

**CONDOMINIUM
INFORMATION
STATEMENT**

**ROUGH HOLLOW
CONDOMINIUMS**

ISSUED DECEMBER 12, 2022

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

**PURCHASER READ THIS DOCUMENT FOR YOUR OWN PROTECTION.
IT CONTAINS INFORMATION REQUIRED BY STATUTE FOR
CONDOMINIUM REGIMES CREATED IN TEXAS AFTER JANUARY 1, 1994.**

NAME OF CONDOMINIUMS: Rough Hollow Condominiums.

LOCATION OF CONDOMINIUMS: Maybury Way, Spicewood, Texas 78669

PROPERTY SUBMITTED: The real property located in Travis County, Texas, as more particularly described on Exhibit "A" of the Declaration.

NAME OF DECLARANT: CND-RH, LLC, a Texas limited liability company

ADDRESS OF DECLARANT: 1111 N. Post Oak Road, Houston, Texas 77055

EFFECTIVE DATE OF CONDOMINIUM INFORMATION STATEMENT: December 12, 2022

This Condominium Information Statement presents certain information regarding the condominium regime and the Units being offered for sale by CND-RH, LLC d/b/a David Weekley Homes. It consists of two parts, a narrative portion and an attachments portion. The attachments include legal documents that will be required for the creation and operation of the condominium. The attachments will control in the event of any inconsistency between the attachments and the narrative.

The Condominium Information Statement is not intended to be all-inclusive or to address every significant feature of the condominium. Because purchasing real property is an important decision, the purchaser is encouraged to review this Condominium Information Statement with an attorney and to consult other sources for information not covered by this Condominium Information Statement.

Under limited circumstances, a purchaser has a six-day period after receiving the Condominium Information Statement during which the purchaser may cancel the contract of sale and obtain full refund of any money deposited in connection with the contract. This right to cancel does not apply if the purchaser received the Condominium Information Statement before signing the contract or if the contract contains an underlined or bold-print provision acknowledging the purchaser's receipt of the Condominium Information Statement and recommending that the purchaser read the Condominium Information Statement before signing the contract. If the purchaser has such right to cancel and elects to cancel, notice of cancellation must be given pursuant to Section 82.156 of the Texas Uniform Condominium Act.

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Declaration (as defined herein).

TABLE OF CONTENTS

Page

I.	NAMES & ADDRESSES.....	1
II.	NARRATIVE PORTION	1
1.	CONDOMINIUM OWNERSHIP	1
2.	PROPERTY/UNITS	2
3.	THE OWNERS ASSOCIATION	2
4.	REGULAR ASSESSMENTS	2
5.	WORKING CAPITAL CONTRIBUTION	3
6.	EASEMENTS, RESTRICTIONS, LIENS, LEASES OR ENCUMBRANCES.....	3
7.	WARRANTY.....	3
8.	NO JUDGMENTS OR SUITS.....	3
9.	FEES OR CHARGES FOR USE OF COMMON ELEMENTS	3
10.	MASTER ASSOCIATION MANDATORY MEMBERSHIP AND MASTER DOCUMENTS	3
11.	INSURANCE	4
12.	BUDGET.....	5
13.	UNIT UTILITIES	5
14.	DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS.....	6
15.	ATTACHMENTS	8
16.	DISCLOSURES	8
17.	GENERAL INFORMATION	8

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

I. NAMES & ADDRESSES

A. DECLARANT:

DECLARANT: CND-RH, LLC, a Texas limited liability company

Address: 1111 N. Post Oak Road
Houston, Texas 77055

B. CONDOMINIUM PROJECT INFORMATION:

Name: Rough Hollow Condominiums

Physical Location:

Maybury Way, Spicewood, Texas 78669

Mailing and Manager's address:

FirstService Residential Austin, LLC
d/b/a FirstService Residential
5316 West US-290, Suite 100
Austin, Texas 78735

II. NARRATIVE PORTION

1. CONDOMINIUM OWNERSHIP

Rough Hollow Condominiums utilizes the condominium form of ownership and is established pursuant to the Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476 in the Official Public Records of Travis County, Texas, as amended by that certain First Amendment to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2022107765 in the Official Public Records of Travis County, Texas, and by that certain Second Amendment to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2022189657 in the Official Public Records of Travis County, Texas (collectively, the "**Declaration**"). All of the land, driveways and any private streets, and other improvements not defined as Units under the Declaration are Common Elements of the condominium and are owned collectively (in undivided interests) by all the Owners and unless otherwise provided by the Declaration, maintained by the Association as a Common Expense.

Common Elements include General Common Elements and Limited Common Elements. Limited Common Elements are portions of the project, excluding the Units, which have been assigned for the exclusive use of at least one but less than all the Unit Owners. Please refer to the Declaration and the plat and plans for a description of Limited Common Elements, if any, assigned to Units. General Common Elements are all other portions of the project, excluding the Units and Limited Common Elements.

2. PROPERTY/UNITS

The property submitted to the terms of the Declaration is more particularly described on Exhibit "A" of the Declaration.

The condominium established by the Declaration presently includes forty-two (42) Units, and the maximum number of Units which may be created under the Declaration is fifty-three (53). The minimum number of additional Units that may be created is zero (0) and the maximum number of additional Units that may be created is eleven (11). No assurance is given as to the dispersion of Units, the total number of Units, or the size of any Units to be created.

The Units are restricted to residential use as set forth more fully in the Declaration. Declarant has reserved the right in the Declaration to change the sizes and types of Units. Each Owner acknowledges that the square footage of the living areas of a Unit will differ from the legal boundaries of a Unit established by the Declaration. Declarant has not made any representation of the square footage of any residence or Improvements constructed within a Unit.

Each Unit includes the spaces and Improvements now or hereafter constructed within the boundaries of the Unit defined in *Section 5.2.1* of the Declaration, including without limitation the roofs and foundations of any such Improvements, landscaping, driveways, parking areas, sidewalks, fences, yards, utility lines and meters (to the extent such lines and meters exclusively serve such Unit) and all other Improvements located within the Unit. In addition to the Improvements within the Unit, each Unit also includes any improvements, fixtures, and equipment serving the Unit exclusively.

3. THE OWNERS ASSOCIATION

The Point at Rough Hollow Condominium Association, Inc. (the "**Association**") is the Texas nonprofit corporation that will administer Rough Hollow Condominiums. During the "**Declarant Control Period**", as defined in the Declaration, Declarant will retain certain rights regarding operation and administration of the Association, namely the right to appoint and remove all directors and officers of the Association. The Declaration and the Texas Uniform Condominium Act provide for a two-step transition process to resident control of the Association. The first step occurs within 120 days after 50% of the Units that may be created under the Declaration have been conveyed by Declarant. Within this 120 day period, the current Board of the Association will call a meeting of all Unit Owners. At this meeting the Owners, excluding the Declarant, will elect one Board member out of a three person Board. Declarant will retain the right to appoint and remove two Board members. The second step occurs within 120 days after 75% of the Units that may be created under the Declaration have been conveyed by Declarant. Within this 120 day period, the current Board of the Association will call a meeting of all Unit Owners. At this meeting the Owners, including Declarant, will elect the entire Board. The Declarant Control Period is described in Appendix "A" of the Declaration attached to this Condominium Information Statement.

4. REGULAR ASSESSMENTS

Owners of Units will pay monthly Regular Assessments to the Association. Regular Assessments are collected to discharge estimated costs and expenses to be incurred by the Association to maintain certain common elements and to operate and administer the Association and the Regime. The estimated monthly Regular Assessment for a Unit for the first fiscal year of the Association is reflected on the Budget attached as Attachment 4 to this Condominium Information Statement.

5. **WORKING CAPITAL CONTRIBUTION**

The Declaration requires each purchaser of each Unit to contribute an amount equal to two (2) months of Regular Assessments to the Association's working capital fund (the "**Working Capital Contribution**"). Payment of the Working Capital Contribution is not an advance payment of Regular Assessments. Declarant will not use the Working Capital Contribution to cover the Association's operational expenses during the Declarant Control Period.

6. **EASEMENTS, RESTRICTIONS, LIENS, LEASES OR ENCUMBRANCES**

Title to each Unit and all common elements is subject to all easements, restrictions, liens, leases and encumbrances recorded against the Property. A description of such recorded easements, restrictions, liens, leases and encumbrances is attached to the Declaration as Attachment 2. These instruments should also be listed in Schedule B of the title commitment that you may receive in connection with your purchase. You may ask the title company handling your Unit closing to provide you with copies of all the recorded instruments affecting title to your Unit and appurtenant common elements. You are encouraged to review the title instruments before closing.

7. **WARRANTY**

Declarant will NOT provide any warranty with respect to the Unit. A Warranty will be provided by David Weekley Homes, the builder.

8. **NO JUDGMENTS OR SUITS**

Declarant has no actual knowledge of any unsatisfied judgments against The Point at Rough Hollow Condominium Association, Inc., nor of any pending suits to which the Association is a party, or which are material to the land title and construction of Rough Hollow Condominiums.

9. **FEES OR CHARGES FOR USE OF COMMON ELEMENTS**

The Association may, from time to time, charge Owners and Residents for the use of certain common elements within the Property.

10. **MASTER ASSOCIATION MANDATORY MEMBERSHIP AND MASTER DOCUMENTS**

Each Unit is subject to the terms and provisions of that certain Rough Hollow South Shore II Master Covenant, recorded as Document No. 2009056508 in the Official Public Records of Travis County, Texas, as amended (the "**Master Covenant**"). The Property submitted to the Declaration was made subject to the Master Covenant in accordance with the terms and provisions of that certain Rough Hollow South Shore II [Rough Hollow Condominiums] Notice of Applicability of Master Covenant, recorded as Document No. 2021065898 in the Official Public Records of Travis County, Texas (the "**Notice of Annexation**"). The Master Covenant and the Notice of Annexation are attached to this Condominium Information Statement as Attachment 5 and Attachment 6, respectively.

Each Unit owner is a mandatory member of The Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation (the "**Master Association**") and is required to pay assessments to the Master Association in accordance with the Master Covenant. The estimated monthly

assessment for each Unit payable to the Master Association is set forth on the budget attached as Attachment 4.

PURSUANT TO THE MASTER COVENANT, ALL "IMPROVEMENTS", AS SUCH TERM IS DEFINED IN THE MASTER COVENANT, MUST BE APPROVED IN ADVANCE AND IN WRITING BY THE ARCHITECTURAL REVIEWER.

11. INSURANCE

Declarant, for the benefit of the Association, will obtain a master insurance policy from an insurance carrier chosen by Declarant. The effective date of the coverage will be on or before the date Declarant first conveys a Unit to a third party and will expire one year after its effective date.

a. Property Insurance: The Association WILL NOT insure Units, but will obtain property insurance on the insurable General Common Elements and Limited Common Elements serving more than one (1) Unit within the Regime. Each Owner is obligated to obtain and maintain fire and extended coverage on the Owner's Unit and on any Limited Common Element assigned exclusively thereto, in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. The Association strongly recommends that each Owner and Resident purchase and maintain insurance on such Owner's or Resident's personal belongings.

b. Other Insurance:

(1) Commercial General Liability.

(a) Bodily Injury and Property Damage Liability - \$1,000,000.00 combined single limit per occurrence.

(b) Personal Injury Liability & Advertising Injury Liability - \$1,000,000.00.

(c) Fire Damage Legal Liability - \$100,000.00 limit per any one fire.

(d) Medical Payment - \$5,000.00 limit per person.

The policy includes an aggregate limit of liability of \$2,000,000.00 bodily injury and property damage combined, covering the common property.

THE ASSOCIATION WILL NOT PROVIDE LIABILITY COVERAGE FOR ACCIDENTS OR OCCURRENCES THAT OCCUR WITHIN A UNIT.

(2) Directors and Officers Liability. \$1,000,000.00 combined single limit per occurrence if Declarant or Board of Directors of the Association elects to purchase.

c. Additional Insurance Exclusions: The following items are examples of items not covered by policies procured by the Association. Each Owner should consult their insurance agent if coverage is desired:

(1) Additional living expense.

(2) Personal injury.

(3) Loss assessment coverage.

- (4) Value of jewelry, furs, silverware, fine art.
- (5) Business interruptions.
- (6) Mold.

12. BUDGET

- a. Budget. The projected budget for the first fiscal year of the Association following the date of the first conveyance to a purchaser is attached as Attachment 4 to this Condominium Information Statement. An estimate of the monthly Regular Assessment paid by all Unit Owners is shown on the budget.
- b. Preparer. The budgets were prepared by the Manager.
- c. Assumptions About Inflation. All budgets are based on a one hundred percent (100%) net collection rate and the estimates are in current dollars unadjusted for possible inflation.
- d. Conditions. The budgets were prepared in accordance with generally accepted accounting principles, taking into consideration the physical condition of the condominium and are based on assumptions that, to the best of the preparer's knowledge, are reasonable.

13. UNIT UTILITIES

- a. ELECTRICITY. Each Unit is individually metered for electricity. Electricity service is provided by Pedernales Electric Cooperative, Inc. Each Owner or Resident will make payment directly to Pedernales Electric Cooperative, Inc. for such services.
- b. WATER. The water used by all the Units and common elements is provided by a private service provider. Consumption of potable water by a Unit will be measured by a central water meter and sub-metered by a third party. The Association will charge each Unit for its sub-metered or allocated portion of its water bill. Water consumed by the common element administered and maintained by the Association is a common expense. In addition to paying for the Unit's consumption of water, each Owner will pay a pro rata share of the common element water, plus a servicing or administrative fee through Regular Assessments.
- c. WASTEWATER. Wastewater/sewer service will be provided by a private service provider. Wastewater is charged based on water consumption. The Association will charge each Unit for its allocation portion of the Association's wastewater bill. Wastewater consumed by the common element administered and maintained by the Association is a common expense. In addition to paying for the Unit's consumption of wastewater, each Owner will pay a pro rata share of the common element water, plus a servicing or administrative fee through Regular Assessments.
- d. GAS. Each Unit is individually metered for gas. Gas service is provided by Direct Propane Services. Each Owner or Resident will make payment directly to the service provider for such services.

- e. PHONE/CABLE/INTERNET. Phone, cable, and Internet services are provided by a variety of vendors. Each Owner or Resident will make payment directly to their chosen vendor for such services.

14. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Declarant has reserved certain development rights as more particularly described in the Declaration and Appendix "A" attached to the Declaration. Many of these rights expire upon expiration of the Development Period. The "**Development Period**", as specifically defined in the Declaration, means the fifteen (15) year period beginning on the date the Declaration is recorded in the Official Public Records of Travis County, Texas, unless such period is earlier terminated by Declarant's recordation of a notice of termination in the Official Public Records of Travis County, Texas. Certain additional rights expire upon expiration of the Declarant Control Period. The Declarant Control Period expires on the earlier to occur of: (i) within one hundred twenty (120) days after seventy-five percent (75%) of all Units which may be created by Declarant have been conveyed to Owners other than Declarant; or (ii) when, in the sole opinion of Declarant, the Association to be established pursuant to the Declaration is viable, self-supporting, and operational.

The following list includes a summary of the rights reserved by Declarant until expiration of the Development Period or the Declarant Control Period, as applicable. Please refer to Appendix "A" to the Declaration for a complete description of such rights.

- N-1. Annexation. During the Development Period, Declarant may annex additional property into the Regime, and subject such property to the Declaration and the jurisdiction of the Association.
- N-2. Creation of Units. The Property presently contains forty-two (42) Units; however, Declarant reserves the right to create up to and including fifty-three (53) Units upon full building of all phases of the project, which may include land added by Declarant in accordance with the Declaration.
- N-3. Changes in Development Plan. During the Development Period, Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, changes in the sizes, styles, configurations, materials, and appearance of Units and Common Elements.
- N-4. Architectural Control. During the Development Period, Declarant has the absolute right to review and approve all Improvements constructed within the Regime.
- N-5. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.
- N-6. Property Name. Declarant has the unilateral right to change the Property name if required by applicable law.
- N-7. Fines and Penalties. During the Development Period, neither Declarant nor Units owned by Declarant are liable to the Association for late fees, fines, administrative charges, or any other charge that may be considered a penalty.
- N-8. Statutory Development Rights. As permitted by the Texas Uniform Condominium Act, Declarant has reserved the right: (i) to add real property to the Regime; (ii) to create Units, General Common Elements, and Limited Common Elements within the Regime; (iii) to subdivide Units or convert Units into Common Elements; and (iv) to withdraw

from the Regime any portion of the real property marked on the Plat and Plans as “Development Rights Reserved” or “Subject to Development Rights,” provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

- N-9. Amendment. During the Development Period, Declarant may amend the Declaration, without consent of other Owners or any mortgagee, for the following limited purposes: (i) to meet the requirements, standards, or recommended guidelines to enable an institutional or governmental lender to make or purchase mortgage loans on the Units; (ii) to correct any defects in the execution of the Declaration or the other Documents; (iii) to add real property to the Regime; (iv) to create Units, General Common Elements, and Limited Common Elements within the Regime; (v) to subdivide, combine, or reconfigure Units or convert Units into Common Elements; (vi) to withdraw from the Regime any portion of the real property marked on the Plat and Plans as “Development Rights Reserved” or “Subject to Development Rights”; (vii) to resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents; and (viii) to change the name or entity of Declarant.
- N-10. Additional Rights. As permitted by the Texas Uniform Condominium Act, Declarant has reserved the following rights: (i) the right to complete or make Improvements indicated on the Plat and Plans; (ii) the right to exercise any Development Right permitted by the Act and the Declaration; (iii) the right to make the Property part of a larger condominium or planned community; (iv) the right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Regime; and (v) for purposes of promoting, identifying, and marketing the Regime, Declarant has reserved an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Regime, including items and locations that are prohibited to other Owners and Residents. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property.
- N-11. Easement Rights. Declarant has reserved an easement and right of ingress and egress in and through the common elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Regime, and for discharging Declarant’s obligations under the Texas Uniform Condominium Act and the Declaration.
- N-12. Appointment of Association Directors and Officers. During the Declarant Control Period, the right to appoint or remove any Declarant-appointed officer or director of the Association.
- N-13. Additional Easements and Rights. Declarant has reserved the following easements and rights, exercisable at Declarant’ sole discretion, for the duration of the Development Period: (i) an easement and right to erect, construct, and maintain on and in the common elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Regime; (ii) the right to sell or lease any Unit owned by Declarant; (iii) the right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or common elements; (iv) an easement over the entire Property, including the Units, to inspect the common elements and all Improvements thereon and related thereto to evaluate the

maintenance and condition of the common element Improvements; and (v) the right to provide a reasonable means of access and parking for prospective Unit purchasers in connection with the active marketing of Units by Declarant.

15. ATTACHMENTS

The attachments include documents that will be recorded or filed. The following attachments are included with this Condominium Information Statement and are incorporated by reference:

- ATTACHMENT 1** Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded in the Official Public Records of Travis County, Texas, as amended.
- ATTACHMENT 2** Certificate of Formation of The Point at Rough Hollow Condominium Association, Inc.
- ATTACHMENT 3** Community Manual of Rough Hollow Condominiums, recorded in the Official Public Records of Travis County, Texas
- ATTACHMENT 4** Budget for The Point at Rough Hollow Condominium Association, Inc.
- ATTACHMENT 5** Master Covenant for Rough Hollow South Shore II
- ATTACHMENT 6** Notice of Annexation

16. DISCLOSURES

THE DECLARATION CONTAINS IMPORTANT DISCLOSURES AND DISCLAIMERS THAT PURCHASER SHOULD CLOSELY REVIEW, INCLUDING THE FOLLOWING:

Dispute Resolution. PURCHASER ACKNOWLEDGES AND AGREES THAT A “CLAIM”, FOR THE PURPOSE OF THIS PARAGRAPH, INCLUDES: (1) CLAIMS UNDER THE DECLARATION OR THE TEXAS UNIFORM CONDOMINIUM ACT RELATING TO THE RIGHTS AND/OR DUTIES OF THE DECLARANT, THE ASSOCIATION, AND ANY OWNER OF A UNIT; (2) CLAIMS RELATING TO THE ACTS OR OMISSIONS OF THE DECLARANT, THE ASSOCIATION, THE ARCHITECTURAL REVIEW AUTHORITY UNDER THE DECLARATION, AND A PERSON SERVING AS A BOARD MEMBER, OR OFFICER OF THE ASSOCIATION; AND (3) CLAIMS RELATING TO THE DESIGN OR CONSTRUCTION OF THE UNITS OR COMMON ELEMENTS OR ANY IMPROVEMENT IN THE REGIME. ANY CLAIM MUST BE RESOLVED IN ACCORDANCE WITH THE DISPUTE RESOLUTION PROCEDURES SET FORTH IN THE DECLARATION. THE DISPUTE RESOLUTION PROCEDURES IN THE DECLARATION REQUIRE BINDING ARBITRATION AND FURTHER REQUIRE THAT CERTAIN STEPS BE TAKEN AS A PRECONDITION TO THE INITIATION OF BINDING ARBITRATION. IN ADDITION, THE ASSOCIATION DOES NOT HAVE THE RIGHT OR AUTHORITY TO INSTITUTE, DEFEND, INTERVENE IN, SETTLE OR COMPROMISE LITIGATION OR ADMINISTRATIVE PROCEEDINGS: (I) IN THE NAME OF OR ON BEHALF OF ANY UNIT OWNER (WHETHER ONE OR MORE); OR (II) RELATING TO THE DESIGN OR CONSTRUCTION OF A UNIT (WHETHER ONE OR MORE).

17. GENERAL INFORMATION

The attachments which follow this narrative portion provide a more detailed description of the condominiums and the rights and obligations of the Unit Owner. The purchaser should carefully consider the attachments, as well as this narrative portion of the Condominium Information Statement. If

the purchaser does not understand any aspect of this Condominium Information Statement, the sales contract, and any other materials provided in connection with the sale of Units, the purchaser should consult with competent legal counsel.

Declarant reserves the right to amend, in writing, the terms of this Condominium Information Statement. If the change may adversely affect a purchaser under contract who has received a Condominium Information Statement but who has not yet closed, Declarant shall furnish a copy of the amendment to that purchaser before closing. This Condominium Information Statement may not be changed or modified orally.

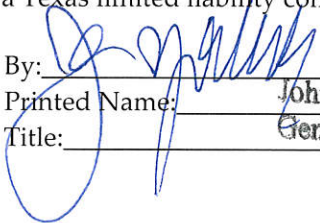
Declarant has no actual knowledge of any false or misleading statement or any omission of material fact in any portion of this Condominium Information Statement, including the attachments hereto.

[SIGNATURE PAGE FOLLOWS]

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

December 8, 2022

CND-RH, LLC,
a Texas limited liability company

By: 
Printed Name: John Burchfield
Title: General Counsel

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

ATTACHMENT 1

DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Dana DeBeauvoir

Dana DeBeauvoir, County Clerk
Travis County, Texas

Apr 23, 2021 03:43 PM Fee: \$510.00

2021090476

Electronically Recorded

AFTER RECORDING RETURN TO:

Robert D. Burton, Esq.
Winstead PC
401 Congress Ave., Suite 2100
Austin, Texas 78701
Email: rburton@winstead.com



**DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME FOR ROUGH
HOLLOW CONDOMINIUMS**

(A Residential Condominium in Travis County, Texas)

03-684137 CB/BR

Declarant: ASH CREEK HOMES, INC., a Texas corporation

THE PROPERTY SUBJECT HERETO IS ALSO SUBJECT TO THE TERMS AND CONDITIONS OF THAT CERTAIN: (I) ROUGH HOLLOW SOUTH SHORE II MASTER COVENANT, RECORDED AS DOCUMENT NO. 2009056508 IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AS AMENDED; AND (II) NOTICE OF APPLICABILITY OF MASTER COVENANT - ROUGH HOLLOW SOUTH SHORE II [ROUGH HOLLOW CONDOMINIUMS], RECORDED UNDER DOCUMENT NO. 2021065898 IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS. THIS DECLARATION WILL CONSTITUTE A DEVELOPMENT AREA DECLARATION UNDER THE MASTER COVENANT. DECLARANT UNDER THE MASTER COVENANT EXECUTES THIS DECLARATION FOR THE PURPOSE OF ACKNOWLEDGING ITS CONSENT TO THE DEVELOPMENT AREA DECLARATION CREATED BY THIS DECLARATION.

Copyright © 2021. Winstead, PC. All rights reserved. This declaration may be used only in connection with the condominium regime known as Rough Hollow Condominiums in Travis County, Texas and the operation of Rough Hollow Condominium Community, Inc.

AFTER RECORDING RETURN TO:

Robert D. Burton, Esq.
Winstead PC
401 Congress Ave., Suite 2100
Austin, Texas 78701
Email: rburton@winstead.com



DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME FOR ROUGH HOLLOW CONDOMINIUMS

(A Residential Condominium in Travis County, Texas)

Declarant: ASH CREEK HOMES, INC., a Texas corporation

03-684137 CB/BR
THE PROPERTY SUBJECT HERETO IS ALSO SUBJECT TO THE TERMS AND CONDITIONS OF THAT CERTAIN: (I) ROUGH HOLLOW SOUTH SHORE II MASTER COVENANT, RECORDED AS DOCUMENT NO. 2009056508 IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AS AMENDED; AND (II) NOTICE OF APPLICABILITY OF MASTER COVENANT – ROUGH HOLLOW SOUTH SHORE II [ROUGH HOLLOW CONDOMINIUMS], RECORDED UNDER DOCUMENT NO. 2021065898 IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS. THIS DECLARATION WILL CONSTITUTE A DEVELOPMENT AREA DECLARATION UNDER THE MASTER COVENANT. DECLARANT UNDER THE MASTER COVENANT EXECUTES THIS DECLARATION FOR THE PURPOSE OF ACKNOWLEDGING ITS CONSENT TO THE DEVELOPMENT AREA DECLARATION CREATED BY THIS DECLARATION.

Copyright © 2021. Winstead, PC. All rights reserved. This declaration may be used only in connection with the condominium regime known as Rough Hollow Condominiums in Travis County, Texas and the operation of Rough Hollow Condominium Community, Inc.

TABLE OF CONTENTS

Page

ARTICLE 1 DEFINITIONS 2

ARTICLE 2 PROPERTY SUBJECT TO DOCUMENTS 7

 2.1. Subject To Documents 7

 2.2. Additional Property 7

 2.3. Adjacent Land Use 8

 2.4. Recorded Easements and Licenses 8

 2.5. Common Elements 8

ARTICLE 3 PROPERTY EASEMENTS, RIGHTS AND RESTRICTIONS 8

 3.1. General 8

 3.2. Owner's Easement of Enjoyment 8

 3.3. Owner's Maintenance Easement 9

 3.4. Owner's Ingress/Egress Easement 10

 3.5. Owner's Encroachment Easement 10

 3.6. Easement Of Cooperative Support 10

 3.7. Association's Access Easement 10

 3.8. Utility Easement 11

 3.9. Security 12

 3.10. Injury to Person or Property 12

 3.11. Easement to Inspect and Right To Correct 13

 3.12. Private Streets 13

 3.13. Notice of Access to and Use of Yacht Club 13

ARTICLE 4 DISCLOSURES 14

 4.1. Water Quality Facilities, Drainage Facilities and Drainage Ponds 14

 4.2. Adjacent Thoroughfares and Property 15

 4.3. Outside Conditions 15

 4.4. Street Names 15

 4.5. Construction Activities 15

 4.6. Concrete 15

 4.7. Water Runoff 16

 4.8. Encroachments 16

 4.9. Budgets 16

 4.10. Light and Views 16

 4.11. Schools 16

 4.12. Suburban Environment 16

 4.13. Unit Plans and Dimensions 16

 4.14. Location of Utilities 17

4.15.	Streets, Driveways and Parking Areas	17
4.16.	Moisture	17
4.17.	Sounds	17
4.18.	Unit Systems.....	17
4.19.	Wood	18
4.20.	Stone	18
4.21.	Chemicals.....	18
4.22.	Paint	18
4.23.	Fixtures	19
4.24.	Marketing.....	19
4.25.	Service Contracts	19
4.26.	Neighborhood Conditions.....	19
ARTICLE 5 UNITS, LIMITED COMMON ELEMENTS & ALLOCATIONS		19
5.1.	Initial Submitted Units and Maximum Number of Units.....	19
5.2.	Units.....	20
5.3.	Initial Designation and Allocation of Limited Common Elements.....	20
5.4.	Subsequent Allocation of Limited Common Elements	21
5.5.	Common Interest Allocation	21
5.6.	Common Expense Liabilities	21
5.7.	Association Votes	21
ARTICLE 6 COVENANT FOR ASSESSMENTS		21
6.1.	Purpose of Assessments	21
6.2.	Personal Obligation	21
6.3.	Types of Assessments.....	21
6.4.	Regular Assessments	22
6.5.	Special Assessments	23
6.6.	Utility Assessments.....	23
6.7.	Individual Assessments	23
6.8.	Deficiency Assessments	24
6.9.	Working Capital Fund	24
6.10.	Due Date.....	24
6.11.	Reserve Funds	25
6.12.	Declarant's Right to Inspect and Correct Accounts.....	25
6.13.	Association's Right to Borrow Money	25
6.14.	Limitation of Interest.....	25
6.15.	Audited Financial Statements.....	25
6.16.	Master Assessments	25
6.17.	Lien Rights Under the Master Covenant	26

ARTICLE 7 ASSESSMENT LIEN	26
7.1. Assessment Lien	26
7.2. Superiority of Assessment Lien.....	26
7.3. Effect of Mortgagee's Foreclosure	27
7.4. Notice and Release	27
7.5. Power of Sale.....	27
7.6. Foreclosure of Lien.....	27
ARTICLE 8 EFFECT OF NONPAYMENT OF ASSESSMENTS	27
8.1. Generally.....	27
8.2. Interest.....	28
8.3. Late Fees	28
8.4. Collection Expenses	28
8.5. Acceleration	28
8.6. Suspension of Vote	28
8.7. Assignment of Rents.....	28
8.8. Money Judgment	29
8.9. Notice to Mortgagee.....	29
8.10. Application of Payments.....	29
ARTICLE 9 MAINTENANCE AND REPAIR OBLIGATIONS	29
9.1. Overview	29
9.2. Association Maintains	29
9.3. Irrigation Maintenance and Landscape Services.....	30
9.4. Area of Common Responsibility.....	32
9.5. Inspection Obligations	33
9.6. Owner Responsibility.....	33
9.7. Disputes.....	34
9.8. Warranty Claims	34
9.9. Owner's Default In Maintenance	34
ARTICLE 10 CONSTRUCTION AND USE RESTRICTIONS.....	35
10.1. Approval Required by the Architectural Reviewer	35
10.2. Partial Assignment of Rights – Architectural Reviewer	35
10.3. Association's Right to Promulgate Rules and Amend Community Manual	36
10.4. Rules and Regulations.....	36
10.5. Use of Common Elements.....	37
10.6. Abandoned Personal Property	37
10.7. Animals - Household Pets	37
10.8. Firearms and Fireworks.....	37
10.9. Annoyance	38

10.10.	Appearance	38
10.11.	Declarant Privileges	38
10.12.	Drainage	38
10.13.	Driveways	38
10.14.	Garages	38
10.15.	Noise and Odor.....	38
10.16.	Residential Use	39
10.17.	Signs.....	39
10.18.	Solar Energy Device and Energy Efficiency Roofing.....	39
10.19.	Rainwater Harvesting Systems.....	42
10.20.	Flags	43
10.21.	Antennas	45
10.22.	Location of Permitted Antennas	45
10.23.	Xeriscaping	46
10.24.	Decorations and Lighting	47
ARTICLE 11 UNIT LEASING		48
11.1.	Lease Conditions	48
11.2.	Provisions Incorporated By Reference Into Lease	48
11.3.	Exemption	50
ARTICLE 12 ASSOCIATION OPERATIONS.....		50
12.1.	Board	50
12.2.	Name	50
12.3.	Governance	50
12.4.	Merger.....	50
12.5.	Membership	51
12.6.	Manager.....	51
12.7.	The Association.....	51
12.8.	Books and Records	51
12.9.	Indemnification	51
12.10.	Obligations of Owners	52
12.11.	Unit Resales	52
ARTICLE 13 ENFORCING THE DOCUMENTS.....		53
13.1.	Notice And Hearing	53
13.2.	Remedies.....	53
13.3.	Board Discretion	54
13.4.	No Waiver	55
13.5.	Recovery of Costs	55
13.6.	Release	55

13.7.	Right of Action by Association.....	55
ARTICLE 14 INSURANCE.....		55
14.1.	General Provisions	55
14.2.	Property Insurance	57
14.3.	Liability Insurance	57
14.4.	Worker's Compensation.....	58
14.5.	Fidelity Coverage.....	58
14.6.	Directors and Officers Liability.....	58
14.7.	Other Policies	58
ARTICLE 15 RECONSTRUCTION OR REPAIR AFTER LOSS.....		58
15.1.	Subject To Act.....	58
15.2.	Restoration Funds.....	58
15.3.	Costs and Plans	59
15.4.	Owner's Duty to Repair.....	59
15.5.	Owner's Liability For Insurance Deductible.....	59
ARTICLE 16 TERMINATION AND CONDEMNATION.....		59
16.1.	Association As Trustee	59
16.2.	Termination	60
16.3.	Condemnation.....	60
ARTICLE 17 MORTGAGEE PROTECTION.....		60
17.1.	Introduction.....	60
17.2.	Notice to Mortgagee.....	60
17.3.	Amendment.....	61
17.4.	Termination	61
17.5.	Implied Approval.....	61
17.6.	Other Mortgagee Rights.....	61
17.7.	Notice of Actions	62
17.8.	Amendments of a Material Nature	62
ARTICLE 18 AMENDMENTS.....		63
18.1.	Consents Required.....	63
18.2.	Amendments Generally	65
18.3.	Effective.....	65
18.4.	Declarant Rights	65
ARTICLE 19 DISPUTE RESOLUTION		65
19.1.	Introduction And Definitions.....	66
19.2.	Mandatory Procedures.....	67

19.3.	Mandatory Procedures: Construction Claims	67
19.4.	Common Element Construction Claim by the Association.....	68
19.5.	Unit Construction Claim by Owners	73
19.6.	Notice	75
19.7.	Negotiation	76
19.8.	Mediation.....	76
19.9.	Binding Arbitration-Claims	76
19.10.	Allocation Of Costs	78
19.11.	General Provisions	78
19.12.	Period of Limitation.....	78
19.13.	Funding the Resolution of Claims	79
ARTICLE 20 GENERAL PROVISIONS		79
20.1.	Notices	79
20.2.	Compliance	79
20.3.	Integration into Master Plan Development.....	80
20.4.	Higher Authority	80
20.5.	Interpretation	80
20.6.	Duration	80
20.7.	Captions	80
20.8.	Construction	80
20.9.	Appendix/Attachments.....	80

**DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME FOR
ROUGH HOLLOW CONDOMINIUMS**

ASH CREEK HOMES, INC., a Texas corporation ("**Declarant**"), is the owner of that certain real property in Travis County, Texas, as more particularly described on Exhibit "A" attached hereto and incorporated herein, together with all Improvements thereon and all easements, rights, and appurtenances thereto (collectively, the "**Property**"). The Property is hereby submitted to the terms and provisions of the Texas Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating Rough Hollow Condominiums.

A. Pursuant to that certain Notice of Applicability of Master Covenant – Rough Hollow South Shore II [Rough Hollow Condominiums], Recorded under Document No. 2021065898 in the Official Public Records of Travis County, Texas (the "**Notice of Applicability**"), the Property is subject to the terms and provisions of that certain Rough Hollow South Shore II Master Covenant, Recorded as Document No. 2009056508 in the Official Public Records of Travis County, Texas, as amended (the "**Master Covenant**").

B. The Master Covenant permits the Declarant, as such term is defined in the Master Covenant, to Record Development Area Declarations applicable to specific Development Areas, as those terms are used and defined in the Master Covenant. **RH LAKEWAY DEVELOPMENT, LTD.**, a Texas limited partnership, successor by merger to Rough Hollow Development, Ltd., a Texas limited partnership, is the "Declarant" under the Master Covenant and executes this Declaration for the sole purpose of authorizing Ash Creek Homes, Inc., a Texas corporation, to cause this Declaration Area Declaration to be Recorded and to serve as the Declarant hereunder. The terms and conditions set forth in any Development Area Declaration shall be in addition to the covenants, conditions and restrictions of the Master Covenant.

C. This Development Area Declaration of Condominium Regime will serve as one of the Development Area Declarations permitted under the Master Covenant and that the Property described and identified herein shall constitute one of the Development Areas which is permitted, contemplated and defined under the Master Covenant.

D. Declarant desires to create upon the Property a residential community and carry out a uniform plan for the improvement and development of the Property for the benefit of the present and future owners thereof.

E. Declarant desires to provide a mechanism for the preservation of the community and for the maintenance of common areas and, to that end, desires to subject the Property to the covenants, conditions, and restrictions set forth in this Declaration for the benefit of the Property, and each owner thereof, which shall be in addition to the covenants, conditions, and restrictions set forth in the Master Covenant.

ROUGH HOLLOW
DEVELOPMENT AREA DECLARATION
OF CONDOMINIUM REGIME

Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments as defined in Article 6 of this Declaration.

1.6 "**Association**" means Rough Hollow Condominium Community, Inc., a Texas nonprofit corporation, the Members of which shall be the Owners of Units within the Regime. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, the Certificate, the Bylaws, the Act, and Applicable Law.

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

1.8 "**Building**" means a residential dwelling constructed within a Unit.

1.9 "**Bylaws**" mean the bylaws of the Association, as they may be amended from time to time.

1.10 "**Certificate**" means the Certificate of Formation of the Association filed in the office of the Secretary of State of Texas, as the same may be amended from time to time.

1.11 "**City**" means the City of Lakeway, Texas.

1.12 "**Common Element**" means all portions of the Property save and except the Units. All Common Elements are "**General Common Elements**" except if such Common Elements have been allocated as "**Limited Common Elements**" by this Declaration for the exclusive use of one or more but less than all of the Units.

1.13 "**Common Expenses**" means the expenses incurred or anticipated to be incurred by the Association for the Regime, including but not limited to those expenses incurred for the maintenance, repair, replacement and operation of the Common Elements.

1.14 "**Community Manual**" means the community manual, if any, which may be initially adopted and Recorded by the Declarant as part of the initial project documentation for the Regime. The Community Manual may include the Bylaws and Rules and policies governing the Association as the Board determines to be in the best interest of the Association in its sole and absolute discretion. The Community Manual may be amended, from time to time, by a Majority of the Board; provided, however, that during the Development Period, any amendment to the Community Manual must be approved in advance and in writing by the Declarant.

1.15 "**Declarant**" means **ASH CREEK HOMES, INC.**, a Texas corporation. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by Recorded written instrument, assign, in whole or in part, exclusively or non-exclusively, any of its privileges, exemptions, rights and duties under this Declaration to any Person. Declarant may also, by Recorded written instrument, permit any other Person to participate in whole, in part,

NOW, THEREFORE, it is hereby declared that: (i) the Property will be held sold, conveyed, leased, occupied, used, insured, and encumbered with this Declaration, including the representations and reservations of Declarant, set forth on Appendix "A", attached hereto, which will run with the Property and be binding upon all parties having right, title, or interest in or to such property, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof; (ii) each contract or deed which may hereafter be executed with regard to the Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed; and (iii) this Declaration shall supplement and be in addition to the covenants, conditions, and restrictions of the Master Covenant. In the event of a conflict between the terms and provision of this Declaration and the Master Covenant, the terms of the Master Covenant shall control.

ARTICLE 1 DEFINITIONS

Unless otherwise defined in this Declaration, terms defined in Section 82.003 of the Act have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "*Act*" means Chapter 82 of the Texas Property Code, the Texas Uniform Condominium Act, as it may be amended from time to time.

1.2 "*Applicable Law*" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are "*Applicable Law*" on the date of the Document and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

1.3 "*Architectural Reviewer*" means the Master Declarant or its designee until the expiration or termination of the Development Period, as such term is defined in the Master Covenant.

1.4 "*Area of Common Responsibility*" means those portions of a Unit that are designated, from time to time, by the Declarant until expiration or termination of the Development Period, and thereafter by the Association, to be maintained, repaired, and replaced by the Association, as a Common Expense.

1.5 "*Assessment*" means any charge levied against a Unit or Owner by the Association, pursuant to the Documents, the Act, or Applicable Law, including but not limited to Regular

exclusively or non-exclusively, in any of Declarant's privileges, exemptions, rights and duties under this Declaration.

1.16 "*Declarant Control Period*" means that period of time during which Declarant controls the operation and management of the Association, pursuant to Appendix "A" of this Declaration. The duration of the Declarant Control Period shall expire upon and shall not exceed the date that is the earlier to occur of (i) one hundred and twenty (120) days after title to seventy-five percent (75%) of the maximum Units that may be created hereunder have been conveyed to Owners other than Declarant.

1.17 "*Declaration*" means this document, as it may be amended from time to time.

1.18 "*Design Guidelines*" means those certain Rough Hollow South Shore II [Rough Hollow Condominiums] Design Guidelines, Recorded as Document No. 2021065899 Official Public Records of Travis County, Texas.

1.19 "*Development Period*" means the fifteen year (15) year period beginning on the date this Declaration is Recorded, during which Declarant has certain rights as more particularly described on Appendix "A", attached hereto, including rights related to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by the Recording of a notice of termination. During the Development Period, Appendix "A" has priority over the terms and provisions of this Declaration.

1.20 "*Documents*" mean, singly or collectively as the case may be, this Declaration, the Plat and Plans, attached hereto as Attachment 1, the Certificate, Bylaws, the Community Manual, and the Rules of the Association, as each may be amended from time to time. An appendix, attachment, exhibit, schedule, or certification accompanying a Document is a part of that Document.

The Documents are subject to amendment or modification from time to time. By acquiring a Unit in Rough Hollow Condominiums, you agree to comply with the terms and provisions of the Documents, as amended or modified.

1.21 "*General Common Elements*" mean Common Elements which are not Limited Common Elements. General Common Elements refer to those portions of the Property that are designated as "GCE", "General Common Element", "General Common Area", "Common Area", or by the notation "General Common Elements", on Attachment 1, attached hereto.

1.22 "*Improvement*" means every structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to, buildings, outbuildings, storage sheds, patios, recreational facilities, swimming pools, garages, driveways,

parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, patios, decks, walkways, landscaping, mailboxes, poles, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, irrigation, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.23 "*Irrigation Maintenance Services*" means irrigation of the Yard Area and the repair and maintenance of the irrigation systems, as originally installed by Declarant for the Yard Area, which will include the following: (a) repair or replacement of broken, damaged or clogged sprinkler heads; (b) repair or replacement of cut surface mounted drip tubes or broken pipes below ground; (c) repair or replacement of master and zone level control valves; (d) repair or replacement of system controllers; and (e) repair or replacement of cut/damaged control wires. Irrigation Maintenance Services shall not include: (i) alterations, additions or modifications to the irrigation system (based on reconfigured landscaping or otherwise) or (ii) the costs of the electricity required to operate the irrigation system. Notwithstanding the forgoing, the Board will have the right to modify the Irrigation Maintenance Services provided hereunder from time to time.

1.24 "*Landscape Services*" mean the following services to be provided to the Yard Area: (a) irrigation of the Yard Area turf areas; (b) mowing and edging the Yard Area at least once per week during the months of May through September of each year, and on an as-needed basis during the months of October through April; (c) applying fertilizer to the Yard Area twice a year; (d) manually and mechanically controlling weeds in the Yard Area as required to maintain a reasonably manicured appearance as determined by the Board; (e) controlling fire ants in the Yard Area with applications of Logic or approved equal in the spring and fall; and (f) seasonal pruning of shrubbery and the addition of mulch in planting beds to a standard established in the sole discretion of the Board. If a Unit Owner elects to install additional landscape improvements within their Unit, the Board may levy an Individual Assessment against an Owner and the Owner's Unit for reimbursement for costs incurred for any increase in expenses attributable thereto. Notwithstanding the foregoing, the Declarant during the Development Period, and the Board thereafter, will have the right to modify the Landscape Services provided hereunder from time to time. Natural areas shall be left in the natural state and do not require Landscape Services. Tree pruning and fertilization of trees are the responsibility of the Unit Owner. Dead trees are to be replaced at Unit Owner's expense. Notwithstanding the foregoing, the Board will have the right to discontinue or modify the Landscape Services, provided hereunder from time to time and at any time.

1.25 "*Limited Common Elements*", if any, mean those portions of the Property reserved for the exclusive use of one or more Owners to the exclusion of other Owners. Limited Common Elements are designated as "LCE", "Limited Common Elements", or "Limited Common Areas" on Attachment 1, attached hereto and as provided in *Section 5.3* and *Section 5.4* of this Declaration.

- 1.26 "*Majority*" means more than half.
- 1.27 "*Master Association*" means the Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation.
- 1.28 "*Master Board*" means the Board of Directors of the Master Association.
- 1.29 "*Master Covenant*" means that certain Rough Hollow South Shore II Master Covenant, Recorded as Document No. 2009056508 in the Official Public Records of Travis County, Texas, as amended and modified from time to time.
- 1.30 "*Master Declarant*" means **RH LAKEWAY DEVELOPMENT, LTD.**, a Texas limited partnership.
- 1.31 "*Master Plan Documents*" means, singularly or collectively, as the case may be, the Master Covenant, Certificate of Formation of the Master Association, the Bylaws of the Master Association, the Notice of Applicability, and the Design Guidelines.
- 1.32 "*Member*" means a member of the Association, each Member being an Owner of a Unit, unless the context indicates that member means a member of the Board or a member of a committee of the Association.
- 1.33 "*Mortgagee*" means a holder, insurer, or guarantor of a purchase money mortgage secured by a Recorded senior or first deed of trust lien against a Unit.
- 1.34 "*Owner*" means a holder of fee simple title to a Unit. Declarant is the initial Owner of all Units. Mortgagees who acquire title to a Unit through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association.
- 1.35 "*Person*" means any individual or entity having the legal right to hold title to real property.
- 1.36 "*Plat and Plans*" means the plat and plans attached hereto as Attachment 1, as changed, modified, or amended in accordance with this Declaration.
- 1.37 "*Property*" means that certain real property in Travis County, Texas, as more particularly described on Exhibit "A" attached hereto and incorporated herein, together with all improvements thereon and all easements, rights, and appurtenances thereto.
- 1.38 "*Record, Recordation, Recorded, and Recording*," means to record or recorded in the Official Public Records of Travis County, Texas.

1.39 "**Regime**" means the Property, Units, General Common Elements, and Limited Common Elements that comprise the condominium regime established by this Declaration.

1.40 "**Resident**" means an occupant or tenant of a Unit, regardless of whether the Person owns the Unit.

1.41 "**Rules**" means rules and regulations of the Association adopted in accordance with the Documents or the Act. The initial Rules may be adopted by Declarant (as part of the Community Manual, or otherwise) for the benefit of the Association.

1.42 "**Underwriting Lender**" means a national institutional mortgage lender, insurer, underwriter, guarantor, or purchaser on the secondary market, such as Federal Home Administration (FHA) Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), or the Veterans Administration. Use of the term "Underwriting Lender" in this Declaration, and the specific instructions listed in this definition, may not be construed as a limitation on an Owner's financing options or as a representation that the Property is approved by any specific institution.

1.43 "**Unit**" means a physical portion of the Property designated by this Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans attached hereto as Attachment 1, as further described in *Section 5.2*.

1.44 "**Yard Area**" means all the manicured, turf yard and planting beds in immediate proximity to the Building and within the courtyard area for each Unit as originally installed by Declarant. In the event of a dispute concerning what constitutes the Yard Area of a Unit, the Board's determination of the Yard Area will be final, binding and conclusive. It is the intent of Declarant that certain areas within a Unit will be kept in a natural condition and not included in the definition of Yard Area.

ARTICLE 2 PROPERTY SUBJECT TO DOCUMENTS

2.1. **Subject To Documents.** The Property is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations as set forth on Appendix "A", attached hereto, which run with the Property, bind all Persons having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.

2.2. **Additional Property.** Additional real property may be annexed into the Regime and subjected to the Declaration and the jurisdiction of the Association with the approval of the Owners holding at least sixty seven percent (67%) of the total votes in the Association, or, during the Development Period, unilaterally Declarant as permitted in Appendix "A". Annexation of

additional property is accomplished by the Recording of a declaration of annexation, which will include a description of the additional real property. The declaration of annexation may include a description of the Units added into the Regime.

2.3. **Adjacent Land Use.** Declarant makes no representation of any kind as to current or future uses, actual or permitted, of any land that is adjacent to or near the Property.

2.4. **Recorded Easements and Licenses.** In addition to the easements and restrictions contained in this Declaration, the Property is subject to all easements, licenses, leases, and encumbrances of record, including those described in the attached Attachment 2, and as shown on a Recorded plat, each of which is incorporated herein by reference. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by prior-recorded easements, licenses, leases, and encumbrances. Each Owner further agrees to maintain any easement that crosses the Owner's Unit and for which the Association does not have express responsibility.

2.5. **Common Elements.** The Common Elements of the Property consist of all of the Property, save and except the Units. The designation of Common Elements is determined by this Declaration. The Declarant may install, construct, or authorize certain Improvements on Common Elements in connection with the development of the Property, and the cost thereof is not a Common Expense of the Association. Thereafter, all costs attributable to Common Elements, including maintenance, insurance, and enhancements, are automatically the responsibility of the Association, unless this Declaration elsewhere provides for a different allocation for a specific Common Element.

ARTICLE 3

PROPERTY EASEMENTS, RIGHTS AND RESTRICTIONS

3.1. **General.** In addition to other easements, rights and restrictions established by the Documents, the Property is subject to the easements, rights and restrictions contained in this *Article 3*.

3.2. **Owner's Easement of Enjoyment.** Every Owner is granted a right and easement of enjoyment over the General Common Elements and the use of Improvements therein, subject to other limitations, rights and easements contained in the Documents. An Owner who does not occupy a Unit delegates this right of enjoyment to the Residents of the Owner's Unit and is not entitled to use the General Common Elements. In addition, every Owner is granted an easement over the General Common Elements, to the extent necessary, to provide access to an Owner's Unit and for utilities serving the Owner's Unit. The right of access for necessary ingress and egress to an Owner's Unit cannot be suspended by the Board for violations of the Documents or nonpayment of Assessments.

3.3. **Owner's Maintenance Easement.** Each Owner is hereby granted an easement over and across any adjoining Unit and Common Elements to the extent reasonably necessary to maintain or reconstruct such Owner's Unit, subject to the consent of the Owner of the adjoining Unit, or the consent of the Board in the case of Common Elements, and provided that the Owner's use of the easement granted hereunder does not damage or materially interfere with the use of the adjoining Unit or Common Element. Requests for entry into an adjoining Unit must be made to the Owner of such Unit in advance. The consent of the adjoining Unit Owner will not be unreasonably withheld; however, the adjoining Unit Owner may require that access to its Unit be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. Access to the Common Elements for the purpose of maintaining or reconstructing any Unit must be approved in advance and in writing by the Board. The consent of the Board will not be unreasonably withheld; however, the Board may require that access to the Common Elements be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. The Board may require that the Owner abide by Rules with respect to use and protection of the Common Elements and adjacent Units during any such maintenance or reconstruction. If an Owner damages an adjoining Unit or Common Element in exercising the easement granted hereunder, the Owner will be required to restore the Unit and/or Common Element to the condition which existed prior to any such damage, at such Owner's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Owner is notified in writing of the damage by the Association or the Owner of the damaged Unit, as applicable.

