

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This report is prepared and issued by the developer of this subdivision. It is not prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a Lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you receive this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two years from the date of signing.

Name of Subdivision: **Three Lakes Ranch**
Name of Developer: **LSLP Centerville Land, LLC**
Date of This Report: **May 3, 2022**

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In this Property Report, the words, “you” and “your” refer to the buyer (“Purchaser”). The words “we”, “us”, and “our” refer to the Developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value that your Lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your Lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your Lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact will depend on the location, size, planning, and extent of development. Subdivisions that adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your Lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

WARNINGS

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This Report covers 182 Lots (“Lots”) being developed within the community to be known as Three Lakes Ranch (the “Subdivision”). The Subdivision is located in Centerville, Leon County, Texas. The Subdivision is planned to consist of a single phase comprised of only the 182 Lots included herein; however, the Developer may, in its sole discretion, adjust the number of phases and Lots being offered in the Subdivision in the future by annexing additional property or reducing the number of Lots.

LSLP Centerville Land, LLC, a Delaware limited liability company, is the owner and Developer of the Lots in Three Lakes Ranch (“Developer”). Three Lakes Ranch is a newly planned subdivision and the Developer is a newly-formed entity.

See Page 41 for a listing of the Lots.

The Developer of Three Lakes Ranch is:

LSLP Centerville Land, LLC
Located at:
126 North Commerce Street
Centerville, TX 75833
Telephone: 800-511-2430

Answers to questions and information about the Subdivision may be obtained by telephoning the Developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use and enjoy the property. A contract or agreement to buy a Lot may give you possession but does not give you legal title. You will not have legal title until you receive a valid deed. A restriction or an encumbrance on your Lot, or on the Subdivision, in which the Lot is located, could adversely affect your title.

Here, we will discuss the Three Lakes Ranch Subdivision Earnest Money Contract ("Contract") you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your Lot and some important facts about payments, recording and title insurance.

METHOD OF SALE

The following is provided as a cursory summary of the sales contracting process. Please review your sales contract for complete terms and conditions.

Sales Contract and Delivery of Deed

You will be required to execute a Contract in the form provided by the Developer in order to purchase your Lot. The Developer will be the "Seller" under the Contract. At the time you sign the Contract, you will be required to pay a minimum ten (10%) percent of the total sales price of your Lot as a down payment (the "Earnest Money") which will be held in escrow by the Escrow Agent (as defined below). You will be required to pay the balance of the purchase price in full at closing which is the time title is transferred to you. Closing will occur at the offices of the Escrow Agent, Inland Title of Texas, located at 14101 U.S. Hwy 290 West, Suite 500-A, Austin, TX 78737. If you fail to make your payments required by the Contract, you may lose your Lot and all monies paid.

The Developer is not offering financing to purchasers. However, Purchasers may finance the purchase of their Lot through a third party that offers financing to qualified purchasers. A provision providing for such third party financing is contained in the Contract. If Purchaser requires third party financing for the purchase of their Lot, Purchaser must apply for such third party financing within three (3) days from the Contract Date, as defined in the Contract, and shall make every reasonable effort to obtain the same without delay. If Purchaser does not obtain a commitment from a lender for such third party financing within seven (7) days from the Contract Date, the Purchaser may cancel the Contract and receive a refund of its Earnest Money by providing Developer with written notice of its intent to do so or the financing contingency shall be waived; however, if failure to apply for or obtain such third party financing within the specified time is due to a lack of diligence or inaction on the part of Purchaser, and is not due to any delay caused by Developer, then Developer may elect to terminate the Contract and retain the Earnest Money as liquidated damages.

Developer intends to deliver to Purchaser at Closing a Special Warranty Deed ("Deed"), free and clear of liens and encumbrances, except those listed in the Contract as "Permitted Exceptions" to title, including restrictions, easements, and covenants of record, and any purchase money mortgage Purchaser may obtain to finance the purchase of their Lot. Closing shall be on or before the last to occur of (the "Closing Date"): (a) forty-five (45) days from the Contract Date as defined in the Contract; (b) within seven (7) days after objections to title and survey have been cured, if Developer elects to cure such objections; or (c) up to five (5) days after the date provided in (a) or (b) above if financing approval has been obtained pursuant to the terms of the Contract and only if necessary to comply with lender's closing requirements. In any event, so long as the Purchaser is not in default under the Contract or is the cause of any delays in Closing, Developer intends and will deliver the Deed transferring title to Purchaser at Closing within one hundred eighty (180) days of the date the Purchaser first signs a Contract.

Costs payable by Purchaser at closing include, but are not limited to: tax statements, escrow fees, preparation of the Deed, preparation of any real estate lien note, preparation of any deed of trust, the cost of Title Policy, any mortgagee title policy, recording of Deed, recording of any deed of trust, loan origination fee, appraisal fees, and other expenses stipulated to be paid under other provisions of the Contract.

Other than the warranty to be contained in the Deed and Developer's express written representations, warranties and covenants, if any, as expressly set forth in the Contract, the sale of the Lot is being made "AS IS", "WHERE IS" without representation or warranty, express or implied and with all faults. Purchaser will represent in the Contract that Purchaser has or will have the right to conduct its own independent examination of the Lot and is relying on that examination to satisfy itself as to the condition and status of the Lot. Purchasers should carefully review Section 8 of the Contract related to Property Condition prior to purchasing a Lot.

The foregoing disclosures are set forth as a cursory outline of the sales contract process. Purchasers are encouraged to carefully review their Contract and any restrictions for additional requirements that may be imposed on the purchase and use of their Lot.

Type of Deed

The transfer of legal title to Purchasers will be accomplished by a Special Warranty Deed conveying fee simple title.

Oil, Gas and Mineral Rights

All oil, gas, and minerals rights and reasonable use of the surface by the mineral owner to produce the minerals in accordance with the Rules and Regulations of the Texas Railroad Commission have been reserved and Purchasers will not be entitled to or receive any such rights. The exercise of oil, gas and mineral rights by the holders of said rights could affect the use, enjoyment and value of a Lot.

ENCUMBRANCES, MORTGAGES AND LIENS

All property in the Subdivision is subject to a Deed of Trust securing a Construction Loan:

Type of Lien	Date	Principal Amount	Beneficiary
Deed of Trust, Security Agreement – Financing Statement	March 2, 2022	\$12,909,501	Frost Bank

Release Provisions

Individual Lots may be released by Frost Bank (the “Lender”) from the liens securing the above-referenced loan upon Developer’s written request and payment of a release price. Upon Developer’s payment of the full amount advanced by Lender to it, Lender shall release any remaining unsold Lots. The release provisions are set forth in the Construction Loan Agreement, which is not a recorded document; therefore, they may not be honored by subsequent holders of the loan. If they are not honored, you may not be able to obtain clear title to a Lot covered by this loan until we have paid the balance of the loan in full, even if you have paid the full purchase price of the Lot. If we should default on the loan prior to obtaining a release of your Lot, you may lose your Lot and all monies paid.

The release provisions may be exercised only by us. Therefore, if we default on the Deed of Trust before obtaining a release of your Lot, you may lose your Lot and any monies paid for it.

RECORDING THE LOT PURCHASE AGREEMENT AND DEED

Method or Purpose of Recording

Under Texas law, the recording of your Deed will protect you from subsequent creditors of the Developer. Your contract will not be recorded as it is not in recordable form. The Developer will deliver you a Special Warranty Deed at the closing. The Deed will be recorded upon closing by the title company on behalf of the Purchaser. Purchaser will be responsible for the cost of recording the Deed in its closing costs. The estimated price of recording the Deed is \$100.00. This fee is subject to change and is not set or controlled by the Developer and this cost may change at any time.

UNLESS YOUR CONTRACT OR DEED IS RECORDED YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE PROPERTY.

Title Insurance

Purchaser will receive a title insurance policy at Purchaser's expense. The Developer estimates the title insurance policy to cost 1% of sales price. The Developer does not set the costs related to obtaining a title insurance policy and such costs are subject to change at any time. Purchaser should carefully review a title insurance commitment affecting their Lot with an appropriate professional prior to closing and the policy at closing to determine any other matters that may affect their Lot.

PAYMENTS

Escrow

The Earnest Money or payment in full for the Lot, as the case may be, will be deposited into an escrow account administered by Inland Title of Texas (the "Escrow Agent"), located at 14101 U.S. Hwy 290 West, Suite 500-A, Austin, TX 78737. The Escrow Agent is an affiliate of the Developer; however, the terms of the Contract allow the Purchaser to receive a refund of its Earnest Money in the event the Developer fails to convey title to the Lot in accordance with the terms of the Contract or the Developer defaults on an obligation in the Contract which would entitle the Purchaser to a refund of its Earnest Money under the terms of the Contract or if the Purchaser is otherwise entitled to a refund of its Earnest Money under the terms of the Contract. Developer does not receive Purchaser's money from the escrow account until it has delivered a Deed to the Lot to Purchaser at Closing. Notwithstanding the foregoing, if Purchaser uses a credit card to pay the Earnest Money, such monies will be paid to Developer and held by Developer in accordance with the terms of the Contract and credited to Purchaser at Closing. If the Contract is terminated, all of Developer's processing fees incurred by the credit card transaction will be charged to Purchaser and such processing fees may be withheld from the refund of Earnest Money for the benefit of Developer. If you pay the Earnest Money with a credit card you may lose your Earnest Money on your Lot if we fail to deliver legal title to you as called for in the Contract, because it is not held in an escrow account which fully protects you. Any such event would be a breach of the Contract by the Developer, as Seller, and the Developer has no intention of taking any such actions.

