Screening. If the owner proposes to install the generator in an area that is visible from the street, another residence, or the common area, the owner's plans submitted for approval must detail the proposed screening, including dimensions and type of all landscaping (as-installed dimensions), and color, materials, and dimensions of any proposed screening structures. As installed the generator must be wholly screened from view of any street faced by the dwelling, any adjoining residence (from ground level), and any common area.

9. Allowable Use. A standby electric generator may not be used to generate substantially all of the electrical power to a residence except when utility-generated electrical power is unavailable or intermittent due to causes other than nonpayment for utility service to the residence.

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[4] Also, per state law, the ACC will authorize a variance to install the generator in an alternate location if the owner can document in a format reasonably acceptable to the ACC that locating the generator in the rear yard area will increase the cost of installing the generator by more than 10% or increase the cost of installing and connecting fuel lines by more than 20%. If an owner is entitled to a variance under this provision, the screening requirements outlined in this rule remain applicable.

XIV. SOCIAL MEDIA

1. General. The Association may choose to utilize social media, for example in the form of a website, Facebook page, newsletter, or other publication. Any such media will be created by or on behalf of the association solely for informational purposes. The Board in its sole discretion will determine the presence of any violation of these rules.

2. Individual Member use of Social Media. Without prior written approval from the Association, no member may create or cause to be created a website, Facebook page, newsletter or any form of social media that utilizes or refers to Esperanza Community Association, Esperanza HOA, or any similar name, or otherwise implies or may reasonably cause confusion as to affiliation with the Association.

   Any media published by or at the behest of a Member referencing the Association must have, on its home page or if in hard copy the first page, a clear and conspicuous statement in bold and in a font larger than all other font on the page that the media is "**Not approved by or affiliated with the Esperanza Community Association**."

3. Authorized Users. Only Members of the Association may post on the Association's social media. No non-member, including tenant, may post on any Association social media. The Association may establish and require use of passwords or other log-ins. Members may not share their passwords or other log in information with anyone else.

4. Denying Access. If the Member is in violation of any governing document of the Association including these social media rules, the Members' social media access may be revoked temporarily or permanently. Unless otherwise approved by the Association, any revocation shall be for a six-month term.

5. Content of postings. All posted content on Association social media must be courteous and neighborly. No Member or Association representative has the right to abuse another, or the duty to tolerate abuse. Content includes all posted materials, including written, audio recordings, photographs, or any other content.

6. Prohibited conduct. Without limitation, the following content is expressly prohibited:

   a. Insults, derogatory name-calling, abusive, discourteous, or threatening content;
   b. cursing;
   c. aggressive and/or threatening language;
   d. sexual harassment or other lewd content;
   e. content that is harassing, intimidating, discriminatory or unlawful;
   f. alleging violations of the Association's governing documents. Association social medial is not the forum for this. Report violations to the Association's managing agent;
   g. Content for purposes of or that may reasonably be perceived as for the purpose of spam, advertising or other commercial endeavor (not including a Member's request for referrals and response to them regarding residential service providers such as lawn services, etc.);
   h. Content that may reasonably be perceived as violating a Member's expectation of privacy, such as publishing an address, physical description, birthdate, or other such information;

7. Proper Communication Channels. The Association's social media page is not the proper forum for requesting services, filing complaints, or reporting violations. All such communications must be submitted only directly to the Association's managing agent.

8. Association Monitoring. The Association has no duty to but may in its discretion monitor and/or remove, without notice, content posted to the Association's social media.

9. No Endorsement; limitation of liability. No material on Association social media may be considered an endorsement – the Association makes no endorsements. The Association expressly disclaims any and all liabilities associated with the content of its social media, including for offensive or otherwise inappropriate content. **The Association is not liable for any damages of any nature related to its social media regardless of knowledge of content of postings – the Association has no duty to monitor or edit postings.** The Association in no way warrants the accuracy or truthfulness of content on its social media, regardless of who the posting party was. All information may be incomplete or out of date. The Association may discontinue use of social media at any time.

10. Board member or Voting Representative postings. Without the written approval of the Board, no Board member or Voting Representative may post or cause to be posted to Association-affiliated or any other social media any content obtained as a result of his or her presence on the Board or as a Voting Representative. This includes without limitation draft documents, correspondence between Board members or Voting Representatives or between Board members or Voting Representatives and agents of the Association, or any other such content. Any content a Board member or Voting Representative desires to post without Board approval must be obtained in the same manner as any other Association Member would obtain Association records.

    A variety of opinions is valuable on the Board and among Voting Representatives. However, when a decision is made by Board or Voting Representative vote with which any Board or Voting Representative disagrees, that person shall accept the vote and in no event shall disparage any other director, Voting Representative, or any agent of the Association or participate in or encourage activities or action contrary to the Board or Voting Representative decision or foment, encourage, or participate in opposition to a board or Voting Representative decision. At all time, interests of the Association must be placed above personal opinion or interests.