Notwithstanding the foregoing, no Owner, other than the Declarant, shall perform any work to any portion of his Unit or the Common Elements unless such work is approved in advance and in writing by the Architectural Reviewer.

The Board may require that prior to commencing any work upon a Unit which requires access to, over or through the Common Elements or other Units, the Person performing such work deliver to the Board:

- (i) releases of the Board and the Association for all claims that such Person may assert in connection with such work in a form approved by the Board;
- (ii) indemnities of the Board and the Association, holding each and all of them harmless from and against any claims asserted for loss or damage to persons or property, including, but not limited to, Common Elements or other Units in a form approved by the Board;
- (iii) certificates of insurance, including liability and workmen's compensation coverage, in amounts and with companies reasonably acceptable to the Board; and

- (iv) all other information and assurances which the Board may reasonably require.

3.4. Owner's Ingress/Egress Easement. Each Owner is hereby granted a perpetual easement over the Property, as may be reasonably required and subject to Rules adopted, from time to time, by the Board, for vehicular and pedestrian ingress to and egress from his Unit or the Limited Common Elements assigned thereto. Such easement shall be subject, in any event, to any Rules governing or limiting each Owner's right of ingress and egress granted hereby.

3.5. Owner's Encroachment Easement. Every Owner is granted an easement for the existence and continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement or movement of any portion of a Building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the Improvement stands. For example, in the event a Unit's fence, as originally installed by Declarant, encroaches onto an adjacent Unit, the Unit Owner is granted an encroachment easement and Improvement may remain undisturbed as long as the Improvement stands. The easement granted herein is not intended to permit the continuance of any Improvement installed by an Owner not otherwise approved in advance by the Architectural Reviewer.

3.6. Easement Of Cooperative Support. Each Owner is granted an easement of cooperative support over adjoining Units and Common Elements as needed for the common benefit of the Property, or for the benefit of Units, or Units that share any aspect of the Property that requires cooperation. By accepting an interest in or title to a Unit, each Owner: (i) acknowledges the necessity for cooperation in a condominium; (ii) agrees to try to be responsive and civil in communications pertaining to the Property and to the Association; (iii) agrees to provide access to his Unit and Limited Common Elements when needed by the Association to fulfill its duties; and (iv) agrees to try refraining from actions that interfere with the Association's maintenance and operation of the Property.

3.7. Association's Access Easement. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Elements and the Owner's Unit and all Improvements thereon for the following purposes:

- (i) To perform inspections and/or maintenance that is permitted or required of the Association by the Documents or by Applicable Law.

- (ii) To perform maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.
- (iii) To enforce the Documents.
- (iv) To exercise self-help remedies permitted by the Documents or by Applicable Law.
- (v) To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- (vi) To respond to emergencies.
- (vii) To perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law.
- (viii) To perform all Irrigation Maintenance and Landscape Services.

3.8. Utility Easement. The Declarant, until expiration or termination of the Development Period, and thereafter the Association, may grant permits, licenses, and easements over the Common Elements for utilities, and other purposes reasonably necessary for the proper operation of the Regime. Declarant, during the Development Period, and the Association thereafter, reserves the right to grant easements over and across the Units and Common Elements for utilities necessary or required, as determined by the Declarant and/or the Association, as applicable, to provide utilities to the Units or property otherwise owned by the Declarant. The easements granted hereunder by the Declarant or the Association, as applicable, will not unreasonably interfere with the use of any Unit for residential purposes. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property. Utilities may include, but are not limited to, water, irrigation, sewer, trash removal, electricity, gas, electronic communications and internet, telephone, master or cable television, and security.

NOTICE

PLEASE READ CAREFULLY THE FOLLOWING PROVISIONS ENTITLED "SECURITY" AND "INJURY TO PERSON OR PROPERTY". THE PROVISIONS LIMIT THE RESPONSIBILITY OF DECLARANT AND THE ASSOCIATION FOR CERTAIN CONDITIONS AND ACTIVITIES.

3.9. Security. THE ASSOCIATION MAY, BUT IS NOT OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY DESIGNED, EITHER DIRECTLY OR INDIRECTLY, TO IMPROVE SAFETY IN OR ON THE PROPERTY. EACH OWNER AND RESIDENT ACKNOWLEDGES AND AGREES, FOR HIMSELF AND HIS GUESTS, THAT DECLARANT, THE ASSOCIATION, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES ARE NOT PROVIDERS, INSURERS, OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. EACH OWNER AND RESIDENT ACKNOWLEDGES AND ACCEPTS HIS SOLE RESPONSIBILITY TO PROVIDE SECURITY FOR HIS OWN PERSON AND PROPERTY AND ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO THE SAME. EACH OWNER AND RESIDENT FURTHER ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS THE OWNER OR RESIDENT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE, BURGLARY, AND/OR INTRUSION SYSTEMS RECOMMENDED OR INSTALLED, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY. EACH OWNER AND RESIDENT ACKNOWLEDGES AND AGREES THAT DECLARANT, THE ASSOCIATION, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES MAY NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.

3.10. Injury to Person or Property. NEITHER THE DECLARANT, THE ASSOCIATION, NOR THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES HAVE A DUTY OR OBLIGATION TO ANY OWNER, RESIDENT OR THEIR GUESTS: (A) TO SUPERVISE MINOR CHILDREN OR ANY OTHER PERSON; (B) TO FENCE OR OTHERWISE ENCLOSE ANY LIMITED COMMON ELEMENT, GENERAL COMMON ELEMENT, OR OTHER IMPROVEMENT; OR (C) TO PROVIDE SECURITY OR PROTECTION TO ANY OWNER, RESIDENT, OR THEIR GUESTS, EMPLOYEES, CONTRACTORS, AND INVITEES FROM HARM OR LOSS. BY ACCEPTING TITLE TO A UNIT, EACH OWNER AGREES THAT THE LIMITATIONS SET FORTH IN THIS SECTION 3.10 ARE REASONABLE AND CONSTITUTE THE EXERCISE OF ORDINARY CARE BY THE ASSOCIATION AND DECLARANT. EACH OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND DECLARANT, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES FROM ANY CLAIM OF DAMAGES, TO PERSON OR PROPERTY ARISING OUT OF AN ACCIDENT OR INJURY IN OR ABOUT THE REGIME TO THE EXTENT AND ONLY TO THE EXTENT CAUSED BY THE ACTS OR OMISSIONS OF SUCH OWNER, RESIDENT OR THEIR GUESTS, EMPLOYEES, CONTRACTORS, OR INVITEES TO THE

EXTENT SUCH CLAIM IS NOT COVERED BY INSURANCE OBTAINED BY THE ASSOCIATION AT THE TIME OF SUCH ACCIDENT OR INJURY.

3.11. Easement to Inspect and Right To Correct. Until the expiration of the Development Period, Declarant reserves for itself and for Declarant's architect, engineer, other design professionals, builder, and general contractor the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, Improvement, or condition that may exist on any portion of the Property, including the Buildings and Units, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. The party exercising such rights will promptly repair, at its sole expense, any damage resulting from the exercise of this right. This Section may not be construed to create a duty for Declarant or the Association and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant, and the Declarant's architect, engineer, other design professionals, builder, and general contractor, an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Elements and each Owner's Unit and all Improvements thereon for the purposes contained in this Section.

3.12. Private Streets. Any private streets located within the Property are General Common Elements and are administered and maintained by the Association. The Association, acting through the Board, has the express authority to adopt, amend, repeal, and enforce Rules for use of private streets, including but not limited to: (i) identification of vehicles used by Owners, Residents and their guests; (ii) designation of parking or no-parking areas; (iii) limitations or prohibitions on curbside parking; (iv) removal or prohibition of vehicles that violate applicable Rules; and (v) fines for violations of applicable Rules. Private streets located within the Property shall provide perpetual access for police and other emergency vehicles, public and private utility maintenance and service personnel, solid waste collection services, the U.S. Postal Service, and government employees in pursuit of their official duties. Access to the private streets for the persons and entities referenced in the preceding sentence shall be reasonably provided by the Association.

3.13. Notice of Access to and Use of Yacht Club. ROUGH HOLLOW YACHT CLUB, LTD., a Texas limited partnership (the "**Club**") owns and operates the amenities and related facilities comprising the Rough Hollow Yacht Club within the Rough Hollow community, which include or are planned to include dining facilities, outdoor swimming pool, patio and deck area, men's and women's locker rooms, fitness center, a ship's store, and a marina consisting of approximately marina slips in varying sizes that are equipped with electricity and water hook-ups, and a fuel dock with pump-out facilities (collectively, the "**Club Amenities**"). Upon acquisition of a Unit within the Regime, the Unit Owner thereof shall be permitted access to and use of the Club, in accordance with this *Section 3.13*.

3.13.1. Access. The Owner of a Unit in the Regime (for purposes of this *Section 3.13.1* only, each, a "**Club Member**" and, collectively, the "**Club Members**") shall have access to

and be entitled to use the Club Amenities subject to the terms and provisions of the Master Plan Documents and Documents, and any rules, regulations and other documents applicable to the Club Amenities (collectively, the "**Club Documents**"). Notwithstanding the foregoing, the Club shall not have the right to place a lien on any Club Member's Unit, or foreclose upon such Unit, due to such Club Member's violation of the Club Documents or the Association's non-payment of any Annual Fee. Further, the Association shall not be permitted to foreclose upon a Unit for violation of the Club Documents. Upon transfer of title to any Unit within the Regime, including in the event of foreclosure by a primary lienholder, the transferee Club Member shall not be responsible for delinquent payments of the Annual Fee, if any.

3.13.2. Use. As a condition precedent to permitting continued access to and use of the Club Amenities, the Association shall be required to pay to the Club an annual access fee of \$900.00 plus sales tax per Club Member (collectively, the "**Annual Fee**"). The Annual Fee may be increased or otherwise modified from time to time in the Club's discretion, provided that the increase or modification is applicable to the Club's social membership category, i.e., the increase is applied to the annual fee charged to all the Club's social members and is not applied only to the Club Members. Notwithstanding the foregoing, in no event shall the Annual Fee increase by more than fifteen percent (15%) per year (i.e., in no event shall the Annual Fee be greater than 115% of the prior year's Annual Fee).

3.13.3. No Club Membership Rights. In no event shall the Club Members be considered to be members of the Club, it being acknowledged and agreed that the Association's and the Club Members' rights are rights of access and use only. Notwithstanding the foregoing provision, the Members will enjoy the same access and rights to utilize the Club Amenities provided and made available, from time to time, by the Club to the Club's social members. i.e., each Club Member shall be considered a social member of the Club subject to compliance with the Club Documents.

3.13.4. Amendment and Termination. This Section may only be amended by an instrument executed by both the Association, acting by and through its Board, and the Declarant during the Development Period, and the Club. Notwithstanding anything to the contrary in this Agreement, for so long as the Federal National Mortgage Association ("FNMA") is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a condominium unit owned by a Club Member, this Section 3.13 may only be amended with the written approval of FNMA.

ARTICLE 4 DISCLOSURES

4.1. Water Quality Facilities, Drainage Facilities and Drainage Ponds. The Property may include one or more water quality facilities, sedimentation, drainage and detention facilities, or ponds which serve all or a portion of the Property. The Declarant, the Association or their assignees will be obligated to inspect, maintain and administer such water quality facilities,

drainage facilities, and drainage ponds in good and functioning condition and repair. Each Owner is advised that any such water quality facilities, sedimentation, drainage and detention facilities and ponds are an active utility feature integral to the proper operation of the Regime and may periodically hold standing water. Each Owner is advised that entry into the water quality facilities, sedimentation, drainage and detention facilities or ponds may result in injury and is a violation of the Rules.

4.2. **Adjacent Thoroughfares and Property.** The Property is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future. No representations are made regarding the current or future use or zoning (if applicable) of adjacent property.

4.3. **Outside Conditions.** Since in every neighborhood there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that an Owner or Resident may find objectionable, and it shall be the sole responsibility of an Owner or Resident to become acquainted with neighborhood conditions that could affect the Property and the Unit.

4.4. **Street Names.** Declarant may change, in its sole discretion, the Property name and the street names and addresses in or within the Property including the street address of the Unit before or after closing if required by Applicable Law.

4.5. **Construction Activities.** Declarant will be constructing portions of the Regime and engaging in other construction activities related to the construction of Units and Common Elements. Such construction activities may, from time to time, produce certain conditions within the Regime, including, without limitation: (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) unusual fire or explosion hazards; (vii) temporary interruption of utilities; and/or (viii) other conditions that may threaten the security or safety of Persons on the Regime. Notwithstanding the foregoing, all Owners and Residents agree that such conditions on the Regime resulting from construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of this Declaration.

4.6. **Concrete.**

4.6.1. **Cracks.** Minor cracks in poured concrete, including foundations, sidewalks, driveways and patios, are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete.

4.6.2. **Exposed Floors.** This Section applies to Units with exposed concrete floors. This notice is given because some Owners are inexperienced with concrete. In deciding whether, when, and how to fill cracks in exposed concrete surfaces, an Owner is hereby

made aware that the color and texture of the fill material may not match the rest of the concrete floor. On some exposed concrete surfaces, fill materials make minor cracks more noticeable than if the cracks had been left in their natural state. In addition, an Owner is hereby made aware that any specification for polished concrete does not mean an Owner will be able to actually see his reflection in the floor.

4.7. **Water Runoff.** The Property may be subject to erosion and/or flooding during unusually intense or prolonged periods of rain. Water may pond on various portions of the Property having impervious surfaces.

4.8. **Encroachments.** Improvements may have been constructed on adjoining lands that encroach onto the Property. Declarant gives no representations or warranties as to property rights, if any, created by any such encroachments.

4.9. **Budgets.** Any budget prepared by or on behalf of the Association is based on estimated expenses only without consideration for the effects of inflation. The estimated expenses reflected on a budget may increase or decrease significantly when the actual expenses become known.

4.10. **Light and Views.** The natural light available to and views from a Unit can change over time due to among other things, additional development and the removal or addition of landscaping. **NATURAL LIGHT AND VIEWS ARE NOT PROTECTED.**

4.11. **Schools.** No representations are being made regarding which schools may now or in the future serve the Unit.

4.12. **Suburban Environment.** The Property is located in a suburban environment. Land adjacent or near the Property may currently contain, or may be developed to contain in the future, residential and commercial uses. Sound and vibrations may be audible and felt from such things as sirens, whistles, horns, the playing of music, people speaking loudly, trash being picked up, deliveries being made, equipment being operated, dogs barking, construction activity, building and grounds maintenance being performed, automobiles, buses, trucks, ambulances, airplanes, trains and other generators of sound and vibrations typically found in a suburban area. In addition to sound and vibration, there may be odors and light (from signs, streetlights, other buildings, car headlights and other similar items) in suburban areas. The Units are not constructed to be soundproof or free from vibrations. Sounds and vibrations can also be generated from sources located within a Unit or the Common Elements including heating and air conditioning equipment, pump rooms, other mechanical equipment, dogs barking and the playing of certain kinds of music.

4.13. **Unit Plans and Dimensions.** Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant to an Owner which purport to depict the Improvements to be constructed within the Property are merely approximations and may not

necessarily reflect the actual as-built conditions of the same. Room dimensions, Unit size, window locations, window sizes, and elevations may vary due to the nature of the construction process and site conditions. If the Owner is concerned about any representations regarding room dimensions, Unit size and elevations, the Owner should conduct its own investigation of such matters prior to contracting for the purchase of a Unit.

4.14. Location of Utilities. Declarant makes no representation as to the location of mailboxes, utility boxes, street lights, fire hydrants or storm drain inlets or basins.

4.15. Streets, Driveways and Parking Areas. By acquiring a Unit in the Regime, each Owner acknowledges and agrees that use of the parking areas or driveways will be subject to all applicable Rules. The Association, acting through the Board, has the express authority to adopt, amend, repeal, and enforce Rules for use of driveways and parking areas, including but not limited to: (i) identification of vehicles used by Owners and Residents and their guests; (ii) designation of no-parking areas and loading/unloading zones; (iii) limitations or prohibitions on driveway parking; (iv) removal or prohibition of vehicles that violate applicable Rules; and (v) fines for violations of applicable Rules. On street parking in areas marked as a fire lane is prohibited. Unless included within the boundary of a Unit, streets, driveway, and parking areas within the Property are maintained and administered by the Association. No street, driveway, or parking area within the Property will be maintained or repaired by the City or Travis County.

4.16. Moisture. Improvements may trap humidity created by general use and occupancy. As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Owners and Residents, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold.

4.17. Sounds. No representations are made that any Unit is or will be soundproof or that sound and/or vibrations may not be transmitted from one Unit to another or from the Common Elements (including, but not limited to, any amenity areas) to a Unit. Sound transmissions and/or vibrations between Units and Common Elements are inherent in multi-family construction and is not a construction defect. The plumbing and concrete, tile, and hardwood surfaces and other uncovered surfaces within a Unit may transmit noise from one Unit to another.

4.18. Unit Systems. No representations are made that the systems in the Unit including, by way of example only, heating and air conditioning and electrical systems will operate or perform at a level or standard greater than the minimum specifications of the manufacturer. In addition, the performance and methods and practices of operating heating and cooling systems can be directly affected by the orientation and location of a room or Unit in relation to the sun.

4.19. Wood. Natural wood has considerable variation due to its organic nature. There may be shades of white, red, black or even green in areas. In addition, mineral streaks may also be visible. Grain pattern or texture will vary from consistent to completely irregular; wood from different areas of the same tree can also have variations in pattern or texture. These variations in grain will in turn accept stain in varying amounts, which will show throughout the wood products from one door to the next, one panel to the next or one piece of wood to the next. Also, cabinet finishes (including gloss and/or matte finishes) will not be entirely consistent and some irregularities will be apparent. Additionally, wood and wood products may be subject to warping, splitting, swelling and/or delamination. Wood floors may require more maintenance than some man-made materials. Owners of Units with wood floors should educate themselves about wood floor care.

4.20. Stone. Veins and colors of any marble, slate or other stone in the Unit, if any, may vary drastically from one piece of stone to another. Each piece is different. Marble, granite, slate and other stone can also have chips and shattering veins, which look like scratches. The thickness of the joints between marble, granite, slate and other stone and/or other materials against which they have been laid will vary and there will be irregularities in surface smoothness. Marble and other stone finishes may be dangerously slippery and Declarant assumes no responsibility for injuries sustained as a result of exposure to or use of such materials. Periodic use of professionally approved and applied sealant is needed to ensure proper maintenance of the marble, granite, slate and other stone and it is the Owner's responsibility to properly maintain these materials. Marble, granite and other stone surfaces may scratch, chip or stain easily. Such substances, as part of their desirable noise attenuating properties, may flex or move slightly in order to absorb impacts. Such movement may in turn cause grout to crack or loosen or cause some cracking in the stone flooring which may need to be repaired as part of normal home maintenance.

4.21. Chemicals. The Building and Units contain products that have water, powders, solids and industrial chemicals used in construction. The water, powders, solids and industrial chemicals will and do contain mold, mildew, fungus, spores and chemicals that may cause allergic or other bodily reactions in certain individuals. Leaks, wet flooring and moisture will contribute to the growth of molds, mildew, fungus or spores. Declarant is not responsible for any illness or allergic reactions that a person may experience as a result of mold, mildew, fungus or spores. It is the responsibility of the Owner and/or Resident to keep the Unit clean, dry, well ventilated and free of contamination.

4.22. Paint. Due to the large quantity of paint used in the Building and Units, Owner should be aware that slight variations in paint shade may exist. Due to the properties within today's paints, Owner should expect paint to yellow or fade with time. This is a normal occurrence and is neither a construction defect nor a warrantable item. Avoid washing or scrubbing painted walls. Lightly soiled areas may be cleaned using a sponge with water and lightly wiping over the soiled areas.

4.23. **Fixtures.** Certain materials used for fixtures in the Unit (including, but not limited to, brass/chrome plumbing fixtures, brass/chrome bathroom accessories and brass/chrome light fixtures) are subject to discoloration and/or corrosion over time. This is a normal occurrence and this is neither a construction defect nor a warrantable item.

4.24. **Marketing.** Declarant's use of a sales center and/or model Units or reference to other construction by Declarant is intended only to demonstrate the quality of possible finish details, the basic floor plans, and styles of residences available for purchase. The residence may not conform to any model home in any respect, or contain some or all of the amenities featured, such as furnishings and appliances. Likewise, any model home is intended only to demonstrate the size and basic architectural features of residences. An individual residence may not conform to the models displayed by Declarant. Declarant may have shown prospective purchasers model homes, floorplans, sketches, drawings, and scale models of homes or the project (collectively "**Promotional Aids**"). Owner understands and agrees that the Promotional Aids are conceptual, subject to change, for display purposes only, and may not be incorporated into the Property or a Unit. Declarant retains the right to obtain and use photography of the Property (including any Unit) for publication and advertising purposes.

4.25. **Service Contracts.** In connection with construction of the Unit, the Unit may have been wired or fitted for one or more services to be provided by vendors to the Owner on a contract basis, such as intrusion monitoring and cable television. In exchange for such installations, Declarant may have contracted on behalf of the Owner for a period of service to the Owner's Unit. In that event, whether or not an Owner chooses to use the service, the Owner may be required to pay the Unit's share of the contract for the contract period. The Association may serve as the conduit for the service fees and payments, which may be considered Regular Assessments or Individual Assessments. **However, the Association is not the service provider and has no responsibility or liability for the availability or quality of the service, or for the maintenance, repair, or replacement of the wires, conduits, equipment, or other fittings relating to the contract service.**

4.26. **Neighborhood Conditions.** Since in every neighborhood there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that an Owner or Resident may find objectionable, and it shall be the sole responsibility of an Owner or Resident to become acquainted with neighborhood conditions that could affect the Property.

ARTICLE 5

UNITS, LIMITED COMMON ELEMENTS & ALLOCATIONS

5.1. **Initial Submitted Units and Maximum Number of Units.** The Regime includes forty-two (42) Units. During the Development Period, Declarant, as permitted in Appendix "A", has reserved the right to create a maximum of fifty-three (53) Units on the Property and additional property added to the Regime. To add Units to the Regime, Declarant during the Development

Period may, from time to time, file an amendment to this Declaration creating such additional Units. To add additional Units to the Regime established by the Declarant, Declarant shall prepare, execute, and Record an amendment to this Declaration and the Plat and Plans which amendment will: (i) assign an identifying number to each new Unit; (ii) reallocate the Common Interest Allocation to each new Unit; (iii) describe any Limited Common Elements, if any, assigned to each new Unit; (iv) with respect to new Units, include the information required by Section 82.055 and Section 82.059(b) of the Act. To add additional property to the Regime, Declarant will Record a declaration of annexation, which will include a description of the additional real property. The declaration of annexation may also include a description of the Units added to the Regime if the Declarant elects to create Units upon Recordation of the declaration of annexation or Declarant may elect to create additional Units or Common Elements on the additional property subsequent to the Recordation of the declaration of annexation. No assurance is given as to the dispersion of new Units, total number of new Units, or size of such Units.

5.2. Units.

5.2.1. Unit Boundaries. The boundaries and identifying number of each Unit are shown on the Plat and Plans attached hereto as Attachment 1.

5.2.2. What a Unit Includes. Each Unit includes the spaces and Improvements within the boundaries defined in *Section 5.2.1.* above, including without limitation the Building, the roof and foundation of the Building, landscaping, driveways, sidewalks, fences, yards, utility lines and meters and all other Improvements located within the Unit. In addition to the Building and the Improvements within the Unit, each Unit also includes Improvements, fixtures, and equipment serving the Building or Unit exclusively, whether located within or outside the Unit, whether or not attached to or contiguous with the Building, including but not limited to any below-grade foundation, piers, retaining walls, fence, or other structural supports; plumbing, septic, and utility lines, pipes, drains, and conduits; landscape irrigation and subterranean components of plant material, including roots of trees on the Unit; and any other below-grade item that serves or supports the Building or Unit.

5.2.3. Building Size. The space contained within the vertical and horizontal boundaries of the Unit is not related to the size of the Building. A Building may only occupy a portion of a Unit in a location approved in advance by the Architectural Reviewer.

5.3. Initial Designation and Allocation of Limited Common Elements. Portions of the Common Elements may be allocated as Limited Common Elements on the Plat and Plans, attached hereto as Attachment 1, by use of "LCE" and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation.

5.4. **Subsequent Allocation of Limited Common Elements.** A Common Element not allocated by this Declaration or the Plat and Plans as a Limited Common Element may be so allocated only pursuant to the provisions of the Act and by the Declarant pursuant to Appendix A attached to this Declaration. Declarant has reserved the right as set forth in Appendix "A" of this Declaration, to create and assign Limited Common Elements within the Property.

5.5. **Common Interest Allocation.** The percentage of interest in the Common Elements (the "**Common Interest Allocation**") allocated to each Unit is assigned in accordance with a ratio of 1 to the total number of Units. The same formula will be used in the event the Common Interest Allocation is reallocated as a result of any increase or decrease in the number of Units subject to this Declaration. In the event an amendment to this Declaration is filed which reallocates the Common Interest Allocation as a result of any increase or decrease in the number of Units the reallocation will be effective on the date such amendment is Recorded.

5.6. **Common Expense Liabilities.** The percentage of liability for Common Expenses allocated to each Unit (the "**Common Expense Liability**") and levied pursuant to *Article 6* is equivalent to the Common Interest Allocation assigned to the Unit in accordance with *Section 5.5*.

5.7. **Association Votes.** One (1) vote is allocated to each Unit.

ARTICLE 6 COVENANT FOR ASSESSMENTS

6.1. **Purpose of Assessments.** The Association will use Assessments for the general purposes of preserving and enhancing the Regime, and for the benefit of Owners and Residents, including but not limited to maintenance of the Regime, management, and operation of the Association, and any expense reasonably related to the purposes for which the Association was formed. If made in good faith, the Board's decision with respect to the use of Assessments is final.

6.2. **Personal Obligation.** An Owner is obligated to pay Assessments levied by the Board against the Owner or the Owner's Unit. Payments are made to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other Person regarding any matter to which this Declaration pertains. No Owner may be exempt from Assessment liability by such Owner's non-use of the Common Elements or abandonment of the Owner's Unit. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Unit.

6.3. **Types of Assessments.** There are five (5) types of Assessments: Regular, Special, Utility, Individual, and Deficiency Assessments. Additionally, each Unit is subject to the terms and provisions of the Master Plan Documents, and accordingly, each Owner will also be a

mandatory member of the Master Association and be required to pay assessments to the Master Association in accordance with the Master Plan Documents.

6.4. Regular Assessments.

6.4.1. Purpose of Regular Assessments. Regular Assessments are used for Common Expenses related to the recurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- (i) Maintenance, repair, and replacement, as necessary, of the General Common Elements, and Improvements, equipment, signage, and property owned by the Association.
- (ii) Maintenance examination and report, as required by *Section 9.5*.
- (iii) Utilities billed to the Association.
- (iv) Services obtained by the Association and available to all Units.
- (v) Taxes on property owned by the Association and the Association's income taxes.
- (vi) Management, legal, accounting, auditing, and professional fees for services to the Association.
- (vii) Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- (viii) Insurance premiums and deductibles.
- (ix) Contributions to reserves.
- (x) Irrigation Maintenance and Landscape Services.
- (xi) Any other expense which the Association is required by Applicable Law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Regime or for enforcement of the Documents.

6.4.2. Annual Budget-Regular. The Board will prepare and approve an annual budget with the estimated expenses to be incurred by the Association for each fiscal year. The budget will take into account the estimated income and Common Expenses for the year, contributions to reserves, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to the Owner of each Unit,

although failure to receive a budget or budget summary will not affect an Owner's liability for Assessments. The Board will provide copies of the budget to Owners who make written request and pay a reasonable copy charge.

6.4.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget. Each Unit will be liable for its allocated share of the annual budget equal to the Common Expense Liability assigned to the Owner's Unit. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

6.4.4. Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Supplemental increases will be apportioned among the Units in the same manner as Regular Assessments.

6.5. Special Assessments. The Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget or reserves. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the acquisition of real property must be approved by at least a Majority of the votes in the Association. Special Assessments will be apportioned among the Units in the same manner as Regular Assessments.

6.6. Utility Assessments. This *Section 6.6* applies to utilities serving the individual Units and consumed by the Residents that are billed to the Association by the utility provider, and which may or may not be sub-metered by or through the Association. In addition to Regular and Special Assessments, the Board may levy a Utility Assessment against each Unit. If the Units are sub metered for consumption of a utility, the Utility Assessment may be based on the submeter reading. If the Units are not sub metered, the Board may allocate the Association's utility charges among the Units receiving the utilities by any conventional method for similar types of properties. For example, if the Units are sub-metered for consumption of a utility, the Utility Assessment may be based on the sub-meter reading. The levy of a Utility Assessment may include a share of the utilities for the Common Elements, as well as administrative and processing fees, and an allocation of any other charges that are typically incurred in connection with utility or sub-metering services. The Board may, from time to time, change the method allocation, provided the same type of method or combination of methods is used for all Units.

6.7. Individual Assessments. In addition to Regular, Special and Utility Assessments, the Board may levy an Individual Assessment against an Owner and the Owner's Unit. Individual Assessments may include, but are not limited to: (i) interest, late charges, and

collection costs on delinquent Assessments; (ii) reimbursement for costs incurred in bringing an Owner or the Owner's Unit into compliance with the Documents; (iii) fines for violations of the Documents; (iv) transfer-related fees and resale certificate fees; (v) fees for estoppel letters and copies of the Documents; (vi) insurance deductibles; (vii) reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees or Residents of the Owner's Unit; (viii) Common Expenses that benefit fewer than all of the Units, which may be assessed according to benefit received, as reasonably determined by the Board; and (ix) fees or charges levied against the Association on a per-Unit basis.

6.8. Deficiency Assessments. The Board may levy a Deficiency Assessment against the Units for the purpose of defraying, in whole or in part, the cost of repair or restoration for the Common Elements if insurance proceeds or condemnation awards prove insufficient. Deficiency Assessments will be apportioned among the Units in the same manner as Regular Assessments.

6.9. Working Capital Fund. Upon the transfer of a Unit (including both transfers from Declarant to the initial Owner, and transfers from one Owner of a Unit to a subsequent Owner of the Unit), a working capital fee in an amount equal to two (2) months of Regular Assessments will be paid from the transferee of the Unit to the Association for the Association's working capital fund. Each working capital contribution will be collected from the transferee of a Unit upon the conveyance of the Unit from one Owner (including Declarant) to another (expressly including any re-conveyances of the Unit upon resale or transfer thereof). Notwithstanding the foregoing provision, the following transfers of a Unit will not be subject to the working capital contribution: (i) transfer from the Declarant to a third-party who will construct residential improvements on the Unit for resale to a third-party; (ii) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (iii) transfer to, from, or by the Association; (iv) voluntary transfer by an Owner to one or more co-owners, or to the Owner's spouse, child, or parent; (v) any grantee who is the domestic partner or former spouse of the grantor; (vi) any grantee that is a wholly-owned entity of the grantor; and (vii) any grantee to whom a Unit is conveyed by a will or through the law of intestacy. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Declarant may not use working capital fees collected hereunder to pay the operational expenses of the Association until the Declarant Control Period terminates. The Declarant during the Development Period, and thereafter the Board, will have the power to modify or waive the amount or payment of any working capital fund contribution attributable to a Unit (or all Units).

6.10. Due Date. Regular Assessments are due monthly, with monthly installments of the total annual Regular Assessments to be paid on the first calendar day of each month or on such other date or frequency as the Board may designate in its sole and absolute discretion and are delinquent if not received by the Association on or before such date. Utility, Special, Individual, and Deficiency Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Utility, Special, Individual, or Deficiency Assessment is given.

6.11. Reserve Funds. The Association may maintain reserves at a level determined by the Board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, replacement or major repair of components of the General Common Elements, and deductibles on insurance policies maintained by the Association.

6.12. Declarant's Right to Inspect and Correct Accounts. Until the expiration of the Development Period, Declarant reserves for itself and for Declarant's accountants and attorneys, the right, but not the duty, to inspect, correct, and adjust the Association financial records and accounts established during the Declarant Control Period. The Association may not refuse to accept an adjusting or correcting payment made by or for the benefit of Declarant. By way of illustration but not limitation, Declarant may find it necessary to re-characterize an expense or payment to conform to Declarant's obligations under the Documents or Applicable Law. This Section may not be construed to create a duty for Declarant or a right for the Association and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant a right of access to the Association's books and records that is independent of Declarant's rights during the Declarant Control Period and Development Period.

6.13. Association's Right to Borrow Money. The Board is granted the right to borrow money on behalf of the Association, subject to the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Board has the right to encumber, mortgage, or pledge any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred by the Association.

6.14. Limitation of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by Applicable Law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by Applicable Law, the excess amount will be applied to the reduction of unpaid Assessments to which such excess interest was applied, or reimbursed to the Owner if those Assessments are paid in full.

6.15. Audited Financial Statements. The Association shall have an audited financial statement for the preceding full fiscal year of the Association prepared and made available within one-hundred and twenty (120) days after the Association's fiscal year end.

6.16. Master Assessments. Each Unit will be allocated that number of "Assessment Units" (as defined in the Master Covenant) and votes set forth in the Notice of Applicability attributable to such Unit. Unless the Master Association elects otherwise (which election may be made at any time), the Association will collect all assessments payable to the Master Association

in accordance with the Master Covenant (the "Master Assessments"). The Association will promptly remit all Master Assessments collected from Owners to the Master Association. If the Association fails to timely collect any portion of the Master Assessments due from the Owners, then the Master Association may collect such Master Assessments allocated to a Unit on its own behalf and enforce its lien against the Unit without joinder of the Association. The Association's right to collect Master Assessments on behalf of the Master Association is a license from the Master Association which may be revoked by written instrument at any time, and from time to time, at the sole and absolute discretion of the Master Board.

6.17. Lien Rights Under the Master Covenant. In addition to the lien rights granted to the Association pursuant to the terms and provisions of this Declaration, in accordance with *Article 5* of the Master Covenant, each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Master Assessments in accordance with the terms and provisions of the Master Covenant. Each Master Assessment is a charge on the Unit and is secured by a continuing lien on the Unit as set forth in the Master Covenant. Each Owner, and each prospective Owner, is placed on notice that the Owner's title may be subject to the continuing lien for Master Assessments attributable to a period prior to the date the Owner purchased the Unit. An express lien on each Unit has been granted and conveyed by the Declarant under the Master Covenant to the Master Association to secure the payment of the Master Assessments. Each Owner is advised to review the Master Covenant for more information concerning the liens granted to secure payment of the Master Assessments.

ARTICLE 7 ASSESSMENT LIEN

7.1. Assessment Lien. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Unit and is secured by a continuing lien on the Unit. Each Owner, and each prospective Owner, is placed on notice that title to the Unit may be subject to the continuing lien for Assessments attributable to a period prior to the date the Owner purchased the Unit. An express lien on each Unit is hereby granted and conveyed by Declarant to the Association to secure the payment of Assessments.

7.2. Superiority of Assessment Lien. The Assessment lien is superior to all other liens and encumbrances on a Unit, except only for: (i) real property taxes and assessments levied by governmental and taxing authorities; (ii) assessments levied under the terms and provisions of the Master Covenant; (iii) a Recorded deed of trust lien securing a loan for construction of Improvements upon the Unit or acquisition of the Unit; (iv) a deed of trust or vendor's lien Recorded before this Declaration; or (v) a first or senior purchase money vendor's lien or deed of trust lien Recorded before the date on which the delinquent Assessment became due. The Assessment lien is also superior to any Recorded assignment of the right to insurance proceeds on the Unit, unless the assignment is part of a superior deed of trust lien.

7.3. **Effect of Mortgagee's Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the Unit for unpaid Assessments that became due before the sale but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale of a superior lien is liable for Assessments coming due from and after the date of the sale.

7.4. **Notice and Release.** The Association's lien for Assessments is created by Recordation of this Declaration, which constitutes record notice and perfection of the lien. No other Recordation of a lien or notice of lien is required. However, the Board, at its option, may cause a notice of the lien to be Recorded. Each lien filed by the Association must be prepared and filed by an attorney licensed to practice law in the State of Texas. If the debt is cured after a notice has been Recorded, the Association will Record a release of the notice at the expense of the curing Owner. The Association may require reimbursement of its costs of preparing and Recording the notice before granting the release.

7.5. **Power of Sale.** By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of sale in connection with the Association's assessment lien. The Board may appoint, from time to time, any Person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution duly adopted by the Board.

7.6. **Foreclosure of Lien.** The Assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by Applicable Law. In any foreclosure, the Owner will be required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Unit at a foreclosure sale initiated by it and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 8 EFFECT OF NONPAYMENT OF ASSESSMENTS

8.1. **Generally.** An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the Board, is responsible for taking action to collect all delinquent Assessments. From time to time, the Association may delegate some or all of its collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, attorney, or a debt collector. Neither the Board nor the Association, however, is liable to an Owner or other Person its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association may have pursuant to the Documents or Applicable Law.

8.2. **Interest.** Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of eighteen percent (18%) per annum or the maximum permitted by Applicable Law. If the Board fails to establish a rate, the rate is ten percent (10%) per annum.

8.3. **Late Fees.** Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

8.4. **Collection Expenses.** The Owner of a Unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys' fees and processing fees charged by the manager.

8.5. **Acceleration.** If an Owner defaults in paying any Assessment that is payable in installments, the Association may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

8.6. **Suspension of Vote.** Subject to the below-described limitations, if an Owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right to vote appurtenant to the Unit during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. When the Association suspends an Owner's right to vote, the suspended Owner may nevertheless participate as a Member of the Association for the following activities: (i) be counted towards a quorum; (ii) attend meetings of the Association; (iii) participate in discussion at Association meetings; (iv) be counted as a petitioner for a special meeting of the Association; and (v) vote to remove a Director and for the replacement of the removed Director. If the number of suspended Members exceeds thirty percent (30%) of the total Members (co-owners of a Unit constituting one Member), all Members are eligible to vote. These limitations are imposed to prevent a Board from disenfranchising a large segment of the membership and to preserve the membership's right to remove and replace Directors.

8.7. **Assignment of Rents.** Every Owner hereby grants to the Association a continuing assignment of rents to secure the payment of Assessments to the Association. If a Unit's Assessment account becomes delinquent during a period in which the Unit is leased, the Association may direct the tenant to deliver rent to the Association for application to the delinquent Assessments, provided the Association gives the Owner notice of the delinquency, a reasonable opportunity to cure the debt, and notice of the Owner's right to a hearing before the Board. The Association must account for all monies received from a tenant and must remit to the Owner any rents received in excess of the past-due amount. A tenant's delivery of rent to the Association under the authority hereby granted is not a breach of the tenant's lease with the Owner and does not subject the tenant to penalties from the Owner.

8.8. **Money Judgment.** The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association lien for Assessments.

8.9. **Notice to Mortgagee.** The Association may notify and communicate with any holder of a lien against a Unit regarding the Owner's default in payment of Assessments.

8.10. **Application of Payments.** The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association may be applied in the following order: (i) Individual Assessments, (ii) Deficiency Assessments, (iii) Special Assessments, (iv) Utility Assessments and (v) Regular Assessments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Association's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Unit Owner's account.

ARTICLE 9 MAINTENANCE AND REPAIR OBLIGATIONS

9.1. **Overview.** Generally, the Association maintains the Common Elements, and the Owner maintains the Owner's Unit. If any Owner fails to maintain its Unit, the Association may perform the work at the Owner's expense. The respective maintenance obligations of the Association and each Owner are set forth in this Article and are summarized on Attachment 3; however, to the extent of any conflict between the provisions of this Article and the summary set forth on Attachment 3, the provisions of this Article will control.

9.2. **Association Maintains.** The Association's maintenance obligations will be discharged when and how the Board deems appropriate. Unless otherwise provided in this Declaration, the Association maintains, repairs and replaces, as a Common Expense, all General Common Elements and any Limited Common Elements assigned to more than one (1) Unit. The Association also maintains, as a Common Expense, any component of a Unit delegated to the Association by this Declaration.

The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that: (i) such maintenance responsibility is assigned to an Owner under this Declaration; (ii) such maintenance responsibility is assumed by an Owner and such assumption is approved by the Board; or (iii) such property is dedicated to any local, state or federal government or quasi-governmental entity; provided, however, that in connection with any such assumption as provided in (ii) or (iii), the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by an Owner or Resident that is the responsibility of the Association hereunder shall be performed at the sole expense of such Owner or Resident and the Owner and Resident shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair. If the Association assigns any portion of its maintenance responsibilities to an Owner as permitted by the Documents, the Association will perform any such assigned obligations if not timely performed by the Owner.

The Association shall not be liable for injury or damage to Person or property caused by the elements or by the Owner or Resident of any Unit or any other Person or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to any Owner or Resident of any Unit for loss or damage, by theft or otherwise, of any property, which may be stored in or upon any of the Common Elements or any Unit. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or for inconvenience or discomfort arising from the making of repairs or Improvements which are the responsibility of the Association or from any action taken by the Association to comply with Applicable Law.

9.3. Irrigation Maintenance and Landscape Services.

9.3.1. Generally. The Association will cause Irrigation Maintenance and Landscape Services to be provided to each Yard Area of a Unit. Accordingly, the Association is hereby granted an easement over and across each Unit to the extent reasonably necessary or convenient for the Association or its licensee to perform the Irrigation Maintenance and Landscape Services. Access to each Yard Area is limited to Monday through Friday, between the hours of 7 a.m. until 6 p.m., and then only in conjunction with actual performance of the Irrigation Maintenance and Landscape Services. If the Association damages any Improvements located within a Unit in exercising the easement granted hereunder, the Association will be required to restore such Improvements to the condition which existed prior to any such damage, at the Association's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Association is notified in writing of the damage by the Owner of the damaged Improvements.

9.3.2. Dates. The Association or its licensee may, from time to time, provide each Owner with a schedule of dates on which the Irrigation Maintenance and Landscape Services will be performed.

9.3.3. Irrigation. Each Owner of a Unit will be responsible for (i) ensuring the proper functioning of the irrigation system within an Owner's Unit, by way of visual

inspection and a report of deficiencies to the Association's management company and (ii) ensuring the shut down of the irrigation system serving such Owner's Unit in the event of a malfunction or leak. An Owner who fails to timely notify the management company of a malfunctioning or leaking system which results in significant expense to the Association for replacement of or for excessive water loss may be liable to the Association for such costs. Each Unit Owner will be required to pay the costs associated with the irrigation of such Owner's Unit through the payment of Regular Assessments. A Unit Owner that alters the irrigation system or timers to irrigate at a level below minimum standards set by the Board shall be responsible for all costs of replacement of landscape damaged by lack of water. At certain times, draught restrictions may require suspension of normal irrigation. If such restrictions permit hand watering, the Unit Owner will be notified by the Association and the Owner will be required to provide the minimum amount of hand watering necessary to preserve trees and plants. Failure to provide hand watering by a Unit Owner will subject that Owner to the cost of dead landscape replacement for their Unit.

9.3.4. Cost. The cost of Irrigation Maintenance and Landscape Services provided by the Association will be assessed against each Unit Owner as a Regular Assessment. The cost of all Irrigation Maintenance and Landscape Services will be a Common Expense. Unless a Unit Owner has installed additional landscaping Improvements within their Unit, in which case the Board shall have the right to levy an Individual Assessment against an Owner and the Owner's Unit for reimbursement for costs incurred for any increase in expenses attributable thereto. Notwithstanding the forgoing, in the event that the Irrigation Maintenance and Landscape Services are due to negligence or willful misconduct of an Owner, an Owner's tenant, or an Owner's pet, as determined by the Board in its sole discretion, the cost of such maintenance or repair may be levied as an Individual Assessment.

9.3.5. Alterations. Any alterations in the landscaping of any portion of a Yard Area must be approved in advance and in writing by the Architectural Reviewer.

9.3.6. Owner or Resident Repair. Subject to the maintenance responsibilities herein provided, any maintenance or repair performed by an Owner or Resident that is the responsibility of the Association hereunder shall be performed at the sole expense of such Owner or Resident, and the Owner and Resident shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

9.3.7. Termination or Modification of Services. The Board will have the right to discontinue or modify the Irrigation Maintenance and Landscape Services, or any portion of the Irrigation Maintenance and Landscape Services from time to time and at any time.

9.3.8. THE ASSOCIATION SHALL NOT BE LIABLE FOR INJURY OR DAMAGE TO PERSON OR PROPERTY CAUSED BY THE ELEMENTS OR BY THE OWNER OR RESIDENT OR ANY OTHER PERSON OR RESULTING FROM ANY UTILITY, RAIN, SNOW OR ICE WHICH MAY LEAK OR FLOW FROM ANY PIPE, DRAIN, CONDUIT, APPLIANCE OR EQUIPMENT WHICH THE ASSOCIATION IS RESPONSIBLE FOR MAINTAINING HEREUNDER. THE ASSOCIATION SHALL NOT BE LIABLE TO ANY OWNER OR RESIDENT FOR LOSS OR DAMAGE, BY THEFT OR OTHERWISE, OF ANY PROPERTY, WHICH MAY BE STORED IN OR UPON THE YARD AREA OF ANY UNIT. THE ASSOCIATION SHALL NOT BE LIABLE TO ANY OWNER OR RESIDENT, FOR ANY DAMAGE OR INJURY CAUSED IN WHOLE OR IN PART BY THE ASSOCIATION'S FAILURE TO DISCHARGE ITS RESPONSIBILITIES UNDER THIS SECTION 9.3. NO DIMINUTION OR ABATEMENT OF ASSESSMENTS SHALL BE CLAIMED OR ALLOWED BY REASON OF ANY ALLEGED FAILURE OF THE ASSOCIATION TO TAKE SOME ACTION OR PERFORM SOME FUNCTION REQUIRED TO BE TAKEN OR PERFORMED BY THE ASSOCIATION UNDER THIS DECLARATION OR FOR INCONVENIENCE OR DISCOMFORT ARISING FROM THE MAKING OF REPAIRS OR IMPROVEMENTS WHICH ARE THE RESPONSIBILITY OF THE ASSOCIATION OR FROM ANY ACTION TAKEN BY THE ASSOCIATION TO COMPLY WITH APPLICABLE LAW.

9.4. **Area of Common Responsibility.** The Declarant until expiration or termination of the Development Period, and the Association thereafter, has the right but not the duty to designate or modify, from time to time, portions of the Units as an Area of Common Responsibility to be treated, maintained, repaired, and/or replaced by the Association as a Common Expense. A designation applies to every Unit having the identified feature. The cost of maintaining the Area of Common Responsibility is added to the annual budget and assessed uniformly against all Units as a Regular Assessment, unless, after expiration of the Development Period, the Owners of at least a Majority of the Units decide to assess the costs as Individual Assessments.

9.4.1. **Easement.** The Association is hereby granted an easement over and across each Unit to the extent reasonably necessary or convenient for the Association or its designee to maintain, repair and/or replace the Area of Common Responsibility. If the Association damages any Improvements located within a Unit in exercising the easement granted hereunder, the Association will restore such Improvements to the condition which existed prior to any such damage, within a reasonable period of time not to exceed thirty (30) days after the date the Association is notified in writing of the damage by the Owner of the damaged Improvements.

9.4.2. **Change in Designation.** Until expiration or termination of the Development Period, the Declarant may, from time to time, modify the Area of Common Responsibility, Recorded written instrument. After expiration or termination of the Development Period, the Association may, from time to time, modify the Area of

Common Responsibility, by Recording written instrument; provided, however, that any modification to the Area of Common Responsibility must be approved by a Majority of the votes in the Association. During the Development Period, the Area of Common Responsibility may be modified or amended by the Declarant acting alone.

9.5. Inspection Obligations.

9.5.1. Contract for Services. In addition to the Association's maintenance obligations set forth in this Declaration, the Association shall, at all times, contract with or otherwise retain the services of independent, qualified, individuals or entities to provide the Association with inspection services relative to the maintenance, repair and physical condition of the General Common Elements.

9.5.2. Schedule of Inspections. Inspections will take place in accordance with prudent business practices. A Guide to Association's Examination of Common Elements is attached to this Declaration as Attachment 4. The inspectors shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair that either require current action by the Association or will need further review and analysis. Subject to the provisions of the Declaration below, the Board shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors.

9.5.3. Notice to Declarant. During the Development Period, the Association shall deliver to Declarant ten (10) days advance written notice of all such inspections (and an opportunity to be present during such inspection, personally or through an agent) and shall provide Declarant (or its designee) with a copy of all written reports prepared by the inspectors.

9.5.4. Limitation. The provisions of this *Section 9.5* shall not apply during the Declarant Control Period unless otherwise directed by the Declarant.

9.6. Owner Responsibility. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

- (i) To maintain, repair, and replace such Owner's Unit and all Improvements constructed therein or thereon, and any Limited Common Elements assigned exclusively to such Owner's Unit.
- (ii) To maintain the yard space within an Owner's Unit, if any, keeping the same in a neat, clean, odorless, orderly, and attractive condition.

- (iii) To maintain, repair, and replace all portions of the Property for which the Owner is responsible under this Declaration or by agreement with the Association.
- (iv) To not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or real property right thereto.
- (v) To be responsible for the Owner's willful or negligent acts and those of the Owner or Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement of Common Elements, the property of another Owner, or any component of the Property for which the Association has maintenance or insurance responsibility.

9.7. **Disputes.** If a dispute arises regarding the allocation of maintenance responsibilities by the Documents, the dispute will be resolved by the Board. Unit maintenance responsibilities that are allocated to the Association are intended to be interpreted narrowly to limit and confine the scope of Association responsibility. It is the intent of this *Article 9* that all components and areas not expressly delegated to the Association are the responsibility of the individual Owners.

9.8. **Warranty Claims.** If the Owner is the beneficiary of a warranty against defects to the Common Elements, the Owner irrevocably appoints the Association, acting through the Board, as the Owner's attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty, but only as to the Common Elements.

9.9. **Owner's Default In Maintenance.** If the Board determines that an Owner has failed to properly discharge such Owner's obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at the Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at the Owner's expense, which is an Individual Assessment against the Owner and such Owner's Unit. In case of an emergency, however, the Board's responsibility to give the Owner written notice is waived, and the Board may take any action it deems necessary to protect persons or property, the cost of such action being at the Owner's expense and being levied as an Individual Assessment.

ARTICLE 10

CONSTRUCTION AND USE RESTRICTIONS

10.1. Approval Required by the Architectural Reviewer. PURSUANT TO THE MASTER COVENANT, ALL "IMPROVEMENTS", AS SUCH TERM IS DEFINED IN THE MASTER COVENANT, MUST BE APPROVED IN ADVANCE AND IN WRITING BY THE ARCHITECTURAL REVIEWER. SEE ARTICLE 6 OF THE MASTER COVENANT FOR THE SPECIFIC REQUIREMENTS ASSOCIATED WITH THE REVIEW AND APPROVAL OF ALL IMPROVEMENTS PROPOSED TO BE CONSTRUCTED WITHIN OR UPON THE PROPERTY. NO IMPROVEMENTS SHALL BE CONSTRUCTED ON ANY UNIT UNTIL SUCH APPROVAL IS OBTAINED PURSUANT TO THE MASTER COVENANT.