Prepayments

Developer is not offering financing to Purchasers. If Purchaser purchases their Lot in cash from the Developer there will be no prepayment penalties since full payment of the balance of the purchase price will be made at Closing. If Purchaser finances their

purchase through a third party lender, Purchaser should inquire about said lender's policies regarding prepayment penalties.

Default

If Purchaser fails to comply with the terms of the Contract, Developer may either (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate the Contract and receive the Earnest Money as liquidated damages, thereby releasing both parties from the Contract.

It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Developer and Purchaser related to the Contract not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation will bear the mediation costs equally. This does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

All Purchasers should carefully review the Contract as well as all financing documents from any third-party lender, if applicable, to determine what rights the Developer or a lender has in the event of your default.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

The Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens for Three Lakes Ranch Subdivision (the "Declaration") has been or will be recorded with the Leon County, Texas Clerk's Office. In any event, the Declaration will be recorded prior to the time that the first Lot is conveyed. The Developer intends to record the Declaration prior to the sale of the first Lot in Three Lakes Ranch. However, until such time as the Declaration is recorded, there is no assurance the restrictions and covenants contained therein will be applied uniformly. Until such time as the Declaration is recorded, the restrictions and covenants contained therein may be changed and that they may be difficult to enforce. Notwithstanding the foregoing, the Developer has prepared the Declaration which is intended to be recorded before the sale of the first Lot in the Subdivision, a cursory summary of some of the terms of which will be summarized below.

The Declaration imposes general restrictions and easements over the Subdivision, the Lots and Common Areas. All of the capitalized terms not defined in this section shall have the same meaning as in the Declaration. A complete copy of the Declaration is available upon request. Certain of those provisions in the Declaration which require Purchaser to secure permissions, approvals or take other action prior to using or disposing of their Lot will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the Declaration and should not be a substitute for a

Careful review and study of the full Declaration by Purchaser and Purchaser's advisors or legal counsel.

The Declaration provides for the creation of the Architectural Control Committee ("ACC"). The ACC shall be the Developer at least until the Control Transfer Date (as defined below) and thereafter by a committee initially appointed by the Developer to review and approve plans for construction of Improvements. No Improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made to the exterior design or appearance of any Improvement, without first obtaining the Developer's (prior to the Control Transfer Date) or the ACC's written approval. No demolition or destruction of any Improvement by voluntary action shall be made without first obtaining the Developer's (prior to the Control Transfer Date) or the ACC's written approval. The ACC authority of the Developer shall cease upon the appointment of a three (3) member ACC by the Developer; however, the Developer shall continue to have ACC authority as to any Plans and Specifications or Construction projects submitted to the Developer prior to the initial appointment of the ACC members. After the initial members of the ACC are appointed by the Developer, the Developer shall cause an instrument transferring ACC authority to the Association to be recorded in the Official Public Records of Leon County, Texas. Subsequent appointments of the ACC members shall be by the Board of Directors. The ACC members shall serve staggered terms with the first term ending on the date of the next succeeding annual meeting of Members following the Control Transfer Date. After the Control Transfer Date, each Member of the ACC appointed by the Board must be an Owner of a Lot in the Subdivision. As used throughout this section, ACC shall mean the Developer or the members of the ACC, as applicable.

Each application made to the ACC for approval, shall contain an application in the form specified by the ACC, two sets of professionally drawn Plans and Specifications for all proposed Improvements, showing the location of all Improvements on the Lot, and any applicable fees or deposits together with such other reasonable necessary information as the ACC requests. These plans must be submitted in PDF format to the ACC. A non-refundable fee of two hundred and fifty dollars (\$250.00) is required at time of plan submittal to cover administrative costs involving the home plan approval process. A deposit of one thousand dollars (\$1,000.00) must be paid at the time Plans and Specifications are submitted for the construction of a new residence, barn, workshop or storage building. This deposit will be held for the purpose of securing an Owner's performance, during the construction process, of the obligations imposed by the Declaration, for wear and tear on the Subdivision roads by construction equipment and construction traffic, and for damage to the Common Area. Owners shall be responsible for any damage caused to the roads by construction equipment or trucks making deliveries to their Lots. Upon completion of construction, the Owner will be refunded the deposit less any obligations incurred as a result of any uncured violation of the Declaration, any damage to the roads of the Subdivision and any damage to the Common Area. A boat dock (as permitted in the Declaration, and discussed below) may be installed by the Owner of a lakefront Lot with written approval of the ACC. Plans and Specifications for a boat dock must be submitted in PDF format to the ACC. A non-refundable fee of

one hundred and twenty-five dollars (\$125.00) is required at time of plan submittal to cover administrative costs involving the boat dock approval process.

All approvals or disapprovals issued by the ACC shall be in writing. In the event the ACC fails to approve or disapprove any request received by it within thirty (30) days following the submission of a completed application and full compliance with the Declaration, such request shall be deemed approved and the construction of any Improvements may commence in accordance with the Plans and Specifications submitted for approval. Any ACC approval obtained as a result of inaction by the ACC shall not authorize the construction of any Improvement in violation of the Declaration. The granting of an ACC approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the ACC that the proposed Improvement to be erected complies with the Declaration; and such approval shall not prevent the Association from requiring removal of any Improvement which fails to comply with the Declaration.

The ACC or the Developer, may on a case-by-case basis, authorize variances from the requirements of the Declaration if, in the reasonable opinion of the ACC or the Developer, the Declaration unreasonably restrains the development of a Lot in accordance with the general scheme of the Subdivision. The Developer will retain the right to grant variances after the Control Transfer Date so long as the Developer continues to own a Lot or Common Area in the Subdivision. All variances shall be in writing and signed by the Developer or if granted by the ACC then it must be signed by at least two (2) members of the ACC.

The Declaration contains general standards for building improvements and use restrictions on all property within the Subdivision including but not limited to:

Building Restrictions

Except as specifically set forth in the Declaration, all Lots must be used for single-family residential purposes only. Only one single-family residence for each Lot is permitted; however, up to three (3) structures, such as the main residence, outbuilding, storage building, barn, guest quarter, and detached garage, may be constructed on a Lot. Every single-family dwelling shall contain at least twelve hundred (1,200) square feet of living area within its outside walls. No Improvement shall be erected, altered or placed on any Lot which exceeds the lesser of forty feet (40') in height (measured from the ground to the topmost part of the roof) or 2½ stories in height. A guest quarter may be built upon each Lot provided the guest quarter contains no less than five hundred (500) square feet and is no more than half the size of the main residence. A guest quarter must be built along with or after the construction of the main residence and may not be built or occupied prior to the main residence unit being occupied. Guest quarters must be constructed with material harmonious with the main dwelling. A guest quarter shall not be rented for income, unless it is rented along with the main residence.

Guest quarters located inside of a barn which is constructed on a Lot shall be allowed, so long as the guest quarters are not used as a permanent residence. Guest

quarters shall not be rented for income, unless it is rented along with the main residence, and cannot compromise more than fifty percent (50%) of the interior space of such barn. Such guest quarters may be used as a “weekend getaway” for such Lot Owner prior to the construction of the main residence but cannot be as used as a Lot Owner’s permanent residence; this prohibition applies even on a temporary basis when the main residence is being constructed.

One permanent metal, rock, brick, stucco and/or hardiplank barn or workshop shall be allowed but it must have the required three foot (3’) masonry wainscoat on all sides. Barns shall not exceed 3,600 square feet on Lots that are greater than 5 acres. Barns located on Lots that are 4.99 acres or less shall not exceed 2,400 square feet. Such structures must be located behind the main residence and may be constructed on the Lot prior to the main residence being constructed or occupied. No portable storage buildings shall be allowed.

All single family residential units, except an approved guest quarter, must have a garage or carport. All garages and carports must be constructed out of the same materials as used for the main residence. All garages must open from the side or rear of the residence.

All Improvements must be built with new construction materials and must be built in place on the Lot. All construction materials used shall be of materials such as wood, rock, brick, hardiplank, stucco or metal. The use of aluminum siding or vinyl siding is prohibited. The ACC may authorize the use of other materials on a case by case basis.

Any construction of any Improvement shall be completed, as to the exterior, within twelve (12) months from the slab being poured and must be built to applicable building and windstorm/food codes.

No temporary structure, whether trailer, motor home, recreational vehicle, tent, basement, shack, garage, barn or other outbuilding will be allowed on any Lot at any time as a residence, either temporarily or permanently, except as otherwise provided in the Declaration. No Lot shall be used as a camping ground, and no tent camping is allowed. Prior to the construction of a residence on a Lot, an Owner may use a recreational vehicle camper or motor home (“Recreation Vehicle” or “RV”) for camping purposes no more than seven (7) days out of any thirty (30) day period and no more than twenty-five (25) days per year. TEMPORARY RV CAMPING OR USING ANY TYPE OF RECREATIONAL VEHICLE, WILL NO LONGER BE PERMITTED, ONCE EIGHTY (80) OR MORE RESIDENCES HAVE BEEN BUILT ON THE LOTS IN THE SUBDIVISION. With written approval from the ACC, an RV may be used as a temporary residence during construction, not to exceed twelve (12) months, provided an approved septic system has been installed for the RV and the RV is placed at the rear of the construction site.

Temporary structures, including a business office, portable restroom facilities, or construction storage facilities may be located on a Lot while the main residence for a Lot is actively under construction, provided that such are removed upon substantial

completion of construction and are not located on a Lot for longer than the time allowed for construction of a main residence pursuant to the Declaration.