EXHIBIT B

TABLE OF RULES AND REGULATIONS

After recording, please return to:
James D. Plasek
Lookout Development Group, L.P.
1001 Crystal Falls Parkway
Leander, Texas 78641

File Server:CLIENTS:Esperanza (Lookout):Rule Restatement Sept 2015:RulesRegulations9-15.doc

Doc # 00341787
Vol 1760 Pg 808

Esperanza Community Association, Inc.
Table of Rules and Regulations

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1	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. (replaced by item #2 below)	ESPERANZA, PHASE 1	00291254	KENDALL	3/20/2015	1459/244
2	RESTATED RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. (replaced by item #8 below)	ESPERANZA, PHASE 1	00296539	KENDALL	10/6/2015	1491/67
3	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. May 2017 (replaced by item #8 below)	ESPERANZA 1.787 Acres	00311832	KENDALL	5/15/2017	1580/485
4	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. May 2019 (replaced by item #9 below)	ESPERANZA, PHASE 1B	00331489	KENDALL	6/6/2019	1694/1117
5	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. January 2017 (replaced by item #8 below)	ESPERANZA, PHASE 2A	00308679	KENDALL	1/25/2017	1562/708
6	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. December 2018 (replaced by item #8 below)	ESPERANZA, PHASE 2B	00326988	KENDALL	12/20/2018	1669/345
7	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. December 2018 (replaced by item #8 below)	ESPERANZA, PHASE 2D	00326989	KENDALL	12/20/2018	1669/364
8	AMENDED AND RESTATED RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. FOR PHASE 1, PHASE 1B, PHASE 2A, PHASE 2B, PHASE 2D AND THE ESPERANZA 1.787 ACRE TRACT September 2019 (replaced by item #9 below)	ESPERANZA PHASE 1, PHASE 1B, PHASE 2A, PHASE 2B, PHASE 2D AND THE ESPERANZA 1.787 ACRE TRACT	00334487	KENDALL	9/13/2019	1713/1024
9	AMENDED AND RESTATED RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. FOR PHASE 1, PHASE 1B, PHASE 2A, PHASE 2B, PHASE 2D, PHASE 2E AND THE ESPERANZA 1.787 ACRE TRACT April 2020	ESPERANZA PHASE 1, PHASE 1B, PHASE 2A, PHASE 2B, PHASE 2D, PHASE 2E AND THE ESPERANZA 1.787 ACRE TRACT	see applicable cover page for document #	KENDALL	see applicable cover page for recording date	see applicable cover page for Vol/Page #
10	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. FOR ESPERANZA PHASE 1C April 2020	ESPERANZA PHASE 1C	see applicable cover page for document #	KENDALL	see applicable cover page for recording date	see applicable cover page for Vol/Page #
11	RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. FOR ESPERANZA PHASE 2C April 2020	ESPERANZA PHASE 2C	see applicable cover page for document #	KENDALL	see applicable cover page for recording date	see applicable cover page for Vol/Page #

Esperanza Community Association, Inc.
Table of Rules and Regulations

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12	FACILITY USER RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. August 2019 (replaced by item #13 below)	ESPERANZA PHASE 1, PHASE 1B, PHASE 2A, PHASE 2B, PHASE 2D AND THE ESPERANZA 1.787 ACRE TRACT	00334244	KENDALL	9/3/2019	1712/446
13	AMENDED AND RESTATED FACILITY USER RULES AND REGULATIONS OF ESPERANZA COMMUNITY ASSOCIATION, INC. FOR ESPERANZA PHASE 1, PHASE 1B, PHASE 1C, PHASE 2A, PHASE 2B, PHASE 2C, PHASE 2D, PHASE 2E AND THE ESPERANZA 1.787 ACRE TRACT May 2020	ESPERANZA PHASE 1, PHASE 1B, PHASE 1C, PHASE 2A, PHASE 2B, PHASE 2C, PHASE 2D, PHASE 2E AND THE ESPERANZA 1.787 ACRE TRACT	see applicable cover page for document #	KENDALL	see applicable cover page for recording date	see applicable cover page for Vol/Page #

Filed & Recorded in:

KENDALL COUNTY
DARLENE HERRIN
COUNTY CLERK

05/13/2020 09:58AM

Document Number : 00341787
Total Fees : $110.00

Receipt Number - 109700
By Deputy: Paula Pfeiffer

This Document has been electronically received by this Office for Recording into the Official Public Records.

We do hereby swear that we do not discriminate due to Race, Creed, Color, Sex or National Origin.

STATE OF TEXAS, COUNTY OF KENDALL
I hereby certify that this instrument was e-filed in File Number Sequence on the date and at the time stamped hereon and was duly recorded in the OFFICIAL RECORDS Records of Kendall County, Texas on

05/13/2020
DARLENE HERRIN, COUNTY CLERK
Kendall County, Texas

By: Paula Pfeiffer Deputy