10.2. Partial Assignment of Rights – Architectural Reviewer. *Article 6, Section 6.01(c)* of the Master Covenant permits the Master Declarant to delegate a portion of its rights as the Architectural Reviewer to a "committee comprised of architects, engineers, or other persons" who may or may not be members of the Master Association, which may include rights reserved by the Architectural Reviewer under this Declaration. It is anticipated that the Master Declarant will delegate its rights as the Architectural Reviewer to a committee of persons designated by the Board (the "**Modifications Committee**") for the purpose of the review and approval of plans and specifications for proposed additions and modifications to Units on which a completed single-family residential home has been constructed and previously approved by the Architectural Reviewer (the "**Modification Approval Rights**"). If the Master Declarant elects to delegate the Modification Approval Rights to the Modification Committee, the Board will designate and otherwise form the Modification Committee and the Board will accept the Modification Approval Rights in form and content acceptable to the Master Declarant.

Any delegation of the rights of the Architectural Reviewer may be on an exclusive or non-exclusive basis, i.e., the Architectural Reviewer may reserve the right to review and either deny or approve decisions made by the Modification Committee. If the rights of the Architectural Reviewer are assigned on a non-exclusive basis, the Architectural Reviewer will have a period of thirty (30) days after the Architectural Reviewer is provided the Submission Package (defined below) to either deny or approve such plans and specifications. The plans and specifications submitted to the Architectural Reviewer must be provided by the Modification Committee with a written notice specifying that the plans and specifications have been approved and any conditions imposed by the Modification Committee associated with such approval (the "**Submission Package**"). No Owner will submit plans and specifications directly to the Architectural Reviewer and any such submission shall be deemed to have been denied by the Architectural Reviewer. If the Architectural Reviewer has not approved or denied the plans and specifications within thirty (30) days after receiving the Submission Package, the plans and specifications shall be deemed approved by the Architectural Reviewer. Notwithstanding the foregoing provision, the thirty (30) day period for the review of plans and specifications will in no event begin if (as determined in the sole discretion of the Architectural Reviewer): (i) the

Architectural Reviewer notifies the Association or the Modification Committee that the Submission Package does not include sufficient information to evaluate the request for approval; or (ii) the Submission Package reflects a variance to the Master Plan Documents. THE ARCHITECTURAL REVIEWER WILL NOT BE LIABLE TO ANY OWNER OR TO ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR INJURY ARISING OUT OF THE PERFORMANCE OF THE ARCHITECTURAL REVIEWER'S DUTIES UNDER THE MASTER COVENANT OR THIS DECLARATION.

10.3. Association's Right to Promulgate Rules and Amend Community Manual. The Association, acting through the Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. The Board is further granted the right to amend, repeal, and enforce the Community Manual setting forth therein such policies governing the Association as the Board determines to be in the best interest of the Association, in its sole and absolute discretion. During the Development Period, any modification, amendment, or repeal to the Community Manual or the Rules, and each new policy or Rule, must be approved in advance and in writing by the Declarant.

10.4. Rules and Regulations. In addition to the restrictions contained in this *Article 10*, each Unit is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

- (i) Use of Common Elements.
- (ii) Hazardous, illegal, or annoying materials or activities on the Property.
- (iii) The use of Property-wide services provided through the Association.
- (iv) The consumption of utilities billed to the Association.
- (v) The use, maintenance, and appearance of anything visible from the street, Common Elements, or other Units.
- (vi) The occupancy and leasing of Units.
- (vii) Animals.
- (viii) Vehicles.
- (ix) Disposition of trash and control of vermin, termites, and pests.

- (x) Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Residents.

During the Development Period, all Rules must be approved in advance and in writing by the Declarant.

10.5. Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of Declarant (during the Development Period) and the Board thereafter, except as specifically provided herein.

10.6. Abandoned Personal Property. Personal property shall not be kept or allowed to remain for more than twelve (12) hours upon any portion of the Common Elements, without the prior written consent of the Board. If the Board determines that a violation exists, then, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the disposition of the property within twenty-four (24) hours after the property is removed. Neither the Association nor any Board member, officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

10.7. Animals - Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained, or cared for anywhere on the Property (as used in this paragraph, the term "domestic household pet" shall not mean or include non-traditional pets such pot-bellied pigs, miniature horses, snakes or lizards, ferrets, monkeys or other exotic animals, or any "dangerous dog", as such term Section 822 of the Texas Health and Safety Code). Customary domesticated household pets may be kept subject to the Rules. The Board may adopt, amend, and repeal Rules regulating the types, sizes, numbers, locations, and behavior of animals on the Property. If the Rules fail to establish animal occupancy quotas, an Owner or Resident shall be allowed no more than three (3) household pets (fish are excepted) plus no more than two (2) birds in any Unit. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board. The Board may require or effect the removal of any animal determined to be in violation of the Rules. Pets may not be kept on a balcony.

10.8. Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements directly en route to a motor

vehicle that is owned by the Resident or under the Resident's control, or directly en route to the Resident's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size, and shall also include, without limitation, sling shots, archery, and other projectile emitting devices. The Association, acting through the Board, is granted the right, but not the duty, to adopt, amend, and repeal Rules regarding the carrying of handguns, both openly carried or concealed, and the posting of signs and notices prohibiting such activity.

10.9. Annoyance. No Unit may be used in any way that: (i) may reasonably be considered annoying to Residents; (ii) may be calculated to reduce the desirability of the Property as a residential neighborhood; (iii) may endanger the health or safety of Residents; (iv) may result in the cancellation of insurance on any portion of the Property; (v) violates any Applicable Law; or (vi) creates noise, odor or light pollution. The Board has the sole authority to determine what constitutes an annoyance.

10.10. Appearance. Both the exterior and the interior of the Improvements constructed within a Unit must be maintained in a manner so as not be unsightly when viewed from the street, Common Elements, or Units. The Board will be the arbitrator of acceptable appearance standards.

10.11. Declarant Privileges. In connection with the development and marketing of the Property, as provided in this Declaration and Appendix "A" attached hereto, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Residents. Declarant's exercise of a right that appears to violate a Rule or a provision of this Declaration does not constitute waiver or abandonment of the Rule or provision of the Declaration.

10.12. Drainage. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Board.

10.13. Driveways. Sidewalks, driveways, and other passageways may not be used for any purpose that interferes with their ongoing use as routes of vehicular or pedestrian access.

10.14. Garages. The original garage area of any Building or Improvement constructed within a Unit may not be enclosed or used for any purpose that would prohibit the parking of operable vehicles therein.

10.15. Noise and Odor. A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Units. The Rules may limit, discourage, or prohibit noise producing activities and items in the Units and on the Common Elements.

10.16. Residential Use. The use of a Unit is limited exclusively to single-family residential purposes and only one single-family residence may be constructed within each Unit. This residential restriction does not, however, prohibit a Resident from using the Unit for personal business or professional pursuits provided that: (i) the uses are incidental to the use of the Unit as a residential dwelling; (ii) the uses conform to Applicable Law; (iii) there is no external evidence of the business or professional use; (iv) the business or professional use does not entail visits to the Unit by employees of the business or profession or the general public; and (v) the business or professional use does not interfere with Residents' use and enjoyment of their Units. No portion of a garage serving a Unit may be occupied as a residence at any time by any Person.

10.17. Signs. No sign of any kind may be erected, placed, or permitted to remain on the Property unless written approval has been obtained in advance from the Architectural Reviewer. The Architectural Reviewer may adopt sign guidelines associated with the erection and display of certain signs which guidelines may govern the location, nature, dimensions, number, and time period a sign may remain on the Property or a Unit. As used in this *Section*, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. The Architectural Reviewer may cause the immediate removal of any sign or object which has not been approved in advance by the Architectural Reviewer. Under no circumstances will signs advertising Units for sale, for rent or for lease be permitted.

Notwithstanding the foregoing, political signs may be erected provided the sign: (i) is erected no earlier than the 90th day before the date of the election to which the sign relates; (ii) is removed no later than the 10th day after the date of the election to which the sign relates; and (iii) is ground-mounted. Only one sign may be erected for each candidate or ballot item. In addition, signs which include any of the components or characteristics described in Section 202.009(c) of the Texas Property Code are prohibited. Additionally, a religious item on the entry door or door frame of a Unit (which may not extend beyond the outer edge of the door frame) is permitted, provided that the size of the item(s), individually or in combination with other religious items on the entry door or door frame of the residence, does not exceed twenty-five (25) square inches.

10.18. Solar Energy Device and Energy Efficiency Roofing. A "Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power. "Energy Efficiency Roofing" means shingles that are designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities.

Approval by the Architectural Reviewer is required prior to installing a Solar Energy Device or Energy Efficient Roofing. The Architectural Reviewer is not responsible for: (a) errors in or omissions in the application submitted to the Architectural Reviewer for approval; (b)

supervising the installation or construction to confirm compliance with an approved application; or (c) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

10.18.1. Approval Application. To obtain approval of a Solar Energy Device, an Owner shall submit to the Architectural Reviewer, the following information: (i) the proposed installation location of the Solar Energy Device; and (ii) a description of the Solar Energy Device, including the dimensions, manufacturer, and photograph or other accurate depiction (the "**Solar Application**"). A Solar Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Solar Application.

10.18.2. Approval Process. The decision of the Architectural Reviewer will be made in accordance with *Article 6* of the Master Covenant. The Architectural Reviewer will approve a Solar Energy Device if the Solar Application complies with *Section 10.18.3* below **UNLESS** the Architectural Reviewer makes a written determination that placement of the Solar Energy Device, despite compliance with *Section 10.18.3*, will create a condition that substantially interferes with the use and enjoyment of the Property by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The Architectural Reviewer's right to make a written determination in accordance with the foregoing sentence is negated if all Owners of Units immediately adjacent to the Owner/applicant's Unit provide written approval of the proposed placement. Any proposal to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by Members must be approved in advance and in writing by the Board, and the Board need not adhere to this Section when considering any such request.

Each Owner is advised that if the Solar Application is approved by the Architectural Reviewer, installation of the Solar Energy Device must: (i) strictly comply with the Solar Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Solar Energy Device to be installed in accordance with the approved Solar Application, the Architectural Reviewer may require the Owner to: (i) modify the Solar Application to accurately reflect the Solar Energy Device installed on the Unit; or (ii) remove the Solar Energy Device and reinstall the device in accordance with the approved Solar Application. Failure to install a Solar Energy Device in accordance with the approved Solar Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of the Master Covenant. Any requirement imposed by the Architectural Reviewer to resubmit a Solar Application or remove and relocate a Solar Energy Device in accordance with the approved Solar Application shall be at the Owner's sole cost and expense.

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

- (i) The Solar Energy Device must be located on the roof of the residence located within the Owner's Unit, entirely within a fenced area of the Owner's Unit, or entirely within a fenced patio located within the Owner's Unit. If the Solar Energy Device will be located on the roof of the residence, the Architectural Reviewer may designate the location for placement unless the location proposed by the Owner increases the estimated annual energy production of the Solar Energy Device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent (10%) above the energy production of the Solar Energy Device if installed in the location designated by the Architectural Reviewer. If the Owner desires to contest the alternate location proposed by the Architectural Reviewer, the Owner should submit information to the Architectural Reviewer which demonstrates that the Owner's proposed location meets the foregoing criteria. If the Solar Energy Device will be located in the fenced area of the Owner's Unit or patio, no portion of the Solar Energy Device may extend above the fence line.
- (ii) If the Solar Energy Device is mounted on the roof of the principal residence located within the Owner's Unit, then: (a) the Solar Energy Device may not extend higher than or beyond the roofline; (b) the Solar Energy Device must conform to the slope of the roof and the top edge of the Solar Device must be parallel to the roofline; (c) the frame, support brackets, or visible piping or wiring associated with the Solar Energy Device must be silver, bronze or black.

10.18.4.Energy Efficient Roofing. The Architectural Reviewer will not prohibit an Owner from installing Energy Efficient Roofing provided that the Energy Efficient Roofing shingles: (i) resemble the shingles used or otherwise authorized for use within the community; (ii) are more durable than, and are of equal or superior quality to, the shingles used or otherwise authorized for use within the community; and (iii) match the aesthetics of adjacent property. An Owner who desires to install Energy Efficient Roofing will be required to comply with the architectural review and approval procedures set forth in *Article 6* of the Master Covenant.

10.19. Rainwater Harvesting Systems. Rain barrels or rainwater harvesting systems (a "Rainwater Harvesting System") may be installed with the advance written approval of the Architectural Reviewer.

10.19.1. Application. To obtain Architectural Reviewer approval of a Rainwater Harvesting System, the Owner shall provide the Architectural Reviewer with the following information: (i) the proposed installation location of the Rainwater Harvesting System; and (ii) a description of the Rainwater Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction (the "**Rain System Application**"). A Rain System Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Rain System Application.

10.19.2. Approval Process. The decision of the Architectural Reviewer will be made in accordance with *Article 6* of the Master Covenant. Any proposal to install a Rainwater Harvesting System on Common Elements must be approved in advance and in writing by the Board, and need not adhere to this policy when considering any such request.

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

- (i) The Rainwater Harvesting System must be consistent with the color scheme of the residence constructed within the Owner's Unit, as reasonably determined by the Architectural Reviewer.
- (ii) The Rainwater Harvesting System does not include any language or other content that is not typically displayed on such a device.
- (iii) The Rainwater Harvesting System is in no event located between the front of the residence constructed within the Owner's Unit and any adjoining or adjacent street.
- (iv) There is sufficient area within the Owner's Unit to install the Rainwater Harvesting System, as reasonably determined by the Architectural Reviewer.
- (v) If the Rainwater Harvesting System will be installed on or within the side yard of a Unit, or would otherwise be visible from a street, Common Element, or another Owner's Unit, the Architectural Reviewer may regulate the size, type, shielding of, and materials

used in the construction of the Rainwater Harvesting System. See *Section 9.28.4* for additional guidance.

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

10.20. Flags. An Owner is permitted to display the flag of the United States of America, the flag of the State of Texas, or an official or replica flag of any branch of the United States Military ("**Permitted Flag**") and permitted to install a flagpole no more than five feet (5') in length affixed to the front of a residence near the principal entry or affixed to the rear of a residence ("**Permitted Flagpole**") within a Unit. Only two (2) Permitted Flagpoles are allowed per residence. A Permitted Flag or Permitted Flagpole need not be approved in advance by the Architectural Reviewer.

Approval by the Architectural Reviewer is required prior to installing vertical freestanding flagpoles installed on the Unit ("**Freestanding Flagpole**"). The Architectural Reviewer is not responsible for: (i) errors in or omissions in the application submitted to the Architectural Reviewer for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

10.20.1. Approval Application. To obtain Architectural Reviewer approval of any Freestanding Flagpole, the Owner shall provide a request to the Architectural Reviewer in accordance with *Article 6* of the Master Covenant, including the following information: (a) the location of the flagpole to be installed on the Unit; (b) the type of flagpole to be installed; (c) the dimensions of the flagpole; and (d) the proposed materials of the flagpole (the "**Flagpole Application**"). A Flagpole Application may only be submitted by an Owner UNLESS the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Flagpole Application.

10.20.2. Approval Process. The decision of the Architectural Reviewer will be made in accordance with *Article 6* of the Master Covenant. Any proposal to install a

Freestanding Flagpole on property owned or maintained by the Association or property owned in common by Members must be approved in advance and in writing by the Board, and the Board need not adhere to this *Section* when considering any such request.

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

10.20.3. Installation, Display and Approval Conditions. Unless otherwise approved in advance and in writing by the Architectural Reviewer, Permitted Flags, Permitted Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application, must comply with the following:

- (i) No more than one (1) Freestanding Flagpole OR no more than two (2) Permitted Flagpoles are permitted per residential Unit, on which only Permitted Flags may be displayed;
- (ii) Any Permitted Flagpole must be no longer than five feet (5') in length and any Freestanding Flagpole must be no more than twenty feet (20') in height;
- (iii) Any Permitted Flag displayed on any flagpole may not be more than three feet in height by five feet in width (3'x5');
- (iv) With the exception of flags displayed on Common Elements and any Unit which is being used for marketing purposes by a builder, the flag of the United States of America must be displayed in accordance with 4 U.S.C. Sections 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;

- (v) The display of a flag, or the location and construction of the flagpole must comply with Applicable Law;
- (vi) Any flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the Building;
- (vii) A flag or a flagpole must be maintained in good condition and any deteriorated flag or deteriorated, or structurally unsafe flagpole must be repaired, replaced or removed;
- (viii) Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which shall not be aimed towards or directly affect any neighboring property; and
- (ix) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

10.21. Antennas. Except as expressly provided below, no exterior radio or television antennae or aerial or satellite dish or disc, shall be erected, maintained or placed on a Unit without the prior written approval of the Architectural Reviewer; provided, however, that one (1) an antenna designed to receive direct broadcast services, including direct-to-home satellite services, that is one meter or less in diameter; or an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or an antenna that is designed to receive television or radio broadcast signals (collectively, the "**Permitted Antennas**") will be permitted subject to reasonable requirements as to location and screening as may be set forth in the Rules, consistent with Applicable Law, in order to minimize obtrusiveness as viewed from streets and adjacent property.

10.22. Location of Permitted Antennas. A Permitted Antenna may be installed solely on the Owner's Unit and shall not encroach upon any street, Common Elements, or any other portion of the Property. A Permitted Antenna shall be installed in a location on the Unit from which an acceptable quality signal can be obtained and where least visible from the street and the Property, other than the Unit. In order of preference, the locations of a Permitted Antenna which will be considered least visible by the Architectural Reviewer are as follows:

- (i) Attached to the back of the principal single-family residence constructed on the Unit, with no part of the Permitted Antenna any higher than the roof fascia, soffit, or bargeboard and screened from view of adjacent Units and the street; then

- (ii) Attached to the side of the principal single-family residence constructed on the Unit, with no part of the Permitted Antenna any higher than the roof fascia, soffit, or bargeboard and screened from view of adjacent Units and the street.

The Architectural Reviewer may, from time to time, modify, amend, or supplement the Rules regarding installation and placement of Permitted Antennas.

10.23. Xeriscaping. An Owner may submit plans for and install drought tolerant landscaping ("Xeriscaping") upon written approval by the Architectural Reviewer. All Owners implementing Xeriscaping shall comply with the following:

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

10.23.2. Approval Conditions. Unless otherwise approved in advance and in writing by the Architectural Reviewer, each Xeriscaping Application and all Xeriscaping to be installed in accordance therewith must comply with the following:

- (i) The Xeriscaping must be aesthetically compatible with other landscaping in the community as reasonably determined by the Architectural Reviewer. For purposes of this Section, "aesthetically compatible" shall mean overall and long-term aesthetic compatibility within the community. For example, an Owner's plan may be denied if the Architectural Reviewer determines that: a) the proposed Xeriscaping would not be harmonious with already established turf and landscaping in the overall community; and/or b) the use of specific turf or plant materials would result in damage to or cause deterioration of the turf or landscaping of an adjacent property owner, resulting in a reduction of aesthetic appeal of the adjacent property Owner's Unit.

- (ii) No Owners shall install gravel, rocks or cacti that in the aggregate encompass over twenty percent (20%) of such Owner's front yard or twenty percent (20%) of such Owner's back yard.
- (iii) The Xeriscaping must not attract diseases and insects that are harmful to the existing landscaping on neighboring Units, as reasonably determined by the Architectural Reviewer.

10.23.3.Process. The decision of the Architectural Reviewer will be made within a reasonable time, or within the time period otherwise required by the Master Covenant. A Xeriscaping Application submitted to install Xeriscaping on Common Elements will not be approved unless approved in advance by the Board.

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

10.23.5.Aesthetically Compatibility. Unless otherwise approved in advance and in writing by the Architectural Reviewer, each Xeriscaping Application and all Xeriscaping to be installed in accordance therewith must be aesthetically compatible with other landscaping in the Regime as reasonably determined by the Architectural Reviewer. For purposes of this Xeriscaping policy, "aesthetically compatible" shall mean overall and long-term aesthetic compatibility within the Regime. For example, an Owner's Unit plan may be denied if the Architectural Reviewer determines that: a) the proposed Xeriscaping would not be harmonious with already established turf and landscaping in the overall Regime; and/or b) the use of specific turf or plant materials would result in damage to or cause deterioration of the turf or landscaping of an adjacent Owner, resulting in a reduction of aesthetic appeal of the adjacent Owner's Unit.

10.24. Decorations and Lighting. No decorative appurtenances such as sculptures, birdbaths and birdhouses, fountains, or other decorative embellishments shall be placed on the residence or on the front yard or on any other portion of a Unit which is visible from any street

or General Common Element, unless such specific items have been approved in writing by the Architectural Reviewer. Customary seasonal decorations for holidays are permitted without approval by the Architectural Reviewer but shall be removed within thirty (30) days of the applicable holiday. Outside lighting fixtures shall be placed so as to illuminate only the yard of the applicable Unit and so as not to affect or reflect into surrounding Units.

ARTICLE 11 UNIT LEASING

11.1. Lease Conditions. The leasing of Units is subject to the following conditions: (i) unless otherwise approved in advance by the Board, no Unit may be rented for transient or hotel purposes or for an initial period less than six (6) months; (ii) not less than an entire Unit may be leased; (iii) all leases must be in writing and must be made subject to the Documents and the Master Plan Documents; (iv) an Owner is responsible for providing the Owner's tenant with copies of the Documents and the Master Plan Documents and notifying the tenant of changes thereto; and (v) each tenant is subject to and must comply with all provisions of the Documents, and the Master Plan Documents, and Applicable Law. The Board may adopt additional Rules which further limit the leasing of Units and shall have the express power and authority to adopt a leasing permit system which limits the number of Units which may be leased at any one time, provided, that the leasing Rules and leasing permit system is not otherwise prohibited by the requirements and/or guidelines promulgated by an Underwriting Lender. Notwithstanding the foregoing provision, any additional leasing restrictions and any leasing permit system must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period.

11.2. Provisions Incorporated By Reference Into Lease. Each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the tenant, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

11.2.1. Compliance with Documents and Master Plan Documents. The tenant shall comply with all provisions of the Documents and the Master Plan Documents and shall control the conduct of all other Residents and guests of the leased Unit, as applicable, in order to ensure such compliance. The Owner shall cause all Residents of the Owner's Unit to comply with the Documents, the Master Plan Documents, and shall be responsible for all violations by such Residents, notwithstanding the fact that such Residents of the Unit are fully liable and may be sanctioned for any such violation. If the tenant or Resident violates the Documents or the Master Plan Documents or a Rule for which a fine is imposed, notice of the violation shall be given to the Owner and the Resident, and such fine may be assessed against the Owner or the Resident. Unpaid fines shall constitute a lien against the Unit.

11.2.2. Assignment of Rents. If the Owner fails to pay any Assessment or any other charge against the Unit for a period of more than thirty (30) days after it is due and payable, then the Owner hereby consents to the assignment of any rent received from the tenant during the period of delinquency, and, upon request by the Board, the tenant shall pay directly to the Association all unpaid Assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by tenant. The tenant need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by tenant shall reduce, by the same amount, tenant's obligation to make monthly rental payments to the Owner.

11.2.3. Violation Constitutes Default. Failure by the tenant or the tenant's guests to comply with the Documents, the Master Plan Documents, or Applicable Law is deemed to be a default under the lease. When the Association notifies an Owner of such violation, the Owner will promptly obtain compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association or the Master Association will have the power and right to pursue the remedies of a landlord under the lease or Applicable Law for the default, including eviction of the tenant.

11.2.4. Association as Attorney-in-Fact. Notwithstanding the absence of an express provision in the lease agreement for enforcement of the Documents by the Association, each Owner appoints the Association as the Owner's attorney-in-fact, with full authority to act in the Owner's place in all respects, for the purpose of enforcing the Documents against the Owner's tenants, including but not limited to the authority to institute forcible detainer proceedings, provided the Association gives the Owner at least 10 days' notice, by certified mail, of its intent to so enforce the Documents. In addition, each Owner appoints the Master Association as the Owner's attorney-in-fact, with full authority to act in the Owner's place in all respects, for the purpose of enforcing the Master Plan Documents against the Owner's tenants, including but not limited to the authority to institute forcible detainer proceedings, provided the Master Association gives the Owner at least 10 days' notice, by certified mail, of its intent to so enforce the Master Plan Documents.

11.2.5. Association and Master Association Not Liable for Damages. The Owner of a leased Unit is liable to the Association or the Master Association, as applicable, for any expenses incurred by the Master Association or the Association in connection with enforcement of the Documents or the Master Plan Documents against the Owner's tenant. NEITHER THE DECLARANT, THE ASSOCIATION, NOR THE MASTER ASSOCIATION, NOR THE RESPECTIVE PARTNERS, DIRECTORS, OFFICERS, COMMITTEES, AGENTS, AND EMPLOYEES OF SUCH ENTITIES SHALL BE LIABLE TO THE OWNER FOR ANY DAMAGES, INCLUDING LOST RENTS, SUFFERED BY

THE OWNER IN RELATION TO THE MASTER ASSOCIATION'S OR THE ASSOCIATION'S ENFORCEMENT OF THE DOCUMENTS OR THE MASTER PLAN DOCUMENTS AGAINST THE OWNER'S TENANT.

11.3. Exemption. A Mortgagee that acquires title to the Unit by foreclosure of its deed of trust lien or by deed in lieu of foreclosure of its lien is exempt from the effect of this Article, and is further exempt from any additional Rules restricting leasing and any leasing permit system adopted by the Board pursuant to *Section 11.1* above.

ARTICLE 12 ASSOCIATION OPERATIONS

12.1. Board. Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through a Majority of the Board."

12.2. Name. A name is not the defining feature of the Association. The Association may operate under any name that is approved by the Board and: (i) Recorded as an assumed name; or (ii) filed with the Secretary of State of Texas as the name of the filing entity. Another legal entity with the same name as the Association, or with a name based on the name of the Property, is not the Association, which derives its authority from this Declaration. The name of the Association is not a trade name.

12.3. Governance. Unless the Documents provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Documents and Applicable Law. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners representing at least a Majority of the total number of votes in the Association, or at a meeting by Owners' representing at least a Majority of the total number of votes in the Association.

12.4. Merger. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners holding at least two-thirds (2/3) of the total number of votes in the Association. On merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of Applicable Law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents, together with the covenants and restrictions established on any other property under its jurisdiction. No merger or consolidation, however, will affect a revocation, change, or addition to the covenants established by this Declaration.

12.5. Membership. Each Owner is a Member of the Association, ownership of a Unit being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Unit. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at a meeting of the Association. If a Unit is owned by more than one Person, each co-owner is a Member of the Association and may exercise the membership rights appurtenant to the Unit.

12.6. Manager. The Board may delegate the performance of certain functions to one or more managers or managing agents of the Association. To assist the Board in determining whether to delegate a function, a Guide to Association's Major Management & Governance Functions is attached to this Declaration as Attachment 5 (the "**Guide**"). The Guide lists several of the major management and governance functions of a typical residential development with a mandatory owners association. The Guide, however, may not be construed to create legal duties for the Association and its Board members, officers, employees, and agents. Rather, the Guide is intended as a tool or an initial checklist for the Board to use periodically when considering a delegation of its functions. As a list of functions that owners associations commonly delegate to a manager, the Guide should not be considered as a complete list of the Board's duties, responsibilities, or functions. Notwithstanding any delegation of its functions, the Board is ultimately responsible to the Members for governance of the Association.

12.7. The Association. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and a nonprofit corporation organized under Applicable Law, but expressly subject to any limitations on such powers set forth in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will continue to exist until this Declaration is terminated as to all the Property.

12.8. Books and Records. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to the requirements of Applicable Law.

12.9. Indemnification. The Association indemnifies every officer, director, and committee member (for purposes of this *Section*, "**Leaders**") against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with any threatened or pending action, suit, or proceeding to which the Leader is a party or respondent by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a Common Expense, the Association may maintain general liability and directors' and officers' liability insurance to fund this obligation.

12.10. Obligations of Owners. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

12.10.1.Information. Within thirty (30) days after acquiring an interest in a Unit, within thirty (30) days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (i) a copy of the Recorded deed by which Owner has acquired title to the Unit; (ii) the Owner's address and phone number; (iii) any Mortgagee's name; (iv) the name and phone number of any Resident other than the Owner; and (v) the name, address, and phone number of Owner's managing agent, if any.

12.10.2.Pay Assessments. Each Owner will pay Assessments properly levied by the Association against the Owner or such Owner's Unit and will pay Regular Assessments without demand by the Association.

12.10.3.Compliance with Documents. Each Owner will comply with the Documents as amended from time to time.

12.10.4.Reimburse for Damages. Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's Unit, or the Owner or Resident's family, guests, employees, contractors, agents, or invitees.

12.10.5.Liability for Violations. Each Owner is liable to the Association for violations of the Documents by the Owner, a Resident of the Owner's Unit, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

12.10.6.Liability for Violations of Master Plan Documents. Each Owner is liable to the Master Association for violations of the Master Plan Documents by the Owner, a Resident of the Owner's Unit, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Master Association to obtain compliance, including attorney's fees whether or not suit is filed.

12.11. Unit Resales. This *Section* applies to every sale or conveyance of a Unit or an interest in a Unit by an Owner other than Declarant:

12.11.1.Resale Certificate. An Owner intending to sell his Unit will notify the Association and will request a condominium resale certificate from the Association.

12.11.2.No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Unit to the Association.

12.11.3. Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Unit, including but not limited to, fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against Regular or Special Assessments. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees are not subject to the Association's assessment lien and are not payable by the Association. This *Section* does not obligate the Board to levy transfer-related fees.

12.11.4. Exclusions. The requirements of *Section* do not apply to the following transfers: (i) foreclosure of a Mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (ii) conveyance by a Mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more Co-Owners, or to the Owner's spouse, child, or parent; a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (iv) a disposition by a government or governmental agency. Additionally, the requirements of this *Section* do not apply to the initial conveyance from Declarant.

ARTICLE 13 ENFORCING THE DOCUMENTS

13.1. Notice And Hearing. Before levying a fine for violation of the Documents (other than nonpayment of Assessments), the Association will give the Owner written notice of the levy and an opportunity to be heard, to the extent required by Applicable Law. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the thirtieth (30th) day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and a stated date by which the Owner may cure the violation to avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months. The Association may also give a copy of the notice to the Resident of the Unit. Pending the hearing, the Association may continue to exercise all rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person or may be represented by another person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearings, provided they are consistent with Applicable Law.

13.2. Remedies. The remedies provided in this *Article 13* for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the

Documents and by Applicable Law, the Association has the following rights to enforce the Documents:

13.2.1. Nuisance. The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by Applicable Law against a nuisance, either public or private, is applicable against the violation.

13.2.2. Fine. The Association may levy reasonable charges, as an Individual Assessment, against an Owner and the Owner's Unit if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues and does not constitute a waiver or discharge of the Owner's obligations under the Documents.

13.2.3. Suspension. The Association may suspend the right of Owners and Residents to use Common Elements (except rights of ingress and egress) for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

13.2.4. Self-Help. The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, any Improvement, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Association is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Unit and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish any Improvement within a Unit without judicial proceedings.

13.2.5. Suit. Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

13.3. **Board Discretion**. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances: (i) the Association's position is not sufficiently strong to justify taking any or further action; (ii) the provision being enforced is or may be construed as inconsistent with Applicable Law; (iii) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable Person or to justify expending the Association's resources;

or (iv) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

13.4. No Waiver. The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.

13.5. Recovery of Costs. The costs of curing or abating a violation are the expense of the Owner or other Person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

13.6. Release. Subject to the Association's obligations under this Declaration, except as otherwise provided by the Documents, each Owner hereby releases, acquits and forever discharges the Association, and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns and agrees to hold such Persons harmless of and from any and all claims, damages, liabilities, costs and/or expenses (including reasonable attorneys' fees) relating to the construction of, repair or restoration of, or the sale to the Owners of the Units, or the Common Elements. This release shall release and forever discharge the Association and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns, from all claims and causes of action, whether statutory or under the common law, known or unknown, now accrued, or that arise in the future.

13.7. Right of Action by Association. The Association shall not have the power to institute, defend, intervene in, settle or compromise litigation or administrative proceedings: (i) in the name of or on behalf of any Unit Owner (whether one or more); or (ii) pertaining to a Claim, as defined in *Section 19.1.1* below, relating to the design or construction of a Unit (whether one or more). The foregoing sentence is expressly intended to remove from the power of the Association the right, under Section 82.102 of the Act, to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings on behalf of two (2) or more Unit Owners on matters affecting the Regime. This *Section 13.7* may not be amended or modified without Declarant's written and acknowledged consent, which must be part of the Recorded amendment instrument.

ARTICLE 14 INSURANCE

14.1. General Provisions. The broad purpose of this *Article 14* is to require that the Property be insured with the types and amounts of coverage that are customary for similar types of properties and that are acceptable to mortgage lenders, guarantors, or insurers that finance the

purchase or improvement of Units. The Board will make every reasonable effort to comply with the requirements of this *Article 14*.

14.1.1. Unavailability. The Association, and its directors, officers, and managers, will not be liable for failure to obtain any coverage required by this *Article 14* or for any loss or damage resulting from such failure if the failure is due to the unavailability of a particular coverage from reputable insurance companies, or if the coverage is available only at demonstrably unreasonable cost.

14.1.2. No Coverage. Even if the Association and the Owner have adequate amounts of recommended and required coverages, the Property may experience a loss that is not covered by insurance. In that event, the Association is responsible for restoring the Common Elements as a Common Expense, and the Owner is responsible for restoring such Owner's Unit at Owner's sole expense. This provision does not apply to the deductible portion of a policy.

14.1.3. Requirements. The cost of insurance coverages and bonds maintained by the Association is a Common Expense. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. The Association's policies should contain the standard mortgage clause naming either the Mortgagee or its servicer followed by "its successors and assigns." The loss payee clause should show the Association as trustee for each Owner and Mortgagee. Policies of property and general liability insurance maintained by the Association must provide that the insurer waives its rights to subrogation under the policy against an Owner. The Association's insurance policies will not be prejudiced by the act or omission of any Owner or Resident who is not under the Association's control.

14.1.4. Association as Trustee. Each Owner irrevocably appoints the Association, acting through its Board, as the Owner's trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

14.1.5. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by the Act, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. The Board will give to Mortgagees, and the insurer will give Mortgagees, prior notices of cancellation, termination, expiration, or material modification.

14.1.6. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, and the amount thereof may not be subtracted from the face

amount of the policy in determining whether the policy limits satisfy the coverage limits required by this Declaration or an Underwriting Lender. In the event of an insured loss, the deductible is treated as a Common Expense of the Association in the same manner as the insurance premium. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner or Resident or their invitee, then the Board may levy an Individual Assessment against the Owner and the Owner's Unit for the amount of the deductible that is attributable to the act or omission, provided the Owner is given notice and an opportunity to be heard in accordance with *Section 14.1* of this Declaration.

14.2. Property Insurance. The Association will obtain blanket all-risk insurance, if reasonably available, for all Common Elements insurable by the Association. If blanket all-risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

14.2.1. Common Property Insured. If insurable, the Association will insure: (i) General Common Elements; (ii) Limited Common Elements assigned to more than one (1) Unit; and (iii) property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies.

14.2.2. Units Not Insured by Association. In no event will the Association maintain property insurance on the Units. Accordingly, each Owner of a Unit will be obligated to maintain property insurance on such Owner's Unit and any Limited Common Elements assigned exclusively to such Owner's Unit, including any betterments and Improvements constructed within or exclusively serving such Unit, in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. In addition, the Association does not insure an Owner or Resident's personal property. THE ASSOCIATION STRONGLY RECOMMENDS THAT EACH OWNER AND RESIDENT PURCHASE AND MAINTAIN INSURANCE ON SUCH OWNER'S OR RESIDENT'S PERSONAL BELONGINGS.

14.2.3. Endorsements. To the extent reasonably available, the Association will obtain endorsements to its property insurance policy if required by an Underwriting Lender, such as and Inflation Guard Endorsement, Building Ordinance or Law Endorsement, and a Special Condominium Endorsement.

14.3. Liability Insurance. The Association will maintain a commercial general liability insurance policy over the Common Elements – expressly excluding the liability of each Owner and Resident within their Unit – for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. If the policy does not contain a

severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.

14.4. **Worker's Compensation.** The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of Applicable Law or if the Board so chooses.

14.5. **Fidelity Coverage.** The Association may maintain blanket fidelity coverage for any Person who handles or is responsible for funds held or administered by the Association, whether or not the Person is paid for his services. The policy should be for an amount that exceeds the greater of: (i) the estimated maximum funds, including reserve funds, that will be in the Association's custody at any time the policy is in force; or (ii) an amount equal to three (3) months of Regular Assessments on all Units. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages.

14.6. **Directors and Officers Liability.** The Association may maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

14.7. **Other Policies.** The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

ARTICLE 15 RECONSTRUCTION OR REPAIR AFTER LOSS

15.1. **Subject To Act.** The Association's response to damage or destruction of the Property will be governed by Section 82.111(i) of the Act. The following provisions apply to the extent the Act is silent.

15.2. **Restoration Funds.** For purposes of this *Article 15*, "**Restoration Funds**" include insurance proceeds, condemnation awards, Deficiency Assessments, Individual Assessments, and other funds received on account of or arising out of injury or damage to the Common Elements. All funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution in which accounts are insured by a federal agency. Withdrawal of Restoration Funds requires the signatures of at least two (2) Board members.

15.2.1. **Sufficient Proceeds.** If Restoration Funds obtained from insurance proceeds or condemnation awards are sufficient to repair or restore the damaged or destroyed Common Elements, the Association, as trustee for the Owners, will promptly apply the funds to the repair or restoration.

15.2.2. Insufficient Proceeds. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy a Deficiency Assessment against the Owners to fund the difference.

15.2.3. Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as follows: If Deficiency Assessments were a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the Deficiency Assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by him, and further provided that any delinquent Assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing paragraph will be common funds of the Association to be used as directed by the Board.

15.3. Costs and Plans.

15.3.1. Cost Estimates. Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged Common Elements. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair.

15.3.2. Plans and Specifications. Unless otherwise approved by the Board, Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction.

15.4. Owner's Duty to Repair. Within sixty (60) days after the date of damage, the Owner will begin repair or reconstruction of the Improvements constructed on the Owner's Unit, subject to the right of the Architectural Reviewer to supervise, approve, or disapprove repair or restoration during the course thereof. Unless otherwise approved by the Architectural Reviewer, the residence must be repaired and restored substantially in accordance with original construction plans and specifications.

15.5. Owner's Liability For Insurance Deductible. If repair or restoration of Common Elements is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

**ARTICLE 16
TERMINATION AND CONDEMNATION**

16.1. Association As Trustee. Each Owner hereby irrevocably appoints the Association, acting through the Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As

trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

16.2. Termination. Termination of the terms of this Declaration and the Regime will be governed by Section 82.068 of the Act and *Section 16.4* below.

16.3. Condemnation. The Association's response to condemnation of any part of the Regime will be governed by Section 82.007 of the Act. On behalf of Owners, but without their consent, the Board may execute and Record an amendment of this Declaration to reallocate the Common Interest Allocation following condemnation and to describe the altered parameters of the Regime. If the Association replaces or restores Common Elements taken by condemnation by obtaining other land or constructing additional Improvements, the Board may, to the extent permitted by Applicable Law, execute and Record an amendment without the prior consent of Owners to describe the altered parameters of the Regime and any corresponding change of facilities or Improvements.

ARTICLE 17 MORTGAGEE PROTECTION

17.1. Introduction. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. A provision of the Documents requiring the approval of a specified percentage of Mortgagees will be based on the number of Units subject to mortgages held by Mortgagees. For example, "51 percent of Mortgagees" means Mortgagees of fifty-one percent (51%) of the Units that are subject to mortgages held by Mortgagees.

17.2. Notice to Mortgagee. As provided in this *Article 17*, the Association is required to provide each Mortgagee with written notice upon the occurrence of certain actions as described in *Section 17.2*, or to obtain the approval of Mortgagees in the event of certain amendments to this Declaration as described in *Section 17.8* or the termination of this Declaration as described in *Section 17.4*. To enable the Association to provide the notices and obtain such approval, each Owner must provide to the Association the complete name and address of such Owner's Mortgagee, including the loan number and such additional information concerning the Owner's Mortgagee as the Association may reasonably require. In the event an Owner fails to provide the Association with the information required by this *Section 17.2* after the expiration of thirty (30) days after the Association's written request, the Owner's failure to provide such information will be considered a violation of the terms and provisions of this Declaration.

17.3. **Amendment.** This *Article 17* establishes certain standards for the benefit of Underwriting Lenders and is written to comply with their requirements and guidelines in effect at the time of drafting. If an Underwriting Lender subsequently changes its requirements, the Board, without approval of Owners or Mortgagees, may amend this *Article 17* and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender.

17.4. **Termination.** Termination of the terms of this Declaration and the condominium status of the Regime will be governed by Section 82.068 of the Act, subject to the following provisions. In the event of condemnation of the entire Regime, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees. Any election to terminate this Declaration and the condominium status of the Regime under circumstances other than condemnation of the entire Regime shall require the consent of: (i) Owners representing at least eighty percent (80%) of the total votes in the Association; (ii) Declarant during the Development Period; and (iii) sixty-seven percent (67%) of Mortgagees.

17.5. **Implied Approval.** The approval of a Mortgagee is implied when the Mortgagee fails to respond within sixty (60) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

17.6. **Other Mortgagee Rights.**

17.6.1. **Inspection of Books.** The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records, by appointment, during normal business hours.

17.6.2. **Financial Statements.** A Mortgagee may have an audited statement prepared at its own expense.

17.6.3. **Attendance at Meetings.** A representative of a Mortgagee may attend and address any meeting which an Owner may attend.

17.6.4. **Right of First Refusal.** The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Unit to the Association. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

17.6.5. **Management Contract.** If professional management of the Association is required by this *Article 17*, the contract for professional management may not require more than ninety (90) days' notice to terminate the contract, nor payment of a termination penalty.

17.7. **Notice of Actions.** The Association will use its best efforts to send timely written notice to Mortgagees of the following actions:

- (i) Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Unit and any eminent domain proceeding affecting the General Common Elements which would result in a loss of more than ten percent (10%) of the estimated operational and reserve expenses as reflected on the then-current annual budget of the Association.
- (ii) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of the mortgaged Unit.
- (iii) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.
- (iv) Any proposed action that requires the consent of a specified percentage of Mortgagees.
- (v) Any proposed amendment of a material nature, as provided in this *Article 17*.
- (vi) Any proposed termination of the condominium status of the property or dissolution of the Association at least thirty (30) days prior to the proposed termination or dissolution, as applicable.

17.8. **Amendments of a Material Nature.** A Document amendment of a material nature must be approved by Owners representing at least sixty-seven percent (67%) of the total votes in the Association, and by at least fifty-one percent (51%) of Mortgagees. **THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS EFFECTED BY THE EXERCISE OF A DEVELOPMENT RIGHT AS PROVIDED IN APPENDIX "A" ATTACHED HERETO.** A change to any of the provisions governing the following would be considered material:

- (i) Voting rights.
- (ii) Assessment liens or the priority of assessment liens.
- (iii) Reductions in reserves for maintenance, repair, and replacement of Common Elements.
- (iv) Responsibility for maintenance and repairs.
- (v) Reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; except that when

Limited Common Elements are reallocated by Declarant pursuant to any rights reserved by Declarant pursuant to Appendix "A" or by agreement between Owners (only those Owners and only the Mortgagees holding mortgages against those Units need approve the action).

- (vi) Redefinitions of boundaries of Units, except that when the boundaries of only adjoining Units are involved, then only those Owners and the Mortgagees holding mortgages against the Unit or Units need approve the action, and except pursuant to any rights reserved by Declarant pursuant to Appendix "A".
- (vii) Convertibility of Units into Common Elements or Common Elements into Units.
- (viii) Expansion or contraction of the Regime, or the addition, annexation, or withdrawal of property to or from the Regime.
- (ix) Property or fidelity insurance requirements.
- (x) Imposition of any restrictions on the leasing of Units.
- (xi) Imposition of any restrictions on Owners' right to sell or transfer their Units.
- (xii) Restoration or repair of the Regime, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.
- (xiii) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

ARTICLE 18 AMENDMENTS

18.1. Consents Required. As permitted by the Act or by this Declaration, certain amendments to this Declaration may be executed by Declarant acting alone, or by certain Owners acting alone, or by the Board acting alone. Except as otherwise provided in this Declaration, amendments to this Declaration must be approved by Owners representing at least sixty-seven percent (67%) of the total votes in the Association. Notice of any amendment to the Declaration which must be approved by Owners, including but not limited to the amendment requirement attributable to *Article 19* as set forth in *Section 19.1*, shall be delivered to each Member in accordance with the Bylaws. All amendments made to the Declaration, Bylaws or Certificate during the Development Period must be approved by the Secretary of Veterans Affairs or its

authorized agent prior to Recording such document, if Veterans Affairs has guaranteed any loans secured by Units in the Regime. All Material Amendments made to the Declaration, Bylaws or Certificate and all Extraordinary Actions taken during the Declarant Control Period must be approved by the Secretary of Veterans Affairs or its authorized agent prior to Recording, if Veterans Affairs has guaranteed any loans secured by Units in the Regime. Further, if Veterans Affairs has guaranteed any loans secured by Units in the Regime the Secretary of Veterans Affairs or its authorized agent must consent to any termination of the Declaration, dissolution of the Association (except by consolidation or merger), and any conveyance of Common Elements. In addition, a change to any provision in the Declaration governing the following items (each an "Extraordinary Action") must be approved by Owners representing at least sixty-seven percent (67%) of the votes in the Association:

- (i) Merging or consolidating the Association (other than with another non-profit entity formed for purposes similar to the Association).
- (ii) Determining not to require professional management if that management is required by the Declaration or the Association.
- (iii) The addition of land to the Declaration if the addition would increase the overall land area then subject to the Declaration by more than ten percent (10%).
- (iv) Abandoning, partitioning, encumbering, mortgaging, conveying selling or otherwise transferring or relocating the boundaries of Common Elements with the exception of: (a) granting easements over and across the Common Elements otherwise permitted by this Declaration or the Act; (b) dedicating all or any portion of a Common Element to the extent required by any governing authority or regulatory authority; (c) adjustments to the boundary line of Common Elements if made in accordance with the provisions of this Declaration; or (d) transferring Common Elements pursuant to a merger or consolidation with another entity.
- (v) Using insurance proceeds for purposes other than construction or repair of the insured improvements.
- (vi) Any capital expenditure, other than for the maintenance, operation, repair or replacement of any existing Improvement, if the capital expenditure exceeds more than twenty percent (20%) of the annual operating budget during any period of twelve (12) consecutive months.

18.2. Amendments Generally. For amendments requiring the consent of Mortgagees, the Association will send each Mortgagee a detailed description, if not the exact wording, of any proposed amendment. Notwithstanding any provisions in this Declaration to the contrary, no amendment to this Declaration shall modify, alter, abridge or delete any: (i) provision of this Declaration that benefits the Declarant or the Master Association; (ii) rights, privileges, easements, protections, or defenses of the Declarant or the Master Association; or (iii) rights of the Owners or the Association in relationship to the Declarant without the written consent of the Declarant or the Master Association, as applicable, attached to and Recorded with such amendment. In addition, no amendment to this Declaration shall modify, alter, abridge or delete any: (i) permissible use of a Unit absent the consent of the Owner(s) of the Unit affected by the change in permissible use; or (ii) any license, easement or other contractual rights contained in this Declaration, including, without limitation, any easement, right and license benefiting or in favor of the Declarant without the written consent of the Declarant.

18.3. Effective. To be effective, an amendment must be in the form of a written instrument: (i) referencing the name of the Regime, the name of the Association, and the Recording data of this Declaration and any amendments hereto; (ii) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Mortgagees; provided, however, this subsection (ii) will not apply for amendments prosecuted by Declarant pursuant to any rights reserved by Declarant under this Declaration; and (iii) Recorded.

18.4. Declarant Rights. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix "A". An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the Recorded amendment instrument. Because Appendix "A" of this Declaration is destined to become obsolete, beginning fifteen (15) years after the date this Declaration is first Recorded, the Board may restate, rerecord, or publish this Declaration without Appendix "A". The automatic expiration and subsequent deletion of Appendix "A" does not constitute an amendment of this Declaration. This *Section 18.4* may not be amended without Declarant's written and acknowledged consent.

ARTICLE 19 DISPUTE RESOLUTION

This Article 19 is intended to encourage the resolution of disputes involving the Property. A dispute regarding the Units, Common Elements, and/or Improvements can create significant financial exposure for the Association and its Members, interfere with the resale and refinancing of Units, prevent or jeopardize approval of the Units by Underwriting Lenders, and increase strife and tension among the Owners, the Board and the Association's management. Since disputes may have a direct effect on each Owner's use and enjoyment of their Unit and the Common Elements, this Article 19 requires Owner transparency and participation in certain

circumstances. Transparency means that the Owners are informed in advance about a dispute, the proposed arrangement between the Association and a law firm or attorney who will represent the Association in the dispute, the proposed arrangement between the Association and any inspection company who will prepare the Common Element Report (as defined below) or perform any other investigation or inspection of the Common Elements and/or Improvements related to the dispute, and that each Owner will have an opportunity to participate in the decision-making process prior to initiating the dispute resolution process.

For the avoidance of doubt, nothing in this Article 19 is intended to limit the Association's right or obligation to obtain inspection services related to the maintenance, repair and physical condition of the Regime pursuant to Section 9.5 of this Declaration provided that such inspection services are not commissioned by the Association in conjunction with a Unit Construction Claim or a Common Element Construction Claim.

19.1. Introduction And Definitions. The Association, the Owners, Declarant, all Persons subject to this Declaration, and each person not otherwise subject to this Declaration who agrees to submit to this Article 19 by written instrument delivered to the Claimant, which may include, but is not limited to, a general contractor, sub-contractor, design professional, or other person who participated in the design or construction of the Units, Common Elements or any Improvement within, serving, or forming a part of the Regime (individually a "Party" and collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article 19 applies to all Claims as hereafter defined. This *Article 19* may only be amended with the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding 100% of the votes in the Association. As used in this *Article 19* only, the following words, when capitalized, have the following specified meanings:

19.1.1. "*Claim*" means:

- (i) Claims relating to the rights and/or duties of Declarant, or its permitted assigns, or the Association, under the Documents or the Act;
- (ii) Claims relating to the acts or omissions of the Declarant, the Board, or the Master Board during any such party's control and administration of the Association and/or Regime, any claim asserted against the Architectural Reviewer, and any claims asserted against the Declarant, the Master Board, the Board or a Person serving as a Board member or an officer of the Association or Master Association, or the Architectural Reviewer;

- (iii) Claims relating to the design or construction of the Units, Common Elements or any Improvement located within, serving, or forming a part of the Regime; and
- (iv) Claims relating to any repair or alteration of the Units, Common Elements, or any Improvement located within, serving, or forming a part of the Regime, including any Claims related to an alleged failure to perform repairs or for a breach of warranty.