The first fifty linear feet (50') of any driveway which is connected to any Road shall be constructed of oil sand, concrete, chip seal, hot mix asphalt, or brick paving. All driveways shall begin where the paved portion of any Road ends. All driveways must be shown on the plans submitted to the ACC and completed no later than thirty (30) days after the completion of the main residence and approved by the ACC prior to construction. Natural established drainage patterns for drainage will not be impaired by any Owner. Driveway culverts must be installed and shall be of sufficient size to afford proper drainage of ditches without allowing water to pool, back up or be diverted from its natural course. All water retainage structures (ponds, dams, and other facilities) not already existing within the Subdivision must be reviewed and approved by the ACC prior to construction and must comply with all governmental rules and regulations. Plans for these structures must be submitted in PDF format to the ACC. A non-refundable fee of one hundred and twenty-five dollars (\$125.00) is required at time of plan submittal to cover administrative costs involving the approval process.

Fences and light posts, if any, must be approved prior to Construction and must be constructed of new material, unless otherwise permitted by the ACC. Fences must be ranch style fencing. No privacy fences are allowed. Fence heights shall not exceed five feet (5'). Chain link fencing is prohibited, except if used as a dog run and only if such fencing is not visible from any road.

All swimming pools must be in-ground and shall be fenced with fencing approved by the ACC. The ACC may not deny a swimming pool enclosure that is black in color and consists of transparent mesh set in metal frames. No above ground pools are allowed.

Lakefront properties may install a dock with the written approval of the ACC. Docks will be size restricted and cannot extend more than thirty feet (30') from the shoreline. Encapsulated Styrofoam floaters are required on all docks. Barrells may not be used as a material for dock construction. The construction of a fixed dock is encouraged. A dock may be installed prior to the construction of any Improvements on the Lot. Two sets of professionally drawn Plans and Specifications for the boat dock must be submitted in PDF format. A non-refundable fee of one hundred and twenty-five dollars (\$125.00) is required at time of plan submittal to cover administrative costs involving the approval process.

Gasoline powered watercraft is prohibited on the Common Area lakes.

The only vehicles permitted to drive over the dam located in the Common Area Park shall be ATV, UTV and golf cart type vehicles. No street legal vehicles are allowed except in the case of an emergency. Designated parking will be identified on the north side of the Common Area Park, and only ATV, UTV and golf cart type vehicles may travel beyond the designated parking area. Only in emergency situations may a street legal vehicle drive through the Common Area Park.

Lot Maintenance and Activities

No activity (including the operation of a bed and breakfast or similar activity) whether for profit or not, shall be conducted on any Lot which is not related to the occupation of a Purchaser for single family residential purposes, unless said activity meets the following criteria:

- (a) no exterior sign of the activity is present,
- (b) no additional traffic is created as a result of the activity, and
- (c) no toxic substances (as determined at the sole discretion of the Association) are stored on the Subdivision.

Nothing prohibits the use of home offices in compliance with the preceding subsections (a), (b) and (c). This restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision. No activity which constitutes a nuisance or annoyance shall occur on any Lot. The Association has the sole and absolute discretion to determine what constitutes a nuisance or annoyance. No leasing or rental of a Lot shall be permitted, unless said lease or rental has a duration of at least thirty (30) days and the entirety of the Lot is leased or rented.

All trailers, RV's, trucks (other than pickups with a rated capacity of (1) Ton or less), boats, personal watercraft, tractors, wagons, buses, motorcycles, motor scooters, all-terrain vehicles, golf carts, and other recreational vehicles, lawn or garden equipment, farm or ranch equipment, construction equipment, and other similar items must be screened from view of the road unless they are stored under a carport. No Lot shall be used as a depository for abandoned, junked or unregistered motor vehicles, boats, airplanes, trailers or other similar items.

No signs for advertising, or billboards, may be placed on a Lot with the exception of one professionally made "for sale" sign. Signs erected on any Lot advertising a Lot for sale shall not be permitted during the Developer's control of the Subdivision. However, a Builder can place one professional sign on a Lot advertising his services or residence for sale.

No junk cars, abandoned cars or scrap, trash, landscaping trimmings or other debris may be placed on a Lot. The designation of such an item as being a violation under this section is at the sole and absolute discretion of the Association.

It is the responsibility of each Owner to prevent the development of any unclean, unsightly, or unkempt condition of buildings or grounds on their Lot which would tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. Each Owner is required to landscape the area around an Improvement that faces a Road. Occupancy prior to completion of landscaping shall require the written approval of the ACC, shall be for good cause only, and shall be no earlier than one hundred twenty days prior to completion of landscaping.

Hunting, of any form, including, but not limited to firearms or bow and arrow, on any Common Area is strictly prohibited. Hunting on an individual Lot must conform to state and local laws.

Domestic livestock and exotic animals shall be allowed only on Lots ten (10) acres or larger, so long as such animals do not exceed one (1) animal for every two (2) fenced acres and do not become a nuisance or threat to other Owners. Domestic livestock and exotic animals are not allowed on a Lot until after the main residence is constructed and occupied. The Association shall have the sole discretion in determining if any animal is a nuisance and make regulations on banning such animal. Pigs, hogs and peacocks are not allowed on any Lot. Chickens, turkeys and other birds shall only be allowed so long as such birds are kept in a coup and do not exceed twenty (20) birds per Lot. Regardless of lot size, coups must be preapproved by the ACC in writing to ensure they are screened from view. All animals being raised by the individual Lot Owners must be kept in a fenced area on the Owner's Lot. No overgrazing is permitted on any portion of the Lot as determined by the sole discretion of the Association. Dogs, cats or other common household pets may be kept on a Lot. Dogs will not be permitted to run loose in the Subdivision. Dogs and cats must be vaccinated for rabies and other diseases required by applicable laws, rules and regulations and shall be licensed or registered as may be required by applicable laws, rules and regulations. No feedlots for any type shall be permitted.

There are many additional provisions of the Declaration which may restrict your use and occupancy of a Lot and home and/or Common Area in the Subdivision. Carefully review all such provisions with an appropriate professional to determine if any are of additional interest to you as they may affect your use and enjoyment of the lot. A complete copy of the Declaration is available upon request.

Easements

The Lots in this Subdivision are subject to easements that affect the use of the Lots.

Easements may be shown on the plat covering your Lot. Some of these easements may be within the building setback lines set out in the Declaration and/or on the Subdivision plat; these easements do not encroach upon the building area of the Lot or have an effect on the Purchaser's building on the Lot. You will not be able to build on any portion of an easement area. Notwithstanding the foregoing, there is sufficient area to build a home on every Lot.

You should carefully review the recorded plat covering your Lot to determine the final location and effect of any and all easements on your Lot. There may be other easements set forth on area maps affecting the Subdivision or the title to the Lot that may or may not be noted on the plat for the Subdivision and the following should not be viewed as a substitute for Purchaser's complete review of the Subdivision plat, survey, and title search with Purchaser's advisor(s) prior to purchasing a Lot in this Subdivision. Developer

makes no representation that the disclosures contained herein cover every possible easement on a Lot. The exact location and type of easements can change and Purchaser is advised to carefully review the recorded Declaration, plat, survey, and title search, and any documents referenced therein in addition to making a personal on-the-lot inspection of the Lot to determine if other easements, including power line and other infrastructure easements that are not currently shown on an existing plat may exist. Purchaser is responsible for the costs associated with ordering and reviewing a title search, survey or site conditions for their Lot.

In addition to easements shown on the plat of your Lot, there are various easements with respect to the Lots in this Subdivision as set forth in the Declaration and the exceptions in the deed for your Lot. Furthermore, Developer shall have the right, without the consent of any Owner or the Association, to grant or create temporary or permanent easements throughout the Subdivision for ingress, egress, utilities, cable and satellite television systems, communication and security systems, drainage, water and other purposes incidental to the development, sale, operation and maintenance of the Subdivision or purposes deemed necessary by the Developer. Such rights reserved to the Developer apply to the entire Subdivision, including Lots previously sold by the Developer. These easements should not affect the building area of the Lot or inhibit its use. Below is a summary of easements created by and/or discussed in the Declaration.

Utility Easement

For all Lots that are equal to or greater than 3 acres a utility easement measuring fifty feet (50') in width is reserved along the front and rear lot lines of the Lot and a utility easement measuring fifty feet (50') in width and centered on the common boundary line that any Lot in the Subdivision shares with another Lot is reserved. For all Lots that are less than 3 acres a utility easement measuring thirty feet (30') in width is reserved along the front and rear lot lines of the Lot and a utility easement measuring thirty feet (30') in width and centered on the common boundary line that any Lot in the Subdivision shares with another Lot is reserved. The utility easements shall be used for the construction, maintenance and repair of utilities, including but not limited to, electrical systems, telephone, cable, water, gas and any other utilities which the Developer or utility providers may install for the benefit of the Owners. Notwithstanding the foregoing, the Developer has no obligation to provide utilities and all such utilities shall be provided by the local utility companies in accordance with the policies of such utility companies. All utility easements in the Subdivision may also be used for the construction of drainage facilities in order to provide for improved surface drainage of the Lots. The Developer reserves the right to grant specific utility easements without the joinder of any Owner to public utility providers within the boundaries of any of the easements reserved in the Declaration. Any utility company serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installing, repairing, and maintaining their respective facilities. Neither Developer nor any utility company, political subdivision or other authorized entity using the easements herein reserved shall be liable for any damages

done by them or their assigns, agents or employees to fences, shrubbery, trees and lawns or any other property of the Lot Owners located within the easements.

Dam Maintenance Easement and Dam Access Easement

A variable width Dam Maintenance Easement, as shown on the Plat of the Subdivision, is reserved along the rear lot lines of Lots 106, 107, 108, 109, 162 and 163. The Dam Maintenance Easement shall be used for the maintenance and repair of the dam. Owners of Lots 106, 107, 108, 109, 162 and 163 may not construct any improvements within the Dam Maintenance Easement without the written approval of the Architectural Control Committee or Developer (prior to the Control Transfer Date). A dock may be built on Lots 106, 107, 108, 109, 162 and 163, but due regard must be made to not damage or impair the dam. A thirty foot (30') Dam Access Easement is reserved over and across Lot 163, this access easement is exclusively for the purpose of accessing the dam for maintenance and repair, and shall not be used for any other purpose. Developer (prior to the Control Transfer Date) and then the Association shall have the right to maintain the Dam Access Easement across Lot 163 in order to access the dam. The location of the Dam Access Easement is shown on the Plat of the Subdivision.

Recorded Easements

Below is a listing of easements of record in the Deed Records of Leon County, Texas that affect the Subdivision as of the date of this Property Report. Some easements are "blanket" in nature, meaning that they are not limited to a defined area, while others affect only specific Lots (as specified below). Some of these easements may subsequently be "deleted" as exceptions to title, meaning that they no longer affect the property, due to abandonment or merger of title. You should review a current title commitment for your Lot as the listing below may contain additional or fewer easements of record at the time that you enter a Purchase Agreement.

Easement granted to R. S. Beverly et al, as set forth and defined by instrument recorded in Volume 309, Page 426, of the Deed Records of Leon County, Texas

Easement granted to Texas Telephone and Telegraph Company, as set forth and defined by instrument recorded in Volume 266, Page 633, of the Deed Records of Leon County, Texas.

Easement granted to Texas Telephone and Telegraph Company, as set forth and defined by instrument recorded in Volume 272, Page 387, of the Deed Records of Leon County, Texas.

Easement granted to Koch Pipelines, Inc., as set forth and defined by instrument recorded in Volume 903, Page 437, of the Official Records of Leon County, Texas (Only affects Lots 29, 30, 40, 41, 42, 43, 77, 72, 78, 87, 88, 91, 92, 93, 94, 97, 98, 101, 102, 103, 104 and 105).

Easement granted to R. S. Beverly et al, as set forth and defined by instrument recorded in Volume 343, Page 332, of the Deed Records of Leon County, Texas.

Easement granted to Houston County Electric Cooperative, Inc., as set forth and defined by instrument recorded in Volume 465, Page 766, of the Deed Records of Leon County, Texas.

Reservation of Easement, as set forth and defined by instrument recorded in Volume 343, Page 246, of the Deed Records of Leon County, Texas.

Easement granted to Oneok Abuckle Pipeline L.L.C., as set forth and defined by instrument recorded in Volume 1369, Page 370, of the Official Records of Leon County, Texas (Only affects Lots 29, 30, 40, 41, 42, 43, 77, 72, 78, 87, 88, 91, 92, 93, 94, 97, 98, 101, 102, 103, 104 and 105).

Easement granted to Grand Prix Pipeline LLC, as set forth and defined by instrument recorded in Volume 1730, Page 720, of the Official Records of Leon County, Texas (Only affects Lots 29, 30, 40, 41, 42, 43, 77, 72, 78, 87, 88, 91, 92, 93, 94, 97, 98, 101, 102, 103, 104 and 105).

Easement granted to Jack Crenshaw, as set forth and defined by instrument recorded in Volume 269, Page 518, of the Deed Records of Leon County, Texas.

Easement granted to Veterans' Land Board of Texas, as set forth and defined by instrument recorded in Volume 269, Page 520, of the Deed Records of Leon County, Texas.

Easement granted to Houston County Electric Cooperative, Inc., as set forth and defined by instrument recorded in Volume 526, Page 619, of the Deed Records of Leon County, Texas.

Easement granted to Texas Telephone and Telegraph Company, as set forth and defined by instrument recorded in Volume 273, Page 254, of the Deed Records of Leon County, Texas.

Easement granted to Southeast Water Supply Corporation, as set forth and defined by instrument recorded in Volume 725, Page 630, of the Official Records of Leon County, Texas.

Easement granted to Texas Telephone and Telegraph Company, as set forth and defined by instrument recorded in Volume 266, Page 621, of the Deed Records of Leon County, Texas.

Easement from George William Rutledge, et ux, to A. B. Rutledge dated July 16, 1962, and recorded in Volume 294, Page 147, of the Deed Records of Leon County, Texas.

Easement from George W. Rutledge to J. C. Laney, et ux, dated September 10, 1984, and recorded in Volume 573, Page 805, of the Official Records of Leon County, Texas.

Agreement regarding easement by and between George W. Rutledge and J. C. Laney, et ux, dated November 15, 1984, and recorded in Volume 580, Page 905, of the Official Records of Leon County, Texas.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

The plat for the Subdivision has not yet been approved by Leon County, as there is no preliminary approval process in Leon County. Because Leon County has not approved the proposed plat, significant alterations may be required before they Leon County will approve it and they may not allow the land to be used for the purpose for which it is being sold. The plat will be approved and recorded in the County Clerk's Office prior to the time that a Purchaser executes a Contract. The description of a Lot is not legally adequate for the conveyance of such Lot and that it will not be until the plat is recorded. The Developer will not sell any Lot until the plat covering such Lot is recorded.

Zoning

The Lots may only be used for residential purposes and the Subdivision will consist of single-family homes. This use is consistent with the restrictive covenants. There are no local zoning requirements or regulations applicable to the Subdivision. The amenities in the Subdivision may only be used for the purposes for which they were provided and in accordance with the restrictive covenants.

Surveying

All Lots will be surveyed and marked for identification by Developer at its expense before closing. Purchaser will not bear any of the cost of the Subdivision survey or staking.

Lenders may require an individual survey prior to making a loan. Individual surveys are made at Purchaser's expense and the estimated expense for a typical Lot ranges from one thousand dollars (\$1,000.00) to fifteen hundred dollars (\$1,500.00). These fees are not set by the Developer and are subject to change. It is recommended that Purchaser obtain a survey to ascertain a full understanding of the boundaries of the Lot they purchase.

Permits

Permitting is controlled by Leon County. There may be numerous permits required for various activities to be conducted on your Lot, such as building a home or other improvements. You must obtain a Septic Permit from Leon County prior to installing your on-site septic facility; the cost of a Septic Permit is four hundred and ten dollars (\$410.00).

Additionally, you must obtain an Electric Permit from Leon County prior to beginning electric service; the cost of an Electric Permit is thirty dollars (\$30.00) and is separate from what is required by an electric provider. You are also to obtain a Floodplain Determination Permit from Leon County prior to commencement of construction; the cost of a Floodplain Determination Permit is twenty dollars (\$20.00). If your Lot is determined by Leon County to be in a Floodway Zone or Special Flood Hazard Area, a Development Permit, Authorization to Proceed letter, Elevation Certificate and a fee of four hundred and twenty dollars (\$420.00) is required. Permit fees are not established by Developer and are subject to change without prior notice.

Additional permits may be required depending upon where your Lot is located. As such, the requirements that may be in place today may not be the same requirements that will be in place if you choose to improve your Lot in the future. Developer cannot make any assurances as to the requirements for building a home on your Lot will not change and/or that the costs associated with compliance with any such future requirements may be significant.

Please note that before any construction on your Lot can begin, an Owner must receive written approval of building plans from the ACC under the Declaration. The current fee charged by the ACC is a non-refundable fee of two hundred and fifty dollars (\$250.00) per review plus a one thousand dollar (\$1,000.00) refundable construction deposit. The refundable construction deposit will be held for the purpose of securing the Owner's performance, during the construction process, of the obligations imposed by the Declaration, for wear and tear on the Subdivision's roads by construction equipment and traffic, and for damage to the Common Area. Upon completion of construction, Owner will be refunded the deposit less any obligations incurred as a result of any uncured violation of the Declaration, any damage to the roads of the Subdivision and any damage to the Common Area. The one thousand dollar (\$1,000.00) refundable deposit is not a limitation of liability on the part of Owner for damage caused during the construction of any improvement upon their Lot.

Environment

A Phase I Environmental Site Assessment ("Environmental Study") has been performed on the Subdivision to identify the presence or absence of "Recognized Environmental Conditions". A Recognized Environmental Condition is the presence of likely presence of any hazardous substance or petroleum product in, on or at a property (1) due to release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. The Environmental Study revealed no evidence of Recognized Environmental Conditions or conditions of possible environmental concern in connection with the subject property except for petroleum products, a veterinary clinic, gasoline storage tanks, a waste dumping area, and oil and gas infrastructure, all located outside of the boundaries of the Subdivision. The Environmental Study concluded that additional assessment may be warranted, however, given the off-site location of the identified hazards, the Developer does not believe an additional assessment is necessary.

Complete information may be obtained from the Texas Commission of Environmental Quality (TCEQ).

ROADS

Access to the Subdivision

Access to the Subdivision is provided by FM 811, two (2) lane paved public road maintained by the Texas Department of Transportation located at: 125 East 11th Street, Austin, Texas 78701. The access road is complete and available for use. Purchaser will not be assessed for the maintenance costs incurred for the access road. Developer is not aware of any proposed or upcoming improvements to the access road.