19.1.2. "**Claimant**" means any Party having a Claim against any other Party.

19.1.3. "**Common Element Construction Claim**" means a Claim relating to: (i) the design or construction of the Common Elements or any Improvement located thereon; or (ii) any repair or alteration of the Common Elements, or any Improvement located thereon, including any Claims related to an alleged failure to perform repairs or for a breach of warranty.

19.1.4. "**Construction Claim**" means a Claim defined in Section 19.1.1(iii) or Section 19.1.1(iv).

19.1.5. "**Respondent**" means any Party against which a Claim has been asserted by a Claimant.

19.1.6. "**Unit Construction Claim**" means a Claim relating to: (i) the design or construction of a Unit (whether one or more) or any Improvement located thereon; or (ii) any repair or alteration of a Unit (whether one or more), or any Improvement located thereon, including any Claims related to an alleged failure to perform repairs or for a breach of warranty.

19.2. Mandatory Procedures. Claimant may not initiate any proceeding before any judge, jury, arbitrator or any judicial or administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this *Article 19*. As provided in *Section 19.9* below, a Claim must be resolved by binding arbitration.

19.3. Mandatory Procedures: Construction Claims. Failure of a Claimant to comply with the procedures of this *Article 19* for a Construction Claim may result in significant expenses incurred by the Respondent to respond to a Construction Claim that would not have been otherwise incurred had the Claimant followed the procedures and dispute resolution process set forth herein, including attorney fees, court costs and other administrative expenses (the "**Response Costs**"). Notwithstanding any provision contained herein to the contrary, failure by a Claimant to comply with any of the procedural or dispute resolution requirements for a Construction Claim set forth in this *Article 19* shall constitute a material breach of this Declaration and any warranty agreement, entitling the Respondent to recover, from the Claimant, all actual

and reasonable Response Costs incurred by Respondent. Moreover, strict compliance with the procedural and dispute resolution requirements of this *Article 19* shall be a condition precedent to any recovery for a Construction Claim.

19.4. Common Element Construction Claim by the Association. In accordance with *Section 13.7* of this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation, arbitration or other proceedings for: (i) a Construction Claim in the name of or on behalf of any Unit Owner (whether one or more); or (ii) a Unit Construction Claim. Additionally, no Unit Owner shall have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings for a Common Element Construction Claim. Each Unit Owner, by accepting an interest in or title to a Unit, hereby grants to the Association the exclusive right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings for a Common Element Construction Claim. In the event the Association asserts a Common Element Construction Claim, as a precondition to providing the Notice defined in *Section 19.6*, initiating the mandatory dispute resolution procedures set forth in this *Article 19*, or taking any other action to prosecute a Common Element Construction Claim, the Association must:

19.4.1. Obtain Owner Approval of Law Firm, Attorney and Inspection Company.

The requirements related to Owner approval set forth in this Section 19.4.1 are intended to ensure that the Association and the Owners approve and are fully informed of the financial arrangements between the Association and a law firm and/or attorney engaged by the Association to prosecute a Common Element Construction Claim, and any financial arrangements between the Association and the Inspection Company (defined below) or a law firm and/or attorney and the Inspection Company. The agreement between the Association, the law firm or attorney, and/or the Inspection Company may include requirements that the Association pay costs, fees, and expenses to the law firm, attorney, or the Inspection Company which will be paid through Assessments levied against Owners. The financial agreement between the Association, the law firm or attorney, and/or the Inspection Company may also include obligations related to payment, and the conditions and circumstances when the payment obligations arise, if the relationship between the Association, the law firm or attorney, and/or the Inspection Company is terminated, the Association elects not to engage the law firm or attorney or Inspection Company to prosecute or assist with the Common Element Construction Claim, or if the Association agrees to settle the Common Element Construction Claim. In addition, the financial arrangement between the Association, the law firm or attorney, and/or the Inspection Company may include additional costs, expenses, and interest charges. These financial obligations can be significant. The Board may not engage or execute an agreement with a law firm or attorney to investigate or prosecute a Common Element Construction Claim, or engage or execute an agreement between the Association and a law firm or attorney, for the purpose of preparing a Common Element Report or performing any other investigation or inspection of the Common Elements related to a

Common Element Construction Claim unless the law firm or attorney and the financial arrangements between the Association and the law firm or attorney are approved by the Owners in accordance with this Section 19.4.1. In addition, the Board may not execute an agreement with an Inspection Company to prepare the Common Element Report or perform any other investigation or inspection of the Common Elements related to a Common Element Construction Claim, unless the Inspection Company and the financial arrangements between the Association and the Inspection Company are approved by the Owners in accordance with this Section 19.4.1. For the purpose of the Owner approval required by this Section 19.4.1, an engagement, agreement or arrangement between a law firm or attorney and an Inspection Company, if such engagement, agreement or arrangement could result in any financial obligations to the Association, irrespective of whether the Association and law firm or attorney have entered into an engagement or other agreement to prosecute a Common Element Construction Claim, must also be approved by the Owners in accordance with this Section 19.4.1. An engagement or agreement described in this paragraph is referred to herein as a "Claim Agreement".

Unless otherwise approved by Members holding sixty-seven percent (67%) of the votes in the Association, the Association, acting through its Board, shall in no event have the authority to enter into a Claim Agreement if the Claim Agreement includes any provision or requirement that would obligate the Association to pay any costs, expenses, fees, or other charges to the law firm or attorney and/or the Inspection Company, including but not limited to, costs, expenses, fees, or other charges payable by the Association: (i) if the Association terminates the Claim Agreement or engages another firm or third-party to assist with the Common Element Construction Claim; (ii) if the Association elects not to enter into a Claim Agreement; (iii) if the Association agrees to settle the Common Element Construction Claim for a cash payment or in exchange for repairs or remediation performed by the Respondent or any other third-party; (iv) if the Association agrees to pay interest on any costs or expenses incurred by the law firm or attorney or the Inspection Company; and/or (v) for consultants, expert witnesses, and/or general contractors hired by the law firm or attorney or the Inspection Company. For avoidance of doubt, it is intended that Members holding sixty-seven percent (67%) of the votes in the Association must approve the law firm and attorney who will prosecute a Common Element Construction Claim and the Inspection Company who will prepare the Common Element Report or perform any other investigation or inspection of the Common Elements related to a Common Element Construction Claim, and each Claim Agreement. All Claim Agreements must be in writing. The Board shall not have the authority to pay any costs, expenses, fees, or other charges to a law firm, attorney or the Inspection Company unless the Claim Agreement is in writing and approved by the Owners in accordance with this Section 19.4.1.

The approval of the Members required under this *Section 19.4.1* must be obtained at a meeting of Members called in accordance with the Bylaws. The notice of Member

meeting will be provided pursuant to the Bylaws but the notice must also include: (a) the name of the law firm and attorney and/or the Inspection Company; (b) a copy of each Claim Agreement; (c) a narrative summary of the types of costs, expenses, fees, or other charges that may be required to be paid by the Association under any Claim Agreement; (d) the conditions upon which such types of costs, expenses, fees, or other charges are required to be paid by the Association under any Claim Agreement; (e) an estimate of the costs, expenses, fees, or other charges that may be required to be paid by the Association if the conditions for payment under the Claim Agreement occur, which estimate shall be expressed as a range for each type of cost, expense, fee, or other charge; and (f) a description of the process the law firm, attorney and/or the Inspection Company will use to evaluate the Common Element Construction Claim and whether destructive testing will be required (i.e., the removal of all or portions of the Building, Common Elements, Units, or Improvements). If destructive testing will be required or is likely to occur, the notice shall include a description of the destructive testing, likely locations of the destructive testing, whether the Owner's use of their Units or the Common Elements will be affected by such testing, and if the destructive testing occurs the means or method the Association will use to repair the Building, Common Elements, Units, or Improvements affected by such testing, the estimated costs thereof, and an estimate of Assessments that may be levied against the Owners for such repairs. The notice required by this paragraph must be prepared and signed by a person other than the law firm or attorney who is a party to the proposed Claim Agreement being approved by the Members. In the event Members holding sixty-seven percent (67%) of the votes in the Association approve the law firm and/or attorney who will prosecute the Common Element Construction Claim, and the Inspection Company who will prepare the Common Element Report or perform any other investigation or inspection of the Common Elements related to a Common Element Construction Claim, and the Claim Agreement(s), the Board shall have the authority to engage the law firm and/or attorney, and the Inspection Company, and enter into the Claim Agreement approved by the Members.

19.4.2. Provide Notice of the Investigation or Inspection.

As provided in *Section 19.4.3* below, a Common Element Report is required which is a written inspection report issued by the Inspection Company. Before conducting an investigation or inspection that is required to be memorialized by the Common Element Report, the Association must have provided at least ten (10) days prior written notice of the date on which the investigation or inspection will occur to each Respondent which notice shall identify the Inspection Company preparing the Common Element Report, the specific Common Elements to be investigated or inspected, and the date and time the investigation or inspection will occur. Each Respondent may attend the investigation or inspection, personally or through an agent.

19.4.3. Obtain a Common Element Report.

The requirements related to the Common Element Report set forth in this Section 19.4.3 are intended to provide assurance to the Claimant, Respondent, and the Owners that the substance and conclusions of the Common Element Report and recommendations are not affected by influences that may compromise the professional judgement of the party preparing the Common Element Report, and to avoid circumstances which would create the appearance that the professional judgment of the party preparing the Common Element Report is compromised.

Obtain a written independent third-party report for the Common Elements (the "**Common Element Report**") from a professional engineer licensed by the Texas Board of Professional Engineers with an office located in Travis County, Texas (the "**Inspection Company**"). The Common Element Report must include: (i) a description with photographs of the Common Elements subject to the Common Element Construction Claim; (ii) a description of the present physical condition of the Common Elements subject to the Common Element Construction Claim; (iii) a detailed description of any modifications, maintenance, or repairs to the Common Elements performed by the Association or a third-party, including any Respondent; and (iv) specific and detailed recommendations regarding remediation and/or repair of the Common Elements subject to the Common Element Construction Claim. For the purpose of subsection (iv) of the previous sentence, the specific and detailed recommendations must also include the specific process, procedure, materials, and/or improvements necessary and required to remediate and/or repair the deficient or defective condition identified in the Common Element Report and the estimated costs necessary to effect such remediation and/or repairs. The estimate of costs required by the previous sentence shall be obtained from third-party contractors with an office located in Travis County, Texas, and each such contractor providing the estimate must hold all necessary or required licenses from the Texas Department of Licensing and Regulation or otherwise required by Applicable Law for the work to which the cost estimate relates.

The Common Element Report must be obtained by the Association. The Common Element Report will not satisfy the requirements of this Section and is not an "independent" report if: (a) the Inspection Company has an arrangement or other agreement to provide consulting and/or engineering services with the law firm or attorney that presently represents the Association or proposes to represent the Association; (b) the costs and expenses for preparation of the Common Element Report are not required to be paid directly by the Association to the Inspection Company at the time the Common Element Report is finalized and delivered to the Association; or (c) the law firm or attorney that presently represents the Association or proposes to represent the Association has agreed to reimburse (whether unconditional or conditional and based on the satisfaction of requirements set forth in the Association's agreement with the law firm or attorney) the Association for the costs and expenses for preparation of the Common Element Report. For avoidance of doubt, an "independent" report means that the Association has

independently contracted with the Inspection Company on an arms-length basis based on customary terms for the preparation of engineering reports and that the Association will directly pay for the report at the time the Common Element Report is finalized and delivered to the Association.

19.4.4. Provide a Copy of Common Element Report to all Respondents and Owners. Upon completion of the Common Element Report, and in any event no later than three (3) days after the Association has been provided a copy of the Common Element Report, the Association will provide a full and complete copy of the Common Element Report to each Respondent and to each Owner. The Association shall maintain a written record of each Respondent and Owner who was provided a copy of the Common Element Report which will include the date the report was provided. The Common Element Report shall be delivered to each Respondent by hand-delivery and to each Owner by mail.

19.4.5. Provide a Right to Cure Defects and/or Deficiencies Noted on Common Element Report. Commencing on the date the Common Element Report has been completed and continuing for a period of ninety (90) days thereafter, each Respondent shall have the right to: (i) inspect any condition identified in the Common Element Report; (ii) contact the Inspection Company for additional information necessary and required to clarify any information in the Common Element Report; and (iii) correct any condition identified in the Common Element Report. As provided in *Section 3.11* above, the Declarant has an easement throughout the Property for itself, and its successors, assigns, architects, engineers, other design professionals, builders, and general contractors that may be utilized during such ninety (90) day period and any additional period needed thereafter to correct a condition identified in the Common Element Report.

19.4.6. Hold Owner Meeting and Obtain Approval. In addition to obtaining approval from Members for the terms of any Claim Agreement, the Association must obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to provide the Notice described in *Section 19.6*, initiate the mandatory dispute resolution procedures set forth in this *Article 19*, or take any other action to prosecute a Common Element Construction Claim, which approval from Members must be obtained at a meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (i) the nature of the Common Element Construction Claim, the relief sought, the anticipated duration of prosecuting the Common Element Construction Claim, and the likelihood of success; (ii) a copy of the Common Element Report; (iii) a copy of any Claim Agreement between the Association and the law firm and/or attorney selected by the Association to assert or provide assistance with the Common Element Construction Claim; (iv) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which the Association may be liable as a result of prosecuting the Common Element Construction Claim; (v) a summary

of the steps previously taken by the Association to resolve the Common Element Construction Claim; (vi) a statement that initiating the lawsuit or arbitration proceeding to resolve the Common Element Construction Claim may affect the market value, marketability, or refinancing of a Unit while the Common Element Construction Claim is prosecuted; and (vii) a description of the manner in which the Association proposes to fund the cost of prosecuting the Common Element Construction Claim. The notice required by this paragraph must be prepared and signed by a person who is not (a) the attorney who represents or will represent the Association in the Common Element Construction Claim; (b) a member of the law firm of the attorney who represents or will represent the Association in the Common Element Construction Claim; or (c) employed by or otherwise affiliated with the law firm of the attorney who represents or will represent the Association in the Common Element Construction Claim. In the event Members approve providing the Notice described in *Section 19.6*, or taking any other action to prosecute a Common Element Construction Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Common Element Construction Claim.

19.5. Unit Construction Claim by Owners. Class action proceedings are prohibited, and no Unit Owner shall be entitled to prosecute, participate, initiate, or join any litigation, arbitration or other proceedings as a class member or class representative in any such proceedings under this Declaration. In the event an Owner asserts a Unit Construction Claim, as a precondition to providing the Notice defined in *Section 19.6*, initiating the mandatory dispute resolution procedures set forth in this *Article 19*, or taking any other action to prosecute a Unit Construction Claim, the Owner must:

19.5.1. Provide Notice of the Investigation or Inspection.

As provided in *Section 19.5.2* below, a Unit Report is required which is a written inspection report issued by the Inspection Company. Before conducting an investigation or inspection that is required to be memorialized by the Unit Report, the Owner must have provided at least ten (10) days prior written notice of the date on which the investigation or inspection will occur to each Respondent which notice shall identify the Inspection Company preparing the Unit Report, the Unit and areas of the Unit to be investigated or inspected, and the date and time the investigation or inspection will occur. Each Respondent may attend the investigation or inspection, personally or through an agent.

19.5.2. Obtain a Unit Report.

The requirements related to the Unit Report set forth in this Section 19.5.2 are intended to provide assurance to the Claimant and Respondent that the substance and conclusions of the Unit Report and recommendations are not affected by influences that

may compromise the professional judgement of the party preparing the Unit Report, and to avoid circumstances which would create the appearance that the professional judgment of the party preparing the Unit Report is compromised.

Obtain a written independent third-party report for the Unit (the "Unit Report") from an Inspection Company. The Unit Report must include: (i) a description with photographs of the Unit and portions of the Unit subject to the Unit Construction Claim; (ii) a description of the present physical condition of the Unit; (iii) a detailed description of any modifications, maintenance, or repairs to the Unit performed by the Owner or a third-party, including any Respondent; (iv) specific and detailed recommendations regarding remediation and/or repair of the Unit. For the purpose of subsection (iv) of the previous sentence, the specific and detailed recommendations must also include the specific process, procedure, materials, and/or improvements necessary and required to remediate and/or repair the deficient or defective condition identified in the Unit Report and the estimated costs necessary to effect such remediation and/or repairs. The estimate of costs required by the previous sentence shall be obtained from third-party contractors with an office located in Travis County, Texas, and each such contractor providing the estimate must hold all necessary or required licenses from the Texas Department of Licensing and Regulation or otherwise required by Applicable Law for the work to which the cost estimate relates.

The Unit Report must be obtained by the Owner. The Unit Report will not satisfy the requirements of this Section and is not an "independent" report if: (a) the Inspection Company has an arrangement or other agreement to provide consulting and/or engineering services with the law firm or attorney that presently represents the Owner or proposes to represent the Owner; (b) the costs and expenses for preparation of the Unit Report are not directly paid by the Owner to the Inspection Company no later than the date the Unit Report is finalized and delivered to the Owner; or (c) the law firm or attorney that presently represents the Owner or proposes to represent the Owner has agreed to reimburse (whether unconditional or conditional and based on the satisfaction of requirements set forth in the Owner's agreement with the law firm or attorney) the Owner for the costs and expenses for preparation of the Unit Report. For avoidance of doubt, an "independent" report means that the Owner has independently contracted with the Inspection Company on an arms-length basis based on customary terms for the preparation of engineering reports and that the Owner will directly pay for the report no later than the date the Unit Report is finalized and delivered to the Owner.

19.5.3. Provide a Copy of Unit Report to all Respondents. Upon completion of the Unit Report, and in any event no later than three (3) days after the Owner has been provided a copy of the Unit Report, the Owner will provide a full and complete copy of the Unit Report to each Respondent. The Owner shall maintain a written record of each Respondent who was provided a copy of the Unit Report which will include the date the

report was provided. The Unit Report shall be delivered to each Respondent by hand-delivery and to each Owner by mail.

19.5.4. Right to Cure Defects and/or Deficiencies Noted on Unit Report. Commencing on the date the Unit Report has been completed and continuing for a period of ninety (90) days thereafter, each Respondent shall have the right to: (i) inspect any condition identified in the Unit Report; (ii) contact the Inspection Company for additional information necessary and required to clarify any information in the Unit Report; and (iii) correct any condition identified in the Unit Report. As provided in *Section 3.11* above, the Declarant has an easement throughout the Property for itself, and its successors, assigns, architects, engineers, other design professionals, builders, and general contractors that may be utilized during such ninety (90) day period and any additional period needed thereafter to correct a condition identified in the Unit Report.

19.5.5. Common Element Construction Claim. Pursuant to *Section 19.4* above, a Unit Owner does not have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings for a Common Element Construction Claim. In the event that a court of competent jurisdiction or arbitrator determines that a Unit Owner does have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings for a Common Element Construction Claim, such Unit Owner shall be required, since a Common Element Construction Claim could affect all Owners, as a precondition to providing the Notice defined in *Section 19.6*, initiating the mandatory dispute resolution procedures set forth in this *Article 19*, or taking any other action to prosecute a Common Element Construction Claim, to comply with the requirements imposed by the Association in accordance with *Section 19.4.2* (Provide Notice of Inspection), *Section 19.4.3* (Obtain a Common Element Report), *Section 19.4.4* (Provide a Copy of Common Element Report to all Respondents and Owners), *Section 19.4.5* (Provide Right to Cure Defects and/or Deficiencies Noted on Common Element Report), *Section 19.4.6* (Owner Meeting and Approval), and *Section 19.6* (Notice).

19.6. Notice. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this *Section 19.6*. For Construction Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in *Section 19.7* below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Construction Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with *Section 19.7*, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. *Section 19.7* does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section

27.004 could affect a Construction Claim. The one hundred and twenty (120) day period for mediation set forth in *Section 19.8* below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to *Section 19.8* is required without regard to the monetary amount of the Claim.

If the Claimant is the Association and for a Common Element Construction Claim, the Notice will also include: (a) a true and correct copy of the Common Element Report, and any and all other reports, studies, analyses, and recommendations obtained by the Association related to the Common Elements; (b) a copy of any Claim Agreement; (c) reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved the law firm and attorney and the written agreement between the Association and the law firm and/or attorney in accordance with *Section 19.4.1*; (d) a true and correct copy of the special meeting notice provided to Members in accordance with *Section 19.4.6* above; and (e) reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and the Claim is a Unit Construction Claim, the Notice will also include a true and correct copy of the Unit Report.

19.7. Negotiation. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property.

19.8. Mediation. If the parties negotiate but do not resolve the Claim through negotiation within one hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the thirty (30) day period, Respondent will submit the Claim to mediation in accordance with this Section 19.8. If the Parties do not settle the Claim within thirty (30) days after submission to mediation, Respondent or Claimant may initiate arbitration proceedings in accordance with Section 19.9.

19.9. Binding Arbitration-Claims. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section 19.9.

19.9.1. Governing Rules. If a Claim has not been resolved by mediation in accordance with *Section 19.8*, the Claim will be resolved by binding arbitration in accordance with the terms of this *Section 19.9* and the American Arbitration Association (the "AAA") Construction Industry Arbitration Rules and Mediation Procedures and, if applicable, the rules contained in the AAA Supplementary Procedures for Consumer Related Disputes, as each are supplemented or modified by AAA (collectively, the Construction Industry Arbitration Rules and Mediation Procedures and AAA Supplementary Procedures for Consumer Related Disputes are referred to herein as the "AAA Rules"). In the event of any inconsistency between the AAA Rules and this *Section 19.9*, this *Section 19.9* will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows: (i) one (1) arbitrator shall be selected by the Respondent, in its sole and absolute discretion; (ii) one (1) arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and (iii) one (1) arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

19.9.2. Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this *Section 19.9* will limit the right of Claimant or Respondent, and Claimant and Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party, to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

19.9.3. Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this *Section 19.9*.

19.9.4. Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the Applicable Law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this *Section 19.9* and subject to *Section 19.10*; **provided, however, attorney's fees and costs may not be awarded by the arbitrator to either Claimant or Respondent.** In addition, for a Construction Claim, or any portion of a Construction Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award

damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code, **except that the arbitrator may not award attorney's fees and/or costs to either Claimant or Respondent.** In all arbitration proceedings, the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on: (i) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of Applicable Law; or (iv) a cause of action or remedy not expressly provided under Applicable Law. **In no event may an arbitrator award speculative, special, exemplary, treble or punitive damages for any Claim.**

19.9.5. Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration. Arbitration proceedings hereunder shall be conducted in Travis County, Texas. Unless otherwise provided by this *Section 19.9*, the arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Claimant and Respondent agree to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by Applicable Law. In no event shall Claimant or Respondent discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

19.10. Allocation Of Costs. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

19.11. General Provisions. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

19.12. Period of Limitation.

19.12.1. For Actions by an Owner or Resident of a Unit. The exclusive period of limitation for any of the Parties to bring any Claim shall be the earliest of: (i) for a Construction Claim, two (2) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Construction Claim; (ii) for Claims other than Construction Claims, four (4) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered

evidence of the Claim; or (iii) the applicable statute of limitations for such Claim. In the event that a court of competent jurisdiction determines that a Unit Owner does have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings for a Common Element Construction Claim, the exclusive period of limitation for such Common Element Construction Claim, shall be the earliest of: (a) two (2) years and one (1) day from the date that the Owner or the Association discovered or reasonably should have discovered evidence of the Common Element Construction Claim; or (b) the applicable statute of limitations for the Common Element Construction Claim. In no event shall this *Section 19.12.1* be interpreted to extend any period of limitations.

19.12.2. For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim shall be the earliest of: (i) for a Common Element Construction Claim, two (2) years and one (1) day from the date that the Association or its manager, Board members, officers, or agents discovered or reasonably should have discovered evidence of the Common Element Construction Claim; (ii) for Claims other than a Common Element Construction Claim, four (4) years and one (1) day from the date that the Association or its manager, Board members, officers, or agents discovered or reasonably should have discovered evidence of the Claim; or (iii) the applicable statute of limitations for such Claim. In no event shall this *Section 19.12.2* be interpreted to extend any period of limitations.

19.13. Funding the Resolution of Claims. The Association must levy a Special Assessment to fund estimated costs to resolve a Construction Claim pursuant to this *Article 19*. The Association may not use its annual operating income or reserve funds to fund the costs to resolve a Construction Claim unless the Association has previously established and funded a dispute resolution fund.

ARTICLE 20 GENERAL PROVISIONS

20.1. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either by electronic mail, personally or by mail. Such notice shall be deemed delivered at the time of personal or electronic delivery, and if delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such Person to the Association.

20.2. Compliance. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and Applicable Law.

20.3. **Integration into Master Plan Development.** The Regime is subject to all terms, conditions and restrictions set forth in the Master Plan Documents. The Master Plan Documents may be amended in accordance with the terms and provisions thereof, from time to time, and such amendments shall be binding and enforceable against all Owners.

20.4. **Higher Authority.** The Documents are subordinate to Applicable Law. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with Applicable Law.

20.5. **Interpretation.** The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Regime and of promoting and effectuating the fundamental concepts of the Regime set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

20.6. **Duration.** Unless terminated or amended by Owners or the Declarant as permitted herein, the provisions of this Declaration run with and bind the Regime and will remain in effect perpetually to the extent permitted by Applicable Law.

20.7. **Captions.** In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

20.8. **Construction.** The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections, or articles hereof. Throughout this Declaration there appears text enclosed by a box. This text is used to aid in the reader's comprehension of certain provisions of this Declaration. In the event of a conflict between the text enclosed by a box and any provision of this Declaration, the provision of the Declaration will control.

20.9. **Appendix/Attachments.** The following appendixes and exhibits are attached to this Declaration and are incorporated herein by reference:

Exhibit A	Property
Attachment 1	Plat and Plans
Attachment 2	Encumbrances
Attachment 3	Maintenance Responsibility Chart

Attachment 4	Guide to Association's Examination of Common Elements
Attachment 5	Guide to Association's Major Management and Governance Functions
Appendix "A"	Declarant Reservations

[SIGNATURE PAGE FOLLOWS]

EXECUTED on this 25 day of March, 2021.

DECLARANT:

ASH CREEK HOMES, INC., a Texas corporation

By: [Signature]

Printed Name: Scott Morledge

Title: Executive Chairman

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 25 day of March, 2021, by Scott Morledge, Exec. Chairman of Ash Creek Homes, Inc., a Texas corporation, on behalf of said limited liability company.

(SEAL)

[Signature]
Notary Public Signature



CONSENT PROVIDED PURSUANT TO SECTIONS 9.01 AND 9.05 OF THE MASTER COVENANT:

MASTER DECLARANT:

RH LAKEWAY DEVELOPMENT, LTD., a Texas limited partnership

By: RH Lakeway Development GP, LLC, a Texas limited liability company, its General Partner

By: WAH
William Hayes, Asst. Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 25th day of March, 2021, by William Hayes, Asst. Vice President of RH Lakeway Development GP, LLC, a Texas limited liability company, general partner of RH Lakeway Development, Ltd, a Texas limited partnership, on behalf of said limited liability company and limited partnership.

(SEAL)



Kristin Deloney
Notary Public Signature

CONSENT OF INCHOATE LIEN HOLDER

The undersigned inchoate lien holder executes this Declaration for the limited purposes of satisfying the requirements of Section 82.051(a) of the Texas Uniform Condominium Act.

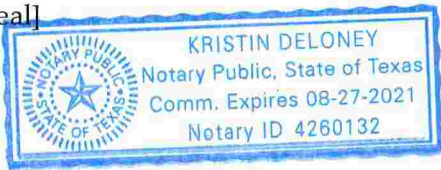
ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC., a Texas non-profit corporation

By: WAL
Printed Name: William Hayes
Title: VP

THE STATE OF TEXAS §
COUNTY OF Texas §

This instrument was acknowledged before me on this 25th day of March, 2021, by William Hayes, VP of Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.

[seal]



Kristin Deloney
Notary Public, State of Texas

EXHIBIT A

PROPERTY

All of LAKEWAY HIGHLANDS, PHASE 2, SECTION 8, an addition in Travis County, Texas, according to the map or plat thereof recorded in/under Document Number 202100027 of the Official Public Records of Travis County, Texas.

ATTACHMENT 1

[CONDOMINIUM PLAT AND PLANS]

The Plat and Plans, attached hereto as Attachment 1 contains the information required by the Texas Uniform Condominium Act.

Printed Name: AARON V. THOMASON
RPLS or License No. 6214

SEE NEXT PAGE FOR ORIGINAL CERTIFICATION

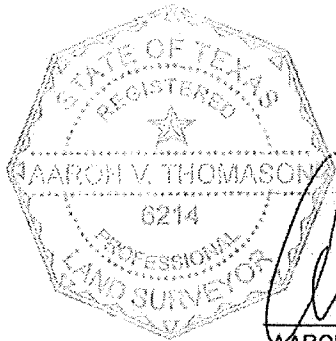
LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

CONDO PLATS AND PLANS

(CERTIFICATION)

THE PLAT AND PLANS, ATTACHED HERETO, CONTAIN THE INFORMATION
REQUIRED BY SECTIONS 82.052 AND 82.059 OF THE TEXAS UNIFORM
CONDOMINIUM ACT, AS APPLICABLE.



22 APR 2021

AARON V. THOMASON DATE
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6214

LEGEND

- 1/2" IRON ROD FOUND
- △ CALCULATED POINT
- B.L. BUILDING SETBACK LINE
- P.U.E. PUBLIC UTILITY EASEMENT
- G.C.E. GENERAL COMMON ELEMENT
- G.C.E.* GENERAL COMMON ELEMENT
(SUBJECT TO DEVELOPMENT RIGHTS)
- L.C.E. LIMITED COMMON ELEMENT

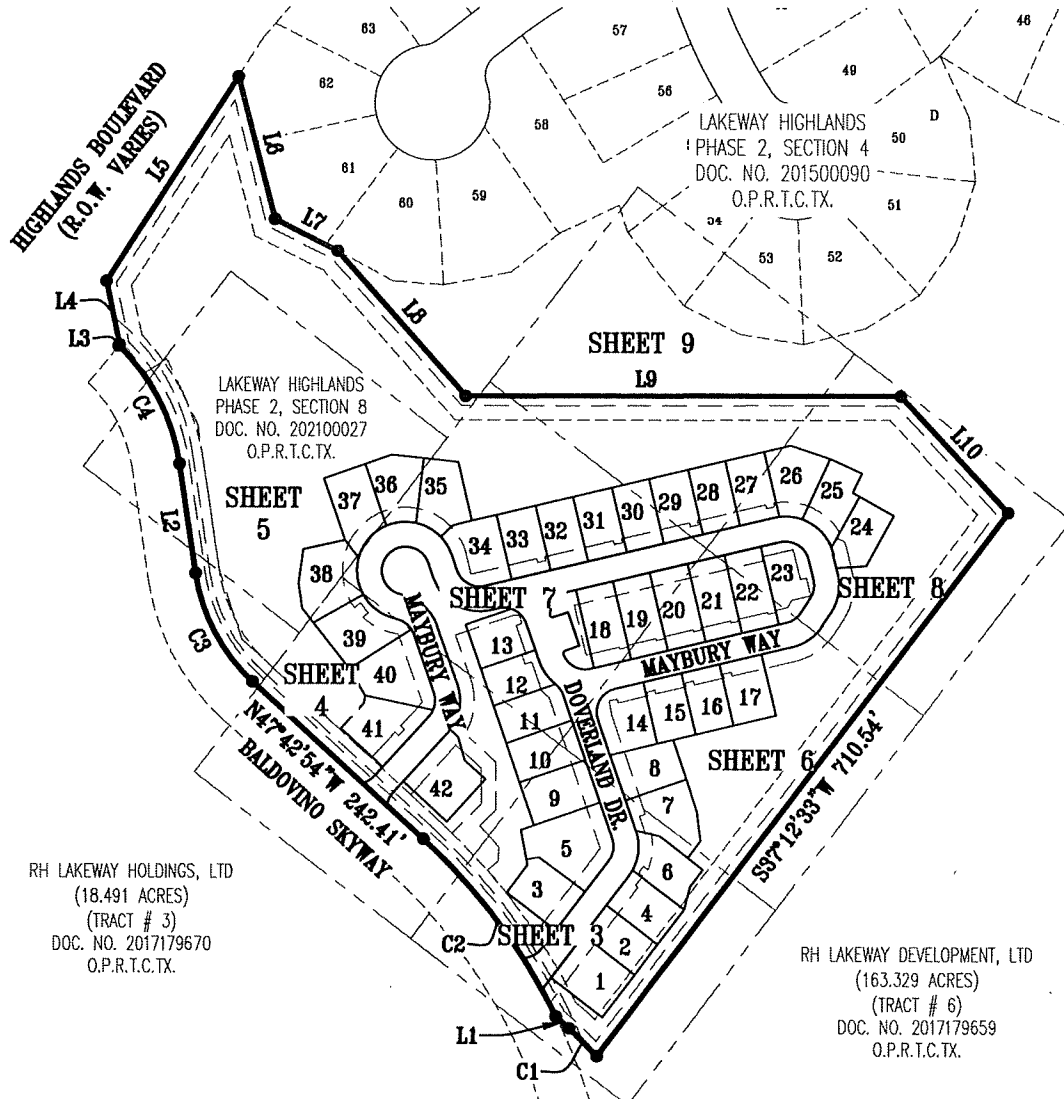
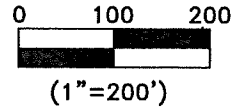
Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8				JOB NUMBER 5065
CONDO PLAT AND PLANS				SHEET 1 OF 13
				DESIGNED BY:

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



RH LAKEWAY HOLDINGS, LTD
(18.491 ACRES)
(TRACT # 3)
DOC. NO. 2017179670
O.P.R.T.C.TX.

RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 2017179659
O.P.R.T.C.TX.



Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8

JOB NUMBER
5065

CONDO PLAT
AND PLANS

SHEET
2
OF
13

DESIGNED BY:

DRAWN BY:

CHECKED BY:

DATE:

TKM

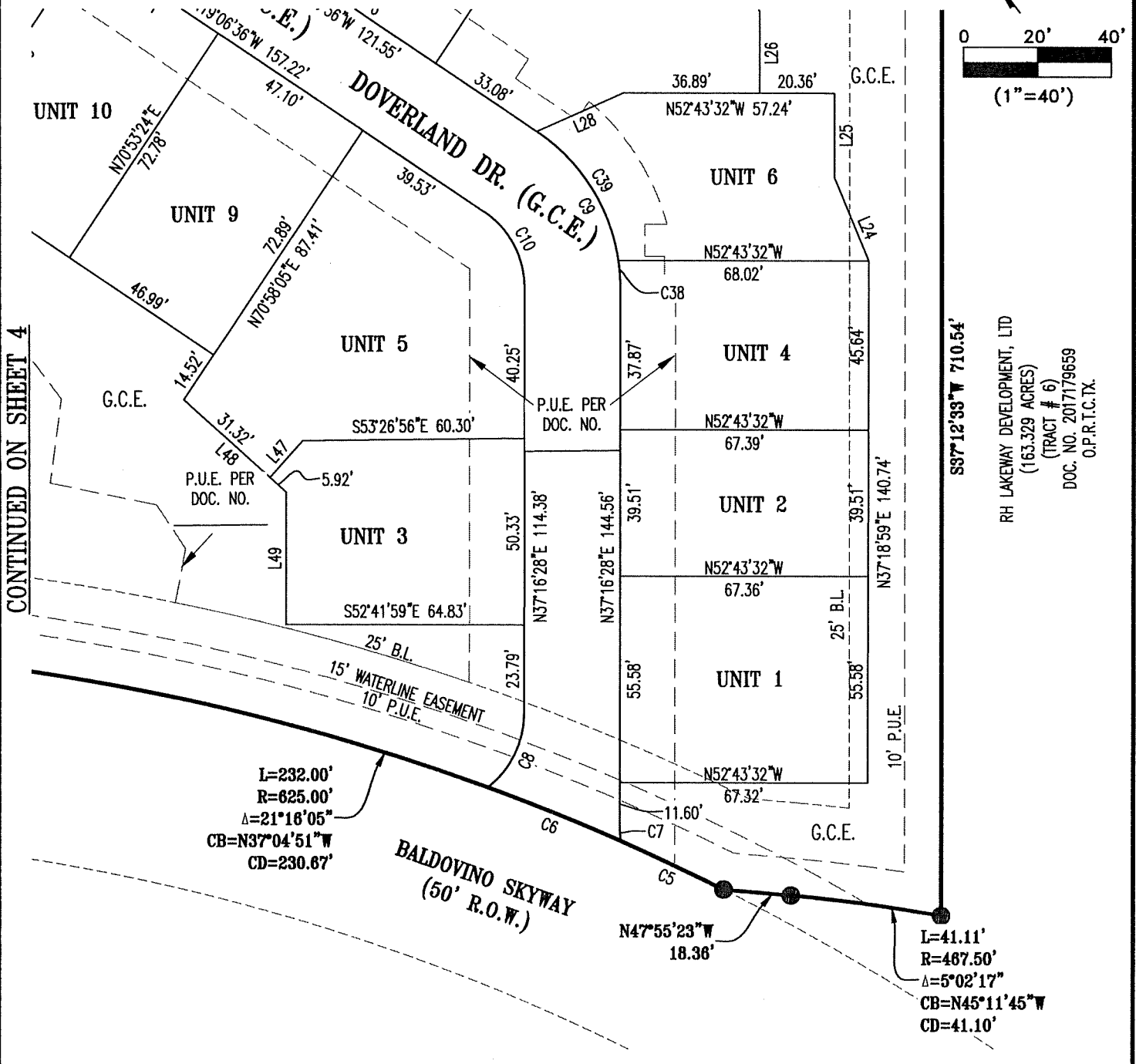
AT

22 APR. 21

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

CONTINUED ON SHEET 6



CONTINUED ON SHEET 4

S87°12'33"W 710.54'
RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 201719659
O.P.R.T.C.T.X.

Carlson, Brigance & Doering, Inc.
 FIRM ID #F3791 ♦ REG. # 10024900
 Civil Engineering ♦ Surveying
 5501 West William Cannon ♦ Austin, Texas 78749
 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

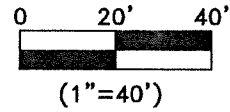
LAKEWAY HIGHLANDS PHASE 2 - SECTION 8
 CONDO PLAT
 AND PLANS

JOB NUMBER
5065
 SHEET
3
 OF
13

DESIGNED BY: DRAWN BY: CHECKED BY: DATE:
 TKM AT 22 APR. 21

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

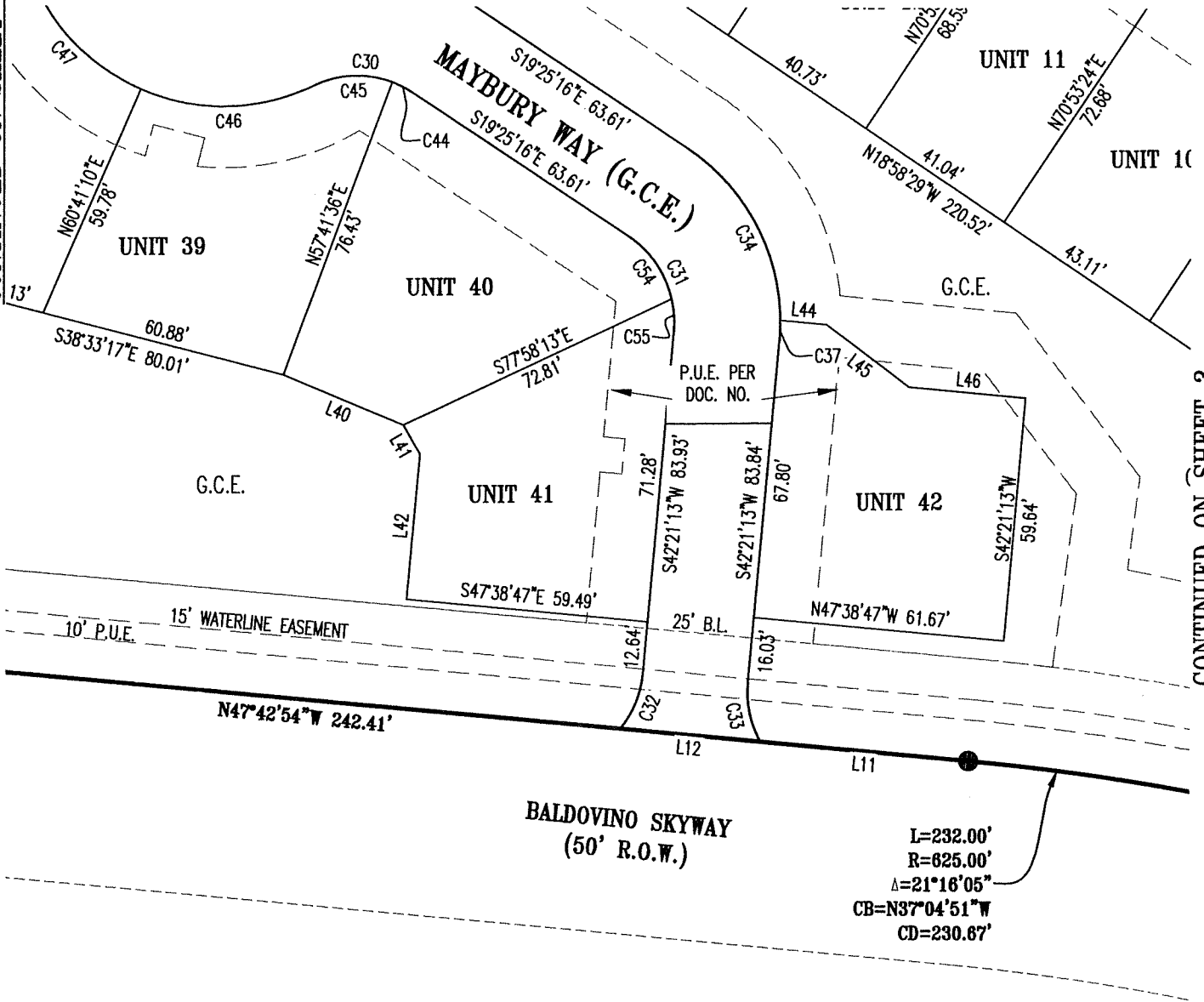
AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



CONTINUED ON SHEET 7

CONTINUED ON SHEET 5

CONTINUED ON SHEET 3



Carlson, Brigance & Doering, Inc.

FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8

CONDO PLAT
AND PLANS

DESIGNED BY:

DRAWN BY:

CHECKED BY:

DATE:

TKM

AT

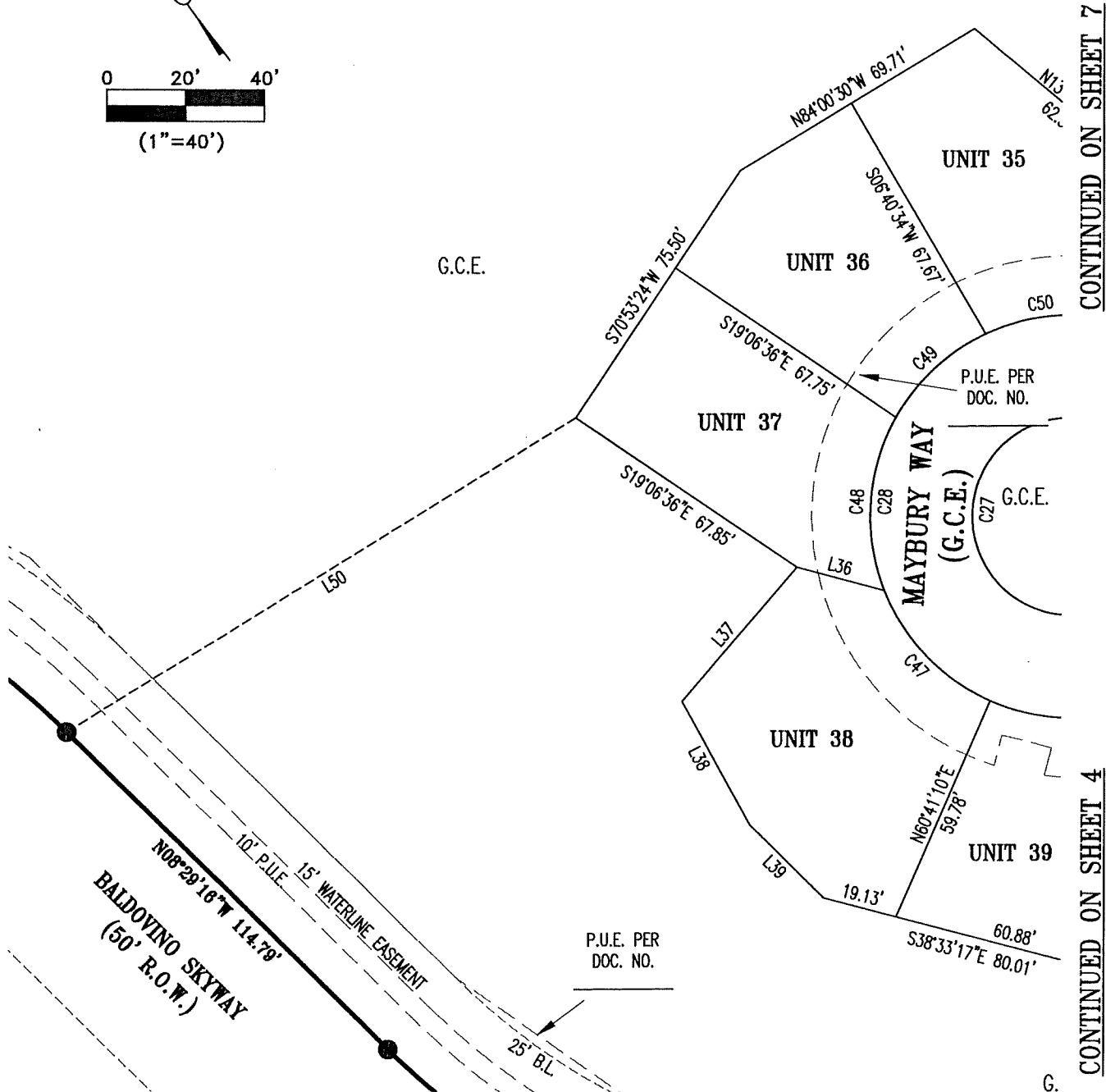
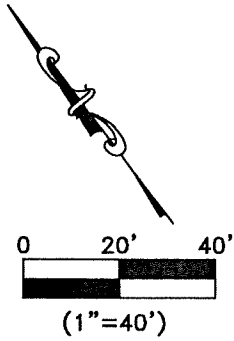
22 APR. 21

JOB NUMBER
5065

SHEET
4
OF
13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



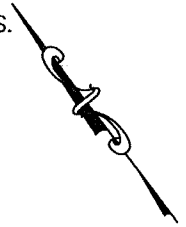
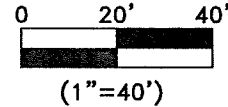
Carlson, Brigance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

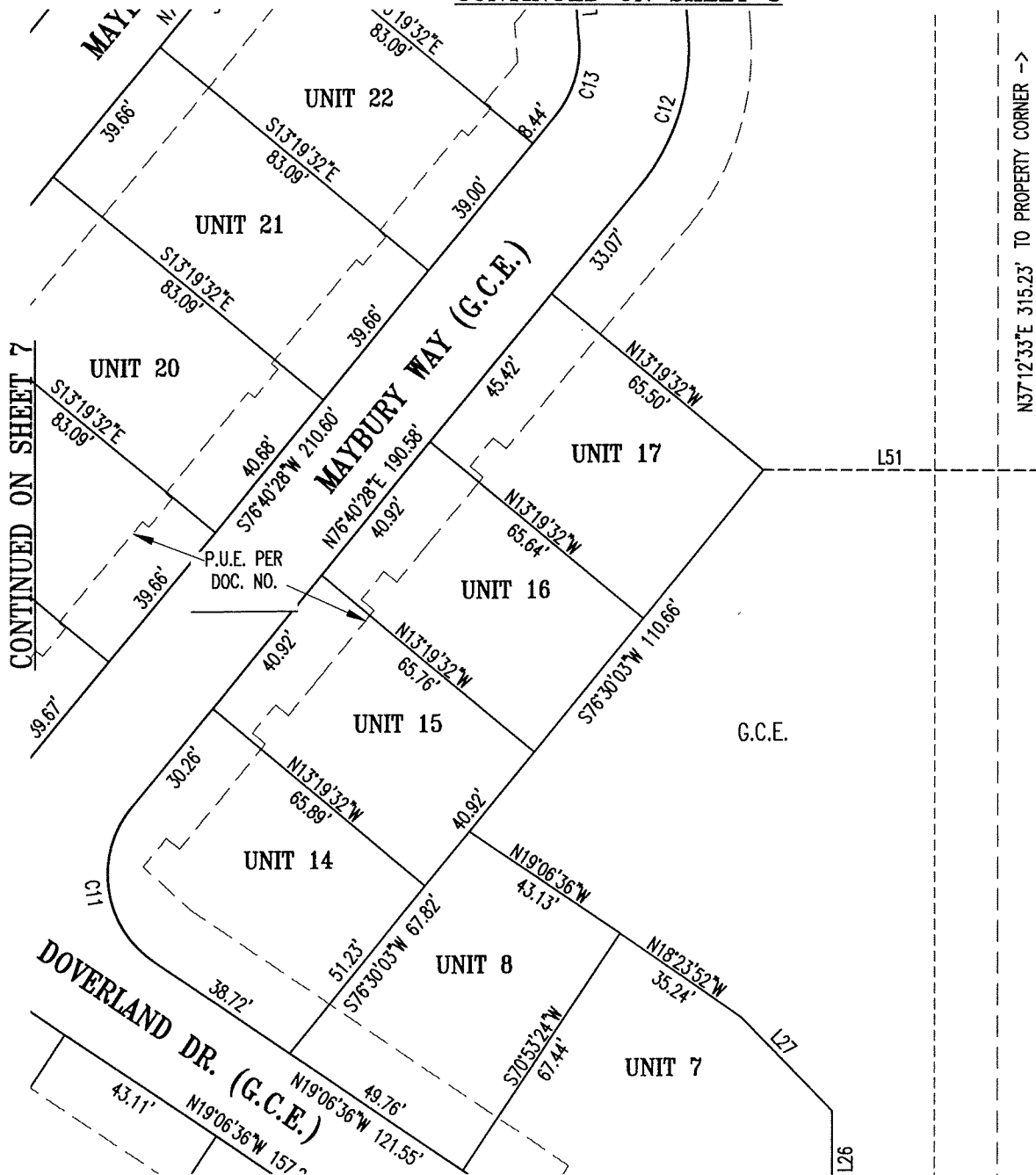
LAKEWAY HIGHLANDS PHASE 2 - SECTION 8			JOB NUMBER 5065
CONDO PLAT AND PLANS			SHEET 5
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	TKM	AT	22 APR. 21
			OF 13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



CONTINUED ON SHEET 8




CONTINUED ON SHEET 7

N37°12'33"E 315.23' TO PROPERTY CORNER →

S37°12'33"W 710.54'
RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 2017179659
O.P.R.T.C.T.X.