Access within the Subdivision

The roads within the Subdivision will be oil sand treatment. When complete, the roads will provide year-round access to all Lots in the Subdivision by conventional passenger vehicle. The interior roads are a right-of-way dedicated to use of Lot Owners, pursuant to the plat of the Subdivision. We are responsible for the construction of all interior roads at our sole expense. No portion of the construction costs will be borne by you. Once complete, the interior roads will be transferred to and maintained by the Association as Common Area. Costs incurred by the Association in connection with its maintenance of the interior roads will be shared by you as part of your Assessments.

The estimated completion schedule for the interior roads is set forth below:

<u>Estimated Start Date</u>	<u>Percentage Complete</u>	<u>Current Surface</u>	<u>Estimated Completion Date</u>	<u>Final Surface</u>
March 2022	0%	Packed Sand	May 2023	Oil Sand

The Developer has obtained a bond to assure completion of the interior roads.

The COVID-19 pandemic or the impacts thereof can possibly delay, inhibit, or otherwise negatively impact the installation of the roads and utilities for the development of the Subdivision. These unavoidable delays are force majeure conditions that are outside the control of the Developer. Developer is continuously monitoring supply issues and is taking measures to manage its supply chain disruptions, but it has experienced supply shortages from time to time in the past, and on occasion Developer's suppliers have told it they need more time than expected. In any event, if the COVID-19 pandemic continues and persists for an extended period of time, there could be a delay to the times lines set forth above. Seller will continue to meet the expected deadlines set forth above, but it is possible that supply chain issues can delay the work and installation of the roads and electricity. This disclosure is being provided to assure that Purchasers have been informed of possible delays with regard to the installation of roads and electricity.

The table below identifies the distance from the center of the Subdivision to nearby communities:

NEARBY COMMUNITIES	APPROXIMATE POPULATION	DISTANCE OVER PAVED ROADS	DISTANCE OVER UNPAVED ROADS	TOTAL
*Centerville, Texas	900	8	0	8
Buffalo, Texas	1,856	20	0	20
Crockett, Texas	6,950	23	0	23

*County Seat

UTILITIES

Here we will discuss the availability and cost of basic utilities. The areas covered will be water, sewage disposal, electricity, telephone, and fuel or other energy sources.

WATER – CENTRAL SYSTEM

The Subdivision will be served by a central water system operated and maintained by Southeast Water Supply Corporation (the “Water Utility”), a non-profit organization located at: 103 N. Cass Street, Centerville, TX 75833. The Water Utility is a private water company, however, it is regulated and supervised by a governmental agency. The central water system will be sufficient to meet the level and manner of service requested by the Developer to serve all Lots in the Subdivision, as evidenced by an agreement between the Water Utility and the Developer. You will also be permitted to use an individual well for a water system on your Lot. If you choose to do so, the estimated cost for drilling and installing a well is \$25,000.00. Developer makes no guarantee as to the actual price of installing a water well. Developer has not performed any groundwater studies on the Subdivision property. The purity and chemical content of groundwater cannot be determined until each individual well or source of water is completed and tested, and the Developer has not performed a hydrological survey in connection with the use of wells in the Subdivision. The Developer makes no representations about the quality or quantity of water that may be available from water wells as the main source of water to the Lots will be via the central water system from the Water Utility.

Developer is responsible for the complete installation of the water lines throughout the Subdivision in front of or adjacent to each Lot along with costs associated with such construction and installation. No permits are required for the construction of the central water system and installation of the water supply lines. Purchasers will not bear any of the construction costs for extending central water system lines in front of or adjacent to their Lot; however, Purchasers will be responsible for the extension of the central water lines in front of or adjacent to their Lot to their dwelling at the estimated cost of five dollars (\$5.00) per foot. Developer does not control this cost. Purchasers will also be subject to a one-time connection fee in the amount of one thousand five hundred dollars (\$1,500.00) upon their connection to the central system. Additionally, the current tariff has a \$75.00 Customer Service Inspection fee. These fees are subject to change and are not set or controlled by the Developer.

The estimated completion schedule for the water supply lines is set forth below:

<u>Estimated Start Date</u>	<u>Percentage Complete</u>	<u>Estimated Completion Date</u>
October 2022	0%	May 2023

The Developer has obtained a bond to assure completion of the central water system.

The COVID-19 pandemic or the impacts thereof can possibly delay, inhibit, or otherwise negatively impact the installation of the roads and utilities for the development of the Subdivision. These unavoidable delays are force majeure conditions that are outside the control of the Developer. Developer is continuously monitoring supply issues and is taking measures to manage its supply chain disruptions, but it has experienced supply shortages from time to time in the past, and on occasion Developer's suppliers have told it they need more time than expected. In any event, if the COVID-19 pandemic continues and persists for an extended period of time, there could be a delay to the times lines set forth above. Seller will continue to meet the expected deadlines set forth above, but it is possible that supply chain issues can delay the work and installation of the roads and electricity. This disclosure is being provided to assure that Purchasers have been informed of possible delays with regard to the installation of roads and electricity.

The source water supplied by the Water Utility is assessed by the Texas Commission on Environmental Quality ("TCEQ") for purity and chemical content. Each year, the Water Utility makes available on its website a Drinking Water Quality Report telling consumers where their water comes from and what is in it. The quality of the water supply will meet or exceed all state and local water quality standards. The purity and chemical content of the water will continue to be tested at regular intervals as required by applicable law. The water system will meet all the standards set for a public water supply system by TCEQ.

SEWER – INDIVIDUAL SYSTEMS

Individual on-site sewage systems will be used for dwellings in the Subdivision. General approval as to the Subdivision and specific approval as to each individual Lot is required prior to the use of on-site sewage systems. The Subdivision has been evaluated by a professional sanitarian in connection with the use of on-site sewage systems in the Subdivision. Each Purchaser will be responsible for obtaining approval and a permit from Leon County for the installation and use of an on-site sewage system on their Lot. The cost of the Septic Permit is four hundred and ten dollars (\$410.00) and will be borne by you. As a prerequisite for the issuance of a permit, Purchaser must have a site/soil evaluation completed by a licensed site evaluator or engineer. The estimated cost of such an investigation is roughly six hundred dollars (\$600.00). Further, Purchaser or its septic installer must apply to Leon County for a Floodplain Determination Permit prior to installing an on-site sewage system in order to confirm that the Lot is not in a Special Flood Hazard Area (SFHA). The cost of an application for a Floodplain Determination Permit is \$20.00. Further action and costs would be required if the Lot is located in a SFHA, however, none of the Lots in the Subdivision are known to be located within a SFHA. All of the foregoing costs are subject to change and the Developer does not set or control these costs.

The cost of installing an on-site sewage system on a Lot will be borne by the Purchaser. Installation by professional installers is estimated to cost \$10,000.00 to \$20,000.00 depending on size and location of the system. Some Lots will require aerobic

wastewater treatment before disposal, the cost of which is included in the estimated cost provide. Costs provided are estimates only and the Developer makes no guarantee as to the actual cost to install an on-site sewage system. All costs are subject to change and the Developer does not set or control these costs. A Purchaser shall contract with a licensed maintenance provider to perform on-going maintenance of an on-site system utilizing aerobic treatment.

THERE ARE NO ASSURANCES THAT EACH INDIVIDUAL LOT WILL BE SUITABLE FOR THE CONSTRUCTION OF AN ON-SITE SEWAGE DISPOSAL SYSTEM. THERE IS NO PROVISION IN THE SALES CONTRACT FOR A REFUND OR EXCHANGE IF A PERMIT CANNOT BE OBTAINED.

If no permit can be obtained for the installation and use of an individual on-site sewage system, there may be an adverse effect to Purchaser such as the unavailability of construction or permanent financing. As of the date of this Report, the Developer has no knowledge of any permits that have not been granted and to the best of its actual knowledge there have been no unsatisfactory percolation tests or systems that have not operated satisfactory in the Subdivision. The Developer bears no responsibility for the adverse effects that may come with the denial of an on-site sewage system permit. If this is of concern to Purchaser, the Purchaser should obtain such approval prior to being obligated to purchase their Lot.

ELECTRICITY

Houston County Electric Cooperative, Inc. (the “Electric Utility”), a publicly regulated utility located at 1701 SE Loop 304, Crockett, TX 75835, will provide electrical service to all Lots in the Subdivision. The Electric Utility is regulated by the Public Utilities Commission of Texas. The Electric Utility will install the primary electric lines in front of or adjacent to all Lots. The Developer will be responsible for causing construction of the primary electric lines at its cost. Purchaser will bear no cost to extend the primary electrical service lines in front of or adjacent to the Lots in the Subdivision.

The estimated completion schedule for the electrical service lines is set forth below:

<u>Estimated Start Date</u>	<u>Percentage Complete</u>	<u>Estimated Completion Date</u>
October 2022	0%	May 2023

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT AND THERE ARE NO OTHER FINANCIAL ARRANGEMENTS TO ASSURE COMPLETION OF THE ELECTRICAL SERVICE LINES IN THE SUBDIVISION.

Electrical service will be available to the Lots following completion of the primary electrical service lines, as set forth above. Once the electricity is placed in front of or adjacent to their Lot, it will be Purchaser’s responsibility to contact the Electric Utility and pay for the cost to extend the electricity to the dwelling.

The COVID-19 pandemic or the impacts thereof can possibly delay, inhibit, or otherwise negatively impact the installation of the roads and utilities for the development of the Subdivision. These unavoidable delays are force majeure conditions that are outside the control of the Developer. Developer is continuously monitoring supply issues and is taking measures to manage its supply chain disruptions, but it has experienced supply shortages from time to time in the past, and on occasion Developer’s suppliers have told it they need more time than expected. In any event, if the COVID-19 pandemic continues and persists for an extended period of time, there could be a delay to the times lines set forth above. Seller will continue to meet the expected deadlines set forth above, but it is possible that supply chain issues can delay the work and installation of the roads and electricity. This disclosure is being provided to assure that Purchasers have been informed of possible delays with regard to the installation of roads and electricity.

INTERNET

Internet service will be provided to the Subdivision by Windstream Communications (“Windstream”), located at 1956 County Rd 147, Centerville, TX 75833. Windstream will be responsible for the construction and installation of the fiber optic lines in front of or adjacent to Purchaser’s Lot. Purchaser will bear no cost for the completion of the fiber optic lines to the Lot lines. It will be Purchaser’s responsibility to contact Windstream to coordinate hook-up of their services to their dwelling, and there may be fees associated with same. Any such fees are subject to change and are not set or controlled by the Developer. Normal service charges will apply to those using Windstream.

The estimated completion schedule for the internet service is set forth below:

<u>Estimated Start Date</u>	<u>Percentage Complete</u>	<u>Estimated Completion Date</u>
January 2023	0%	May 2023

The COVID-19 pandemic or the impacts thereof can possibly delay, inhibit, or otherwise negatively impact the installation of the roads and utilities for the development of the Subdivision. These unavoidable delays are force majeure conditions that are outside the control of the Developer. Developer is continuously monitoring supply issues and is taking measures to manage its supply chain disruptions, but it has experienced supply shortages from time to time in the past, and on occasion Developer’s suppliers have told it they need more time than expected. In any event, if the COVID-19 pandemic continues and persists for an extended period of time, there could be a delay to the times lines set forth above. Seller will continue to meet the expected deadlines set forth above,

but it is possible that supply chain issues can delay the work and installation of the roads and electricity. This disclosure is being provided to assure that Purchasers have been informed of possible delays with regard to the installation of roads and electricity.

TELEPHONE

Telephone service may be available through service providers using technologies such as voice over Internet protocol ("VOIP"). Availability is subject to change from time to time.

FUEL OR OTHER ENERGY SOURCE

Propane may be used in the Subdivision, however, Purchaser is responsible for acquiring a tank, supply, any necessary permits and set up from a third party source. Leon Gas Company, located at Hwy 395, Normangee, TX 77871 will supply propane gas service to the Subdivision. The cost of a propane storage tank is approximately one thousand five hundred dollars (\$1,500.00). The price of a propane storage tank is not set by Developer and is subject to change. Natural gas will not be available in the Subdivision.

FINANCIAL INFORMATION

Developer is a newly-formed entity having been formed as a Delaware limited liability company on July 12, 2021. Accordingly, Developer does not have significant operating experience. Copies of the Developer's unaudited balance sheet, income statement, and cash flows for the period ending March 27, 2022 are available upon request.

LOCAL SERVICES

In this section we will identify the availability of fire and police protection and the location of schools, medical facilities, shopping facilities, and mail service.

Fire Protection

Fire protection is provided on a year-round basis by Centerville Fire Department, located approximately eight (8) miles from the Subdivision.

Police Protection

Police protection is provided by the Leon County Sheriff, located approximately six (6) miles from the Subdivision.

Schools

The Subdivision is located within the Centerville Independent School District (ISD). The following schools comprise the Centerville ISD campus:

Centerville Elementary School, located approximately eight (8) miles from the Subdivision;

Centerville Middle School, located approximately eight (8) miles from the Subdivision;

Centerville High School, located approximately eight (8) miles from the Subdivision;

School bus transportation will be available to the Subdivision.

Hospitals

Crockett Medical Center is a hospital facility located 1100 E Loop 304, Crockett, TX 75835, approximately twenty-eight (28) miles from the Subdivision. Ambulance service is available from the Subdivision.

Physicians And Dentists

There are physicians' and dentists' offices located in Centerville, TX, approximately eight (8) miles from the Subdivision, and Crockett, TX, approximately twenty-five (25) miles from the Subdivision.

Shopping Facilities

There are no shopping or service facilities located within the Subdivision. Shopping facilities are located in Centerville, TX, approximately eight (8) miles from the Subdivision, and Crockett, TX, approximately twenty-five (25) miles from the Subdivision.

Mail Service

Mail service is provided by the U.S. Postal Service. The nearest U. S. Post Office is located at 322 E St. Marys St, Centerville, TX 75833, approximately six (6) miles from the Subdivision. There will be cluster mailboxes at the entrance to the Subdivision.

Public Transportation

Public transportation is not available from the Subdivision.

RECREATIONAL FACILITIES

The Developer plans to construct a park, with a pavilion and a floating dock in the Subdivision for exclusive use of residents and their guests; however, construction of the park is not guaranteed and the Developer is under no obligation to construct a park or any other recreational amenities within the Subdivision. If a park is constructed, it will be maintained by the Association and the Owners will share in such maintenance costs through the payment of Assessments.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section we will discuss the basic terrain of the Subdivision, its climate, and any nuisances or hazards in the area.

GENERAL TOPOGRAPHY

The topography of the Subdivision consists of rolling hills, wooded and open space, and flatter pasture areas. Some Lots front a lake or creek. The terrain is sandy soils. Approximately 4 acres of the Subdivision will be developed parkland and approximately 37 acres of lakes and no portion of the Subdivision will remain natural open space.

Some of the Lots in the Subdivision have a slope of twenty percent (20%) or more. The following Lots may include a slope of twenty percent (20%) or more on various portions: 3-4, 6-14, 18-23, 26, 34, 36, 47-90, 98-101, 104-163, 165-170, 180, 182.

WATER COVERAGE

Lots 2-4, 6-11, 13, 14, 18, 19, 21, 47-63, 67-69, 75-87 and 105-163 are lakefront or creekfront Lots and may be subject to water coverage during times of high water table or flooding. Any Lot can have some standing water after heavy storms notwithstanding the inclusion of an adequate drainage system in the Subdivision.

DRAINAGE AND FILL

Some of the Lots may require drainage and or fill prior to being used for the purpose for which they are being sold. Developer does not have any knowledge of any specific Lots that will need fill. In the event drainage or fill were needed, the Purchaser would be responsible for any corrective action.

FLOOD PLAIN

The Subdivision is located within Flood Zone X, which is an area outside the 100-year flood plain, according to the Flood Insurance Rate Map for Leon County in effect as of the date of this Report (Leon County FIRM No. 48289C0425C, dated November 20, 2013). Flood insurance may nonetheless be required by third-party lenders as a prerequisite for the financing of the purchase of a Lot in the Subdivision or you may choose to obtain flood insurance. Flood insurance may be available from third-party insurers and the costs are set by such insurers.

FLOODING AND SOIL EROSION

Developer has a soil erosion and drainage control program which provides, or will provide, at least minimum controls for soil erosion sedimentation or periodic flooding

throughout the Subdivision as required by the County. This plan has not yet been approved by local authorities, and will be done in conjunction with approval of the final Plat of the Subdivision. Drainage facilities will be installed with construction of the roads, and completion of such facilities will be assured by the same bond assuring completion of the roads. Such program will be in compliance with the requirements of the County but may not entirely prevent erosion and/or control drainage due to unusually heavy rains or change in conditions surrounding the Subdivision which are outside of the Developer's control.

NUISANCES

The Subdivision is a developing community. Noise and other factors typically associated with new home construction will continue until all of the homes in the Subdivision are built. Prospective purchasers should recognize that ongoing construction is a part of any new community.

As a result of the forested spaces surrounding the Subdivision, Purchaser may periodically find wild animals within the confines of the Subdivision including, but not limited to, opossums, deer, wild hogs, raccoons, spiders, snakes, bees, fire ants, and other insects common to the area. Contact with any wild animal can be dangerous. Should Purchaser encounter such an animal, Purchaser is encouraged to contact the local animal control office for further instructions.

Additionally, indigenous plants, insects and wildlife and other naturally occurring conditions could be considered a nuisance by some Purchasers of property in the Subdivision. While the Developer is unaware of any existing conditions on the property that it considers a nuisance, a Purchaser should make a personal on-the-lot inspection of the property being purchased and the surrounding area to determine any relevant information that may be available. Furthermore, conditions change and the Developer cannot and does not warrant that the condition of the property will remain the same.

Some of the Lots offered are lakefront or creekfront. There may be additional noise, wildlife, or traffic related to the use of the lake or creek and some Purchasers may consider the lake or creek and their inherent attributes to be a nuisance.

Purchasers are urged to make an on-the-lot inspection prior to purchase to determine if there are any other factors associated with their Lot that may impact its desirability to them. The location of adjacent properties not a part of the Subdivision may impact the desirability of certain Lots as the uses of such property cannot be known by the Developer. The construction of properties in accordance with the allowed uses of adjacent properties may result in a use on such properties that could be considered a nuisance to some.

HAZARDS

There is new construction and development in the Subdivision. Some of these may be considered hazardous and may result in hazardous materials being brought into the area and hazardous conditions. As stated above, some Lots are lakefront or creekfront. Large bodies of water such as this can present hazards. The Developer is not aware of any other hazards affecting the property.

The state of Texas is known to be subject to tornados, hurricanes, flooding, damaging hail, and other weather related hazards.

CLIMATE

The average temperatures for summer and winter are contained in the table below.

	<u>HIGH</u>	<u>LOW</u>	<u>MEAN</u>
Summer	<u>94</u> degrees	<u>75</u> degrees	<u>85</u> degrees
Winter	<u>57</u> degrees	<u>41</u> degrees	<u>49</u> degrees

The average annual rainfall is approximately forty (40) inches and the average snowfall is zero (0) inches.