CONTINUED ON SHEET 3



Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

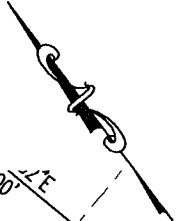
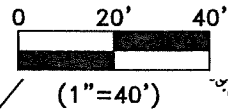
LAKEWAY HIGHLANDS PHASE 2 - SECTION 8			JOB NUMBER 5065
CONDO PLAT AND PLANS			SHEET 6
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	TKM	AT	22 APR. 21
			OF 13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

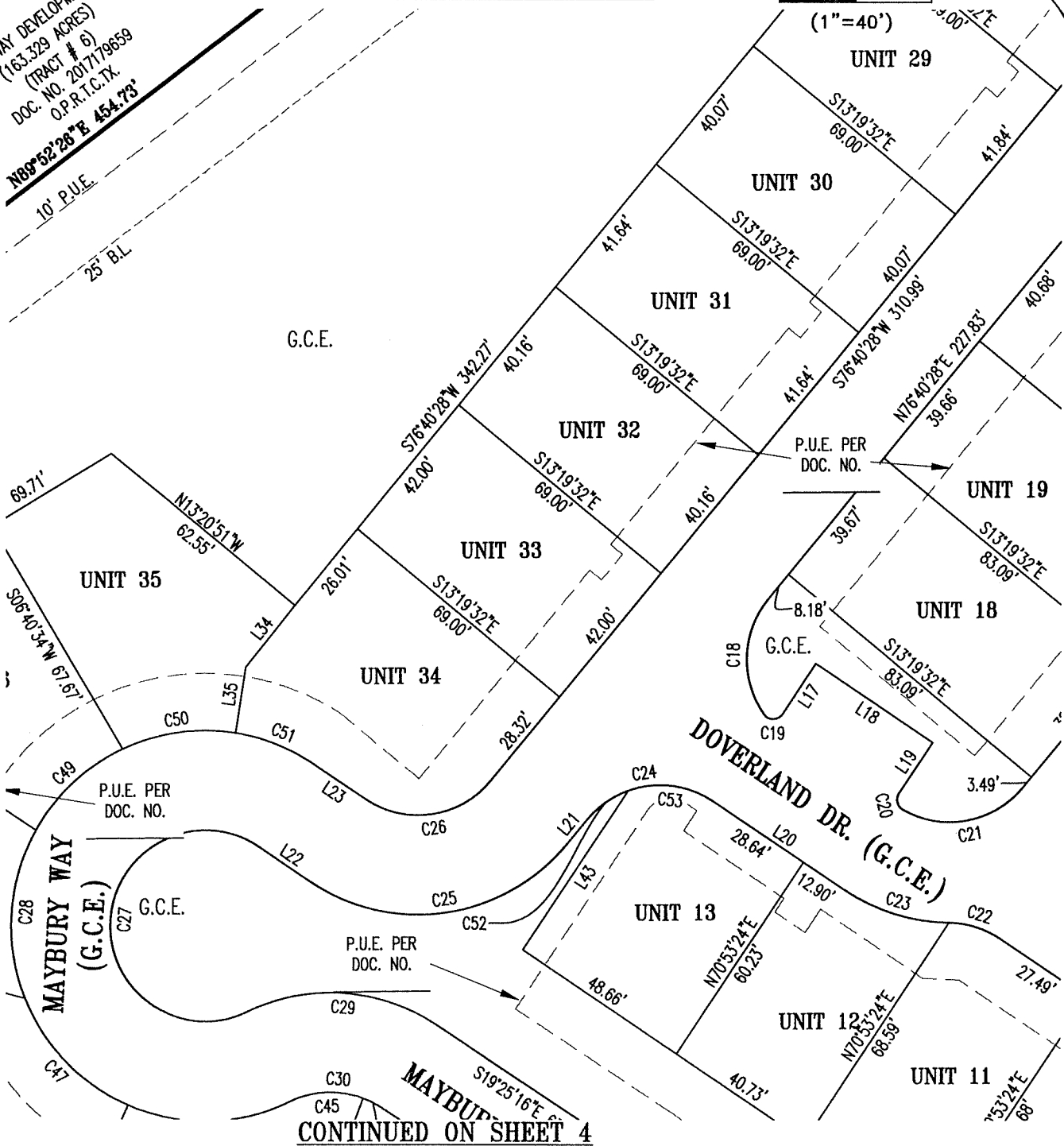
RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 2017179659
O.P.R.T.C.TX.
N89°52'28"E A54.73'
10' P.U.E.

CONTINUED ON SHEET 8



CONTINUED ON SHEET 5

CONTINUED ON SHEET 6



CONTINUED ON SHEET 4



Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900
Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8

JOB NUMBER
5065

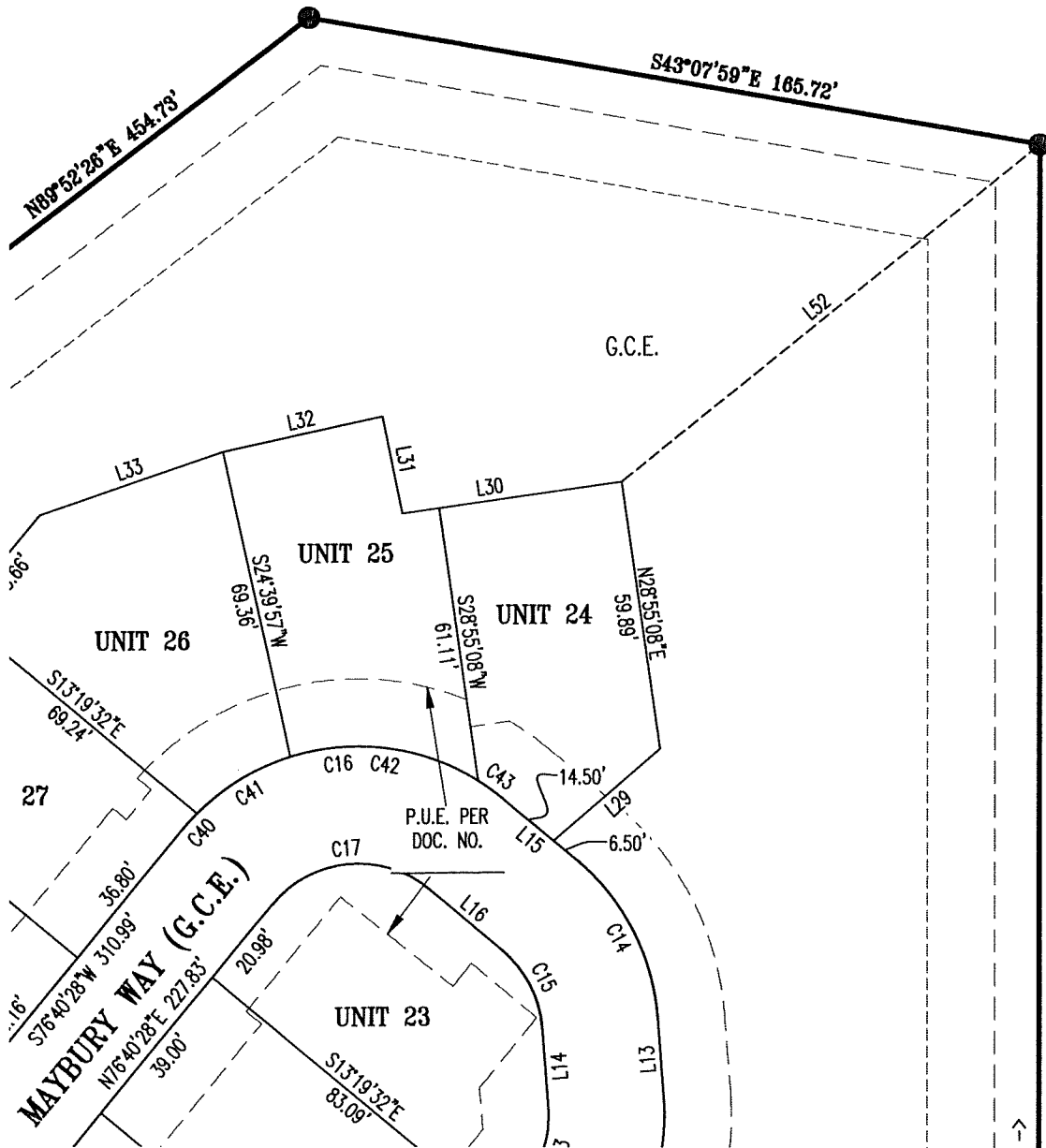
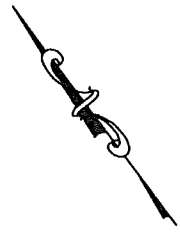
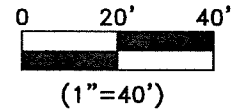
CONDO PLAT
AND PLANS

SHEET
7
OF
13

DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	TKM	AT	22 APR. 21

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



CONTINUED ON SHEET 9

S87°12'33\"/>

CONTINUED ON SHEET 6

Carlson, Brigrance & Doering, Inc.

FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8

JOB NUMBER
5065

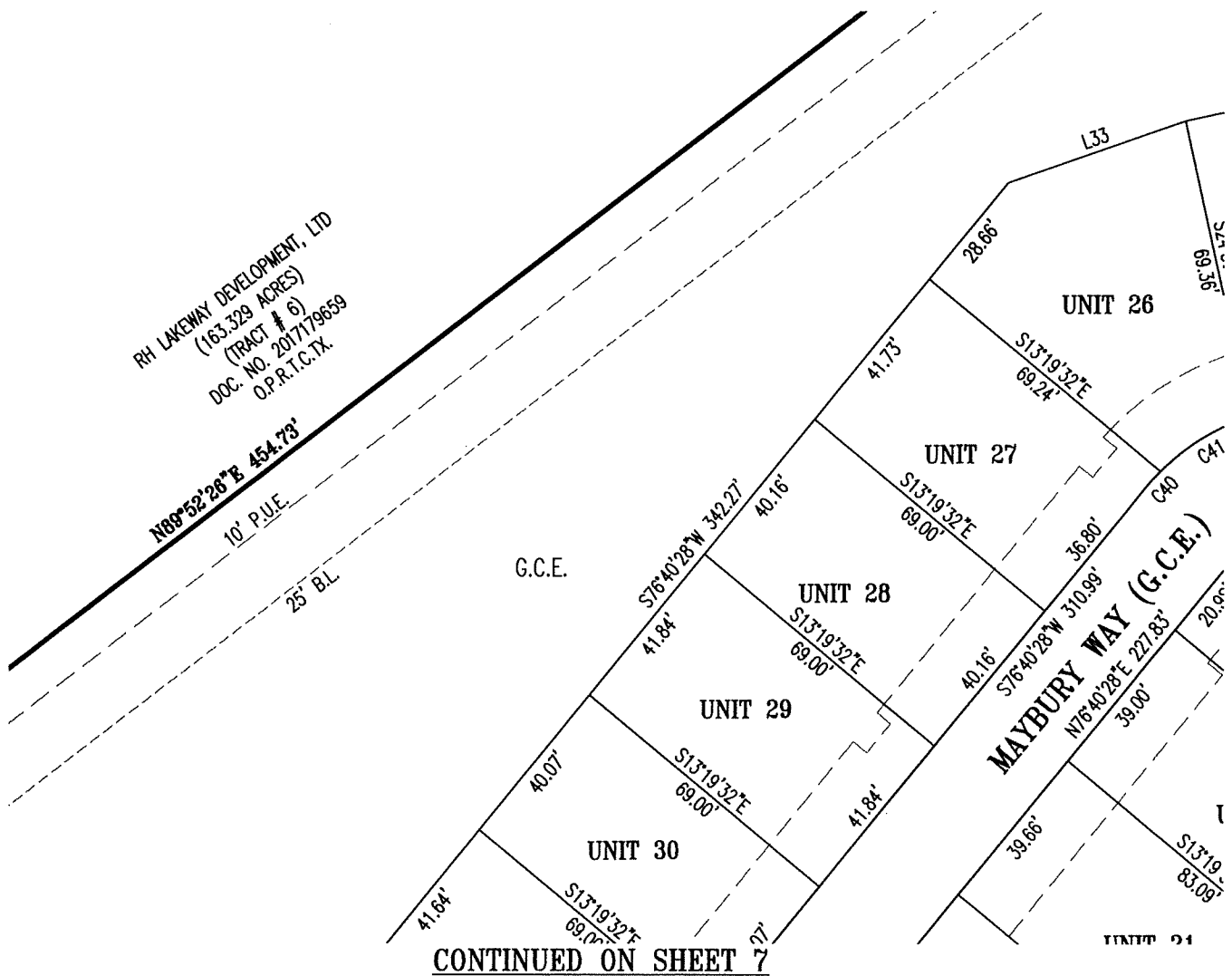
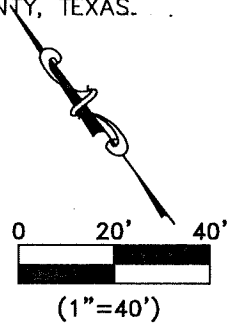
CONDO PLAT
AND PLANS

SHEET
8
OF
13

DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	TKM	AT	22 APR. 21

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 2017179659
O.P.R.T.C.TX.

$N89^{\circ}52'26\"$
10' P.U.E.

25' B.L.

G.C.E.

$S76^{\circ}40'28\"$
41.84'

UNIT 28

UNIT 29

UNIT 30

UNIT 26

UNIT 27

MAYBURY WAY (G.C.E.)
 $N76^{\circ}40'28\"$
39.00'

CONTINUED ON SHEET 8

CONTINUED ON SHEET 7

TABLE 24

Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8				JOB NUMBER 5065
CONDO PLAT AND PLANS				SHEET 9
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:	OF 13
TKM	AT	22 APR. 21		


LAKWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

Line Table		
Line #	Length	Direction
L1	18.36	N47°55'23"W
L2	114.79	N08°29'16"W
L3	1.72	N39°22'19"E
L4	67.47	N12°06'55"W
L5	254.08	N33°04'58"E
L6	153.15	S14°29'51"E
L7	73.83	S63°48'14"E
L8	201.54	S41°42'29"E
L9	454.73	N89°52'26"E
L10	165.72	S43°07'59"E
L11	51.38	N47°42'54"W
L12	34.58	N47°42'54"W
L13	17.42	N32°43'01"E
L14	17.42	S32°43'01"W
L15	20.99	N13°19'32"W
L16	20.99	S13°19'32"E
L17	16.00	S70°53'24"W
L18	37.00	N19°06'36"W
L19	16.00	N70°53'19"E
L20	41.54	N19°06'35"W

Line Table		
Line #	Length	Direction
L21	8.11	S76°40'28"W
L22	16.07	N19°09'22"W
L23	15.76	N19°09'22"W
L24	24.47	N14°47'25"E
L25	22.55	N37°09'10"E
L26	22.19	S37°16'28"W
L27	30.74	N07°11'25"W
L28	25.76	N76°42'00"W
L29	31.41	S86°36'15"W
L30	49.64	N61°04'52"W
L31	22.03	N25°40'59"E
L32	36.51	N65°20'03"W
L33	43.32	N71°51'49"W
L34	20.67	S76°08'10"W
L35	17.46	S46°07'14"W
L36	23.15	S38°10'20"E
L37	44.97	S77°44'45"W
L38	35.67	S08°06'22"W
L39	26.43	S08°35'35"E
L40	32.12	S30°29'07"E

Line Table		
Line #	Length	Direction
L41	8.09	S07°47'11"W
L42	35.67	S42°19'50"W
L43	50.05	N70°51'47"E
L44	11.43	S47°38'47"E
L45	25.35	N16°00'13"W
L46	28.92	S47°38'47"E
L47	13.33	N79°09'11"E
L48	37.25	N10°50'49"W
L49	35.67	N37°16'28"E
L50	152.38	N84°27'36"W
L51	65.79	S52°47'27"E
L52	119.87	N88°26'12"E



Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKWAY HIGHLANDS PHASE 2 - SECTION 8

JOB NUMBER
5065

CONDO PLAT
AND PLANS

SHEET
10
OF
13

DESIGNED BY: DRAWN BY: CHECKED BY: DATE:
TKM AT 22 APR, 21

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C1	41.11	467.50	N45°11'45"W	41.10	20.57	5°02'17"
C2	232.00	625.00	N37°04'51"W	230.67	117.35	21°16'05"
C3	130.08	190.00	N28°06'05"W	127.56	67.71	39°13'38"
C4	141.07	210.00	N27°43'56"W	138.43	73.31	38°29'20"
C5	30.83	625.00	N27°51'35"W	30.82	15.42	2°49'33"
C6	39.07	625.00	N31°03'49"W	39.06	19.54	3°34'54"
C7	4.21	25.00	S32°26'42"W	4.21	2.11	9°39'32"
C8	23.12	25.00	N63°46'02"E	22.30	12.46	52°59'09"
C9	50.19	51.00	N09°04'56"E	48.19	27.34	56°23'03"
C10	24.60	25.00	N09°04'56"E	23.62	13.40	56°23'03"
C11	41.79	25.00	S28°46'56"W	37.09	27.66	95°47'04"
C12	39.13	51.00	N54°41'45"E	38.17	20.58	43°57'27"
C13	19.18	25.00	S54°41'45"W	18.71	10.09	43°57'27"
C14	40.98	51.00	N09°41'45"E	39.89	21.67	46°02'33"
C15	20.09	25.00	S09°41'45"W	19.55	10.62	46°02'33"
C16	80.11	51.00	N58°19'32"W	72.12	51.00	90°00'00"
C17	39.27	25.00	S58°19'32"E	35.36	25.00	90°00'00"
C18	32.44	25.00	N39°30'01"E	30.21	18.96	74°20'47"
C19	5.65	3.01	N51°31'21"W	4.85	4.11	107°33'20"
C20	4.88	3.00	N23°21'18"E	4.36	3.17	93°06'38"



Carlson, Brigance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8

JOB NUMBER
5065

CONDO PLAT
AND PLANS


SHEET
11
OF
13

DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	TKM	AT	22 APR. 21

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C21	34.96	25.00	N63°15'46"W	32.18	21.02	80°07'31"
C22	14.32	25.00	N35°31'29"W	14.13	7.36	32°49'46"
C23	29.43	51.00	S35°38'37"E	29.03	15.14	33°04'03"
C24	36.75	25.00	N61°13'04"W	33.53	22.60	84°12'57"
C25	74.92	51.00	S61°14'27"E	68.36	46.06	84°10'10"
C26	36.73	25.00	S61°14'27"E	33.51	22.58	84°10'10"
C27	105.60	25.00	S41°31'39"W	42.85	41.59	242°01'32"
C28	214.55	51.00	S41°30'58"W	87.87	86.53	241°01'52"
C29	52.20	51.00	N48°44'35"W	49.95	28.65	58°38'38"
C30	25.38	25.00	N48°30'01"W	24.30	13.90	58°09'29"
C31	26.95	25.00	N11°27'58"E	25.67	14.95	61°46'29"
C32	14.83	25.00	N59°20'49"E	14.61	7.64	33°59'13"
C33	14.89	25.00	S25°17'29"W	14.67	7.67	34°07'27"
C34	54.99	51.00	N11°27'58"E	52.36	30.51	61°46'29"
C37	5.14	51.00	N39°28'05"E	5.13	2.57	5°46'15"
C38	4.78	51.00	N31°11'29"E	4.77	2.39	5°21'58"
C39	42.39	51.00	N04°41'57"E	41.18	22.50	47°37'05"
C40	4.94	51.00	S79°26'49"W	4.93	2.47	5°32'42"
C41	24.53	51.00	N84°00'09"W	24.29	12.51	27°33'23"
C42	43.66	51.00	N45°42'07"W	42.33	23.27	49°02'40"



Carlson, Brigrance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900


Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8			JOB NUMBER 5065
CONDO PLAT AND PLANS			SHEET 12 OF 13
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	TKM	AT	22 APR. 21

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C43	6.99	51.00	N17°15'10"W	6.99	3.50	7°51'15"
C44	5.76	25.00	N26°01'24"W	5.75	2.89	13°12'15"
C45	19.61	25.00	N55°06'08"W	19.12	10.34	44°57'14"
C46	44.23	51.00	S54°09'24"E	42.85	23.61	49°41'08"
C47	39.76	51.00	S06°58'45"E	38.76	20.95	44°40'10"
C48	45.51	51.00	S40°55'06"W	44.01	24.39	51°07'31"
C49	31.65	51.00	S84°15'28"W	31.14	16.35	35°33'13"
C50	30.34	51.00	N60°55'21"W	29.90	15.63	34°05'09"
C51	23.06	51.00	N30°55'26"W	22.87	11.73	25°54'40"
C52	13.49	25.00	N87°52'22"W	13.32	6.91	30°54'21"
C53	23.26	25.00	N45°45'53"W	22.43	12.55	53°18'36"
C54	19.01	25.00	N02°21'59"E	18.56	9.99	43°34'32"
C55	7.94	25.00	N33°15'14"E	7.91	4.00	18°11'58"



Carlson, Brigance & Doering, Inc.
FIRM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

LAKEWAY HIGHLANDS PHASE 2 - SECTION 8

JOB NUMBER
5065

CONDO PLAT
AND PLANS

SHEET
13
OF
13

DESIGNED BY:

DRAWN BY:
TKM

CHECKED BY:
AT

DATE:
22 APR. 21

ATTACHMENT 2

[ENCUMBRANCES]

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

PERMITTED EXCEPTIONS

1. Restrictive covenants recorded in/under Volume 13100, Page 373, of the Real Property Records of Travis County, Texas and Document Numbers 2003125317, 2005011194, 2006070852, 2006147712, 2007044535, 2013075562 and 202100027 of the Official Public Records of Travis County, Texas.
2. Rights of parties in possession.
3. All building set back lines and easements as shown on plat recorded in/under Document Number 202100027, Official Public Records, Travis County, Texas.
4. A right of way easement granted to Travis County, Texas by instrument recorded in/under Volume 1004, Page 284 of the Deed Records of Travis County, Texas.
5. An electric easement granted to Pedernales Electric Cooperative, Inc. by instrument recorded in/under Volume 687, Page 53 of the Deed Records of Travis County, Texas.
6. An Electric Utilities easement granted to Pedernales Electric Co-op by instrument recorded in/under Volume 9586, Page 976, of the Real Property Records of Travis County, Texas.
7. A telephone easement granted to Southwestern Bell Telephone Company by instrument recorded in/under Volume 9612, Page 279, of the Real Property Records of Travis County, Texas.
8. All terms, conditions, and provisions of that certain Affidavit to the Public regarding surface application system, recorded in/under Document Number 1999138171 of the Official Public Records of Travis County, Texas.
9. An easement Water Line granted to Travis County MUD No. 12 by instrument recorded in/under Document No.2013020756, of the Official Public Records of Travis County, Texas, as shown on Plat recorded under Document Number 202100027 of the Official Public Records of Travis County, Texas.
10. A water line easement granted to Travis County Municipal Utility District by instrument recorded in/under Document Number 2007226284 of the Official Public Records of Travis County, Texas, as shown on Plat recorded under Document Number 202100027 of the Official Public Records of Travis County, Texas.
11. An Electric (blanket) easement granted to Pedernales Electric Cooperative, Inc. by instrument recorded in/under Document No.2012001065 of the Official Public Records of Travis County, Texas.
12. Water Line Easement, Right of Way and/or Agreement granted to Travis County Municipal Utility District No. 12, by instrument dated June 25, 2019, recorded in/under Document Number 2019093106 of the Official Public Records, Travis County, Texas, as shown on Plat recorded under Document Number 202100027 of the Official Public Records of Travis County, Texas.
13. All terms, conditions, and provisions of that certain Waiver of Special Appraisal, recorded in/under Document No. 2013098639, of the Official Public Records of Travis County, Texas.

14. All terms, conditions, and provisions of that certain Balcones Canyonlands Conservation Plan (BCCP) - Shared Vision Agreement recorded in/under Document No. 2007125784, of the Official Public Records of Travis County, Texas.
15. All terms, conditions, and provisions of that certain agreement, recorded in/under Volume 13100, Page 373, Real Property Records, amended in Document No. 2003125317, Document No. 2005011194, Document No. 2006070852, Document No.2006147712, Document No.2007044535, Document No. 2013075562 of the Official Public Records of Travis County, Texas.
16. All terms, conditions, and provisions of that certain Memorandum of Lease, recorded in/under Document Number 2016012680 and amendment recorded in/under Document Number 2016029441 and Assignment and Assumption Agreement-Lease Agreement recorded in/under Document Number 2017179700 of the Official Public Records of Travis County, Texas.
17. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records.

ATTACHMENT 3

MAINTENANCE RESPONSIBILITY CHART

"All aspects" includes maintenance, repair, and replacement, as needed.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
Fences, screening walls, and retaining walls around perimeter of property	None.	All aspects.
Exterior lighting within a Unit	None.	All aspects.
Sidewalks	None.	All aspects.
Roofs and roof facilities within a Unit	None.	All aspects.
Exterior Building components within a Unit	None.	All aspects.
Building Foundation within a Unit	None.	All aspects.
Unit interior, including improvements, fixtures, partition walls and floors within Unit	None.	All aspects.
Sheetrock within Unit & treatments on walls	None.	All aspects.
Exterior Unit doors	None.	All aspects.
Windows within a Unit	None.	All aspects.
Garage Doors, if applicable	None.	All aspects.
Water, wastewater, electrical lines & systems.	All aspects of common lines & systems serving more than one Unit, none for those serving an individual Unit; provided that the Association shall not be responsible for common lines & systems that are located in existing	All aspects of lines, pipes, fixtures, and appliances serving only that Owner's Unit.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
	easements maintained by third party utility providers.	
HVAC System	None.	All aspects.
Intrusion alarms smoke/heat detectors, monitoring equipment.	None.	All aspects.
Landscaping and Irrigation Maintenance Services.	Yard Area only	All other aspects.

NOTE 1: The components listed in the first column are applicable only if they exist and may not be construed to create a requirement to have such a component.

NOTE 2: If an Owner fails or refuses to perform necessary maintenance, repair, or replacement, the Association may perform the work after giving required notices to the Owner.

NOTE 3: Set forth above is a summary of the maintenance obligations imposed upon the Association and the Owners generally as described more fully in this Declaration. Please note that the information set forth in this Attachment 3 is a summary only and is not intended to modify any of the provisions of this Declaration. Accordingly, in the event of a conflict between the summary set forth in this Attachment 3 and any provision set forth in the Declaration above, the provision set forth in the Declaration above will control.

ATTACHMENT 4

GUIDE TO THE ASSOCIATION'S EXAMINATION OF COMMON ELEMENTS

This Guide provides information to assist the Board in conducting an annual examination of the Common Elements for the purpose maintaining replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the General Common Elements maintained by the Association. The examination is required by *Section 9.5* of the Declaration and is a necessary prerequisite to establishing sufficient reserves as required by *Section 6.11* of the Declaration. Additional information on conducting the examination may be obtained from the Community Associations Institute and their publication, *The National Reserve Study Standards of the Community Associations Institute*. See www.caionline.org. In addition, the Community Associations Institute provides certification for qualified preparers of reserve studies, known as a "Reserve Professionals Designation" (R.S.). Neither this Declaration nor current law requires that the Board engage an individual holding a Reserve Professional Designation for the purpose of conducting the annual examination of the Common Elements. Because laws and practices change over time, the Board should not use this Guide without taking into account applicable changes in law and practice.

Developing a Plan

In developing a plan, the age and condition of Common Elements maintained by the Association must be considered. The possibility that new types of material, equipment, or maintenance processes associated with the repair and/or maintenance of Common Elements should also be taken into account. The individual or company who prepares the examination calculates a suggested annual funding amount and, in doing so, may consider such factors as which components are included, estimated replacement costs of the components, useful lives of the components, inflation, and interest on reserve account balances or other earnings rates. Annual contributions to the replacement fund from annual assessments are based on this examination or reserve study. A reserve study generally includes the following:

- Identification and analysis of each major component of Common Elements maintained by the Association
- Estimates of the remaining useful lives of the components
- Estimates of the costs of replacements or repairs
- A cash flow projection showing anticipated changes in expenditures and contributions over a time period generally ranging between 20 and 30 years
- The "Funding Goal" which is generally one of the following:
 - Component Full Funding: Attaining, over a period of time, and maintaining, once the initial goal is achieved, a cumulative reserve account cash balance necessary to discharge anticipated expenditures at or near 100 percent; or

- Threshold Funding: Maintaining the reserve account cash balance above a specified dollar or percent funded amount.

Note that Threshold Funding will increase the likelihood that Special Assessments will be required to fund major repairs and replacements. For example, one study has shown that a Threshold Funding goal of 40 to 50% results in an 11.2% chance that the Association will be unable to fund repairs and replacement projects in the next funding year. See "Measuring the Adequacy of Reserves", *Common Ground*, July/August 1997. The same study found that Component Full Funding reduces this likelihood to between .09 and 1.4%.

Finding Common Element Component Replacement Information

Common Element component replacement information may be obtained from contractors, suppliers, technical specialists, "Reserve Study" specialist or from using tables in technical manuals on useful lives of various components. As provided in *Section 9.5* of the Declaration, the Board must reevaluate its funding level periodically based upon changes to the Common Elements as well as changes to replacement costs and component conditions. The specific components of Common Elements include, but are not limited to roads, recreational facilities, and furniture and equipment owned or maintained by the Association. Components covered by maintenance contracts may be excluded if the contracts include maintenance and replacement of the components. The Board must also include within their overall budget a deferred maintenance account for those components requiring periodic maintenance which does not occur annually.

ATTACHMENT 5

GUIDE TO ASSOCIATION'S MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS

This Guide lists several of the major management and governance functions of a typical residential development with a mandatory owners association. The Board may, from time to time, use this Guide to consider what functions, if any, to delegate to one or more managers, managing agents, employees, or volunteers. Because laws and practices change over time, the Board should not use this Guide without taking account of applicable changes in law and practices.

<p align="center">MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS</p>	<p align="center">PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS</p>	<p align="center">DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT</p>
<p><u>FINANCIAL MANAGEMENT</u></p> <p>To adopt annual budget and levy assessments, per Declaration.</p> <p>Prepare annual operating budget, periodic operating statements, and year-end statement.</p> <p>Identify components of the property the Association is required to maintain. Estimate remaining useful life of each component. Estimate costs and schedule of major repairs and replacements and develop replacement reserve schedule. Annually update same.</p> <p>Collect assessments and maintain Association accounts.</p> <p>Pay Association's expenses and taxes.</p> <p>Obtain annual audit and income tax filing.</p> <p>Maintain fidelity bond on whomever handles the Association funds.</p> <p>Report annually to Members on financial status of the Association.</p>		
<p><u>PHYSICAL MANAGEMENT</u></p>		

<p align="center">MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS</p>	<p align="center">PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS</p>	<p align="center">DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT</p>
<p>Inspect, maintain, repair, and replace, as needed, all components of the property for which the Association has maintenance responsibility.</p> <p>Contract for services, as needed to operate or maintain the property.</p> <p>Prepare specifications and call for bids for major projects.</p> <p>Coordinate and supervise work on the property, as warranted.</p>		
<p><u>ADMINISTRATIVE MANAGEMENT</u></p> <p>Receive and respond to correspondence from Owners and assist in resolving Owners' problems related to the Association.</p> <p>Conduct hearings with Owners to resolve disputes or to enforce the Documents.</p> <p>Obtain and supervise personnel and/or contracts needed to fulfill Association's functions.</p> <p>Schedule Association meetings and give Owners timely notice of same.</p> <p>Schedule Board meetings and give directors timely notice of same.</p> <p>Enforce the Documents.</p> <p>Maintain insurance and bonds as required by the Documents or Applicable Law, or as customary for</p>		

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

<p align="center">MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS</p>	<p align="center">PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS</p>	<p align="center">DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT</p>
<p>similar types of property in the same geographic area.</p> <p>Maintain Association books, records, and files.</p> <p>Maintain Association's corporate charter and registered agent & address.</p>		
<p><u>OVERALL FUNCTIONS</u></p> <p>Promote harmonious relationships within the community.</p> <p>Protect and enhance property values in the community.</p> <p>Encourage compliance with Documents and Applicable Law and ordinances.</p> <p>Act as liaison between the community of Owners and governmental, taxing, or regulatory bodies.</p> <p>Protect the Association and the property from loss and damage by lawsuit or otherwise.</p>		

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

APPENDIX "A"
DECLARANT RESERVATIONS

A.1. General Provisions.

A.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling Declarant-related provisions in this Appendix.

A.1.2. General Reservation and Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of a conflict between this Appendix "A" and any other Document, this Appendix "A" controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

A.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and Declarant Control Period to ensure a complete and orderly sellout of the Property, which is ultimately for the benefit and protection of Owners and Mortgagees. The "**Development Period**", as specifically defined in *Section 1.19* of the Declaration, means the fifteen (15) year period beginning on the date this Declaration is Recorded unless such period is earlier terminated by Declarant's Recordation of a notice of termination. The Declarant Control Period is defined in *Section 1.16* of the Declaration.

A.2. Declarant Control Period Reservations. For the benefit and protection of Owners and Mortgagees, and for the purpose of ensuring a complete and orderly build-out and sellout of the Property, Declarant will retain control of the Association, subject to the following:

A.2.1. Appointment of Board and Officers. Declarant may appoint, remove, and replace each officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader," subject to the following limitations: (i) within one hundred and twenty (120) days after fifty percent (50%) of the total number of Units that may be created have been conveyed to Owners other than Declarant, at least one-third of the Board must be elected by the Owners other than Declarant; and (ii) within one hundred and twenty (120) days after seventy-five percent (75%) of the total number of Units that may be created have been conveyed to

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

Owners other than Declarant, all Board members must be elected by all Owners, including the Declarant.

A.2.2. Obligation for Assessments. For each Unit owned by Declarant, Declarant is liable for Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments in the same manner as any Owner. Regarding Regular Assessments, Declarant at Declarant's option may support the Association's budget by either of the following methods: (i) Declarant will pay Regular Assessments on each Declarant owned Unit in the same manner as any Owner; or (ii) Declarant will assume responsibility for the difference between the Association's actual operational expenses as they are paid, and the Regular Assessments received from Owners other than Declarant. **On the earlier to occur of three (3) years after the first conveyance of a Unit by the Declarant or termination of the Declarant Control Period, Declarant must begin paying Regular Assessments on each Declarant owned Unit.**

A.2.3. Obligation for Reserves. During the Declarant Control Period, neither the Association nor Declarant may use the Association working capital or reserve funds to pay operational expenses of the Association.

A.2.4. Common Elements. At or prior to termination of the Declarant Control Period, if title or ownership to any Common Element is capable of being transferred, Declarant will convey title or ownership to the Association. At the time of conveyance, the Common Element will be free of encumbrance except for the property taxes, if any, accruing for the year of conveyance. Declarant's conveyance of title or ownership is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

A.3. Development Period Rights. Declarant has the following rights during the Development Period:

A.3.1. Leasehold. No part of the Regime is a leasehold condominium, as defined by the Act.

A.3.2. Annexation. The Property is subject to expansion by phasing during the Development Period. During the Development Period, Declarant may annex additional property into the Regime, and subject such property to this Declaration and the jurisdiction of the Association by Recording an amendment or supplement of this Declaration, executed by Declarant, in the Real Property Records of Travis County, Texas.

A.3.3. Creation of Units. When created, the Regime contains forty-two (42) Units; however, Declarant reserves the right to create up to and including fifty-three (53) Units. Declarant's right to create Units is for a term of years and does not require that Declarant

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

own a Unit at the time or times Declarant exercises its right of creation. The instrument creating additional units must include a revised schedule of allocated interests.

A.3.4. Changes in Development Plan. During the Development Period, Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, the subdivision or combination of Units, changes in the sizes, styles, configurations, materials, and appearances of Units, and Common Elements.

A.3.5. Architectural Control. During the Development Period, Declarant has the absolute right of architectural control.

A.3.6. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.

A.3.7. Fines and Penalties. During the Development Period, neither Declarant nor Units owned by Declarant are liable to the Association for late fees, fines, administrative charges, or any other charge that may be considered a penalty.

A.3.8. Statutory Development Rights. As permitted by the Act, Declarant reserves the following which may be exercised during the Development Period: (i) to add real property to the Property; (ii) to combine and modify Units, General Common Elements, and Limited Common Elements within the Property; (iii) to subdivide or combine Units or convert Units into Common Elements; and (iv) to withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

A.3.9. Development Rights Reserved. Regarding portions of the real property shown on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," if any, Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed, or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

A.3.10. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any Mortgagee, for the following limited purposes:

- (i) To meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Units.

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

- (ii) To correct any defects in the execution of this Declaration or the other Documents.
- (iii) To add real property to the Property, in the exercise of statutory Development Rights.
- (iv) To create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights.
- (v) To subdivide, combine, or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights.
- (vi) To withdraw from the Property any portion of the real property marked or noted on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights" in the exercise of statutory Development Rights.
- (vii) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- (viii) To change the name or entity of Declarant.
- (ix) For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

A.4. Special Declarant Rights. As permitted by the Act, Declarant reserves the below described Special Declarant Rights, to the maximum extent permitted by Applicable Law, which may be exercised, where applicable, anywhere within the Property during the Development Period. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right, except the right to appoint and remove Board members and officers of the Association, may be exercised by Declarant until expiration or termination of the Development Period.

- (x) The right to complete or make Improvements indicated on the Plat and Plans.
- (xi) The right to exercise any Development Right permitted by the Act and this Declaration.
- (xii) The right to make the Property part of a larger condominium or planned community.

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

- (xiii) The right to use Units owned or leased by Declarant or Common Elements as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property.
- (xiv) For purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents. Declarant also reserves the right to sponsor marketing events – such as open houses, MLS tours, and brokers' parties – at the Property to promote the sale of Units.
- (xv) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.
- (xvi) The right to appoint or remove any Declarant-appointed officer or director of the Association during Declarant Control Period consistent with the Act.

A.5. Additional Easements and Rights. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

- (xvii) An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.
- (xviii) The right to sell or lease any Unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained in the Documents.
- (xix) The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered or Common Elements. Requests for entry must be made in advance for a time reasonably convenient for the Owner who may not unreasonably withhold consent.

ROUGH HOLLOW CONDOMINIUMS
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME

- (xx) An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein.
- (xxi) An easement over the entire Property, including the Units, to inspect the Common Elements and all Improvements thereon and related thereto to evaluate the maintenance and condition of the Common Elements.
- (xxii) The right to provide a reasonable means of access and parking for prospective Unit purchasers in connection with the active marketing of Units by Declarant.

A.6. Common Elements. Because the Common Elements are owned by the Owners, collectively and in undivided interest, the Common Elements are not capable of being separately conveyed. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of the ownership of the Common Elements. Because ownership of the Common Elements is not conveyed by Declarant to the Association, there is no basis for the popular misconception that Owners may "accept" or "refuse" the Common Elements.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS



Ra

Rebecca Guerrero, County Clerk
Travis County, Texas

Jun 17, 2022 02:43 PM Fee: \$12.00

2022107765

Electronically Recorded

AFTER RECORDING RETURN TO:
ROBERT D. BURTON, ESQ.
WINSTEAD PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701

**FIRST AMENDMENT TO
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME FOR
ROUGH HOLLOW CONDOMINIUMS**

(A Residential Condominium Project located in Travis County, Texas)

Declarant: ASH CREEK HOMES, INC., a Texas corporation

Cross Reference to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476, in the Official Public Records of Travis County, Texas, as amended from time to time.

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM REGIME FOR ROUGH
HOLLOW CONDOMINIUMS**

This First Amendment to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums (this "Amendment") is made by ASH CREEK HOMES, INC., a Texas corporation ("Declarant"), and is as follows:

RECITALS

A. Rough Hollow Condominiums, a residential condominium project located in Travis County, Texas (the "Regime"), was established pursuant to that certain Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476, in the Official Public Records of Travis County, Texas, as may be amended from time to time (collectively, the "Declaration").

B. Pursuant to *Provision A.3.10(v)* of Appendix "A" to the Declaration, Declarant reserved the right, during the Development Period, to amend the Declaration to subdivide, combine or reconfigure Units in the exercise of statutory Development Rights.

C. The "Development Period" as such term is defined in the Declaration, is a fifteen (15) year period commencing on the date the Declaration was recorded in the Official Public Records of Travis County, Texas. The Declaration was recorded in the Official Public Records of Travis County, Texas, on April 23, 2021. The Development Period is still in effect.

D. Declarant desires to amend the Declaration for the purpose of reconfiguring the boundaries of Units 17 and 24 (the "Modified Units"). Declarant is the Owner of the Modified Units.

NOW THEREFORE, the Declaration is hereby amended as follows:

1. **Reconfiguration of Units 17 and 24.** In accordance with the rights reserved by the Declarant pursuant to *Provision A.3.10(v)* of Appendix "A" to the Declaration, Declarant hereby reconfigures the boundaries of Units 17 and 24 as reflected on the New Plat and Plans (defined below) attached hereto.

2. **Replacement of Attachment 1 - Plat and Plans.** Attachment 1 to the Declaration is hereby deleted in its entirety and the Plat and Plans attached hereto as Attachment 1 are substituted in its place (the "New Plat and Plans"). The New Plat and Plans: (i) assign an identifying number or designation to all Units contained in the Regime; (ii) describe the portion of the Limited Common Elements created or assigned to all Units, if any; and (iii) include the information required by Section 82.059 of the Texas Uniform Condominium Act.

3. Miscellaneous. Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Declaration. Unless expressly amended by this Amendment, all other terms and provisions of the Declaration remain in full force and effect as written, and are hereby ratified and confirmed.

EXECUTED to be effective as of the date this Amendment has been recorded in the Official Public Records of Travis County, Texas.

DECLARANT:

ASH CREEK HOMES, INC., a Texas corporation

By: Jenna Edge
Printed Name: Jenna Edge
Title: President

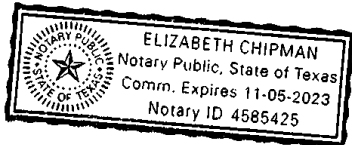
STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 16 day of June, 2022, by Jenna Edge, President, of Ash Creek Homes, Inc., a Texas corporation, on behalf of said limited liability company.

(SEAL)

Elizabeth Chipman
Notary Public Signature



ATTACHMENT 1

[CONDOMINIUM PLAT AND PLANS]

The Plat and Plans, attached hereto as Attachment 1 contains the information required by the Texas Uniform Condominium Act.

Printed Name: Aaron V. Thomason
RPLS or License No. 6214

SEE NEXT PAGE FOR ORIGINAL CERTIFICATION

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

CONDO PLATS AND PLANS

(CERTIFICATION)

THE PLAT AND PLANS, ATTACHED HERETO, CONTAIN THE INFORMATION
REQUIRED BY SECTIONS 82.052 AND 82.059 OF THE TEXAS UNIFORM
CONDOMINIUM ACT, AS APPLICABLE.



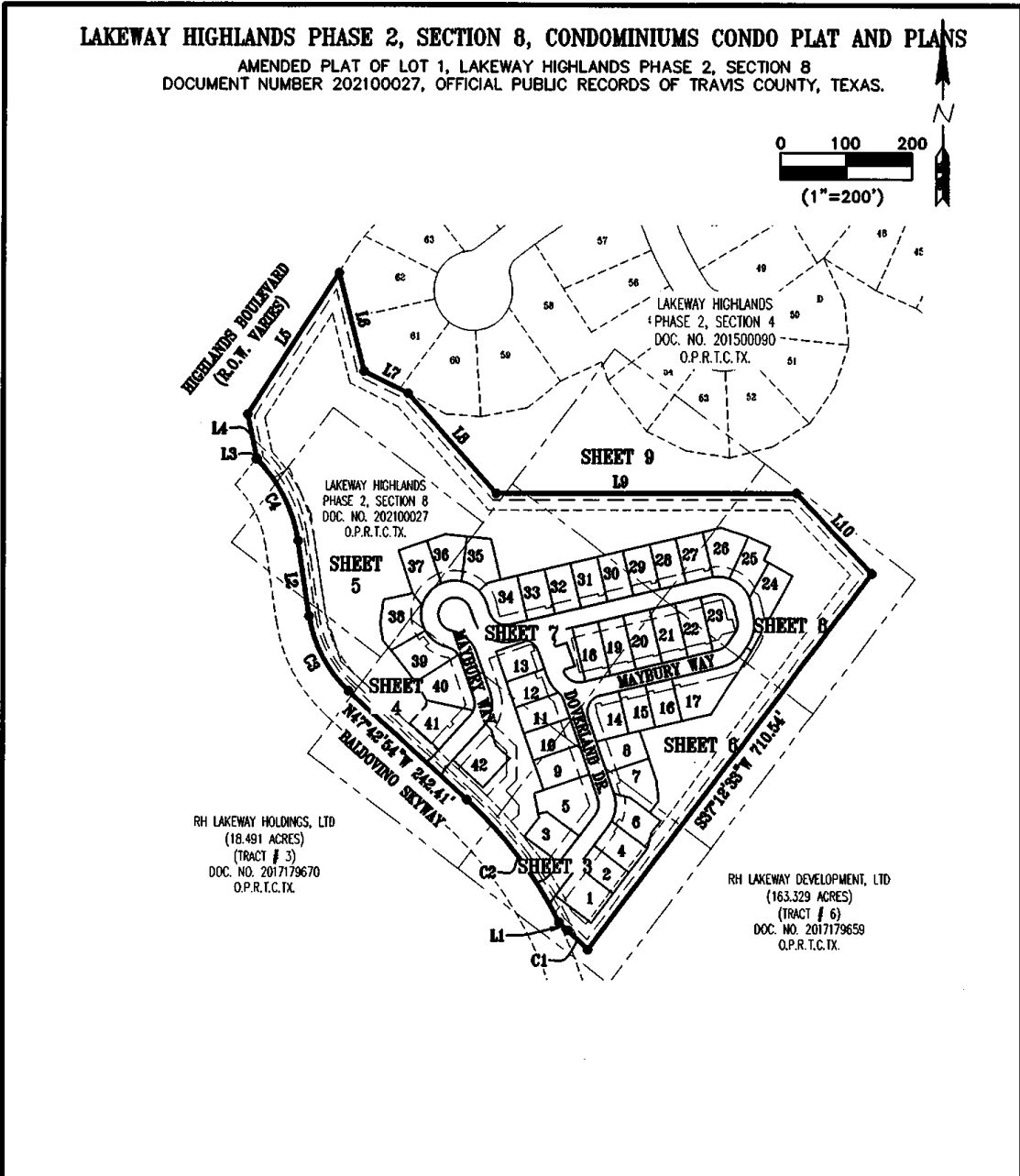
[Signature]
 AARON V. THOMASON DATE 31 MAY 2022
 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 6214


LEGEND

- 1/2" IRON ROD FOUND
- △ CALCULATED POINT
- B.L. BUILDING SETBACK LINE
- P.U.E. PUBLIC UTILITY EASEMENT
- G.C.E. GENERAL COMMON ELEMENT
- G.C.E.* GENERAL COMMON ELEMENT
(SUBJECT TO DEVELOPMENT RIGHTS)
- L.C.E. LIMITED COMMON ELEMENT

<p>Carlson, Brigrance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900 Civil Engineering ♦ Surveying 5501 West Wilham Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165</p>	LAKEWAY HIGHLANDS PHASE 2 - SECTION 8			JOB NUMBER 5065
	CONDO PLAT AND PLANS			
	DESIGNED BY: ADP	DRAWN BY: AT	CHECKED BY: AT	DATE: 31 MAY. 22	SHEET 1 OF 13

J:\AC3D\5065\SURVEY\CONDO PLAT LWH 2-8 R2



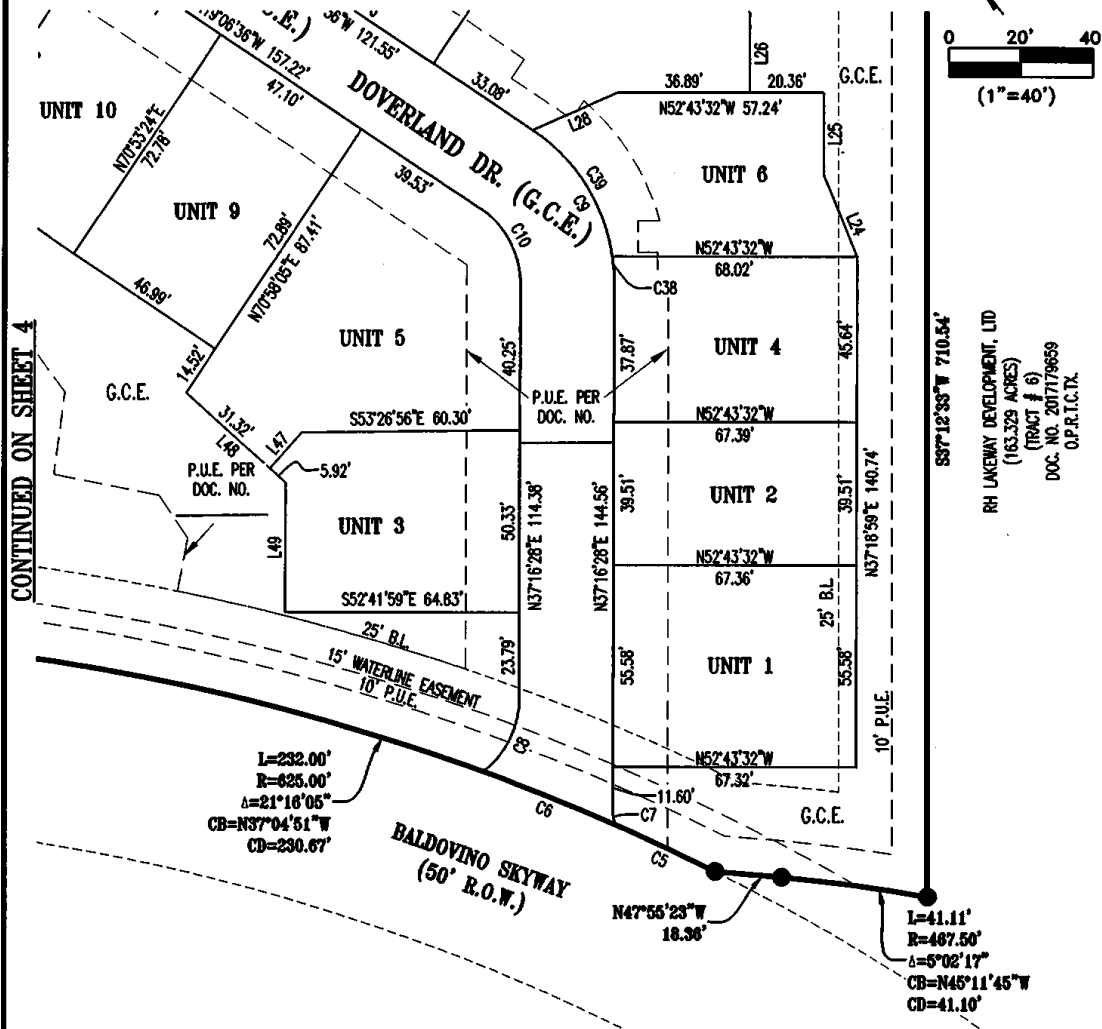
 <p>Carlson, Brigrance & Doering, Inc. FIRM ID #E3791 ♦ REG. # 10024900</p> <p>Civil Engineering ♦ Surveying 5501 West William Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165</p>	.....				JOB NUMBER 5065
	CONDO PLAT AND PLANS				SHEET
	DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:	2
	ADP	AT	31 MAY. 22	OF	
				13	

J:\AC3D\5065\SURVEY\CONDO PLAT LWH 2-B R2

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

CONTINUED ON SHEET 6



CONTINUED ON SHEET 4

RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 201719659
O.P.R.T.C.T.X.