OCCUPANCY

As of the date of this Property Report, there are no residences constructed or occupied within the Subdivision; other than existing residences on Lots 1, 5, 24, 116, 146, 176, 181 and 182 which are being temporarily occupied by salespeople and will be sold to third-party purchasers at a later date.

ADDITIONAL INFORMATION

In this section we will discuss the following:

- Three Lakes Ranch Property Owners' Association, Inc.
- Annual Real Estate Taxes
- Resale or Exchange Program
- Equal Opportunity in Lot Sales
- Listing of Lots

THREE LAKES RANCH PROPERTY OWNERS' ASSOCIATION, INC.

Three Lakes Ranch Property Owners' Association, Inc. (the "Association"), a Texas non-profit corporation, is organized and it shall be governed by the Declaration, Certificate of Formation and Bylaws (collectively the "Governing Documents") of said Association; and all duties, obligations, benefits, liens and rights in favor of the Association shall vest in said corporation.

The Association has been formed to further the common interest of the Members. Every person or entity who is a record Owner of any Lot is a "Member" of the Association. Memberships shall be appurtenant to and may not be separated from the Lots. Regardless of the number of persons who may own a Lot, there will only be one membership for each Lot and one (1) vote for each Lot except for the votes allocated to the Developer as described below. Ownership of the Lots shall be the sole qualification for Membership. The Association has the following powers and authority: (i) to own, purchase, manage, maintain, repair and replace the Common Area or any other part of the property for which the Association is responsible under the Governing Documents; (ii) make assessments against the Owners of Lots in the Subdivision for payment of expenses incurred in accordance with the provisions of the Declaration or as otherwise permitted by law; (iii) to promulgate such rules and regulations with respect to the Subdivision, and to perform such deeds and acts as are deemed necessary to achieve the aforesaid objectives, and to promote the recreation, health, safety and welfare of the Members of the Association, all in accordance with the provisions of the Declaration; and (iv) to do or undertake any other lawful act or activity for which nonprofit corporations may be organized under the Texas Nonprofit Corporation Act and to exercise all powers which may be granted unto the Association by applicable law.

A meeting of the Association shall be held at least once each year. The first annual meeting of the Members will be held within one year from the date of incorporation of the Association or not later than thirty (30) days after one hundred percent (100%) of the Lots have been sold, whichever first occurs. Thereafter, the Annual Meeting of the Association shall be held on the second Tuesday in January of each year at 7:00 p.m., Central Standard Time, if not a legal holiday. If the day for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the next following day which is not a legal holiday. At such meetings, the Board shall be elected in accordance with the Bylaws, and the Members shall transact such other business as may properly come

before the meeting. After the first Annual Meeting of the Members, Special Meetings of the Members may be called at any time by the President, by Owners having ten percent (10%) of the votes of the Association, by a majority of the Board, or as permitted by law. Business to be acted upon at all Special Meetings shall be confined to the subjects stated in the notice of such meeting.

Except as otherwise expressly required in the Bylaws, the presence in person or by proxy of Members entitled to cast thirty percent (30%) of the votes which may be cast, shall constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote shall have the power to adjourn the meeting to another date and time without having to give notice other than the announcement of the new date and time of the meeting. At a subsequent meeting held due to the lack of a quorum then the presence in person or by proxy of Members entitled to cast twenty percent (20%) of the votes which may be cast, shall constitute a quorum at that meeting of the Members. If a quorum is still not present or represented at that meeting then, the Members entitled to vote shall have the power to adjourn the meeting to another date and time, without notice other than the announcement at that meeting of the new date and time of the meeting. At a subsequent meeting held due to a continued lack of a quorum then the presence in person or by proxy of Members entitled to cast fifteen (15%) of the votes which may be cast, shall constitute a quorum at that meeting of the Members. If a quorum is still not present or represented at that meeting then, the Members entitled to vote shall have the power to adjourn the meeting to another date and time, without notice other than the announcement at that meeting of the new date and time of the meeting. At a subsequent meeting held due to a continued lack of a quorum then a majority vote of those votes present in person or by proxy shall constitute a quorum at that meeting of the Members. The Members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum in attendance.

The Association, acting through the Board of Directors (sometimes referred to herein as the "Board") or through persons to whom the Board of Directors has designated such powers (and subject to the provisions of the bylaws), shall have the duties and powers to do anything that may be necessary or desirable to further the common interest of the Members and to improve and enhance the attractiveness, desirability and safety of the Subdivision. A non-exhaustive list of responsibilities and duties of the Association is set forth in the Declaration. The initial Board shall consist of the three (3) individuals appointed by the Developer and who need not be Members. The Board members appointed by the Developer need not be Owners in the Subdivision. The Developer will control the Board until the Control Transfer Date. The "Control Transfer Date" shall be the earlier of the date: 1) Developer no longer owns any part of the entire Subdivision, including but not limited to Common Area; 2) Fifteen (15) years from date of recordation of the Declaration; or 3) Developer, in its sole discretion, voluntarily relinquishes control of the Association. Notwithstanding the foregoing, on or before the 120th day after the date seventy five percent (75%) of the Lots that may be created and made subject to the Declaration are conveyed to Owners other than Developer, at least one-third of the Board Members must be elected by Owners other than the Developer. After all of the Lots are

sold then the Board shall consist of not less than three (3) but no more than five (5) directors. Within these limits, the Board may change the number of directors. No decrease in the number of directors may shorten the current term of a director. The directors, after the Developer transfers control, shall be elected by the Members. Directors after Developer transfers control shall be elected to staggered terms. Board members may succeed themselves in office. The officers of the Association shall consist of a President, Vice-President, and Secretary/Treasurer and one or more additional Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board may from time to time appoint. Except for the President, no officer need be a Member of the Board. The officers of the Association shall be appointed annually by the Board at the first meeting of the Board next following the Annual or Substitute Annual Meeting of the Members and shall serve for the terms of one year. Each officer shall hold office until his death, resignation, removal or until his successor is appointed.

Any Board Member, other than a Member appointed by the Developer, may be removed from the Board, with or without cause, by a vote of at least sixty-seven percent (67%) of the votes entitled to be cast by all Members present and entitled to vote at any meeting of the Membership at which a quorum is present; provided, the notice of the meeting must state the purpose, or one of the purposes, of the meeting is removal of the Board Member. Board Members appointed by the Developer may only be removed by the Developer and can be removed with or without cause. If any Board Members are so removed, their successors as Board Members may be elected by the Developer or the Membership at the same meeting to fill the unexpired terms of the Board Members so removed. A vacancy occurring in the Board may be filled by a majority of the remaining Board Members, though less than a quorum, or by the sole remaining Board Member; provided, however, a vacancy created by an increase in the authorized number of Board Members shall be filled only by election at an Annual or Substitute Annual Meeting or at a Special Meeting of Members called for that purpose. The Members may elect a Board Member at any time to fill any vacancy not filled by the Board Members. The Developer or the Membership shall have the first right to fill any vacancy created by the Developer or the Membership's removal of a Board Member by electing a replacement at the meeting where the removal occurs. A Member of the Board shall be elected as Chairman of the Board by the Board Members at the first meeting of the Board. The Chairman shall preside at all meetings of the Board and perform such other duties as may be directed by the Board. Prior to election of a Chairman and/or in the event that the Chairman is not present at any meeting of the Board, the President shall preside.

The Association will have two classes of voting memberships. Developer shall be entitled to ten (10) votes for each Lot owned. Each Lot, other than those owned by the Developer, will have only one (1) vote regardless of the number of Owners of the Lot. In the event that more than one person owns a Lot and the group of Owners do not have a unified vote for purposes under the Declaration, then the Association shall not recognize the vote for that Lot and such vote shall not be counted when the calculating membership votes. Notwithstanding the foregoing, the presence of any Lot Owner at a meeting of Members permits the inclusion of the Lot represented when calculating any necessary quorum.

Each Owner by acceptance of a deed therefore, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agree to pay Assessments to the Association. "Assessment" means Annual Assessment, Special Assessments or other charges, interest, penalties and fees authorized by the Declaration together with the cost and expense incurred in collecting Assessments. The Assessments shall be a charge on the Lots and will be a continuing lien upon the Lot against which each such Assessment is made. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots subject to assessment and may be collected on a monthly basis or on an annual basis at the discretion of the Board of Directors.

An Annual Assessment shall be paid by each of the Owners and the Annual Assessment will be used to pay all reasonable and necessary operating expenses and reserve requirements of the Association and the Common Area Expenses. The Annual Assessments and Special Assessments will be used exclusively for the purpose of promoting the health, safety, security and welfare of the Subdivision and the maintenance of the Common Area. In particular, the Assessments will be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties, including the maintenance of Subdivision Roads, Subdivision drainage easements, Common Areas, Common Area Expenses, the enforcement of the Governing Documents and the establishment and maintenance of reserve funds. The Assessments may be used by the Association for any purpose which, in the judgment of the Association's Board of Directors, is necessary or desirable to maintain the property value of the Subdivision, including but not limited to, providing funds to pay all taxes, insurance, repairs, utilities and any other expense incurred by the Association. Except for the Association's use of the Assessments to perform its duties as described in the Declaration, the use of the Assessments for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Board of Directors as to the expenditure of Assessments shall be final and conclusive so long as such judgment is exercised in good faith. In consideration of the Subdivision infrastructure, the Developer shall be exempt from the payment of all Assessments.

The Association will prepare an annual budget for the Association and deliver a copy of the annual budget to the Members. The Association shall also prepare an annual financial statement, including a balance sheet, for review by the Members. It is anticipated that the Annual Assessments established for a given year will meet the Association's financial obligations as determined by the then-current Budget; however, in the event the Annual Assessments do not adequately cover the Association's financial obligations, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. To the extent there are any functions or services that are currently provided by the Developer at no charge for which the Association may be required to assume responsibility in the future, such cost has been budgeted for in the initial Annual Assessment amount or will be considered in the Association's preparation of the annual budget.

The Annual Assessment for the year of purchase will be pro-rated as of the purchase date and then shall be paid annually. The initial amount of the Annual Assessment applicable to each Lot will be six hundred dollars (\$600.00) per Lot. The Annual Assessment is payable in advance and is due on the thirty-first (31st) day of January during each calendar year. All other matters relating to the collection, expenditure and administration of the Annual Assessment shall be determined by the Board of Directors of the Association, subject to the provisions hereof. The Board of Directors of the Association, from and after the Control Transfer Date, shall have the further right at any time to adjust, alter, increase or decrease the Annual Assessment from year to year as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association and to enable the Association to carry out its duties. However, the Board of Directors shall not increase the Annual Assessment by more than ten percent (10%) from the previous year without the affirmative Vote of the Members.

Any Assessment which is not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law.

The collection and management of the Assessment shall be performed by the Developer until the Control Transfer Date, at which time the Developer shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Developer, and upon transfer, the Association, shall maintain a separate account for these funds.

Developer shall have, retain and reserve certain rights as set forth in the Declaration with respect to the Association until the earlier of the date the Developer gives written notice to the Association of Developer's termination of the rights described in Article VI of the Declaration or the Control Transfer Date. The Developer rights, those being the same as Declarant Rights, set forth in the Declaration, shall not be released until such time as a document relinquishing said rights is filed of record or the Developer no longer holds record title to any Common Area or Lot in the Subdivision.

Developer may cause additional real property to be annexed into Subdivision, by causing a written Annexation Declaration confirming the annexation thereof, to be recorded in the Official Public Records of Leon County, Texas. No consent shall be required of the Association or any Member thereof, each Owner being deemed to have appointed the Developer as his agent and attorney-in fact to effect this Annexation, which power hereby granted to the Developer is and shall be a power coupled with any interest. Thereafter, the Association shall be the Association for the entirety of the Subdivision, including the annexed property.

The Association shall accept title to any real property, improvements to real property, personal property and any related equipment which the Developer transfers to the Association, together with the responsibility to perform any all maintenance and administrative functions associated therewith, provided that such property and responsibilities are not inconsistent with the terms of the Declaration. Property interest

transferred to the Association by the Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by the Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of any declaration of covenants, conditions and restriction or easements set forth in the transfer instrument. Except as otherwise specifically approved by resolution of the Board of Directors, no property or instrument transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to the Developer or any affiliate of the developer including, but not limited to, any purchase price, rent charge or fee.

The Association may acquire property or an interest in property (including leases and easements) for the common benefit of Owners including any improvements and personal property. The Association may construct improvements and may demolish any existing improvements in the Common Area.

The Association shall have the power to make reasonable rules and regulations regarding the use of the Common Areas. The rules and regulations may be enforced in the same manner as any other provision of the Declaration. The Association (or any Owner if the Association fails to do so after reasonable written notice) will enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. Failure by the Association or any Owner to enforce any covenants or restrictions shall in no event be deemed a waiver of the right to do so thereafter. If it becomes necessary for any Owner or the Association to file a Court action to enforce restrictions contained in the Governing Documents, the defaulting Owner shall be liable for all reasonable attorney's fees and costs incurred by the enforcing Owner or the Association to obtain compliance by the defaulting Owner. The defaulting Owner shall be liable for all damages suffered by the enforcing Owner or the Association which shall be in an amount established by the Court. If an Owner fails to remedy any violation of these Restrictions within ten (10) days after written notice by the Association, the Association, or its authorized representatives, may take any one or more of the following actions:

(a) Enter upon the Owner's property and remove the violating condition, document the violating condition and/or cure the violation, at the expense of the Owner, and the violating Owner shall pay on demand all costs and expenses, including reasonable attorney's fees, incurred by the Association in removing such violating condition;

(b) Assess a charge of fifty dollars (\$50.00) per day against any Owner and/or his Lot until the violating condition is corrected. The Violation charge may be increased by the Association in accordance with increases in the National Consumer Price Index using 2022 as a base year. Failure to pay such assessment by the violating Owner within ten (10) days from receipt of assessment will result in a lien against

the Lot with the same force and effect as the lien for Annual or Special Assessments;

(c) File suit in order to enforce the above remedies and/or pursue any other remedy which may be available at law or in equity;

(d) Suspend an Owner's right to use the Common Area; and/or

(e) Take any action allowed by the Texas Property Code.

After an Owner receives a written notice of a violation of these Restrictions, the violating Owner shall not be entitled to any further notice of the same violation if it occurs within a six (6) month period. The Association reserves the easement across each Owner's Lot for the purpose of correcting or removing conditions in violation of these Restrictions, and in doing so, shall have no liability for trespass or other tort in connection therewith, or arising from such correction or removal of a violating condition. The Association shall further have the right to have any vehicle or other property stored or used in violation of these Restrictions removed from the Owner's Lot at the expense of the Owner and stored at the expense of the Owner.

As explained in detail in the section above titled "Restrictive Covenants" an Architectural Control Committee (or ACC) will control the construction of improvements in the Subdivision. The authority of the ACC will first lie with the Developer and later with the Association.

TAXES

After title is transferred to your Lot, you will be responsible for real property taxes assessed by Leon County. Taxes for the calendar year of closing will be pro-rated at closing. Real property taxes are paid to Leon County Tax Assessor-Collector, 155 N. Cass Street, Centerville, TX 75833. The total real property tax rate includes tax rates for Leon County, Centerville ISD and S.E. Leon County ESD #1. The adopted tax rates for the year 2021 are as follows and based on \$100.00 in appraised value of the property:

Entity	Tax Rate (per \$100.00 of appraised value)
Leon County	0.443095
Centerville ISD	1.198200
Leon County ESD #1	0.100000
Total Tax Rate	1.741295

The appraised value of the property will be determined by the Leon County Appraisal District, in its sole discretion. The appraised value of the Lot while unimproved will be less than the appraised value of the Lot once improved. Your Lot will be reassessed by Leon County following construction of the home, at which time the appraised value, and your total property tax, are expected to increase. The Developer does not control the tax rates or taxable value and both are subject to change without notice. The Developer makes no representation as to what the tax owed on a particular Lot will be.

RESALE OR EXCHANGE PROGRAM

The Developer does not operate a resale or exchange program. Purchasers may attempt to re-sell their Lot through a third-party realtor, however, no for sale signs are permitted to be placed on a vacant Lot during the Developer's control of the Subdivision; however, a builder can place one professional sign on a Lot advertising his services or residence for sale. Additionally, a Purchaser attempting to re-sell their Lot may face competition from Developer's sales force. We have no program to assist you in the sale of your Lot. We do not have any provision to allow you to exchange one Lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968 by not directly or indirectly discriminating on the basis of race, color, religion, sex, national origin, familial status, and handicap in any of the following general areas: Lot marketing and advertising, rendering of Lot services, and in requiring terms and conditions on Lot sales and leases.

LISTING OF LOTS

The Lots included in this offering consist of Lots 1-182 as shown on the preliminary plat of Three Lakes Ranch, dated May 3, 2022.

COST SHEET

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

In addition to the purchase price of your Lot, there are other expenditures which must be made. Listed below are the major costs. There may be other fees for use of the recreational facilities.

All costs are subject to change.

Sales Price of Lot/Unit

Cash Price of Lot/Unit	\$ _____
Finance Charge	\$ _____
Closing Fee	\$ _____
Total	\$ _____

Estimated One-time Charges

1. Water Connection Fee (Central System) ¹	\$ <u>1,500.00</u>
2. Private Well Installation ¹	\$ <u>25,000.00</u>
3. Water Utility Customer Service Inspection	\$ <u>75.00</u>
4. On-Site Septic System Installation	\$ <u>10,000.00-\$20,000.00</u>
5. Construction costs to extend electric	\$ _____
6. Construction costs to extent water	\$ _____
7. ACC Plan Review	\$ <u>250.00</u>
8. ACC Construction Deposit	\$ <u>1,000.00</u>
9. Other (identify)	
a. _____	\$ _____
b. _____	\$ _____

Total of estimated sales price and one-time charges \$ _____

1. Lot Owners may use private wells or connect to the central water system, at their option.

Estimated annual charges, exclusive of utility use fees:

Taxes (average unimproved Lot after sale to Purchaser)	\$ _____
Dues & Assessments	\$ <u>600.00</u>

The information contained in this Property Report is an accurate description of our Subdivision and development plans.

LSLP Centerville Land, LLC

By: 

Print Name and Title: Price Koever Authorized Agent

RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE

PURCHASER RECEIPT
IMPORTANT: READ CAREFULLY

Name of Subdivision: **Three Lakes Ranch**
ILSRP NUMBER: 40063
Date of Report: May 3, 2022

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received By:		Date:
Address:		
City:	State:	Zip:

If any representations are made to you which are contrary to those in this report, please notify the:

Bureau of Consumer Financial Protection
1700 G Street NW
Washington, DC 20552

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Homesite _____ Phase _____ Section _____

Name of Salesperson _____

Signature _____ Date _____

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

Name of Subdivision **Three Lakes Ranch**
Date of Contract _____
This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) Signature _____ Date _____

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