Carlson, Brigrance & Doering, Inc.
EIT/PM ID #F3791 ♦ REG. # 10024900

Civil Engineering ♦ Surveying
5501 West William Cannon ♦ Austin, Texas 78749
Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

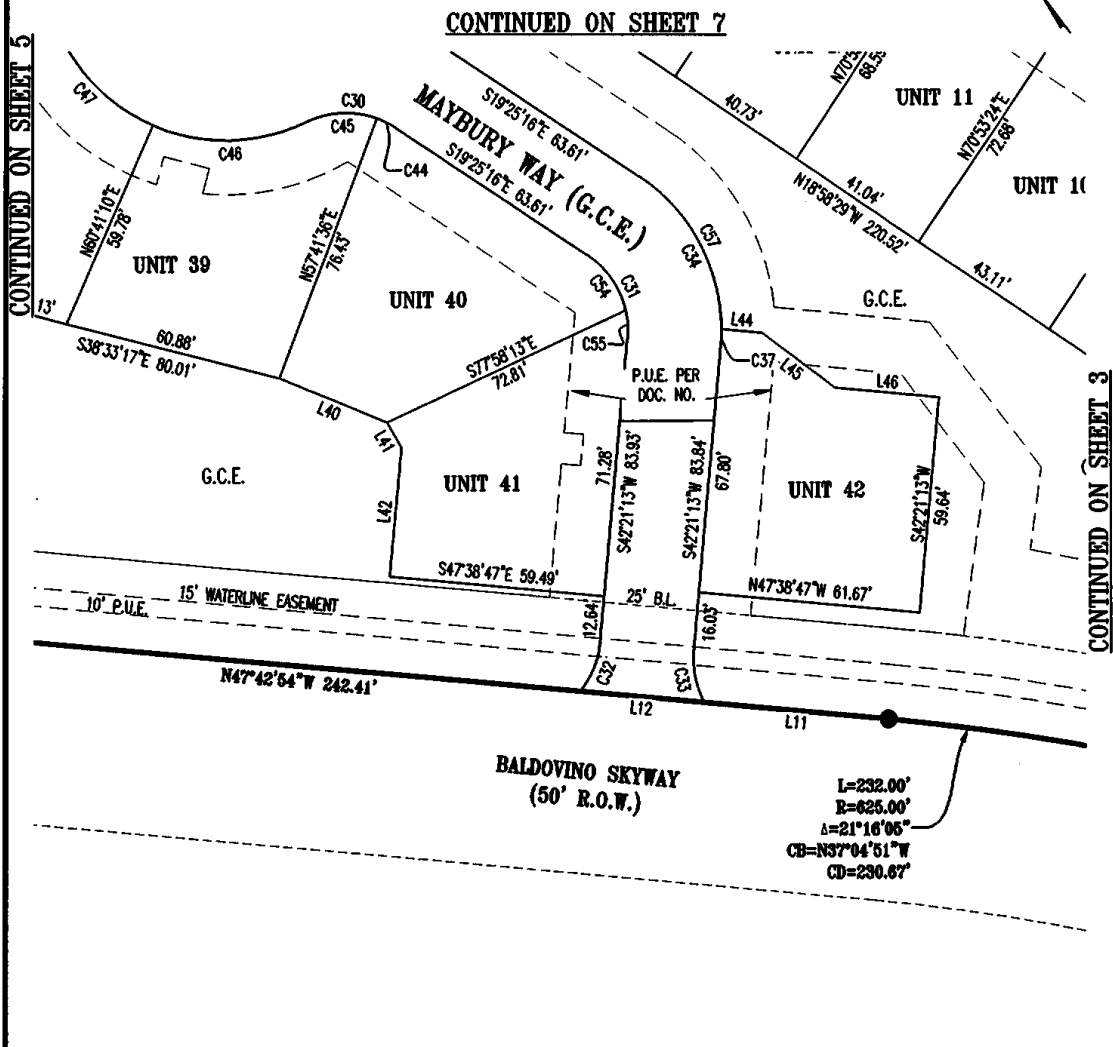
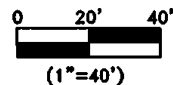
CONDO PLAT AND PLANS			
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	ADP	AT	31 MAY, 22

JOB NUMBER 5065
SHEET 3 OF 13

J:\AC3D\5065\SURVEY\CONDO PLAT LWH 2-8 R2

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



	Carlson, Brigance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900
	Civil Engineering ♦ Surveying 5501 West William Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

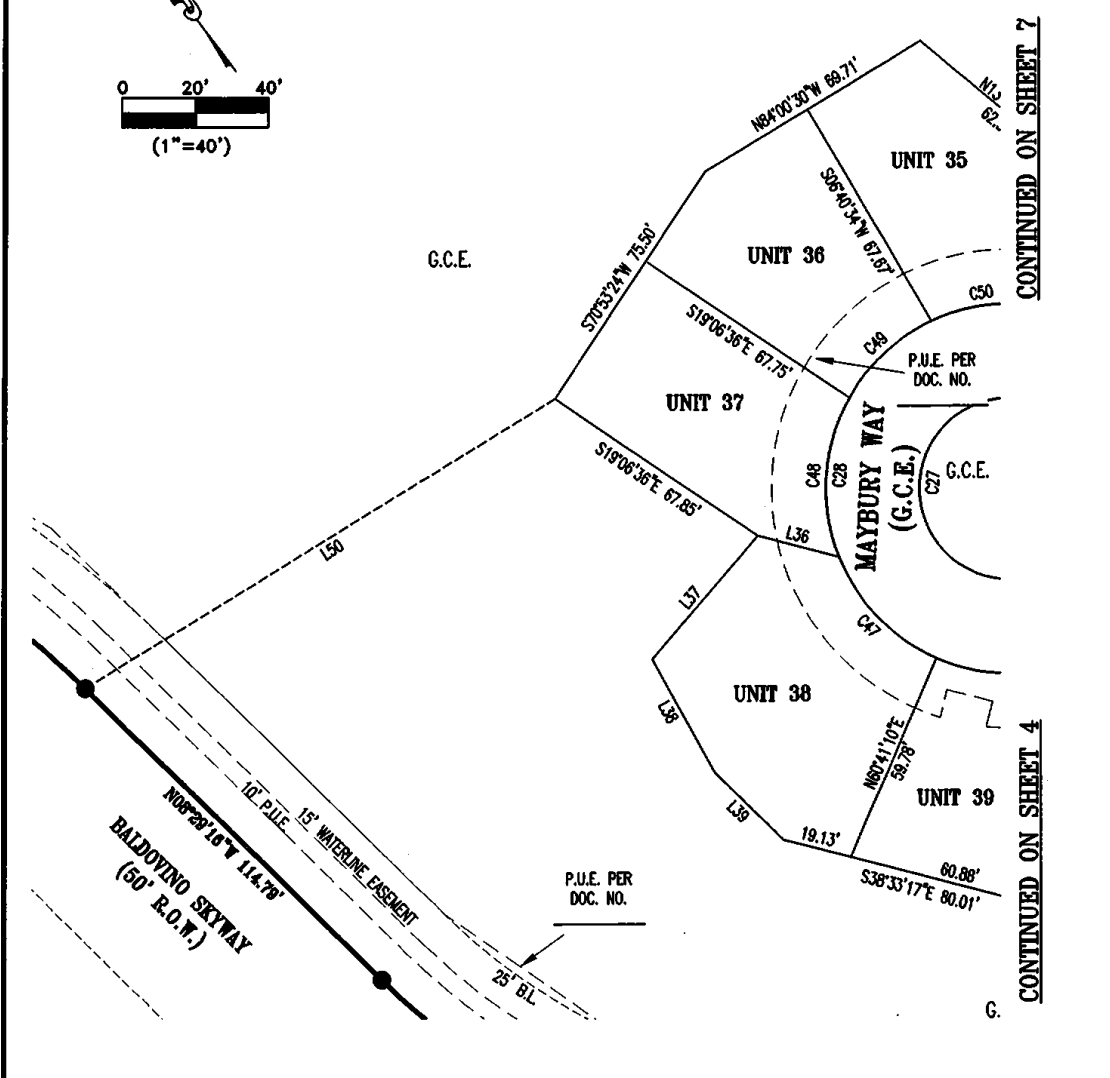
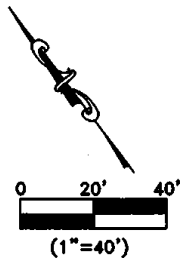
CONDO PLAT AND PLANS			
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	ADP	AT	31 MAY. 22

JOB NUMBER 5065
SHEET 4 OF 13

J:\AC3D\5065\SURVEY\CONDO PLAT LWH 2-8 R2

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



CONTINUED ON SHEET 7

CONTINUED ON SHEET 4

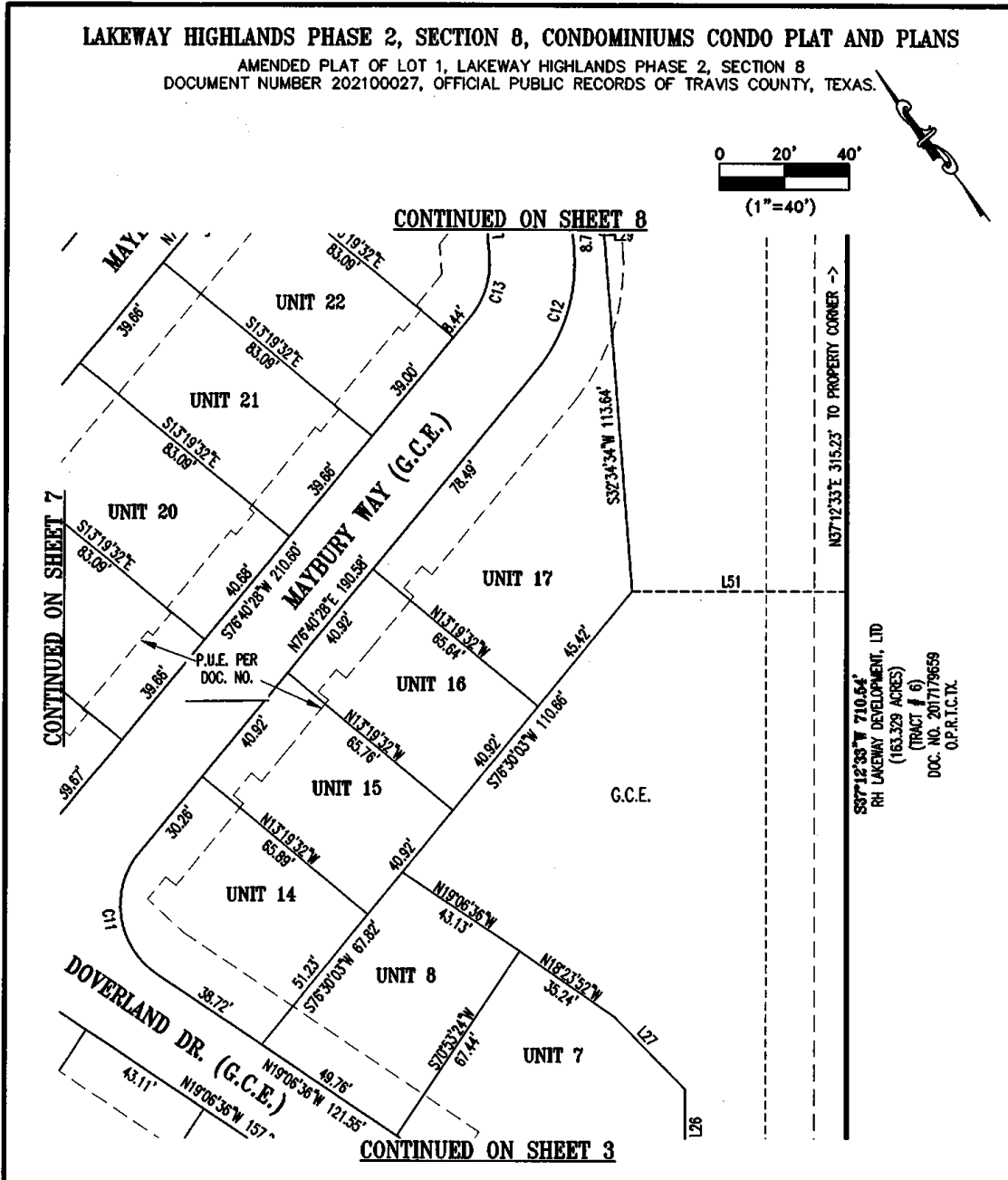
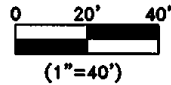
	Carlson, Brigrance & Doering, Inc. FIRM ID #F3791 REG. # 10024900
	Civil Engineering Surveying 5501 West William Cannon Austin, Texas 78749 Phone No. (512) 280-5160 Fax No. (512) 280-5165

..... JOB NUMBER 5065			
CONDO PLAT AND PLANS			
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	ADP	AT	31 MAY. 22

JOB NUMBER	5065
SHEET	5
OF	13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



S37°12'33"W 710.54'
RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 2017179659
O.P.R.T.C.T.X.

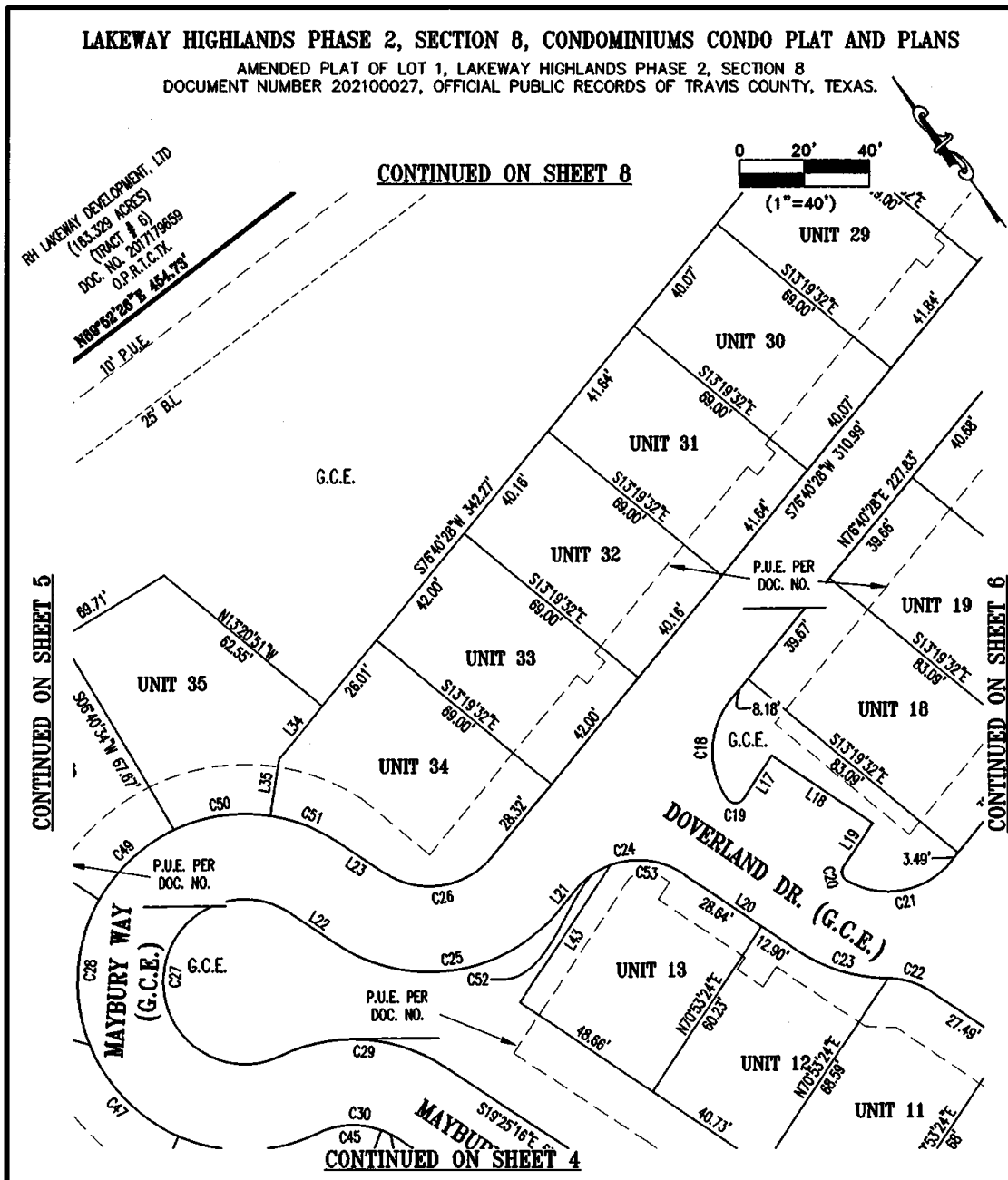
	Carlson, Brigrance & Doering, Inc.	
	FIRAI ID #F3791 ♦ REG. # 10024900	
	Civil Engineering ♦ Surveying	5501 West William Cannon ♦ Austin, Texas 78749
	Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165	


.....			
CONDO PLAT AND PLANS			
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	ADP	AT	31 MAY. 22

JOB NUMBER	5065
SHEET	6
OF	13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



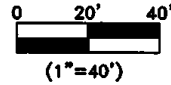
	Carlson, Brigrance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900	
	Civil Engineering 5501 West William Cannon Phone No. (512) 280-5160	Surveying Austin, Texas 78749 Fax No. (512) 280-5165

CONDO PLAT AND PLANS			
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	ADP	AT	31 MAY, 22

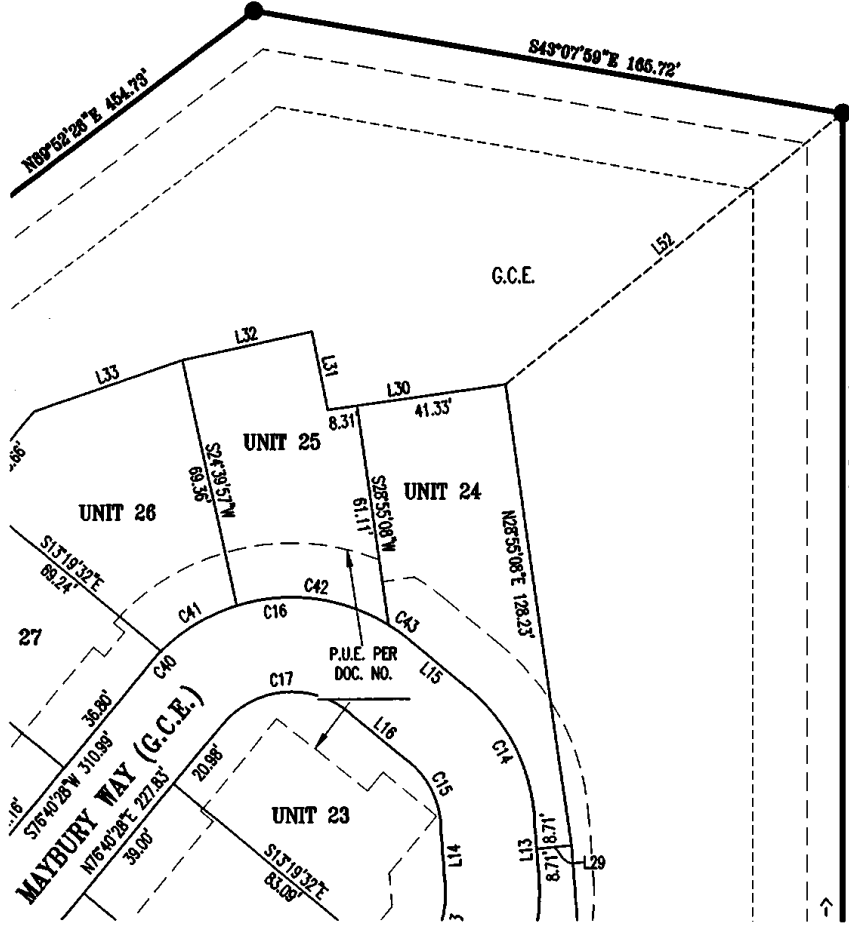
JOB NUMBER 5065
SHEET 7 OF 13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



CONTINUED ON SHEET 3



88°12'33" W 710.54'
RH LAKEWAY DEVELOPMENT, LTD
(163.329 ACRES)
(TRACT # 6)
DOC. NO. 201719659
O.P.R.T.C.T.X.

CONTINUED ON SHEET 6

	Carlson, Brigrance & Doering, Inc.	
	FIRM ID #F3791 ♦ REG. # 10024900	
Civil Engineering	♦	Surveying
5501 West William Cannon	♦	Austin, Texas 78749
Phone No. (512) 280-5160	♦	Fax No. (512) 280-5165

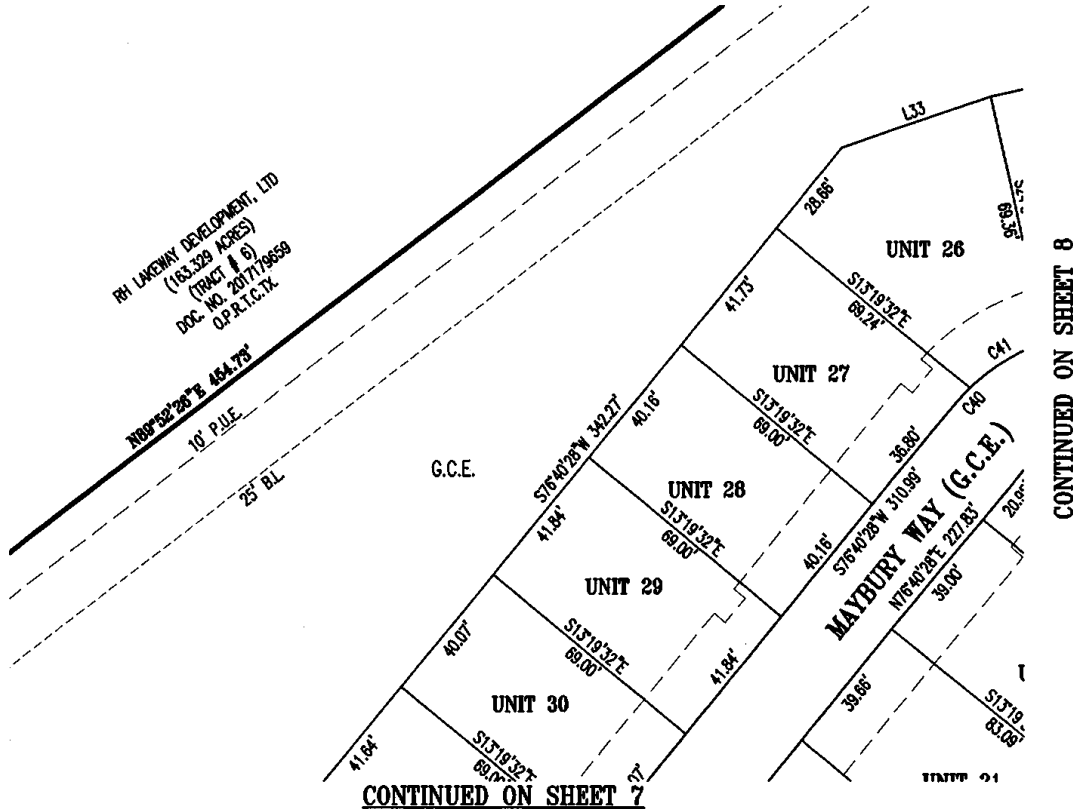
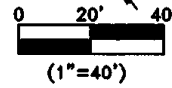
.....			
CONDO PLAT AND PLANS			
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	ADP	AT	31 MAY. 22

JOB NUMBER	5065
SHEET	8
OF	13

J:\AC3D\5065\SURVEY\CONDO PLAT LWH 2-8 R2

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.



RY LAKEWAY DEVELOPMENT, LTD.
(163.328 ACRES)
(TRACT # 6)
DOC. NO. 201779659
O.P.R.T.C.TX.

	Carlson, Brigance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900
	Civil Engineering ♦ Surveying 5501 West William Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165

CONDO PLAT AND PLANS			
DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:
	ADP	AT	31 MAY, 22

JOB NUMBER	5065
SHEET	9
OF	13


LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

Line Table		
Line #	Length	Direction
L1	18.36	N47°55'23"W
L2	114.79	N08°29'16"W
L3	1.72	N39°22'19"E
L4	67.47	N12°06'55"W
L5	254.08	N33°04'58"E
L6	153.15	S14°29'51"E
L7	73.83	S63°48'14"E
L8	201.54	S41°42'29"E
L9	454.73	N89°52'26"E
L10	165.72	S43°07'59"E
L11	51.38	N47°42'54"W
L12	34.58	N47°42'54"W
L13	17.42	N32°43'01"E
L14	17.42	S32°43'01"W
L15	20.99	N13°19'32"W
L16	20.99	S13°19'32"E
L17	16.00	S70°53'24"W
L18	37.00	N19°06'36"W
L19	16.00	N70°53'19"E
L20	41.54	N19°06'35"W

Line Table		
Line #	Length	Direction
L21	8.11	S76°40'28"W
L22	16.07	N19°09'22"W
L23	15.76	N19°09'22"W
L24	24.47	N14°47'25"E
L25	22.55	N37°09'10"E
L26	22.19	S37°16'28"W
L27	30.74	N07°11'25"W
L28	25.76	N76°42'00"W
L29	9.63	N58°47'50"W
L30	49.64	N61°04'52"W
L31	22.03	N25°40'59"E
L32	36.51	N65°20'03"W
L33	43.32	N71°51'49"W
L34	20.67	S76°08'10"W
L35	17.46	S46°07'14"W
L36	23.15	S38°10'20"E
L37	44.97	S77°44'45"W
L38	35.67	S08°06'22"W
L39	26.43	S08°35'35"E
L40	32.12	S30°29'07"E


Line Table		
Line #	Length	Direction
L41	8.09	S07°47'11"W
L42	35.67	S42°19'50"W
L43	50.05	N70°51'47"E
L44	11.43	S47°38'47"E
L45	25.35	N16°00'13"W
L46	28.92	S47°38'47"E
L47	13.33	N79°09'11"E
L48	37.25	N10°50'49"W
L49	35.67	N37°16'28"E
L50	152.38	N84°27'36"W
L51	65.79	S52°47'27"E
L52	119.87	N88°26'12"E

 <p>Carlson, Brigrance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900</p> <p>Civil Engineering ♦ Surveying 5501 West William Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165</p>	.....				JOB NUMBER 5065
	CONDO PLAT AND PLANS				
	DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:	
	ADP	AT	31 MAY. 22		SHEET 10 OF 13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.


Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C1	41.11	467.50	N45°11'45"W	41.10	20.57	5°02'17"
C2	232.00	625.00	N37°04'51"W	230.67	117.35	21°16'05"
C3	130.08	190.00	N28°06'05"W	127.56	67.71	39°13'38"
C4	141.07	210.00	N27°43'56"W	138.43	73.31	38°29'20"
C5	30.83	625.00	N27°51'35"W	30.82	15.42	2°49'33"
C6	39.07	625.00	N31°03'49"W	39.06	19.54	3°34'54"
C7	4.21	25.00	S32°26'42"W	4.21	2.11	9°39'32"
C8	23.12	25.00	N63°46'02"E	22.30	12.46	52°59'09"
C9	50.19	51.00	N09°04'56"E	48.19	27.34	56°23'03"
C10	24.60	25.00	N09°04'56"E	23.62	13.40	56°23'03"
C11	41.79	25.00	S28°46'56"W	37.09	27.66	95°47'04"
C12	39.13	51.00	N54°41'45"E	38.17	20.58	43°57'27"
C13	19.18	25.00	S54°41'45"W	18.71	10.09	43°57'27"
C14	40.98	51.00	N09°41'45"E	39.89	21.67	46°02'33"
C15	20.09	25.00	S09°41'45"W	19.55	10.62	46°02'33"
C16	80.11	51.00	N58°19'32"W	72.12	51.00	90°00'00"
C17	39.27	25.00	S58°19'32"E	35.36	25.00	90°00'00"
C18	32.44	25.00	N39°30'01"E	30.21	18.96	74°20'47"
C19	5.65	3.01	N51°31'21"W	4.85	4.11	107°33'20"
C20	4.88	3.00	N23°21'18"E	4.36	3.17	93°06'38"

 <p>Carlson, Brigrance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900</p> <p>Civil Engineering ♦ Surveying 5501 West William Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165</p>	.....				JOB NUMBER 5065
	CONDO PLAT AND PLANS				
	DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:	
	ADP	AT	31 MAY. 22		
					SHEET 11 OF 13

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.


Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C21	34.96	25.00	N63°15'46"W	32.18	21.02	80°07'31"
C22	14.32	25.00	N35°31'29"W	14.13	7.36	32°49'46"
C23	29.43	51.00	S35°38'37"E	29.03	15.14	33°04'03"
C24	36.75	25.00	N61°13'04"W	33.53	22.80	84°12'57"
C25	74.92	51.00	S61°14'27"E	68.36	46.06	84°10'10"
C26	36.73	25.00	S61°14'27"E	33.51	22.58	84°10'10"
C27	105.60	25.00	S41°31'39"W	42.85	41.59	242°01'32"
C28	214.55	51.00	S41°30'58"W	87.87	86.53	241°01'52"
C29	52.20	51.00	N48°44'35"W	49.95	28.65	58°38'38"
C30	25.38	25.00	N48°30'01"W	24.30	13.90	58°09'29"
C31	26.95	25.00	N11°27'58"E	25.67	14.95	61°46'29"
C32	14.83	25.00	N69°20'49"E	14.61	7.64	33°59'13"
C33	14.89	25.00	S25°17'29"W	14.67	7.67	34°07'27"
C34	54.99	51.00	N11°27'58"E	52.36	30.51	61°46'29"
C37	5.14	51.00	N39°28'05"E	5.13	2.57	5°46'15"
C38	4.78	51.00	N31°11'29"E	4.77	2.39	5°21'58"
C39	42.39	51.00	N04°41'57"E	41.18	22.50	47°37'05"
C40	4.94	51.00	S79°26'49"W	4.93	2.47	5°32'42"
C41	24.53	51.00	N84°00'09"W	24.29	12.51	27°33'23"
C42	43.66	51.00	N45°42'07"W	42.33	23.27	49°02'40"

 <p>Carlson, Brigance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900</p> <p>Civil Engineering ♦ Surveying 5501 West William Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165</p>	.....				JOB NUMBER 5065	
	CONDO PLAT AND PLANS					SHEET
	DESIGNED BY:	DRAWN BY:	CHECKED BY:	DATE:		12 OF 13
	ADP	AT	31 MAY, 22			

LAKEWAY HIGHLANDS PHASE 2, SECTION 8, CONDOMINIUMS CONDO PLAT AND PLANS

AMENDED PLAT OF LOT 1, LAKEWAY HIGHLANDS PHASE 2, SECTION 8
DOCUMENT NUMBER 202100027, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

Curve Table						
Curve #	Length	Radius	Chord Direction	Chord Length	Tangent	DELTA
C43	6.99	51.00	N17°15'10"W	6.99	3.50	751°15"
C44	5.76	25.00	N26°01'24"W	5.75	2.89	13°12'15"
C45	19.61	25.00	N55°06'08"W	19.12	10.34	44°57'14"
C46	44.23	51.00	S54°09'24"E	42.85	23.61	49°41'06"
C47	39.76	51.00	S06°58'45"E	38.76	20.95	44°40'10"
C48	45.51	51.00	S40°55'06"W	44.01	24.39	51°07'31"
C49	31.65	51.00	S84°15'28"W	31.14	16.35	35°33'13"
C50	30.34	51.00	N60°55'21"W	29.90	15.63	34°06'09"
C51	23.06	51.00	N30°55'26"W	22.87	11.73	25°54'40"
C52	13.49	25.00	N87°52'22"W	13.32	6.91	30°54'21"
C53	23.26	25.00	N45°45'53"W	22.43	12.55	53°18'36"
C54	19.01	25.00	N02°21'59"E	18.56	9.99	43°34'32"
C55	7.94	25.00	N33°15'14"E	7.91	4.00	18°11'58"
C57	49.85	51.00	N08°34'51"E	47.89	27.12	56°00'14"

 <p>Carlson, Brigrance & Doering, Inc. FIRM ID #F3791 ♦ REG. # 10024900</p> <p>Civil Engineering ♦ Surveying 5501 West William Cannon ♦ Austin, Texas 78749 Phone No. (512) 280-5160 ♦ Fax No. (512) 280-5165</p>	..... CONDO PLAT AND PLANS				JOB NUMBER 5065
	DESIGNED BY: ADP	DRAWN BY: AT	CHECKED BY: AT	DATE: 31 MAY. 22	SHEET 13 OF 13

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Ra

Rebecca Guerrero, County Clerk
Travis County, Texas

Dec 09, 2022 10:39 AM Fee: \$34.00

2022189657

Electronically Recorded

AFTER RECORDING RETURN TO:
ROBERT D. BURTON, ESQ.
WINSTEAD PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701



**SECOND AMENDMENT TO
DEVELOPMENT AREA DECLARATION OF
CONDOMINIUM REGIME FOR
ROUGH HOLLOW CONDOMINIUMS**

(A Residential Condominium Project located in Travis County, Texas)

Declarant: CND-RH, LLC, a Texas limited liability company

Cross Reference to that certain: (i) Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476, Official Public Records of Travis County, Texas, as amended by that certain First Amendment to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2022107765, Official Public Records of Travis County, Texas; and (ii) Assignment of Declarant's Rights for Rough Hollow Condominiums, recorded as Document No. 2022173841, Official Public Records of Travis County, Texas.

**SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM REGIME FOR
ROUGH HOLLOW CONDOMINIUMS**

This Second Amendment to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums (this "**Amendment**") is made by **CND-RH, LLC**, a Texas limited liability company ("**Declarant**"), and is as follows:

RECITALS

A. Rough Hollow Condominiums, a residential condominium project located in Travis County, Texas (the "**Regime**"), was established pursuant to that certain Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476, Official Public Records of Travis County, Texas, as amended by that certain First Amendment to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2022107765, Official Public Records of Travis County, Texas (collectively, the "**Declaration**").

B. Declarant is the "**Declarant**" under the Declaration pursuant to that certain Assignment of Declarant's Rights for Rough Hollow Condominiums, recorded as Document No. 2022173841, Official Public Records of Travis County, Texas.

C. Pursuant to *Provision A.3.10(vii)* of Appendix "A" to the Declaration, Declarant reserved the right, during the Development Period, to amend the Declaration to resolve conflicts, clarify ambiguities, and to correct misstatements, errors or omissions in the Documents.

D. The "**Development Period**" as such term is defined in the Declaration, is a fifteen (15) year period commencing on the date the Declaration was recorded in the Official Public Records of Travis County, Texas. The Declaration was recorded in the Official Public Records of Travis County, Texas, on April 23, 2021. The Development Period is still in effect.

E. The name of the Association created pursuant to the Declaration was erroneously misstated in the Declaration. Declarant now desires to amend the Declaration to correct the Association's name as set forth hereinbelow.

NOW THEREFORE, the Declaration is hereby amended as follows:

1. **Section 1.6.** *Section 1.6* of the Declaration is hereby deleted in its entirety and replaced with the following:

1.6 "**Association**" means The Point at Rough Hollow Condominium Association, Inc., a Texas nonprofit corporation, the Members of which shall be the Owners of Units within the Regime. The failure of the Association to

maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, the Certificate, the Bylaws, the Act, and Applicable Law.

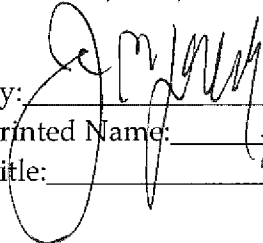
Furthermore, any other references in the Declaration to "Rough Hollow Condominium Community, Inc." are hereby deleted in their entirety and are replaced with "The Point at Rough Hollow Condominium Association, Inc."

2. **Miscellaneous.** Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Declaration. Unless expressly amended by this Amendment, all other terms and provisions of the Declaration remain in full force and effect as written, and are hereby ratified and confirmed.

EXECUTED to be effective as of the date this Amendment has been recorded in the Official Public Records of Travis County, Texas.

DECLARANT:

CND-RH, LLC, a Texas limited liability company

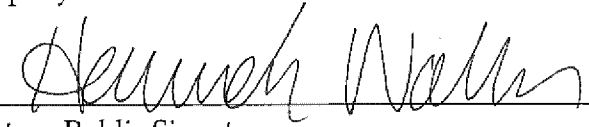
By: 
Printed Name: John Burchfield
Title: General Counsel

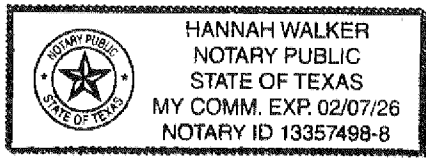
STATE OF TEXAS §

COUNTY OF Harris §

This instrument was acknowledged before me this 8th day of December 2022, by John Burchfield General Counsel of CND-RH, LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)


Notary Public Signature



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Ra

Rebecca Guerrero, County Clerk
Travis County, Texas

Oct 31, 2022 10:32 AM Fee: \$42.00

2022173841

Electronically Recorded

AFTER RECORDING RETURN TO:
ROBERT D. BURTON, ESQ.
WINSTEAD PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701
RBURTON@WINSTEAD.COM



ASSIGNMENT OF DECLARANT'S RIGHTS ROUGH HOLLOW CONDOMINIUMS

(A Residential Condominium Project located in Travis County, Texas)

Declarant: ASH CREEK HOMES, INC., a Texas corporation

Cross Reference to Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476, in the Official Public Records of Travis County, Texas, as amended from time to time.

ASSIGNMENT OF DECLARANT'S RIGHTS
ROUGH HOLLOW CONDOMINIUMS

This Assignment of Declarant's Rights (the "Assignment"), is made by **ASH CREEK HOMES, INC.**, a Texas corporation ("Assignor"), and **CND-RH, LLC**, a Texas limited liability company ("Assignee"), and is as follows:

RECITALS

A. Assignor is the current "Declarant" under that certain Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476, in the Official Public Records of Travis County, Texas, as amended from time to time (the "**Declaration**").

B. Pursuant to *Section 1.15* of the Declaration, Assignor desires to transfer and assign to Assignee all of its right, title, and interest held by Assignor as Declarant under the Declaration.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Transfer and Assignment of Declarant's Rights. Subject to the terms and conditions of this Assignment, Assignor does hereby grant, sell, set over, transfer and assign to Assignee, its successors and assigns, all of Assignor's rights, title, interest, powers, privileges, benefits and obligations as Declarant under the Declaration.

2. Assignee's Acceptance of Assignment. Assignee does hereby accept and assume all of Assignor's rights, title, interest, powers, privileges, benefits and obligations as Declarant under the Declaration as provided pursuant to *Paragraph 1* above, and shall hereinafter have all rights to act and exercise rights, powers, privileges, benefits, and obligations as the Declarant under the Declaration as provided pursuant to *Paragraph 1* above.

3. Defined Terms. All initially capitalized terms used but not defined in this Assignment shall have the meanings ascribed such terms in the Declaration. Other terms have the meanings commonly ascribed to them.

4. Survival of Provisions. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Captions. The captions of sections in this Assignment are for convenient reference only and are not to be construed in any way as part of this Assignment.

6. Execution. To facilitate execution, this instrument may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the

signatures of all parties be contained in any one counterpart hereof. Additionally, the parties hereto hereby covenant and agree that, for purposes of facilitating the execution and recordation of this instrument, the signature and acknowledgement pages taken from separate individually executed counterparts of this instrument may be combined and/or collated to form multiple fully executed counterparts. All executed counterparts of this instrument shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

EXECUTED TO BE EFFECTIVE as of the 28 day of October, 2022.

ASSIGNOR:

ASH CREEK HOMES, INC., a Texas corporation

By: Jenna Edge

Printed Name: Jenna Edge

Title: President

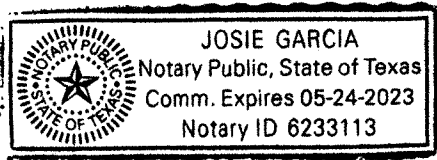
STATE OF TEXAS §

COUNTY OF Texas §

This instrument was acknowledged before me this 28th day of Oct, 2022, by Jenna Edge, President of Ash Creek Homes, Inc., a Texas corporation, on behalf of said limited liability company.

(SEAL)

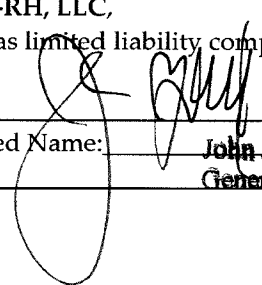
[Signature]
Notary Public Signature



ASSIGNEE:

CND-RH, LLC,
a Texas limited liability company

By: _____
Printed Name: John Burchfield
Title: General Counsel

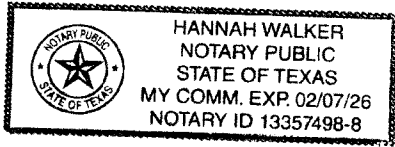


THE STATE OF TEXAS §
COUNTY OF Harris §

This instrument was acknowledged before me this 26th day of October, 2022, by John Burchfield, General Counsel, of CND-RH, LLC, a Texas limited liability company, on behalf of said company.

(SEAL)

Hannah Walker
Notary Public Signature



ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

ATTACHMENT 2

CERTIFICATE OF FORMATION



Office of the Secretary of State

CERTIFICATE OF FILING OF

The Point at Rough Hollow Condominium Association, Inc.
File Number: 804600457

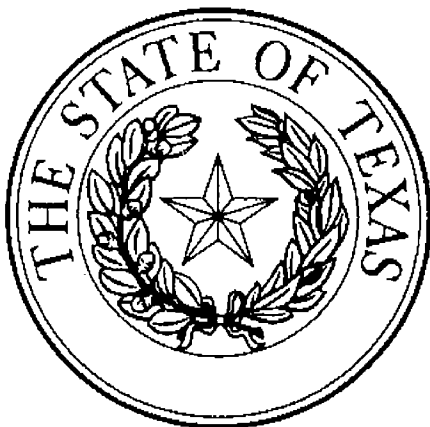
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/24/2022

Effective: 05/24/2022



A handwritten signature in black ink, appearing to read "John B. Scott".

John B. Scott
Secretary of State

MAY 24 2022

**CERTIFICATE OF FORMATION
OF
THE POINT AT ROUGH HOLLOW CONDOMINIUM ASSOCIATION, INC.**

Corporations Section

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE I
NAME**

The name of the corporation is: The Point at Rough Hollow Condominium Association, Inc. (hereinafter called the "Association").

**ARTICLE II
NONPROFIT CORPORATION**

The Association is a nonprofit corporation.

**ARTICLE III
DURATION**

The Association shall exist perpetually.

**ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. In furtherance of its purposes, the Association shall have the following powers which, unless indicated otherwise by this Certificate of Formation, that certain Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476 in the Official Public Records of Travis County, Texas, as the same may be amended from time to time (the "Declaration"), the Bylaws, or Texas law, may be exercised by the Board of Directors:

- (a) all rights and powers conferred upon nonprofit corporations by Applicable Law;
- (b) all rights and powers conferred upon condominium associations by Applicable Law, provided, however, that the Association shall not have the power to institute, defend, intervene in, settle or compromise proceedings in the name of any Owner as provided in Section 82.102(a)(4) of the Act; and

(c) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in this Certificate of Formation, the Bylaws, the Declaration, or Applicable Law.

Notwithstanding any provision in Article XIV to the contrary, any proposed amendment to the provisions of this Article IV shall be adopted only upon an affirmative vote by the holders of one-hundred percent (100%) of the total number of votes of the Association and the Declarant (as determined and defined under the Declaration).

**ARTICLE V
INITIAL MAILNG ADDRESS; REGISTERED OFFICE; REGISTERED AGENT**

The initial mailing address for the Association to receive state franchise tax correspondence is 401 Congress Avenue, Suite 2100, Austin, Texas 78701. The street address of the initial registered office of the Association is 5316 West Hwy 290, Ste. 100, Austin, Texas 78735. The name of its initial registered agent at such address is Sharon Adams.

**ARTICLE VI
MEMBERSHIP**

Membership in the Association shall be determined by the Declaration.

**ARTICLE VII
VOTING RIGHTS**

Voting rights of the members of the Association shall be determined as set forth in the Declaration. Notwithstanding the foregoing, cumulative voting is not permitted.

**ARTICLE VIII
INCORPORATOR**

The name and street address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Robert D. Burton	401 Congress Avenue, Suite 2100 Austin, Texas 78701

**ARTICLE IX
BOARD OF DIRECTORS**

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors for nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Association may be increased in accordance

with the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Jenna Edge	PO Box 341749 Austin, Texas 78734
Elizabeth Chipman	PO Box 341749 Austin, Texas 78734
Scott Morledge	PO Box 341749 Austin, Texas 78734

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above until their successors are elected or appointed in accordance with the Declaration.

ARTICLE X LIMITATION OF DIRECTOR LIABILITY

A member of the Board of Directors of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a Board member, except to the extent otherwise expressly provided by Applicable Law. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a member of the Board of Directors at the time of the repeal or modification.

ARTICLE XI INDEMNIFICATION

Each person who acts as a member of the Board of Directors, officer or committee member of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been a member of the Board of Directors, officer, or committee member of the Association, or by reason of any action alleged to have been taken or omitted by him or her in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

**ARTICLE XII
DISSOLUTION**

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes substantially similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such substantially similar purposes.

**ARTICLE XIII
ACTION WITHOUT MEETING**

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or this Certificate of Formation.

**ARTICLE XIV
AMENDMENT**

Except as otherwise provided by the terms and provisions of Article IV of this Certificate of Formation, this Certificate of Formation may only be amended by a Majority of the Board of Directors; provided, however, that any amendment to this Certificate of Formation must be approved in advance and in writing by the Declarant during the Development Period.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 24th day of May, 2022.



Robert D. Burton, Incorporator

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

ATTACHMENT 3

COMMUNITY MANUAL

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Ra

Rebecca Guerrero, County Clerk
Travis County, Texas

May 09, 2022 08:09 AM Fee: \$238.00

2022083429

Electronically Recorded

AFTER RECORDING RETURN TO:



ROBERT D. BURTON, ESQ.
WINSTEAD, PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701
EMAIL: RBURTON@WINSTEAD.COM

ROUGH HOLLOW CONDOMINIUMS COMMUNITY MANUAL

Consisting of:

Certificate of Formation
Bylaws
Initial Rules & Regulations
Assessment Collection Policy
Fine Policy
Records Inspection, Copying,
and Retention Policy
Religious Display Policy
Certification & Acknowledgement

PROPERTY

Rough Hollow Condominiums is located in Travis County, Texas and is subject to the Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded or to be recorded in the Official Public Records of Caldwell County, Texas.

Copyright © 2021. Winstead, PC. All rights reserved. This Community Manual may be used only in connection with the condominium known as Rough Hollow Condominiums in Travis County, Texas.

**ROUGH HOLLOW CONDOMINIUMS
COMMUNITY MANUAL**

TABLE OF CONTENTS

1.	CERTIFICATE OF FORMATION	ATTACHMENT 1
2.	BYLAWS	ATTACHMENT 2
3.	INITIAL RULES AND REGULATIONS	ATTACHMENT 3
4.	ASSESSMENT COLLECTION POLICY	ATTACHMENT 4
5.	FINE POLICY	ATTACHMENT 5
6.	RECORDS INSPECTION, COPYING, AND RETENTION POLICY	ATTACHMENT 6
7.	RELIGIOUS DISPLAY POLICY	ATTACHMENT 7
8.	CERTIFICATION AND ACKNOWLEDGEMENT	ATTACHMENT 8

ATTACHMENT 1

CERTIFICATE OF FORMATION

[ATTACHED]

**CERTIFICATE OF FORMATION
OF
THE POINT AT ROUGH HOLLOW CONDOMINIUM ASSOCIATION, INC.**

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE I
NAME**

The name of the corporation is: The Point at Rough Hollow Condominium Association, Inc. (hereinafter called the "**Association**").

**ARTICLE II
NONPROFIT CORPORATION**

The Association is a nonprofit corporation.

**ARTICLE III
DURATION**

The Association shall exist perpetually.

**ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. In furtherance of its purposes, the Association shall have the following powers which, unless indicated otherwise by this Certificate of Formation, that certain Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476 in the Official Public Records of Travis County, Texas, as the same may be amended from time to time (the "**Declaration**"), the Bylaws, or Texas law, may be exercised by the Board of Directors:

- (a) all rights and powers conferred upon nonprofit corporations by Applicable Law;
- (b) all rights and powers conferred upon condominium associations by Applicable Law, provided, however, that the Association shall not have the power to institute, defend, intervene in, settle or compromise proceedings in the name of any Owner as provided in Section 82.102(a)(4) of the Act; and

(c) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in this Certificate of Formation, the Bylaws, the Declaration, or Applicable Law.

Notwithstanding any provision in Article XIV to the contrary, any proposed amendment to the provisions of this Article IV shall be adopted only upon an affirmative vote by the holders of one-hundred percent (100%) of the total number of votes of the Association and the Declarant (as determined and defined under the Declaration).

**ARTICLE V
REGISTERED OFFICE; REGISTERED AGENT**

The street address of the initial registered office of the Association is 5316 West Hwy 290, Ste. 100, Austin, Texas 78735. The name of its initial registered agent at such address is Sharon Adams.

**ARTICLE VI
MEMBERSHIP**

Membership in the Association shall be determined by the Declaration.

**ARTICLE VII
VOTING RIGHTS**

Voting rights of the members of the Association shall be determined as set forth in the Declaration. Notwithstanding the foregoing, cumulative voting is not permitted.

**ARTICLE VIII
INCORPORATOR**

The name and street address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Robert D. Burton	401 Congress Avenue, Suite 2100 Austin, Texas 78701

**ARTICLE IX
BOARD OF DIRECTORS**

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors for nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Association may be increased in accordance with the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Jenna Edge	PO Box 341749 Austin, Texas 78734
Elizabeth Chipman	PO Box 341749 Austin, Texas 78734
Scott Morledge	PO Box 341749 Austin, Texas 78734

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above until their successors are elected or appointed in accordance with the Declaration.

ARTICLE X LIMITATION OF DIRECTOR LIABILITY

A member of the Board of Directors of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a Board member, except to the extent otherwise expressly provided by Applicable Law. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a member of the Board of Directors at the time of the repeal or modification.

ARTICLE XI INDEMNIFICATION

Each person who acts as a member of the Board of Directors, officer or committee member of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been a member of the Board of Directors, officer, or committee member of the Association, or by reason of any action alleged to have been taken or omitted by him or her in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

ARTICLE XII DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes substantially similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to

any nonprofit corporation, association, trust, or other organization to be devoted to such substantially similar purposes.

**ARTICLE XIII
ACTION WITHOUT MEETING**

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or this Certificate of Formation.

**ARTICLE XIV
AMENDMENT**

Except as otherwise provided by the terms and provisions of Article IV of this Certificate of Formation, this Certificate of Formation may only be amended by a Majority of the Board of Directors; provided, however, that any amendment to this Certificate of Formation must be approved in advance and in writing by the Declarant during the Development Period.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 6th day of May, 2022.



Robert D. Burton, Incorporator

ATTACHMENT 2

THE POINT AT ROUGH HOLLOW CONDOMINIUM ASSOCIATION, INC.
BYLAWS
(a Texas condominium association)

ARTICLE 1
INTRODUCTION

1.1. **Property.** These Bylaws of The Point at Rough Hollow Condominium Association, Inc., provide for the governance of the condominium regime known as Rough Hollow Condominiums, established on certain real property located in Travis County, Texas (the "**Property**"), as more particularly described in that certain Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476 in the Official Public Records of Travis County, Texas (the "**Declaration**").

1.2. **Parties to Bylaws.** All present or future Owners of Units and all other Persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Documents as defined in the Declaration. The mere acquisition or occupancy of a Unit will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. **Definitions.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws. Article 1 of the Declaration is incorporated herein by reference.

1.4. **Nonprofit Purpose.** The Association is organized to be a nonprofit corporation.

1.5. **Declarant Control.** Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in Appendix "A" of the Declaration during the Declarant Control Period and the Development Period, as defined in the Declaration, including the number, qualification, appointment, removal, and replacement of directors and officers.

1.6. **General Powers and Duties.** The Association, acting through the Board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Documents and Texas law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Documents.

ARTICLE 2
BOARD OF DIRECTORS

During the Declarant Control Period, Appendix "A" of the Declaration governs the number, qualification, and appointment of directors and officers. The initial directors and officers will be appointed by Declarant and need not be Owners. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

2.1. Number and Term of Office. The Board will initially consist of three (3) Board members. Upon expiration or termination of the Declarant Control Period, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. Each director shall be elected at a meeting duly called for such purpose and shall serve for a two-year term. A director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed.

2.2. Qualification. The following qualifications apply to the election or appointment of persons to the Board.

2.2.1. Owners. Upon expiration or termination of the Declarant Control Period, at least a Majority of the Directors must be Members or spouses of Members.

2.2.2. Entity Member. If a Unit is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a director and is deemed to be a Member for the purposes of this Section. If the relationship between the entity Member and the director representing it terminates, that directorship will be deemed vacant.

2.2.3. Delinquency. No person may be elected or appointed as a director if any Assessment or fine against the person or his Unit is delinquent at the time of election or appointment, provided he has been given notice of the delinquency and a reasonable opportunity to cure the delinquency.

2.2.4. Litigation. No person may be elected or appointed as a director if the person is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party.

2.3. Election. Upon expiration or termination of the Declarant Control Period, Directors will be elected by the Members of the Association. The election of Directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, electronic mail, or a combination of any of these.

2.4. **Vacancies.** Vacancies on the Board caused by any reason, except the removal of a director by a vote of the Association, are filled by a vote of the Majority of the remaining Directors, even though less than a quorum, at any meeting of the Board. Each director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder of the term.

2.5. **Removal of Directors.**

2.5.1. **Removal by Members.** At any annual meeting or special meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing at least two-thirds of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members must be given an opportunity to be heard at the meeting.

2.5.2. **Removal by Directors.** A Director may not be removed by the officers or by the remaining Directors, except for the following limited reasons for which a Director may be removed by at least a Majority of the other Directors at a meeting of the Board called for that purpose:

i. The Director is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party; provided the Association did not file suit to effect removal of the Director.

ii. The Director's account with the Association has been delinquent for at least ninety (90) days or has been delinquent at least three (3) times during the preceding twelve (12) months; provided he was given notice of the default and a reasonable opportunity to cure.

iii. The Director has refused or failed to attend three (3) or more meetings of the Board during the preceding twelve (12) months; provided he was given proper notice of the meetings.

iv. The Director has refused or failed to cure a violation of the Documents for which he has been given notice, a reasonable opportunity to cure, and an opportunity to request a hearing before the Board.

2.6. **Meetings of the Board.**

2.6.1. **Organizational Meeting of the Board.** Within ten (10) days after the annual meeting, the Directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will be fixed by the Board and announced to the Directors.

2.6.2. Regular Meetings of the Board. Regular meetings of the Board may be held at a time and place that the Board determines, from time to time, but at least one (1) such meeting must be held annually. Notice of regular meetings of the Board will be given to each Director, personally or by telephone, written, or electronic communication, at least three (3) days prior to the date of the meeting.

2.6.3. Special Meetings of the Board. Special meetings of the Board may be called by the President or, if he is absent or refuses to act, by the Secretary, or by any two (2) Directors. At least three (3) days notice will be given to each Director, personally or by telephone, written, or electronic communication, which notice must state the place, time, and purpose of the meeting.

2.6.4. Emergency Meetings. In case of emergency, the Board may convene a meeting after making a diligent attempt to notify each Director by any practical method.

2.6.5. Conduct of Meetings. The President presides over meetings of the Board and the Secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the Board.

2.6.6. Quorum. At meetings of the Board, a Majority of Directors constitutes a quorum for the transaction of business, and the acts of the Majority of the Directors present at a meeting at which a quorum is present are the acts of the Board. If less than a quorum is present at a meeting of the Board, the Majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice. Directors may not participate by proxy at meetings of the Board.

2.6.7. Open Meetings. Regular and special meetings of the Board are open to Members of the Association, subject to the following provisions to the extent permitted or required by the Act:

i. No audio or video recording of the meeting may be made, except by the Board or with the Board's prior express consent.

ii. Members who are not Directors may not participate in Board deliberations under any circumstances, and may not participate in Board discussions unless the Board expressly so authorizes at the meeting.

iii. The Board may adjourn any meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar or

sensitive nature. The nature of business to be considered in executive session will first be announced in open session.

iv. The Board may prohibit attendance by non-Members, including representatives, proxies, agents, and attorneys of Members.

v. The Board may prohibit attendance by any Member who disrupts meetings or interferes with the conduct of Board business.

vi. The Board may but is not required to publish to Members the time, date, and place of Board meetings, but will provide the information if requested in writing by a Member on a meeting by meeting basis.

2.6.8. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.6.9. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote. This Section does not apply to actions that require meetings under the Act.

2.7. **Liabilities and Standard of Care.** In performing their duties, the Directors are required to exercise certain standards of care and are subject to certain liabilities, including but not limited to the following provisions of State law: Section 82.103(a) and (f) of the Act, and Sections 3.102, 3.105, 22.221, 22.223, 22.224, 22.225, 22.226, 22.227 and 22.230 of the Texas Business Organizations Code.

2.8. **Powers and Duties.** The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The Board may do all acts and things except those which, by law or the Documents, are reserved to the Members and may not be delegated to the Board. Without prejudice to the general and specific powers and duties set forth in laws or the Documents, or powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not limited to, the following:

2.8.1. Appointment of Committees. The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its

responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed from among the Owners and Residents.

2.8.2. **Manager.** The Board may employ a manager or managing agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

2.9. **Fidelity Bonds.** Any person handling or responsible for Association funds, including officers, agents, and employees of the Association, must furnish adequate fidelity bonds. The premiums on the bonds may be a Common Expense of the Association.

ARTICLE 3 **OFFICERS**

3.1. **Designation.** The principal officers of the Association are the President, the Secretary, and the Treasurer. The Board may appoint one (1) or more vice-presidents and other officers and assistant officers as it deems necessary. The President and Secretary must be Directors. Other officers may, but need not, be Members or Directors. Any two (2) offices may be held by the same person, except the offices of President and Secretary. If an officer is absent or unable to act, the Board may appoint a Director to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. **Election of Officers.** The officers are elected no less than annually by the Directors at the organizational meeting of the Board and hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board. Notwithstanding the foregoing, during the Declarant Control Period, the Declarant will have the exclusive authority to appoint and remove all officers of the Association.

3.3. **Removal and Resignation of Officers.** A Majority of Directors may remove any officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

3.4. **Standard of Care.** In performing their duties, the officers are required to exercise the standards of care provided by Section 82.103(a) and (f) of the Act and by Section 3.105 of the Texas Business Organizations Code.

3.5. Description of Principal Offices.

3.5.1. President. As the chief executive officer of the Association, the President: (i) presides at all meetings of the Association and of the Board; (ii) has all the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) has general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) sees that all orders and resolutions of the Board are carried into effect.

3.5.2. Secretary. The Secretary: (i) keeps the minutes of all meetings of the Board and of the Association; (ii) has charge of such books, papers, and records as the Board may direct; (iii) maintains a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, performs all duties incident to the office of Secretary.

3.5.3. Treasurer. The Treasurer: (i) is responsible for Association funds; (ii) keeps full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepares all required financial data and tax returns; (iv) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the Board; (v) prepares the annual and supplemental budgets of the Association; (vi) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (vii) performs all the duties incident to the office of Treasurer.

3.6. Authorized Agents. Except when the Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association and to fulfill the duties of any officer subject to appropriate supervision by the Board. In the absence of Board designation, the President and the Secretary are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4

MEETINGS OF THE ASSOCIATION

4.1. Annual Meeting. An annual meeting of the Association will be held once during each twelve (12) month period on a date and at a time determined by the Board. At each annual meeting the Members will elect Directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

4.2. Special Meetings. It is the duty of the President to call a special meeting of the Association if directed to do so by a Majority of the Board or by a petition signed by Owners of at least forty percent (40%) of the Units. The meeting must be held within thirty (30) days after the Board resolution or receipt of petition. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. **Place of Meetings.** Meetings of the Association may be held at the Property or at a suitable place convenient to the Members, as determined by the Board.

4.4. **Notice of Meetings.** At the direction of the Board, written notice of meetings of the Association will be given to an Owner of each Unit at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. **Ineligibility.** The Board may determine that no Member may vote at meetings of the Association if the Member's financial account with the Association is in arrears forty-five (45) days before the date of a meeting of the Association at which Members will vote, provided each ineligible Member is given notice of the arrearage and an opportunity to become eligible. The Board may specify the manner, place, and time for payment for purposes of restoring eligibility. A determination of Members entitled to vote at a meeting of the Association is effective for any adjournment of the meeting, provided the date of the adjourned meeting is not more than forty-five (45) days after the original meeting.

4.6. **Voting Members List.** The Board will prepare and make available a list of the Association's voting Members in accordance with Section 22.158(b) of the Texas Business Organizations Code.

4.7. **Quorum.** At any meeting of the Association, the presence in person or by proxy of Members representing at least twenty percent (20%) of the Units constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

4.8. **Lack of Quorum.** If a quorum is not present at any meeting of the Association for which proper notice was given, Members representing at least a Majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than twenty-four (24) hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within fifteen (15) to thirty (30) days may be given to an Owner of each Unit, at which meeting the Members present in person or by proxy (even if representing less than twenty percent (20%) of the Units) will be sufficient to constitute a quorum for the purposes of that meeting.

4.9. **Votes.** The vote of Members representing at least a Majority of the votes cast at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. Cumulative voting is prohibited.

4.9.1. Co-Owned Units. If a Unit is owned by more than one Member, the vote appurtenant to that Unit is cast in accordance with Section 82.110(a) of Act, which is summarized as follows. If only one of the multiple Owners of a Unit is present at a meeting of the Association, that person may cast the vote allocated to that Unit. If more than one of the multiple Owners is present, the vote allocated to that Unit may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple Owners casts the vote allocated to a Unit and none of the other Owners makes prompt protest to the person presiding over the meeting.

4.9.2. Corporation-Owned Units. If a Unit is owned by a corporation, the vote appurtenant to that Unit may be cast by any officer of the corporation in the absence of the corporation's written appointment of a specific person to exercise its vote. The vote of a partnership may be cast by any general partner in the absence of the partners' written appointment of a specific person. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

4.9.3. Association-Owned Units. Votes allocated to a Unit owned by the Association may be counted towards a quorum and for all ballots and votes except the election or removal of Directors. The vote appurtenant to a Unit owned by the Association is exercised by the Board.

4.10. Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Unit to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the Secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

4.11. Conduct of Meetings. The President, or any person designated by the Board, presides over meetings of the Association. The Secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions

occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of meetings of the Association when not in conflict with the Documents. Votes should be tallied by Members appointed by the person presiding over the meeting.

4.12. **Order Of Business.** Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

4.13. **Adjournment of Meeting.** At any meeting of the Association, a Majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

4.14. **Action without Meeting.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by Section 22.160(b)(c) and (d) of the Texas Business Organizations Code, which may include hand delivery, mail, fax, email, or any combination of these. Written consents by Members representing at least a Majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of Directors.

4.15. **Telephone Meetings.** Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

4.16. **Prohibited Public Gatherings.** In the event a government order or law prohibits public gatherings, the Board, in its sole discretion, shall choose to hold meetings of the Members by means of video conferencing, conference telephone, or any other such similar technology.

ARTICLE 5 RULES

5.1. **Rules.** The Declarant has adopted initial rules and regulations for: (i) the administration of the Association and the Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Property; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with law or the Documents. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members. The Board has the right to amend, from time to time, the rules and regulations; provided, however, that until the expiration or termination of the Development Period, all amendments to the rules and regulations must be approved in advance and in writing by Declarant.

5.2. **Adoption and Amendment.** Any rule may be adopted, amended, or terminated by the Board, provided that the rule and the requisite Board (and Declarant, if applicable) approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. **Distribution.** On request from any Member or Resident, the Board will provide a current and complete copy of rules. Additionally, the Board will, from time to time, distribute copies of the current and complete rules to Owners and, if the Board so chooses, to non-Member Residents.

ARTICLE 6 ENFORCEMENT

6.1. **Remedies.** The violation of any provision of the Documents gives the Board the following rights, in addition to any other rights set forth in the Documents:

6.1.1. **Fines.** To impose reasonable fines, if notice and an opportunity to be heard are given.

6.1.2. **Self-Help.** After notice and an opportunity to be heard are given, except in case of an emergency, to enter the Unit or Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is contrary to the intent and meaning of the provisions of the Documents. The Board may not be deemed liable for any manner of trespass by this action.

6.1.3. **Courts.** To enjoin, abate, or remedy, by appropriate legal proceedings, the continuance of any breach.

6.2. **Notice and Hearing.** Before imposing a fine or exercising self-help abatement, the Board must give the Owner a written violation notice and an opportunity to be heard.

6.2.1. Notice of Violation. Before levying a fine, the Association will give the Owner a written violation notice via certified mail, return receipt requested, and an opportunity to be heard, if requested by the Owner. This requirement may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due to the Association from the Owner; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the timeframe in which the violation is required to be cured to avoid the fine or suspension; (6) the amount of the fine; (7) a statement that no later than the thirtieth (30th) day after receiving the notice, the Owner may request a hearing pursuant to Section 82.102 of TUCA; and (8) a statement informing the Owner that they may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. section et seq), if the Owner is serving on active military duty. The notice sent out is further subject to the Association's Fine Policy.

6.2.2. Notice to Resident. In addition to giving the written violation notice to the Owner, the Board may also give a copy of the notice to the non-Owner Resident, if the Board deems it appropriate.

6.2.3. Request for Hearing. To request a hearing before the Board, an Owner must submit a written request to the Board within thirty (30) days after receiving the violation notice (the "Request"). The Association must then hold the hearing requested no later than thirty (30) days after the Board receives the Request. The Board must notify the Owner of the date, time and place of the hearing at least ten (10) days' before the date of the hearing, and should be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend.

6.2.4. Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of the fine or the abatement action described in the notice.

6.2.5. Hearing. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made.

6.2.6. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine, if any, imposed, or abatement action, if any, authorized. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

6.3. **Imposition of Fine.** Within thirty (30) days after levying the fine or authorizing the abatement, the Board must give the Owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the Owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

6.3.1. **Amount.** The Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

6.3.2. **Type of Fine.** If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

6.3.3. **Other Fine-Related.** The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its Assessment lien on a debt consisting solely of fines. The Board may adopt a collection policy that applies Owners' payments to unpaid fines before retiring other types of Assessments.

6.4. **Additional Enforcement Rights.** Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Documents which, in the Board's opinion, are: (i) self-evident, such as vehicles parked illegally or in violation of posted signs; (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same Owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Documents for certain violations, such as nonpayment of Assessments.

ARTICLE 7 OBLIGATIONS OF THE OWNERS

7.1. **Proof of Ownership.** On request by the Association from time to time, any person who purports to be an Owner or the agent of an Owner must furnish to the Board evidence of ownership of the Unit. A copy of the recorded deed is the customary evidence. This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the Unit or any interest therein. The Association may refuse to recognize a person as a Member unless the requested documentation is provided.

7.2. **Owners' Information.** Within thirty (30) days after acquiring an ownership interest in a Unit, the Owner must provide the Association with the Owner's mailing address, telephone number, and driver's license number, if any; the name and telephone number of any resident other than the Owner; and the name, address, and telephone number of any person managing the Unit as agent of the Unit Owner. An Owner must notify the Association within thirty (30) days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

7.3. **Mailing Address.** The Owner or the several co-Owners of a Unit must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an Owner fails to maintain a current mailing address with the Association, the address of the Owner's Unit is deemed to be his mailing address.

7.4. **Registration of Mortgagees.** Within thirty (30) days after granting a lien against his Unit, the Owner must provide the Association with the name and address of the holder of the lien and the loan number. The Owner must notify the Association within thirty (30) days after he has notice of a change in the information required by this Section. Also, the Owner will provide the information on request by the Association from time to time.

7.5. **Assessments.** All Owners are obligated to pay Assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. A Member is deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the Assessments made or levied against him and his Unit.

7.6. **Compliance with Documents.** Each Owner will comply with the provisions and terms of the Documents, and any amendments thereto. Further, each Owner will always endeavor to observe and promote the cooperative purposes for which the Regime was established.

ARTICLE 8 ASSOCIATION RECORDS

8.1. **Records.** The Association will use its best efforts to keep the records required by Section 82.114(a) of the Act , including the following:

- i. Minutes or a similar record of the proceedings of meetings of the Association.
- ii. Minutes or a similar record of the proceedings of meetings of the Board.
- iii. Names and mailing addresses of the Members, the currency and accuracy of the information being the responsibility of the Members.

- iv. Names and mailing addresses of the mortgagees, the currency and accuracy of the information being the responsibility of the Members and their mortgagees.
- v. Financial records and books of account for the Association, kept in a manner consistent with generally accepted accounting principles.
- vi. Copies of income tax returns prepared for the Internal Revenue Service.
- vii. Copies of the Documents and all amendments to any of these.
- viii. A record of all votes or written consents by which amendments to the Documents were approved, for at least four (4) years after the approval.

8.2. **Inspection of Books and Records.** Books and records of the Association will be made available for inspection and copying pursuant to Section 82.114(b) of the Act and Sections 3.151, 3.153 and 22.351 of the Texas Business Organizations Code.

8.2.1. **Proper Purpose.** The Board may require a Member to submit a written demand for inspection, stating the purpose for which the Member will inspect the books and records. The Board has the following rights: (i) to determine whether the Member's purpose for inspection is proper; (ii) to deny the request if the Board determines that the Member's purpose is not proper; and (iii) if granting the request, to identify which books and records are relevant to the Member's stated purpose for inspection.

8.2.2. **Copies.** A Member, at Member's expense, may obtain photocopies of books and records for which the Board grants the right of inspection. The Board has the right to retain possession of the original books and records, to make copies requested by the Member, and to charge the Member a reasonable fee for copying.

8.2.3. **Member's Agent.** A Member's inspection of the books and records may be assisted or performed by the Member's agent, accountant, or attorney.

8.2.4. **Records of Attorneys and Accountants.** The files and records of an attorney or accountant who performs services for the Association are not records of the Association, are not subject to inspection by Members, and are not subject to production in a legal proceeding.

8.3. **Resale Certificates.** Any officer may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of the Act. The Association may charge a reasonable fee for preparing resale certificates. The Association may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Unit for which the certificate is furnished.

ARTICLE 9
NOTICES

9.1. **Co-Owners.** If a Unit is owned by more than one person, notice to one co-Owner is deemed notice to all co-Owners.

9.2. **Delivery of Notices.** Any written notice required or permitted by these Bylaws may be given personally, by mail, by electronic mail, by fax, or by any other method permitted by the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by fax or electronic mail, the notice is deemed delivered on successful transmission of the facsimile or electronic message.

9.3. **Waiver of Notice.** Whenever a notice is required to be given to an Owner, Member, or Director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, constitutes a waiver of notice by the Member or Director of the time, place, and purpose of the meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice is required and any business may be transacted at the meeting.

ARTICLE 10
DECLARANT PROVISIONS

10.1. **Conflict.** The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

10.2. **Board of Directors.** During the Declarant Control Period, Appendix "A" of the Declaration governs the number, qualification, and appointment of Directors. The initial Directors will be appointed by Declarant and need not be Owners or Residents. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

10.3. **Organizational Meeting.** Within sixty (60) days after the end of the Declarant Control Period, or sooner at Declarant's option, Declarant will call an organizational meeting of the Members for the purpose of electing directors, by ballot of Members. Notice of the organizational meeting will be given as if it were notice of an annual meeting.

ARTICLE 11
AMENDMENTS TO BYLAWS

11.1. **Authority.** These Bylaws may be amended by a Majority vote of the Board; provided, however, that during the Development Period, any amendment to the Bylaws must be approved in advance and in writing by the Declarant.

11.2. **Mortgagee Protection.** In addition to the notices and consents required by these Bylaws, certain actions and amendments require notice to or approval by Eligible Mortgagees, pursuant to the Mortgagee Protection article of the Declaration. If applicable, the Association must give the required notices to and obtain the required approvals from Eligible Mortgagees.

11.3. **Effective.** To be effective, each amendment must be in writing and, if these Bylaws are publicly recorded, the amendment must recite the recording data for the Bylaws, and be recorded in the Official Public Records of Travis County, Texas.

11.4. **Declarant Protection.** During the Development Period, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section and the article titled "Declarant Provisions" may not be amended without the prior written approval of the Declarant. The Declarant's written consent must be part of the amendment instrument.

ARTICLE 12
GENERAL PROVISIONS

12.1. **Compensation.** A Director, officer, Member, or Resident may not receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a Director, officer, Member, or Resident. Nevertheless,

i. Reasonable compensation may be paid to a Director, officer, Member, or Resident for services rendered to the Association in other capacities.

ii. A Director, officer, Member, or Resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the Board.

iii. The Board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.

iv. This provision does not apply to distributions to Unit Owners permitted or required by the Declaration or the Act.

12.2. **Conflicting Provisions.** If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect. In the case of any conflict between the certificate of formation of the Association and these Bylaws, the certificate of formation controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

12.3. **Severability.** Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

12.4. **Construction.** The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and may not be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

12.5. **Fiscal Year.** The fiscal year of the Association will be set by resolution of the Board, and is subject to change from time to time as the Board determines. In the absence of a resolution by the Board, the fiscal year is the calendar year.

12.6. **Waiver.** No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

12.7. **Indemnification.** To the fullest extent permitted by applicable law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, committee member, employee, servant, or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person: (i) acted in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

12.8. **Preparer.** These Bylaws were prepared in by Robert D. Burton, Esq., Winstead, PC, 401 Congress Ave., Suite 2100, Austin, Texas 78701.

ATTACHMENT 3
INITIAL RULES & REGULATIONS

These Initial Rules & Regulations are established by **ASH CREEK HOMES, INC.**, a Texas corporation, for the benefit of The Point at Rough Hollow Condominium Association, Inc., a Texas non-profit corporation (the "**Association**"). These Community Rules are the "Rules" defined in Article 1 of the Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476 in the Official Public Records of Travis County, Texas (the "**Declaration**").

These Rules are in addition to the provisions of the Declaration and Bylaws. By owning or occupying a Unit, each Owner and Resident agrees to abide by these Rules and to comply with the obligations of Owners and Residents under the Declaration and Bylaws of the Association.

Words and phrases defined in the Declaration have the same meaning when used in these Rules. In the event of a conflict between Documents, the hierarchy of authority is as follows: Declaration (highest), Bylaws, and these Rules (lowest). The Association's Board of Directors is empowered to interpret, enforce, amend, and repeal these Rules.

A. COMPLIANCE

A-1. Compliance. Each Owner will comply with the provisions of these Rules, the other Documents, and policies adopted by the Board to supplement these Rules, as any of these may be revised from time to time. Each Owner, additionally, is responsible for compliance with the Documents by the Residents of his Unit, and his or their respective relatives, invitees, tenants, agents, employees, or contractors. If a Rule requires or prohibits conduct by an "Owner" or "Resident," each of those terms are deemed to include the other, and applies to all persons for whom an Owner or Resident is responsible. Any question regarding these rules should be referred to the Association. The Association has the right to enforce these Rules against any person on the Property.

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

A-2. Additional Rules. Each Resident must comply with any rules and signs posted from time to time on the Property by the Association. Each Resident must comply with notices communicated by the Association, from time to time, which may include seasonal or temporary rules, or notice of a change affecting use of the Property. Posted and temporary rules are incorporated in these Rules by reference.

- A-3. Variance. Circumstances may warrant a variance of these Rules. To obtain a variance an Owner must make written application to the Board. The Board's approval of a variance must be in writing, and may be conditioned.
- A-4. Limits. It is understood that individuals may have different interpretations of and tolerances for these Rules. On lifestyle-related rules, such as the "Community Etiquette" rules below, the Association may refrain from acting on a perceived violation unless the Board determines the violation to be significant or a community-wide problem. The Association may not be compelled by one Resident to enforce these Rules against another Resident. Residents are expected to deal directly and peaceably with each other about their differences.
- A-5. Filing Complaints. Because the Association is not staffed to monitor the Property for Rules violations, the Association relies on Residents to identify and report violations of these Rules and the Documents, and to monitor compliance with these Rules by violators. The Association also relies on Residents to help keep each other informed about the Rules. Recognizing that a Resident may be reluctant to confront another Resident about a violation, the Association will work with Residents to enforce the Rules. Generally, a complaint must be in writing and must be signed by a Resident or Owner who is willing to be identified as the complainant. The Association may refuse to enforce a violation (1) that cannot be easily and independently verified, (2) for which it did not receive a signed written complaint, (3) for which the complainant will not cooperate with monitoring the violation and compliance, and (4) which the Board does not consider to be significant or community-wide.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. Damage. An Owner is responsible for any loss or damage he causes to his Unit or the improvements therein, other Units and residences, the personal property of other Residents or their guests, or to the Common Elements.
- B-2. Association Does Not Insure. A person assumes full risk and sole responsibility for placing his personal property in or on the Property. Each Resident is solely responsible for insuring his Unit and personal property in the Unit and on the Property, including the Owner's furnishings and vehicles. THE ASSOCIATION STRONGLY RECOMMENDS THAT ALL OWNERS AND RESIDENTS PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS.
- B-3. Risk Management. An Owner may not permit anything to be done or kept in his Unit or the Common Elements that is illegal or that may result in the cancellation of insurance on the Property.

- B-4. Reimbursement for Enforcement. An Owner must promptly reimburse the Association for any expense incurred by the Association to enforce the Documents against the Owner, his Unit, or persons for whom the Owner is responsible.
- B-5. Reimbursement for Damage. An Owner must promptly reimburse the Association for the cost of damage to the Property caused by the negligent or willful conduct of the Owner or persons for whom the Owner is responsible.
- B-6. No Garage Sales. Without the Board's prior written permission, no person may conduct at the Property a sale or activity that is advertised or attractive to the public, such as garage sales, car sales, or estate sales. This section does not apply to marketing the sale or rental of a Unit, unless combined with a prohibited activity.
- B-7. Supervision of Minors. For their own well-being and protection, persons who are legally incompetent or younger than 18 years must be under the general control and supervision of their parents or guardians at all times while on the Property.

C. OCCUPANCY STANDARDS

- C-1. Leases. Each lease must be in writing. At the Association's request, an Owner must give the Board a copy of each lease and lease renewal. A Unit may not be leased for hotel or transient purposes. Less than the entire Unit may not be leased. See *Article 11* of the Declaration for additional leasing requirements.
- C-2. Minors. No person under the age of 18 years may occupy a residence within a Unit unless he lives with a Resident who is his parent, legal guardian, or a designee of his parent or legal guardian. Upon request by the Association, an Owner will provide satisfactory proof of the ages and relationships among the residents of his residence.
- C-3. Danger. As permitted by the federal Fair Housing Act Rules, no residence within a Unit may be occupied by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others.

D. FIRE AND SAFETY

- D-1. Safety. Each Resident is solely responsible for his own safety and for the safety, well-being, and supervision of his guests and any person on the Property to whom the Resident has a duty of care, control, or custody. No Resident shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements or which may be in violation of Applicable Law.

- D-2. Fires. Except for barbecue fires as permitted by these Rules, there may not be any exterior fires on the Property.
- D-3. Barbecue. The Board reserves the right to prohibit or restrict the existence and/or use of all or certain outdoor cooking grills if, in the Board's discretion, a grill constitutes a fire hazard or is unattractive or oversized for the area in which it is kept. On permitted grills, (a) open fires must be supervised at all times; (b) gas tanks must be properly used and maintained; (c) no flames may be higher than the cooking surface; and (d) a grill may not be used near combustible materials.
- D-4. Security. The Association may, but is not be obligated to, maintain or support certain activities within the Property designed to make the Property less attractive to intruders than it otherwise might be. The Association, its Directors, committees, Members, agents, and employees will not in any way be considered an insurer or guarantor of security within the Property, and may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Resident, guest, and invitee on the Property assumes all risk for loss or damage to his person, to his Unit, to the contents of his Unit, and to any other of his property and the Property. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment, or measures recommended, installed, or undertaken within the Property.

E. GENERAL USE AND MAINTENANCE OF UNIT

- E-1. Residential Use. Each Unit must be used solely for residential use, and may not be used for commercial or business purposes, except as permitted in the Declaration. This restriction does not prohibit a Resident from using his Unit for personal, business, or professional pursuits, provided that: (a) the non-residential use is incidental to the Unit's residential use; (b) the use conforms to applicable laws and ordinances; (c) there is no external evidence of the non-residential use; (d) the non-residential use does not entail regular visits to the Unit by the public, employees, suppliers, or clients; and (e) the non-residential use does not interfere with the use and enjoyment of neighboring Units.
- E-2. Annoyance. A Resident may not use his Unit in a way that: (a) annoys Residents of neighboring Units; (b) reduces the desirability of the Property as a residential community; (c) endangers the health or safety of other Residents; or (d) violates any law or any provision of the Documents.
- E-3. Maintenance. An Owner, at his expense, will maintain his Unit, and Improvements constructed within the Unit, and keep it in good condition and repair. The Board, in its sole discretion, shall determine whether a violation of the maintenance obligations set forth in this provision has occurred.

- E-4. Combustibles. A Resident may not store or maintain, anywhere on the Property – including within a Unit – explosives or materials capable of spontaneous combustion.
- E-5. Report Malfunctions. A Resident will immediately report to the Board his discovery of any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. A Resident who fails to promptly report a problem may be deemed negligent, in which case the Owner may be liable for any additional damage caused by the delay.

F. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

- F-1. Intended Use. Every area and facility in the Property may be used only for its intended and obvious use. For example, streets, walkways, sidewalks, and driveways are used exclusively for purposes of access, not for social congregation or recreation.
- F-2. Grounds. Unless the Board designates otherwise, Residents may not use the landscaped areas, lawns, beds, and plant materials on the Common Elements.
- F-3. Abandoned Items. No item or object of any type may be stored, placed, or maintained anywhere on the General Common Elements, except by the Board or with the Board's prior written consent. Items of personal property found on General Common Elements are deemed abandoned and may be disposed of by the Board.

G. COMMUNITY ETIQUETTE

- G-1. Courtesy. Each Resident will endeavor to use his Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.
- G-2. Annoyance. A Resident will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Residents or their guests, or the Association's employees and agents.
- G-3. Noise and Odors. Each Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Residents of other Units.
- G-4. Reception Interference. Each Resident will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Property.

H. VEHICLE RESTRICTIONS

- H-1. On Street Parking To be permitted on the Property, a vehicle must be operable, and must display a current license tag and inspection sticker. For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and

similar passenger vehicles. The following are not permitted on the Property without the Board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks, industrial vehicles. Motorcycles, motorbikes, or other motorized vehicles may not be operated on the Property except to provide transportation to and from a Unit.

- H-2. Repairs. Washing, repairs, restoration, or maintenance (including oil changes) of vehicles is prohibited on the private streets except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.
- H-3. Nuisances. Each vehicle must be muffled and must be maintained and operated to minimize noise, odor, and oil emissions. The use of car horns on the Property is discouraged. No vehicle may be kept on the Property if the Board deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Rules.
- H-4. Obstructions. No vehicle may be parked in a manner that impedes or prevents ready access to the Property, driveways, sidewalks or parking spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle may be parked, even temporarily, in fire-lanes or in any area designated as "No Parking." Vehicles parked in violation of the Documents (including this provision) will be towed at the owner's expense.
- H-5. Garages. Because of the shortage of visitor parking within the Property, it is imperative that each Resident use their garage for the parking of vehicles. A Resident with a vehicle must use his garage for routine parking. No garage may be enclosed or used for any purpose that prevents the parking of the maximum number of vehicles for which it was constructed. Garage doors must be kept completely closed at all times, except when entering or exiting.
- H-6. Violations. A vehicle in violation of these Rules may be stickered, wheel-locked, towed, or otherwise removed from the Property by the Board, at the expense of the vehicle's owner. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

I. TRASH DISPOSAL

- I-1. General Duty. Residents will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the city for that purpose. Residents may NOT litter on the Common Elements.
- I-2. Trash Containers. Trash containers and recycling bins must be stored in one of the following locations:
- (i) inside the garage of the residence constructed; or

(ii) behind or on the side of a residence in such a manner that the trash container and recycling bin is not visible from any street or adjacent residence, e.g., behind a privacy fence, or other appropriate screening.

The Architectural Reviewer shall have the right to specify additional locations in which trash containers or recycling bins must be stored.

- I-3. Hazards. Residents may NOT store trash inside or outside his Unit in a manner that may permit the spread of fire, odors, or seepage, or encouragement of vermin. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, Residents will ensure that the debris is thoroughly cold.

J. PETS

- J-1. Prohibited Animals. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained, or cared for anywhere on the Property (as used in this paragraph, the term "domestic household pet" shall not mean or include non-traditional pets such as pot-bellied pigs, miniature horses, snakes, monkeys or other exotic animals). No Resident may keep a dangerous or exotic animal, trained attack dog, or any other animal deemed by the Board to be a potential threat to the well-being of people or other animals. No animal or house pet may be kept, bred, or maintained for any commercial purpose or for food. An Owner or Resident shall be allowed no more than three (3) household pets plus no more than two birds in any Unit. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.
- J-2. Indoors/Outdoors. No pet is allowed on Common Elements unless carried or leashed. No pet may be leashed to a stationary object on the Common Elements. Feeding bowls for pets may not be left outside a residence.
- J-3. Disturbance. Pets must be kept in a manner that does not disturb another Resident's rest or peaceful enjoyment of his Unit or the Common Elements. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.
- J-4. Damage. Each Resident is responsible for any property damage, injury, or disturbance his pet may cause or inflict. A Resident who keeps a pet on the Property is deemed to indemnify and agrees to hold harmless the Board, the Association, and other Owners and Residents, from any loss, claim, or liability of any kind or character whatever resulting from any action of his pet or arising by reason of keeping or maintaining the pet on the Property.

- J-5. Pooper Scooper. Each Resident is responsible for the immediate removal of his pet's wastes from the Common Elements. The Board may levy a fine against a Unit and its Owner each time feces are discovered on the Common Elements and attributed to an animal in the custody of that Unit's Resident. Animal waste, including cat litter, must be disposed of only in the trash receptacle serving the Owner's Unit.
- J-6. Removal. If a Resident or his pet violates these Rules, or if a pet creates a noise, odor, or other disturbance or nuisance, the Resident or person having control of the animal may be given a written notice by the Board to correct the problem. If the problem is not corrected within the time specified in the notice (not less than 10 days), the Resident, upon written notice from the Board, may be required to remove the animal. Each Resident agrees to permanently remove his violating animal from the Property within 10 days after receipt of a removal notice from the Board.

K. ARCHITECTURAL CONTROL

- K-1. Common Elements. Without the prior written consent of the Architectural Reviewer and the Board, a person may not change, decorate, destroy or improve the Common Elements nor do anything to change the appearance of the Common Elements.
- K-2. Prohibited Acts. No Owner or Resident may:
- (a) Post signs, notices or advertisements on the Common Elements or in a Unit if visible from outside his Unit, unless permitted by *Section 10.17* of the Declaration.
 - (b) Place or hang an object in, on, from or above any window, interior window sill, or patio that, in the Board's opinion, detracts from the appearance of the Property.
 - (c) Hang, shake or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, porches, fences, balconies, patios or use the front porch as a storage area.
 - (d) Erect or install exterior horns, lights, aerials, antennas or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof, except that with the Board's approval of the location and size of an antenna dish, each Owner may install satellite TV and internet provided that the antenna is not visible from the front of the Owner's Unit.
 - (e) Place decorations other than temporary (no more than four weeks display) holiday decorations on the exterior of the Unit or on the Common Elements.
 - (f) Paint the exterior walls or trim of their Unit a garish or attention grabbing color that the Association, at its sole discretion, finds to be in conflict with the exterior presentation and color theme of the Property.

- (g) Construct, modify, alter or create any Improvements without the consent of the Architectural Reviewer.
- K-3. Window Treatments. An Owner may install window treatments inside his Unit, at his sole expense, provided:
- (a) Window treatments are limited to drapes, 2" faux wood blinds or real wood shutters on the front windows of the Unit.
- (b) Aluminum foil and reflective window treatments are expressly prohibited.
- (c) Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged or otherwise unsightly in the opinion of the Architectural Reviewer and the Board.
- K-4. Architectural Reviewer. All proposed improvements and modifications to the Regime must be approved in advance by the Architectural Reviewer in accordance with the Declaration.

L. MISCELLANEOUS

- L-1. Right to Hearing. An Owner may request in writing a hearing by the Board regarding an alleged breach of these Rules by the Owner or any person for whom the Owner is responsible. The Board will schedule a hearing within thirty (30) days after receiving the Owner's written request. At the hearing, the Board will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- L-2. Mailing Address. An Owner who receives mail at any address other than the address of his Unit must maintain with the Association his current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Documents may be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Unit is deemed effective for purposes of delivery.
- L-3. Revision. These Rules are subject to being revised, replaced, or supplemented, and Owners and Residents are urged to contact the Association to verify the rules currently in effect on any matter of interest. These Rules will remain effective until 10 days after an Owner of each Unit has been given a notice of the amendment or revocation of these Rules.

L-4. Other Rights. These Rules are in addition to and in no way whatsoever detract from the rights of the Association under the other Documents and the laws of the State of Texas.

ATTACHMENT 4
ASSESSMENT COLLECTION POLICY

Rough Hollow Condominiums is a condominium regime created by and subject to the Development Area Declaration of Condominium Regime for Rough Hollow Condominiums, recorded as Document No. 2021090476 in the Official Public Records of Travis County, Texas, as it may be amended (the “**Declaration**”). As a condominium regime, Rough Hollow Condominiums is also subject to State laws, including Chapter 82 of the Texas Property Code -- the Texas Uniform Condominium Act (“**TUCA**”). The operation of Rough Hollow Condominiums is vested in The Point at Rough Hollow Condominium Association, Inc. (the “**Association**”), acting through its Board of Directors (the “**Board**”). The Association is empowered to enforce the covenants of the Declaration, including the obligation of owners to pay Assessments. In addition to rights and remedies of the Association under the Declaration, TUCA gives the Association, acting through the Board:

1. Authority to adopt and amend rules regulating the collection of delinquent Assessments and the application of payments. §82.102(a)(13).
2. Authority to impose interest and late charges for late payments of Assessments, and returned check charges. §82.102(a)(12).
3. Authority to adopt and amend rules regulating the termination of utility service to a Unit, the Owner of which is delinquent in the payment of an assessment that is used, in whole or in part, to pay the cost of that utility. §82.102(a)(14).
4. Authority to suspend the voting privileges of or the use of certain general common elements by an Owner delinquent for more than thirty (30) days in the payment of Assessments. §82.102(a)(17).
5. A private power of sale to foreclose the assessment lien nonjudicially, subject to a limited right of redemption by the Unit Owner. §82.113.

To establish equitable policies and procedures for the collection of delinquent Assessments, the Declarant adopts this policy for the benefit of the Association, as part of the initial project documentation.

SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. Due Date. An Owner will timely and fully pay Regular Assessments and Special, Individual, Utility and Deficiency Assessments. Regular Assessments are due and payable on the first calendar day of each month. Special, Individual, Utility and Deficiency Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Special, Individual, Utility or Deficiency Assessment is given.

- 1-B. Delinquent. Any assessment that is not fully paid when due is delinquent. When the account of a Unit becomes delinquent, it remains delinquent until paid in full – including collection costs and late fees.
- 1-C. Late Fees & Interest. If the Association does not receive full payment of a Regular Assessment by 5:00 p.m. on the fifth (5th) calendar day of the month, the Association may levy a late fee of \$25 per month and/or interest of ten percent (10%) per annum from the first day of delinquency until the delinquency is paid in full. After the initial month of delinquency, a late fee of \$25 may be on the first day of each month the account is delinquent until the account is current.
- 1-D. Liability for Collection Costs. The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney’s fees incurred by the Association in collecting the delinquency.

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

- 1-E. Insufficient Funds. The Association may levy a charge of \$25 for any check returned to the Association marked for “insufficient funds” or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may not be waived by the Board, unless a Majority of the Directors determines that extraordinary circumstances warrant an adjustment to the account, in which case the adjustment must be described in detail in the minutes of the Board’s meeting. Because of the potential for inadvertently effecting a waiver of the policies contained in this policy, the Board will exercise caution in granting adjustments to an Owner’s account.

SECTION 2. INSTALLMENTS & ACCELERATION

If a Special or Deficiency Assessment is payable in installments, and if an Owner defaults in the payment of any installment, the Association may declare the entire assessment in default and accelerate the due date on all remaining installments of that assessment. A Special or Deficiency Assessment payable in installments may be accelerated only after the Association gives the Owner at least fifteen (15) days prior notice of the default and the Association’s intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the Owner.

SECTION 3. PAYMENTS

3-A. Application of Payments. After the Association notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, **any payment received by the Association will be applied in the following order, starting with the oldest charge in each category, until that category is fully paid**, regardless of the amount of payment, notations on checks, and the date the obligations arose:

- | | |
|---|-------------------------------------|
| (1) Collection costs and attorneys fees | (8) Delinquent Utility Assessments |
| (2) Fines | (9) Delinquent Regular Assessments |
| (3) Reimbursable expenses | (10) Current Individual Assessments |
| (4) Late charges and interest | (11) Current Deficiency Assessments |
| (5) Delinquent Individual Assessments | (12) Current Special Assessments |
| (6) Delinquent Deficiency Assessments | (13) Current Utility Assessments |
| (7) Delinquent Special Assessments | (14) Current Regular Assessments |

3-B. Form of Payment. The Association may require that payment of delinquent Assessments be made only in the form of cash, cashier's check, or certified funds.

3-C. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Unit's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

3-D. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner. The Association may require the Owner to prepay the cost of preparing and recording the release.

3-E. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency, which amounts are secured by a lien against the Unit.

SECTION 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.
- 5-B. Delinquency Notices. If the Association has not received full payment of an assessment by the due date, the Association may send one or more written notices of nonpayment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.
- 5-C. Collection by Attorney. After giving the Owner notice of the delinquency, the Association may refer the delinquent account to an attorney for collection. In that event, the defaulting Owner will be liable to the Association for its legal fees and expenses.
- 5-D. Verification of Owner Information. The Association may obtain a title report to determine the names of the Owners and the identity of other lienholders, including the mortgage company.
- 5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Association may report the defaulting Owner to one or more credit reporting services.
- 5-G. Notice of Lien. The Association may cause a notice of the Association's assessment lien against the Unit to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may be sent to his mortgage holder.
- 5-H. Foreclosure of Lien -- Nonjudicially. The Board may instruct an attorney, officer, or agent of the Association to notify the defaulting Owner of the Association's intent to foreclose its assessment lien, to post the property for public auction, and to conduct a public auction of the Unit on the steps of the county courthouse in accordance with State law and the Association's documents. The Board may not foreclose a lien consisting solely of fines or securing money for which the Association has obtained a personal money judgment.

- 5-I. Foreclosure of Lien -- Judicially. The Association may file suit against the Owner for judicial foreclosure of the Association's assessment lien. This action may be combined with a claim against the Owner's personal liability, for recovery of a money judgment.
- 5-J. Suit for Owner's Personal Liability. Whether or not the Association forecloses the Association's assessment lien, the Board may file suit for a personal judgment against the defaulting Owner, and may execute on the judgment.
- 5-K. Possession Following Foreclosure. If the Association purchases the Unit at public auction, the Board may immediately institute actions to recover possession.
- 5-L. Limited Right of Redemption. If the Association buys a Unit at the nonjudicial foreclosure sale of its assessment lien, the Association's ownership is subject to a ninety (90) day right of redemption by the Owner. TUCA's statutory right of redemption does not apply to judicial foreclosures or foreclosures of judgment liens.
- 5-M. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.
- 5-N. Cancellation of Debt. If the Board deems the debt uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.
- 5-O. Suspension of Voting Rights. The Association may suspend the voting rights of an Owner whose account with the Association is delinquent for at least thirty (30) days.
- 5-P. Suspension of Use of Certain Facilities or Services. The Association may suspend the use of the Common Element amenities by an Owner, or his tenant, whose account with the Association is delinquent for at least thirty (30) days.
- 5-Q. Utility Shut-Off. The Association may terminate utility service to the Unit for which Assessments used to pay the cost of that utility are delinquent, according to the Association's utility shut-off policy.

SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, Directors, manager, and attorney of the Association will exercise their independent, collective, and respective judgment in applying this policy.
- 6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect Assessments under the Association's Documents and the laws of the State of Texas.

- 6-C. Limitations of Interest. The Association, and its officers, Directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.
- 6-D. Notices. Unless the Documents, Texas law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or on personal delivery to the Owner. If the Association's records show that two (2) or more persons own a Unit, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one Resident is deemed notice to all Residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's President, Secretary, managing agent, or attorney.
- 6-E. Definitions. Words and phrases used in this policy have the same meanings given to them by the Declaration.
- 6-F. Amendment of Policy. This policy will remain effective until ten (10) days after the Association delivers to an Owner of each Unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

ATTACHMENT 5
FINE POLICY

1. **Background.** This fine policy is based on the requirements of Sec. 82.102(d) and (e) of TUCA. To establish policies and procedures for fining under TUCA, the Declarant adopts this policy for the benefit of the Association, as part of the initial project documentation.
2. **Policy.** The Association uses fines to discourage violations of the Documents, and to encourage compliance when a violation occurs - not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation. Nor may the Association use fines to the exclusion of other remedies.

DRAFTER'S DICTUM

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

3. **Owner's Liability.** An Owner is liable for fines levied by the Association for violations of the Documents by the Owner, the Residents of the Unit, and the relatives, guests, employees, and agents of the Owner and Residents. Regardless of who performs the violation, the Association will direct its communications to the Owner, although the Association may send copies of its notices to the Resident.
4. **Violation Notice.** Before levying a fine, the Association will give the Owner a written violation notice and an opportunity to be heard. This requirement may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the amount of the fine; (6) a statement that not later than the 30th day after the date of the violation notice, the Owner may request a hearing before the Board to contest the fine; and (7) the date the fine attaches or begins accruing (the "**Start Date**"), subject to the following:
 - a. **New Violation.** If the Owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months, the notice will state a specific date by which the violation must be cured to avoid the fine, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy of a fine.

- b. Repeat Violation. In the case of a repeat violation, the notice will state that, because the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months, the fine attaches from the date of the violation notice.
5. Violation Hearing. An Owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, an Owner must submit a written request to the Association's manager within thirty (30) days after the date of the violation notice. Within fifteen (15) days after Owner's request for a hearing, the Association will give the Owner at least fifteen (15) days' notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the meeting, the notice requirements will be deemed satisfied.
6. Levy of Fine. Within thirty (30) days after levying the fine, the Board must give the Owner notice of the levied fine. If the fine is levied at the hearing at which the Owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the Owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the Owner periodic written notices of an accruing fine or the application of an Owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.
7. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. If circumstances warrant a variance from the schedule, the Board will document the reasons for the variance in the minutes of its meeting. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Documents. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped.
8. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, monthly, or quarterly), beginning on the Start Date. If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

9. Collection of Fines. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.

10. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until ten (10) days after the Association delivers to an Owner of each Unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

ATTACHMENT 6
RECORDS INSPECTION, COPYING, AND RETENTION POLICY

Capitalized terms used but not defined in this policy will have the meaning ascribed to such terms in the Declaration, as the same may be amended from time to time.

1. **Written Form.** The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

2. **Request in Writing; Pay Estimated Costs In Advance.** An Owner (or an individual identified as an Owner's agent, attorney or certified public accountant, provided the designation is in writing and delivered to the Association) may submit a written request via certified mail to the Association's mailing address or authorized representative listed in the management certificate to access the Association's records. The written request must include sufficient detail describing the books and records requested and whether the Owner desires to inspect or copy the records. Upon receipt of a written request, the Association may estimate the costs associated with responding to each request, which costs may not exceed the costs allowed pursuant to Texas Administrative Code Section 70.3, as may be amended from time to time (a current copy of which is attached hereto) and may not exceed actual costs for an item produced by a third party. Before providing the requested records, the Association will require that the Owner remit such estimated amount to the Association. The Association will provide a final invoice to the Owner on or before the thirtieth (30th) business day after the records are provided by the Association. If the final invoice includes additional amounts due from the requesting party, the additional amounts, if not reimbursed to the Association before the thirtieth (30th) business day after the date the invoice is sent to the Owner, may be added to the Owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the Owner is entitled to a refund, and the refund shall be issued to the Owner not later than the thirtieth (30th) business day after the date the final invoice is sent to the Owner.

3. **Period of Inspection.** Within ten (10) business days from receipt of the written request, the Association must either: (1) provide the copies to the Owner; (2) provide available inspection dates; or (3) provide written notice that the Association cannot produce the documents within the ten (10) business days along with either: (i) another date within an additional fifteen (15) business days on which the records may either be inspected or by which the copies will be sent to the Owner; or (ii) a notice that after a diligent search, the requested records are missing and cannot be located.

4. **Records Retention.** The Association shall keep the following records for at least the time periods stated below:

- a. **PERMANENT:** The Articles of Incorporation or the Certificate of Formation, the Bylaws and the Declaration, any and all other governing documents, guidelines, rules, regulations and policies and all

amendments thereto Recorded in the property records to be effective against any Owner and/or Member of the Association.

- b. **FOUR (4) YEARS:** Contracts with a term of more than one (1) year between the Association and a third party. The four (4) year retention term begins upon expiration of the contract term.
- c. **FIVE (5) YEARS:** Account records of each Owner. Account records include debit and credit entries associated with amounts due and payable by the Owner to the Association, and written or electronic records related to the Owner and produced by the Association in the ordinary course of business.
- d. **SEVEN (7) YEARS:** Minutes of all meetings of the Board and the Owners.
- e. **SEVEN (7) YEARS:** Financial books and records produced in the ordinary course of business, tax returns and audits of the Association.
- f. **GENERAL RETENTION INSTRUCTIONS:** "Permanent" means records which are not to be destroyed. Except for contracts with a term of one (1) year or more (See item 4.b. above), a retention period starts on the last day of the year in which the record is created and ends on the last day of the year of the retention period. For example, if a record is created on June 14, 2021, and the retention period is five (5) years, the retention period begins on December 31, 2021 and ends on December 31, 2026. If the retention period for a record has elapsed and the record will be destroyed, the record should be shredded or otherwise safely and completely destroyed. Electronic files should be destroyed to ensure that data cannot be reconstructed from the storage mechanism on which the record resides.

5. **Confidential Records.** As determined in the discretion of the Board, certain Association records may be kept confidential such as personnel files, Owner account or other personal information (except addresses) unless the Owner requesting the records provides a court order or written authorization from the person whose records are sought.

6. **Attorney Files.** Attorney's files and records relating to the Association (excluding invoices requested by an Owner pursuant to Texas Property Code Section 82.1141(c)), are not records of the Association and are not: (a) subject to inspection by the Owner; or (b) subject to production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of

the document. The Association is not required under any circumstance to produce a document for inspection or copying that constitutes attorney work product or that is privileged as an attorney-client communication.

7. *Presence of Board Member or Manager; No Removal.* At the discretion of the Board or the Association's Manager, certain records may only be inspected in the presence of a Board member or employee of the Association's Manager. No original records may be removed from the office without the express written consent of the Board.

TEXAS ADMINISTRATIVE CODE
TITLE 1, PART 3, CHAPTER 70
RULE §70.3 - CHARGES FOR PROVIDING COPIES OF PUBLIC INFORMATION

(a) The charges in this section to recover costs associated with providing copies of public information are based on estimated average costs to governmental bodies across the state. When actual costs are 25% higher than those used in these rules, governmental bodies other than agencies of the state, may request an exemption in accordance with §70.4 of this title (relating to Requesting an Exemption).

(b) Copy charge.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$.10 per page or part of a page. Each side that has recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

(A) Diskette--\$1.00;

(B) Magnetic tape--actual cost;

(C) Data cartridge--actual cost;

(D) Tape cartridge--actual cost;

(E) Rewritable CD (CD-RW)--\$1.00;

(F) Non-rewritable CD (CD-R)--\$1.00;

(G) Digital video disc (DVD)--\$3.00;

(H) JAZ drive--actual cost;

(I) Other electronic media--actual cost;

(J) VHS video cassette--\$2.50;

(K) Audio cassette--\$1.00;

(L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--\$.50;

(M) Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.

(c) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.

(1) The hourly charge for a programmer is \$28.50 an hour. Only programming services shall be charged at this hourly rate.

(2) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

(3) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

(d) Labor charge for locating, compiling, manipulating data, and reproducing public information.

(1) The charge for labor costs incurred in processing a request for public information is \$15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(2) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

(A) Two or more separate buildings that are not physically connected with each other; or

(B) A remote storage facility.

(3) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(A) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(B) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(4) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(5) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(6) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

(e) Overhead charge.

(1) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would

cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(2) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(3) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $\$15.00 \times .20 = \3.00 ; or Programming labor charge, $\$28.50 \times .20 = \5.70 . If a request requires one hour of labor charge for locating, compiling, and reproducing information ($\$15.00$ per hour); and one hour of programming labor charge ($\$28.50$ per hour), the combined overhead would be: $\$15.00 + \$28.50 = \$43.50 \times .20 = \8.70 .

(f) Microfiche and microfilm charge.

(1) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(2) If only a master copy of information in microfilm is maintained, the charge is \$.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

(g) Remote document retrieval charge.

(1) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(2) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

(h) Computer resource charge.

(1) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(2) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(3) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--\$10 per CPU minute; Midsize--\$1.50 per CPU minute; Client/Server--\$2.20 per clock hour; PC or LAN--\$1.00 per clock hour.

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $\$10 / 3 = \3.33 ; or $\$10 / 60 \times 20 = \3.33 .

(5) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

(i) Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

(j) Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

(k) Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).

(l) Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

(m) These charges are subject to periodic reevaluation and update.

Source Note: The provisions of this §70.3 adopted to be effective September 18, 1996, 21 TexReg 8587; amended to be effective February 20, 1997, 22 TexReg 1625; amended to be effective December 3, 1997, 22 TexReg 11651; amended to be effective December 21, 1999, 24 TexReg 11255; amended to be effective January 16, 2003, 28 TexReg 439; amended to be effective February 11, 2004, 29 TexReg 1189; transferred

effective September 1, 2005, as published in the Texas Register September 29, 2006, 31 TexReg 8251; amended to be effective February 22, 2007, 32 TexReg 614.

ATTACHMENT 7
RELIGIOUS DISPLAY POLICY

Capitalized terms used but not defined in this policy will have the meaning ascribed to such terms in the Declaration, as the same may be amended from time to time.

1. **Display of Religious Items.** Section 202.018 of the Texas Property Code provides certain rights for an Owner or Occupant to display or affix one or more religious items on the Owner's or Occupant's property. The display of which is motivated by the Owner's or Occupant's sincere religious belief.
2. **Content Prohibitions.** No religious item may be displayed that: (a) threatens the public health or safety; (b) violates a law other than a law prohibiting the display of religious speech; or (c) contains language, graphics, or any display that is patently offensive to a passerby for reasons other than its religious content.
3. **Location Restrictions.** No religious item may be displayed that: (a) is installed on property owned or maintained by the Association; (b) is installed on or within the Common Elements; (c) violates any applicable building line, right-of-way, setback, or easement; or (d) is attached to a traffic control device, street lamp, fire hydrant, or utility sign, pole, or fixture.
4. **Removal.** The Association may cause to be removed any item which is in violation of the terms and provisions of this policy.
5. **Conflicts.** To the extent that any provision of the Association's recorded covenants restrict or prohibit an Owner or Occupant from displaying or affixing a religious item in violation of the controlling provisions of Section 202.018 of the Texas Property Code, the Association shall have no authority to enforce such provisions, and the provisions of this policy shall control.
6. **Amendment.** This policy may be amended by the Declarant during the Development Period and by the Board thereafter.

ATTACHMENT 8

ROUGH HOLLOW CONDOMINIUMS

COMMUNITY MANUAL

CERTIFICATION & ACKNOWLEDGMENT

As the Declarant of Rough Hollow Condominiums and the initial and sole member of The Point at Rough Hollow Condominium Association, Inc. (the "Association"), certifies that the foregoing Rough Hollow Condominiums Community Manual was adopted for the benefit of the Association as part of the initial project documentation for Rough Hollow Condominiums, located in Travis County, Texas. This Community Manual becomes effective when recorded.

SIGNED on this 3 day of May, 2022

DECLARANT:

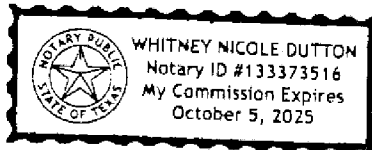
ASH CREEK HOMES, INC.,
a Texas corporation

By: Jenna Edge
Printed Name: Jenna Edge
Title: President

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on May 3, 2022 by Jenna Edge, President of ASH CREEK HOMES, INC., a Texas corporation, on behalf of said corporation.

(SEAL)



Whitney Nicole Dutton
Notary Public Signature

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

ATTACHMENT 4

PROPOSED BUDGET

THE POINT AT ROUGH HOLLOW CONDOMINIUM ASSOCIATION, INC.

Summary of Initial 12-Month Operating Budget

Expenses

Maintenance \$54,000.00

Includes electrical repairs, general maintenance, landscaping, irrigation repairs and maintenance, etc.

Administrative \$2,600.00

Includes copies, postage, scans, letters, website, etc.

Professional \$12,650.00

Includes tax preparation, legal fees, management fees, etc.

Utilities \$3,300.00

Includes Common Element electricity, telephone, water, etc.

Insurance \$2,300.00

Reserves

Funding for future improvements/repairs. \$6,000.00

The estimated monthly Regular Assessment for each Unit is \$161.00.

The estimated monthly Master Assessments for each Unit is \$167.00.

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

ATTACHMENT 5

MASTER COVENANT

11-GF# 72964 JPB
RETURN TO: HERITAGE TITLE
401 CONGRESS, SUITE 1500
AUSTIN, TEXAS 78701



After Recording Return To:

ROBERT D. BURTON
ARMBRUST & BROWN, L.L.P.
100 CONGRESS AVE., SUITE 1300
AUSTIN, TEXAS 78701

U9



OTHER 2009056508
69 PGS

ROUGH HOLLOW SOUTH SHORE II MASTER COVENANT

(A Master Planned Community in Travis County, Texas)

NOTE: NO PORTION OF THE PROPERTY DESCRIBED ON EXHIBIT "A" IS SUBJECT TO THE TERMS OF THIS MASTER COVENANT UNLESS A NOTICE OF APPLICABILITY DESCRIBING SUCH PORTION OF THE PROPERTY IS FILED IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, IN ACCORDANCE WITH SECTION 9.05 BELOW.

Declarant: ROUGH HOLLOW DEVELOPMENT, LTD., a Texas limited partnership

**Armbrust
& Brown
LLP**

Copyright © 2009. All rights reserved. This Master Covenant may be used only in connection with the Master Planned Community known as Rough Hollow South Shore II in Travis County, Texas and the operation of Rough Hollow South Shore II Master Community, Inc.

ROUGH HOLLOW SOUTH SHORE II
MASTER COVENANT

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....	2
ARTICLE 2 GENERAL RESTRICTIONS	9
2.01 General.....	9
2.02 Incorporation of Development Area Declarations	10
2.03 Conceptual Plans.....	10
2.04 Provision of Benefits and Services to Service Areas.....	11
2.05 Rough Hollow South Shore II Community Council.	12
ARTICLE 3 THE ASSOCIATION	12
3.01 Organization	12
3.02 Membership.	13
3.03 Neighborhoods.....	16
3.04 Voting Groups	16
3.05 Voting Rights.	17
3.06 Vote Allocation.....	20
3.07 Powers.....	21
3.08 Master Community Facilities, Special Common Area and Area of Common Responsibility.	24
3.09 Indemnification	26
3.10 Insurance	26
3.11 Bulk Rate Contracts.....	27
3.12 Community Technology.....	27
3.13 Cooperation with the Community Council.....	28
ARTICLE 4 INSURANCE; DAMAGE AND DESTRUCTION.....	29
4.01 Insurance	29
4.02 Restoration	29
4.03 Mechanic’s and Materialmen’s Lien.....	30
4.04 Damage and Destruction – Association Property.....	30
ARTICLE 5 COVENANT FOR ASSESSMENTS	31
5.01 Assessments.....	31
5.02 Maintenance Fund.....	32
5.03 Regular Annual Assessments	32
5.04 Special Common Area Assessments.....	32
5.05 Service Area Assessinents.....	33
5.06 Individual Assessments.....	33
5.07 Special Assessments.....	33
5.08 Working Capital Fee.	34

5.09	Amount of Assessment.....	35
5.10	Late Charges.....	36
5.11	Owner’s Personal Obligation; Interest	36
5.12	Application of Payments.....	37
5.13	Assessment Lien and Foreclosure.....	37
5.14	Exempt Property.....	39
5.15	Fines and Damages Assessment.	39
ARTICLE 6 ARCHITECTURAL COVENANTS AND CONTROL.....		41
6.01	Purpose	41
6.02	Architectural Reviewer.....	41
6.03	Architectural Control by Declarant.	41
6.04	Architectural Control by Association.....	42
6.05	Prohibition of Construction, Alteration and Improvement	42
6.06	Architectural Approval.	43
6.07	Limits on Liability.	45
ARTICLE 7 MORTGAGE PROVISIONS.....		45
7.01	Applicability.....	45
7.02	Notice of Action.....	45
7.03	Examination of Books	46
7.04	Taxes, Assessments and Charges.....	46
ARTICLE 8 EASEMENTS		46
8.01	Right of Ingress and Egress.....	46
8.02	Reserved Easements.....	46
8.03	Subdivision Entry, Fencing and Landscape Easements	47
8.04	Easement for Construction of Nature Trail	47
8.05	Easements for Special Events	47
ARTICLE 9 DEVELOPMENT RIGHTS.....		48
9.01	Development by Declarant	48
9.02	Special Declarant Rights.....	48
9.03	Addition of Land.....	48
9.04	Withdrawal of Land.....	49
9.05	Notice of Applicability	49
9.06	Assignment of Declarant’s Rights.....	50
ARTICLE 10 DISPUTE RESOLUTION.....		51
10.01	Agreement to Encourage Resolution of Disputes without Litigation.	51
10.02	Dispute Resolution Procedures.....	52
10.03	Initiation of Litigation by Association.....	53
ARTICLE 11 GENERAL PROVISIONS.....		54
11.01	Term	54
11.02	Eminent Domain	55

11.03	Amendment.....	55
11.04	Higher Authority.....	56
11.05	Severability.....	56
11.06	Conflicts.....	56
11.07	Gender.....	56
11.08	Acceptance by Grantees.....	56
11.09	Declarant as Attorney in Fact.....	57
11.10	No Partition.....	57
11.11	Notices.....	57
11.12	Enforcement and Nonwaiver.....	58
11.13	View Impairment.....	58
11.14	Safety and Security.....	58

ROUGH HOLLOW SOUTH SHORE II
MASTER COVENANT

This Rough Hollow South Shore II Master Covenant (the "Master Covenant") is made by **ROUGH HOLLOW DEVELOPMENT, LTD.**, a Texas limited partnership ("Declarant"), and is as follows:

RECITALS:

A. Declarant, together with Las Ventanas Land Partners, Ltd., a Texas limited partnership ("Las Ventanas") and JH West Land Ventures, Ltd., a Texas limited partnership ("JH West"), collectively own certain real property located in Travis County, Texas, as more particularly described on Exhibit "A" attached hereto (the "Property").

B. Declarant, Las Ventanas and JH West desire to create and carry out a uniform plan for the development, improvement, and sale of the Property, subject to the terms and provisions hereof, and with Declarant to hold all right, title and interest of the Declarant hereunder. Las Ventanas and JH West have each executed this Master Covenant for the purposes of evidencing their consent to the terms and provisions hereof, to the inclusion of the portions of the Property owned by each of them in the Property, and to the vesting in Declarant in each of its rights hereunder.

C. No portion of the Property will be subject to this Master Covenant unless and until a Notice of Applicability for such portion of the Property has been filed pursuant to *Section 9.05* below. Once a Notice of Applicability is filed pursuant to *Section 9.05*, the portion of the Property described therein will constitute the Development (as defined below) and will be governed by and fully subject to this Master Covenant. In turn, the Development will be comprised of separate Development Areas (as defined below) which will be governed by and subject to separate Development Area Declarations (as defined below) in addition to this Master Covenant.

No portion of the Property is subject to the terms and provisions of this Master Covenant until a Notice of Applicability (as defined in *Section 9.05*) is filed in the Official Public Records of Travis County, Texas. A Notice of Applicability may only be filed by Declarant. If Declarant is not the owner of any portion of the Property then being made subject to the terms and provisions of the Master Covenant, the owner of the Property must execute the Notice of Applicability evidencing its consent to its recordation.

Property versus Development versus Development Area

"Property"- Described on *Exhibit A*. This is the land that may be made subject to this Master Covenant, from time to time, by the filing of one or more Notices of Applicability.

"Development" This is the portion of the land described on *Exhibit A* that has been made subject to this Master Covenant through the filing of a Notice of Applicability.

"Development Area" This is a portion of the Development. In most circumstances, a Development Area will comprise a separately platted subdivision within the Development.

D. By the filing of this Master Covenant, Declarant serves notice that upon the further filing of one or more Notices of Applicability pursuant to the requirements of *Section 9.05* below, portions of the Property identified in such notice or notices will be subjected to the terms and provisions of this Master Covenant.

NOW, THEREFORE, it is hereby declared that: (i) those portions of the Property as and when subjected to this Master Covenant pursuant to *Section 9.05* below will be held sold, conveyed, and occupied subject to the following covenants, conditions and restrictions which will run with such portions of the Property and will be binding upon all parties having right, title, or interest in or to such portions of the Property or any part thereof, their heirs, successors, and assigns and will inure to the benefit of each owner thereof; and (ii) that each contract or deed conveying those portions of the Property which are subjected to this Master Covenant pursuant to *Section 9.05* will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed.

This Master Covenant uses notes (text set apart in boxes) to illustrate concepts and assist the reader. If there is a conflict between any note and the text of the Master Covenant, the text will control.

ARTICLE 1
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Master Covenant will have the meanings hereinafter specified:

1.01. "Approval or Consent" as used in the Master Restrictions means advance written approval or consent that may be granted or withheld in the sole discretion of the party whose consent or approval is required.

1.02. "Architectural Reviewer" means Declarant until Declarant no longer owns or has the option to acquire all or any portion of the Property. When Declarant no longer owns or

has any option to acquire all or any portion of the Property, the rights of the Architectural Reviewer will automatically be transferred to the Architectural Control Committee appointed by the Board.

1.03. "Assessment" or "Assessments" means assessments imposed by the Association under this Master Covenant.

1.04. "Assessment Unit" has the meaning set forth in *Section 5.09(b)*.

1.05. "Association" means Rough Hollow South Shore II Master Community, Inc., a Texas nonprofit corporation, which will be created by Declarant to exercise the authority and assume the powers specified in *Article 3* and elsewhere in this Master Covenant.

1.06. "Area of Common Responsibility" means all of the properties and facilities for which the Association has responsibility under the Master Restrictions, or for which the Association otherwise agrees to assume responsibility, regardless of ownership. The Area of Common Responsibility includes the Master Community Facilities, Special Common Area, and may also include Lots and Condominium Units or portions thereof, and property dedicated to the public, such as public rights-of-way. The initial Area of Common Responsibility is described in *Section 3.08*.

1.07. "Board" means the Board of Directors, which is the governing body of the Association.

1.08. "Bulk Rate Contract" or "Bulk Rate Contracts" means one or more contracts which are entered into by the Association for the provision of utility services or other services of any kind or nature to the Lots and/or Condominium Units. The services provided under Bulk Rate Contracts may include, without limitation, cable television services, telecommunications services, internet access services, "broadband" services, security services, trash pick up services, propane service, natural gas service, lawn maintenance services and any other services of any kind or nature which are considered by the Board to be beneficial. The Board has no obligation to enter into any Bulk Rate Contracts for the provision services to Owners or Occupants.

1.09. "Bylaws" means the Bylaws of the Association as adopted and as amended from time to time.

1.10. "Certificate" means the Certificate of Formation of the Association, filed in the Office of the Secretary of State of Texas, as the same may be amended from time to time.

1.11. "Commercial Lot" means any portion of the Development designated by Declarant or shown as a subdivided lot on a Plat, other than a Residential Lot, Condominium Lot, Master Community Facilities, or Special Common Area, that is intended and designated for business or commercial use. Business or commercial use shall include, but not be limited to, all office, retail, wholesale, manufacturing, and service activities, and shall also be deemed to

include multi family, duplex and apartment housing of various densities other than a condominium regime.

1.12. "**Community Council**" means the Rough Hollow South Shore II Community Council, Inc., if created by Declarant pursuant to *Section 2.05* below. Declarant has no obligation to create the Community Council.

1.13. "**Community Covenant**" means the Community Covenant for Rough Hollow South Shore II which creates the Community Council and includes additional provisions regarding the operation thereof, if created by Declarant pursuant to *Section 2.05* below. Declarant has no obligation to establish the Community Covenant.

1.14. "**Condominium Lot**" means any portion of the Development designated by Declarant or shown as a subdivided lot on a Plat, other than a Residential Lot, Commercial Lot, Master Community Facilities, or Special Common Area, on which a condominium regime has been established.

1.15. "**Condominium Unit**" means an individual unit, including any common element assigned thereto, within a condominium regime, if any, established within the Development. A Condominium Unit may be intended and designated in any Development Area Declaration for residential, commercial or live/work purposes.

1.16. "**Declarant**" means **ROUGH HOLLOW DEVELOPMENT, LTD.**, a Texas limited partnership, its successors or assigns; provided that any assignment(s) of the rights of Declarant must be expressly set forth in writing and recorded in the Official Public Records of Travis County, Texas.

The "Declarant" is the party who causes the Property to be developed for actual residential and commercial use. Declarant enjoys special privileges to help protect its investment in the Development. These special rights are described in this Master Covenant. Many of these rights do not terminate until either Declarant: (i) has sold all Lots or Condominium Units which may be created out of the Property; or (ii) voluntarily terminates these rights by a written instrument recorded in the Official Public Records of Travis County, Texas.

1.17. "**Design Guidelines**" means the standards for design, construction, landscaping, and exterior items placed on any Lot or Condominium Unit adopted by the Architectural Reviewer pursuant to *Section 6.06(b)*, as the same may be amended from time to time. The Design Guidelines may consist of multiple written design guidelines applying to specific portions of the Development.

1.18. "**Development**" refers to any and all portions of the Property that are made subject to this Master Covenant pursuant to *Section 9.05* of this Master Covenant.

1.19. "**Development Area**" means any part of the Development (less than the whole) which may be subject to Development Area Declarations in addition to being subject to this Master Covenant.

1.20. "**Development Area Declaration**" means, with respect to any Development Area, the separate instrument(s) containing covenants, restrictions, conditions, limitations and/or easements, to which the property within such Development Area is subjected.

1.21. "**Development Period**" means the period in which either Declarant, Las Ventanas Land Partners, Ltd., a Texas limited partnership or JH West Land Ventures, Ltd., a Texas limited partnership, owns or has the option to acquire all or any portion of the Property.

1.22. "**Governmental Entity**" means (i) a public improvement district created pursuant to Chapter 372, Subchapter B of the Texas Local Government Code; (ii) a municipal utility district created pursuant to Article XVI, Section 59 of the Constitution of Texas and Chapters 49 and 54, Texas Water Code; or (iii) any other similarly constituted governmental entity created for the purpose of providing benefits or services to the Development and/or the Property.

1.23. "**Homebuilder**" means an Owner (other than the Declarant) who acquires a Lot for the construction of a single family residence for resale to a third party.

1.24. "**Improvement**" means every structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to, buildings, outbuildings, storage sheds, patios, tennis courts, sport courts, recreational facilities, swimming pools, putting greens, garages, driveways, parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, patios, decks, walkways, landscaping, mailboxes, poles, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.25. "**Lot**" means any portion of the Development designated by Declarant or shown as a subdivided lot on a Plat, other than Master Community Facilities or Special Common Area, or a Lot on which a condominium regime has been established, and shall include Commercial Lots, Residential Lots and Condominium Lots.

1.26. "**Manager**" has the meaning set forth in *Section 3.07(h)*.

1.27. "**Master Community Facilities**" means property and facilities that the Association owns or in which it otherwise holds possessory or use rights for the common use or

benefit of more than one Lot or Condominium Unit. The Master Community Facilities also include any property that the Association holds possessory rights under a lease, license or any easement in favor of the Association. Some Master Community Facilities will be for the common use and enjoyment of the Development's Occupants, *e.g.*, subdivision swimming pools or internal pocket parks, while some portion of the Master Community Facilities may be for the use and enjoyment of the public, *e.g.*, open space, parks, and recreational facilities. Open space, parks and/or recreational facilities dedicated to the public may be classified as Master Community Facilities under this Master Covenant to permit the Association to provide maintenance services to such facilities. No portion of any Master Community Facilities dedicated in whole or in part for public use may be designated as Special Common Area. Declarant, from time to time and at any time, may designate Master Community Facilities.

1.28. "**Master Restrictions**" means the restrictions, covenants, and conditions contained in this Master Covenant, any Development Area Declaration, the Design Guidelines, Bylaws, or in any rules and regulations promulgated by the Association pursuant to this Master Covenant or any Development Area Declaration, as adopted and amended from time to time. See *Table 1* for a summary of the Master Restrictions.

1.29. "**Member**" means every person or entity that holds membership privileges in the Association.

1.30. "**Membership Agreement**" means an agreement in the form specified by the Board for execution by each Member, evidencing such Member's acknowledgment of and agreement to be bound by the terms of this Master Covenant. As provided in *Section 3.02(b)* below, the Board may elect to require each Member to execute a Membership Agreement.

1.31. "**Mortgage**" or "**Mortgages**" means any mortgage(s) or deed(s) of trust securing indebtedness and covering any Lot or Condominium Unit.

1.32. "**Mortgagee**" or "**Mortgagees**" means the holder(s) of any Mortgage(s).

1.33. "**Notice of Applicability**" has the meaning set forth in *Section 9.05*.

1.34. "**Occupant**" means any person, including any Owner, having a right to occupy or use all or any portion of a Lot or Condominium Unit for any period of time.

1.35. "**Owner**" means the person(s), entity or entities, including Declarant, holding all or a portion of the fee simple interest in any Lot or a Condominium Unit, but does not include the Mortgagee under a Mortgage prior to its acquisition of fee simple interest in such Lot or Condominium Unit pursuant to foreclosure of the lien of its Mortgage.

1.36. "**Plat**" means a subdivision plat of any portion of the Development as recorded in the Official Public Records of Travis County, Texas, and any amendments thereto.

1.37. "**Property**" means all of that certain real property described on Exhibit "A", attached hereto, subject to such additions thereto and deletions therefrom as may be made pursuant to *Section 9.03* and *Section 9.04* of this Master Covenant.

1.38. "**Residential Lot**" means a portion of the Development shown as a subdivided lot on a Plat, other than Master Community Facilities and Special Common Area, which is intended and designated solely for single-family residential use.

1.39. "**Rules and Regulations**" means any instrument, however denominated, which is adopted by the Board for the regulation and management of the Development, including any amendments to those instruments.

1.40. "**Service Area**" means a group of Lots and/or Condominium Units designated as a separate Service Area pursuant to this Master Covenant for purpose of receiving benefits or services from the Association which are not provided to all Lots and Condominium Units. A Service Area may be comprised of more than one housing type or structure and may include noncontiguous Lots. A Lot or Condominium Unit may be assigned to more than one Service Area. Service Area boundaries may be established and modified as provided in *Section 2.04*.

1.41. "**Service Area Assessments**" means Assessments levied against the Lots and/or Condominium Units in a particular Service Area to fund Service Area Expenses, as described in *Section 5.05*.

1.42. "**Service Area Expenses**" means the actual and estimated expenses which the Association incurs or expects to incur for the benefit of Owners within a particular Service Area, which may include a reasonable reserve for capital repairs and replacements and a reasonable administrative charge, as may be authorized pursuant to this Master Covenant.

1.43. "**Special Common Area**" means any interest in real property or Improvements which is designated by Declarant in a Notice of Applicability filed pursuant to *Section 9.05*, in a Development Area Declaration or in any written instrument recorded by Declarant in the Official Public Records of Travis County, Texas (which designation will be made in the sole and absolute discretion of Declarant) as Master Community Facilities which benefit one or more, but less than all of the Lots, Condominium Units, Owners or Development Areas, and is or will be conveyed to the Association, or otherwise held by Declarant for the benefit of the Owners of property to which such Special Common Area benefits. The Notice of Applicability, Development Area Declaration, or other written notice will identify the Lots, Condominium Units, Owners or Development Areas benefited by such Special Common Area. By way of illustration and not limitation, Special Common Area might include such things as private roadways or gates, entry features, walkways or landscaping which Declarant desires to dedicate for the exclusive use of certain Lots and/or Condominium Units. All costs associated with maintenance, repair, replacement, and insurance of Special Common Area will be assessed as a Special Common Area Assessment against the Owners of the Lots and/or Condominium Units

to which the Special Common Area is assigned. No portion of any Master Community Facilities, which is open to the public use, may be designated as Special Common Area.

TABLE 1: MASTER RESTRICTIONS

Master Covenant (recorded in the Official Public Records of Travis County, Texas)	Creates obligations that are binding upon the Association and all present and future owners of Property made subject to the Master Covenant by the filing of a Notice of Applicability.
Notice of Applicability (recorded in the Official Public Records of Travis County, Texas)	Describes the portion of the Property being made subject to the terms and provisions of the Master Covenant.
Development Area Declaration (recorded in the Official Public Records of Travis County, Texas)	Contains additional covenants, conditions and restrictions governing portions of the Development.
Certificate of Formation (filed with the Secretary of State)	Establishes the Association as a Texas nonprofit corporation.
Bylaws (adopted by the Board of the Association)	Govern the Association's internal affairs, such as elections, meetings, etc.
Design Guidelines (adopted by the Architectural Reviewer and recorded in the Official Public Records of Travis County, Texas)	Govern the design and architectural standard for the construction of Improvements and modifications thereto.
Rules and Regulations (adopted by the Board of the Association)	Regulate the use of property, activities, and conduct within the Development.
Board Resolutions (adopted by the Board of the Association)	Establish rules, policies, and procedures for internal governance and activities of the Association.

ARTICLE 2
GENERAL RESTRICTIONS

2.01 General.

(a) Conditions and Restrictions. All Lots and Condominium Units within the Development, for which a Notice of Applicability has been filed in accordance with *Section 9.05*, will be owned, held, encumbered, leased, used, occupied and enjoyed subject to: (i) the applicable conditions, restrictions, reservations, and easements contained in this Master Covenant; (ii) any applicable conditions, restrictions, reservations, and easements contained in the Development Area Declaration covering the Development Area in which such Lot or Condominium Unit is located; (iii) the Design Guidelines, as amended or modified as to such Lots or Condominium Units; and (iv) any rules and regulations adopted by the Board. **NO PORTION OF THE PROPERTY WILL BE SUBJECT TO THE TERMS AND PROVISIONS OF THIS MASTER COVENANT UNTIL A NOTICE OF APPLICABILITY HAS BEEN FILED FOR SUCH PROPERTY IN ACCORDANCE WITH SECTION 9.05 OF THIS MASTER COVENANT.**

(b) Ordinances. In addition to the terms of the Master Restrictions, the Property is also subject to any additional covenants, conditions, restrictions, and easements filed of record in the Official Public Records of Travis County, Texas. Ordinances, requirements and regulations imposed by applicable governmental authorities are applicable to all Lots and Condominium Units within the Development. Compliance with the Master Restrictions is not a substitute for compliance with such ordinances, requirements and regulations. Please be advised that the Master Restrictions do not list or describe each requirement which may be applicable within the Development. Compliance with the Master Restrictions is not a substitute for compliance with the applicable governmental or regulatory ordinances, rules and regulations. Each Owner is advised to review all encumbrances affecting the use and improvement of his property prior to submitting plans to the Architectural Reviewer for approval. Furthermore, approval by the Architectural Reviewer does not ensure that any Improvement constructed or proposed to be constructed by an Owner complies with the terms and provisions of all encumbrances which may affect the Owner's Lot or Condominium Unit. Certain encumbrances may benefit parties whose interests are not addressed by the Architectural Reviewer.

(c) City of Lakeway. As of the date of this Master Covenant, the City of Lakeway has in force an architectural review and approval process that is separate from, and in addition to, the architectural review process described herein. Accordingly, each Owner will be obligated to secure architectural approval by the City of Lakeway prior to seeking architectural from the Architectural Reviewer. Any approval granted by the Architectural Reviewer, or any notation on the plans signifying the Architectural Reviewer's approval, is conditional and no Improvements may be constructed until the

Owner has submitted to the Architectural Reviewer a copy of the plans and specifications approved by the City of Lakeway for such Improvements and the Architectural Reviewer has issued to the Owner a "Notice to Proceed." Each Owner is advised to contact the City to obtain a current version of the City's requirements and procedures.

(d) Highland Lakes Watershed Ordinance. The Development is currently subject to the Highland Lakes Watershed Ordinance of the Lower Colorado River Authority. This ordinance provides that, in addition to approval by the Architectural Reviewer, development or construction of Improvements within the Development may require an LCRA development permit or other permit required by any successors and assigns of the LCRA. The ordinance may also limit the amount of impervious cover that can be constructed upon a Lot. While the ordinance provides for certain exceptions to the permit requirement, **EACH OWNER IS ADVISED TO REVIEW THE ORDINANCE TO DETERMINE WHETHER IT APPLIES TO THE OWNER'S PROPERTY, AND IS SOLELY RESPONSIBLY FOR COMPLYING WITH THE PERMITTING AND OTHER REQUIREMENTS OF THE ORDINANCE.**

(e) District Requirements. In addition to the terms of the Master Restrictions and the foregoing-listed restrictions, the Property may also be subject to certain rules and requirements pertaining to the use and development of the Property imposed by a municipal utility district having jurisdiction over the Property. Such requirements may include, but are not limited to, restrictions concerning water and wastewater, erosion controls, landscaping and the use of fertilizers, pesticides and herbicides.

NOTICE

The Master Restrictions are subject to change from time to time. By owning or occupying a Lot or Condominium Unit, you agree to remain in compliance with the Master Restrictions, as amended or modified.

2.02 Incorporation of Development Area Declarations. Upon recordation of a Development Area Declaration in the Official Public Records of Travis County, Texas, such Development Area Declaration will, automatically and without the necessity of further act, be incorporated into, and be deemed to constitute a part of this Master Covenant, to the extent not in conflict with this Master Covenant, but will apply only to the Development Area described in and covered by such Development Area Declaration.

2.03 Conceptual Plans. All master plans, site plans, brochures, illustrations, information and marketing materials relating to the Development and/or the Property (collectively, the "**Conceptual Plans**") are conceptual in nature and are intended to be used for illustrative purposes only. The land uses reflected on the Conceptual Plans are subject to change at any time and from time to time, and it is expressly agreed and understood that land uses within the Property may include uses which are not shown on the Conceptual Plans.

Neither Declarant nor any Homebuilder or other developer of any portion of the Property and/or the Development makes any representation or warranty concerning such land uses and it is expressly agreed and understood that no Owner will be entitled to rely upon the Conceptual Plans in making the decision to purchase any land or Improvements within the Property and/or the Development. Each Owner acknowledges that the Development is a master planned community, the development of which is likely to extend over many years, and agrees that the Association will not have the authority to engage in or use Association funds to support, protest, challenge, or make any other form of objection to changes in the Conceptual Plans.

The Development is a master planned community which will be developed over a number of years. Changes may be made to the plans for the Development from time to time.

2.04 Provision of Benefits and Services to Service Areas.

(a) Declarant Designation. Declarant, in a Notice of Applicability (as described in *Section 9.05*) or in any written notice recorded in the Official Public Records of Travis County, Texas, may assign Lots and/or Condominium Units to one or more Service Areas (by name or other identifying designation) as it deems appropriate, which Service Areas may be then existing or newly created, and may require that the Association provide benefits or services to such Lots and/or Condominium Units in addition to those which the Association generally provides to the Development. Such benefits or services may include landscape maintenance. During the Development Period, Declarant may unilaterally amend any Notice of Applicability or any written notice that it has recorded in the Official Public Records of Travis County, Texas, to re-designate Service Area boundaries or to terminate any Service Area. All costs associated with the provision of services or benefits to a Service Area will be assessed against the Lots and/or Condominium Units within the Service Area as a Service Area Assessment.

(b) Owner Petition. In addition to Service Areas which Declarant may designate, any group of Owners may petition the Board to designate their Lots and/or Condominium Units as a Service Area for the purpose of receiving from the Association: (i) special benefits or services which are not provided to all Lots and/or Condominium Units, or (ii) a higher level of service than the Association otherwise provides. Upon receipt of a petition signed by Owners of a majority of the Lots and/or Condominium Units within the proposed Service Area, the Board will investigate the terms upon which the requested benefits or services might be provided and notify the Owners in the proposed Service Area of such terms and the charge to be made therefor, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided, any such administrative charge will apply at a uniform rate per Lot and/or Condominium Unit among all Service Areas receiving the same service). Upon

written approval of: (i) the proposal by Owners of at least sixty-seven percent (67%) of the Lots and/or Condominium Units within the proposed Service Area; and (ii) during the Development Period, the Declarant, the Association will provide the requested benefits or services on the terms set forth in the proposal. The cost and administrative charges associated with such benefits or services will be assessed against the Lots and/or Condominium Unit within such Service Area as a Service Area Assessment.

2.05 Rough Hollow South Shore II Community Council.

(a) Community Programs. Declarant hereby reserves the right, but will have no obligation, to create Rough Hollow South Shore II Community Council, which may serve as a means to encourage and support community interaction within Rough Hollow South Shore II. The Rough Hollow South Shore II Community Council, if created, will exist to encourage and provide a means for certain Owners and Occupants to participate in community-oriented affairs, services, programs, and activities. Declarant may limit membership of Rough Hollow South Shore II Community Council to Owners and Occupants of non-Commercial Lots. The Association may contribute money, real or personal property, or services to such entity.

(b) Community Covenant. If created, the Rough Hollow South Shore II Community Council will have rights and responsibilities set forth in the Community Covenant and the organizational documents of the Rough Hollow South Shore II Community Council. To secure and facilitate Declarant's ability to record a Community Covenant in the Official Public Records of Travis County, Texas, each Owner, by accepting a deed to a Lot or Condominium Unit and each Mortgagee, by accepting the benefits of a Mortgage against a Lot or Condominium Unit, and any other person, by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Lot or Condominium Unit, shall thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and person's irrevocable attorney-in-fact, with full power of substitution, only for the purpose of recording the Community Covenant in the Official Public Records of Travis County, Texas which will subject each Owner to the terms and provisions thereof. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee, and/or person, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency, and death of an Owner, Mortgagee, and/or person and shall be binding upon the legal representatives, administrators, executors, successors, heirs, and assigns of each such party.

ARTICLE 3
THE ASSOCIATION

3.01 Organization. The Association will be a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers of a Texas nonprofit

corporation. Neither the Certificate nor the Bylaws will for any reason be amended, otherwise changed, or interpreted so as to be inconsistent with this Master Covenant.

3.02 Membership.

(a) Mandatory Membership. Any person or entity, upon becoming an Owner, will automatically become a Member of the Association. Membership will be appurtenant to and will run with the ownership of the Lot or Condominium Unit that qualifies the Owner thereof for membership, and membership may not be severed from the ownership of the Lot or Condominium Unit, or in any way transferred, pledged, mortgaged or alienated, except together with the title to such Lot or Condominium Unit.

**If you acquire a Lot or Condominium Unit you automatically
become a member of the Association. Membership is Mandatory!**

(b) Membership Agreement. If required by the Board, each Owner, other than Declarant, must execute a Membership Agreement and deliver the same to the Association prior to or concurrently with the recording of a deed conveying fee title to a Lot or Condominium Unit to such Owner. Each Owner must notify the immediate transferee of his Lot or Condominium Unit of such transferee's obligation to execute and deliver a Membership Agreement, but the failure to notify a transferee will not relieve such transferee of his obligations under this *Section 3.02(b)*. The failure to execute a Membership Agreement will not prevent any person from being a Member or Owner under the terms of the Certificate, Bylaws or Master Restrictions, or excuse any Member from the payment of Assessments. If a Membership Agreement is required by the Board, an Owner who has not executed and delivered a Membership Agreement will automatically forfeit his right to the use and enjoyment of the Master Community Facilities and applicable Special Common Area. Such Owner will not be entitled to restoration of his rights in the Master Community Facilities or applicable Special Common Area until execution and delivery of a Membership Agreement by such Owner. However, the Board may, at the Board's sole discretion, provide that a Member will be entitled to the full privileges of membership in the Association, notwithstanding the failure to execute a Membership Agreement. In the event Members are entitled to a key, membership card or other token evidencing or facilitating the right to use any Improvements erected or placed on the Master Community Facilities or Special Common Area, the Board may require any Member who has not executed a Membership Agreement to return the same to the Board immediately.

(c) Owner Information. Within thirty (30) days after acquiring legal title to a Lot or Condominium Unit, each Owner must provide the Association with: (1) a copy of the recorded deed by which the Owner has acquired title to the Lot or Condominium Unit; (2) the Owner's address, phone number, and driver's license number, if any; (3) any

Mortgagee's name and address; and (4) the name and phone number of any Occupant other than the Owner.

You may be required to execute a Membership Agreement before using any of the Association's property.

Your obligation to pay assessments to the Association and comply with this Master Covenant, any applicable Development Area Declaration, the Design Guidelines, or the Rules and Regulations will not be affected by your failure to execute a Membership Agreement.

You must provide certain information to the Association upon acquiring a Lot or Condominium Unit.

(d) Easement of Enjoyment – Master Community Facilities. Every Member will have a right and easement of enjoyment in and to all of the Master Community Facilities and an access easement by and through any Master Community Facilities, which easements will be appurtenant to and will pass with the title to such Member's Lot or Condominium Unit, subject to *Section 3.02(b)* above and subject to the following restrictions and reservations:

- (i) The right of the Association to suspend the Member's voting rights and right to use the Master Community Facilities for any period during which any Assessment against such Member's Lot or Condominium Unit remains past due and for any period during which such member is in violation of any provision of this Master Covenant;
- (ii) The right of the Association and Declarant (during the Development Period) to dedicate or transfer all or any part of the Master Community Facilities to any public agency, authority or utility for such purpose;
- (iii) The right of the Association and Declarant (during the Development Period) to grant easements or licenses over and across the Master Community Facilities;
- (iv) The right of the Association to borrow money for the purpose of improving the Master Community Facilities and, in furtherance thereof, mortgage the Master Community Facilities;

(v) The right of the Association to make reasonable rules and regulations regarding the use of the Master Community Facilities and any Improvements thereon; and

(vi) The right of the Association to contract for services with any third parties on such terms as the Association may determine.

(e) Easement of Enjoyment – Special Common Area. Each Owner of a Lot or Condominium Unit which has been designated as a beneficiary of Special Common Area in a Notice of Applicability or Development Area Declaration will have a right and easement of enjoyment in and to all of such Special Common Area, and an access easement by and through such Special Common Area, which easement will be appurtenant to and will pass with title to such Owner's Lot or Condominium Unit, subject to *Section 3.02(b)* above and subject to the following restrictions and reservations:

(i) The right of Declarant to restrict the use of the Special Common Area to the beneficiaries designated in a Notice of Applicability filed pursuant to *Section 9.05* or a Development Area Declaration;

(ii) The right of the Association to suspend the Member's voting rights and right to use the Special Common Area for any period during which any Assessment against such Member's Lot or Condominium Unit remains past due and for any period during which such Member is in violation of any provision of this Master Covenant;

(iii) The right of the Association and Declarant (during the Development Period) to dedicate or transfer all or any part of the Special Common Area to any public agency, authority or utility for any purpose;

(iv) The right of the Association and Declarant (during the Development Period) to grant easements or licenses over and across the Special Common Area to any third party;

(v) The right of the Association to borrow money for the purpose of improving the Special Common Area, and, in furtherance thereof, mortgage the Special Common Area;

(vi) The right of the Association to make reasonable rules and regulations regarding use of the Special Common Area and any Improvements thereon; and

(vii) The right of the Association to contract for services with any third parties on such terms as the Association may determine.

3.03 Neighborhoods.

(a) Generally. Due to the number of Lots that may be developed in the Development, during the Development Period, Declarant may, but is not obligated to, institute a representative system of voting known as “**Neighborhood Voting**”. If Declarant elects to institute Neighborhood Voting, Lots and Condominium Units will be grouped into “**Neighborhoods**” to: (i) facilitate a system of representative voting on matters which this Master Covenant or any Development Area Declaration require approval of the Association’s membership; and (ii) to promote a sense of community and belonging by permitting Owners and Occupants within a Neighborhood to share, discuss and take action on issues unique to their Neighborhood. A Neighborhood may be comprised of any number of Lots and/or Condominium Units and may include Lots of more than one type, as well as Lots that are not contiguous to one another. Each Neighborhood will elect one “**Neighborhood Delegate**” to cast the votes allocated to all Lots in that Neighborhood on matters requiring a vote of the Owners, as described below in this *Article 3*.

(b) Notice. If Declarant elects to institute Neighborhood Voting, Declarant will record in the Official Public Records of Travis County, Texas a notice which confirms that Declarant has elected to commence Neighborhood Voting, and sets forth the initial assignment of Lots and/or Condominium Units to one or more Neighborhoods. Thereafter, for so long as Neighborhood Voting is in effect, each Notice of Applicability filed pursuant to *Section 9.05* for the purpose of annexing additional portions of the Property into the Development shall initially assign the property described therein to a specific Neighborhood which may then be existing or newly created. During the Development Period, Declarant may record a written notice in the Official Public Records of Travis County, Texas to designate or change Neighborhood boundaries, to terminate Neighborhood Voting, or to re-commence Neighborhood Voting after a prior termination.

3.04 Voting Groups. “**Voting Groups**” permit groups with dissimilar interests within any Neighborhood the opportunity to be represented on the Board and to avoid situations in which one group is able to appoint or elect all Board members allocated to a particular Neighborhood. The Declarant hereby reserves the right to create and group certain Owners or Neighborhoods into Voting Groups by recording an instrument in the Official Public Records of Travis County, Texas identifying the Voting Groups and designating which Owners or Neighborhoods belong to which Voting Groups. If established, then upon the expiration or termination of the Development Period, the Owners within each Voting Group will vote on a separate slate of candidates for election of Directors, with each Voting Group electing an equal number of Directors and any additional Director elected at large by all Members, represented by the Neighborhood Delegates, which Directors will serve until their respective successors have been duly elected or appointed. Voting Groups will be established, if at all, not later than the date of the expiration of the Development Period. Such designation may be amended from time to time by Declarant, acting alone, at any time prior to the expiration of the Development

Period by recording in the Official Public Records of Travis County, Texas an amendment to any previously recorded written notice to designate or change the composition of any Voting Group.

3.05 Voting Rights.

(a) If Neighborhood Voting Has Not Been Established. During any period in which Neighborhood Voting is not in effect, the vote or votes (or fraction thereof) attributable to each Lot and Condominium Unit will be exercised by the Owner thereof.

(b) If Neighborhood Voting Has Been Established.

(i) *Representative System.* During any period in which Neighborhood Voting is in effect, the Owners of Lots in each Neighborhood shall elect a "Neighborhood Delegate" and an alternate Neighborhood Delegate, in the manner provided below, to cast the votes of all Lots in the Neighborhood on matters requiring a vote of the membership, except where this Master Covenant specifically requires a vote of the Owners.

(ii) *Candidates.* Candidates for election as the Neighborhood Delegate and alternate Neighborhood Delegate from a Neighborhood shall be Owners of Lots or Condominium Units in the Neighborhood. The Neighborhood Delegate and the alternate Neighborhood Delegate shall be elected on a biennial basis (once every two years), either by written ballot or at a meeting of the Owners within each Neighborhood, as the Board determines; provided, upon written petition signed by Owners holding at least ten percent (10%) of the votes within any Neighborhood, the election for such Neighborhood shall be held at a meeting. The presence, in person or by proxy, of Owners representing at least twenty-five percent (25%) of the total votes in a Neighborhood shall constitute a quorum at any Neighborhood meeting.

(iii) *Election.* The Board shall call for the first election of a Neighborhood Delegate from a Neighborhood not later than ninety (90) days after Declarant has recorded in the Official Public Records of Travis County, Texas a notice creating such Neighborhood. Subsequent elections shall, if necessary, be held within thirty (30) days of the same date each year. The candidate for each position who receives the greatest number of votes shall be elected to serve until his or her successor is elected.

(iv) *Removal.* Any Neighborhood Delegate may be removed, with or without cause, upon the vote or written petition of Owners holding a

majority of the votes allocated to the Lots and Condominium Units in the Neighborhood that the Neighborhood Delegate represents.

(v) *Voting.* The Neighborhood Delegate or, in his or her absence, the alternate Neighborhood Delegate attends Association meetings and casts all votes allocated to Lots and Condominium Units in the Neighborhood that he or she represents on any matter as to which such Neighborhood Delegate is entitled to vote under this Master Covenant. A Neighborhood Delegate may cast all votes allocated to Lots and Condominium Units in the Neighborhood in such delegate's discretion and may, but need not, poll the Owners of Lots and Condominium Units in the Neighborhood which he or she represents prior to voting.

(vi) *Authority.* Neighborhood Delegates are subordinate to the Board and their responsibility and authority does not extend to policymaking, supervising, or otherwise being involved in Association governance beyond voting on matters put to a vote of the membership.

(c) Board of Directors.

(i) *Control by Declarant.* **Notwithstanding the foregoing or any provision to the contrary in this Master Covenant, until expiration or termination of the Development Period, Declarant will be entitled to appoint and remove all members of the Board and their successors (any appointment of a successor will be deemed a removal of the Board member being replaced by such appointment).** Declarant, at its option, may assign or delegate, in whole or in part, its rights and powers to the Association, the Board or any other entity provided such designation is in writing. Declarant may terminate its right as to the appointment and removal of one or all the Board members by the recordation of a termination notice executed by Declarant and recorded in the Official Public Records of Travis County, Texas. In the event Declarant terminates its right to appointment and remove less than all of the Board members, the Board positions to which the termination applies will be elected by the Neighborhood Delegates. Each Board member elected by the Neighborhood Delegates in accordance with the foregoing sentence will be elected for a term of one (1) year.

(ii) *Post-Development Period.* At such time as Declarant no longer has the right to appoint and remove all members of the Board as provided in *Section 3.05(b)(i)* above, the Board will be increased to five (5) members. The President of the Association will thereupon call a meeting of the Members of the Association where the Members will elect one (1)

Director for a three (3) year term, two (2) Directors for a two (2) year term, and two (2) Directors for a one (1) year term. Upon expiration of the term of a Director elected by the Members as provided herein, his successor will be elected for a term of two (2) years. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation or removal, will hold office until his successor is elected or appointed. If Neighborhoods are created pursuant to *Section 3.03* above, the aforementioned Board positions will be elected by the Neighborhood Delegates or alternate Neighborhood Delegates on behalf of the Members. However, if Voting Groups are established by Declarant during the Development Period, the Owners within each Voting Group will vote on a separate slate of candidates for election of Directors as designated by Declarant in the Recorded designation of Voting Groups, with each Voting Group electing an equal number of Directors and any additional Director elected at large by the Neighborhood Delegates on behalf of the Members. Such Directors will serve until their respective successors have been duly elected or appointed.

(d) Co-Owners. In any situation in which an Owner is entitled personally to exercise the vote allocated to such Owner's Lot or Condominium Unit, if there is more than one Owner of a portion of the fee simple interest in the Lot or Condominium Unit, the vote for such Lot or Condominium Unit shall be exercised as the co-Owners holding a majority of the ownership interest in the Lot or Condominium Unit determine among themselves and designate in writing to the Secretary of the Association (or as designated in the Membership Agreement relating to such Lot if required by the Board) prior to the close of balloting. Any co-Owner may cast the vote for the Lot or Condominium Unit, and majority agreement shall be conclusively presumed unless another co-Owner of the Lot or Condominium Unit protests promptly to the President or other person presiding over the meeting on the balloting, in the case of a vote taken outside of a meeting. In the absence of a majority agreement, the Lot or Condominium Unit's vote shall be suspended if two or more co-Owners seek to exercise it independently. In no event will the vote for such Lot or Condominium Unit exceed the total votes to which such Lot or Condominium Unit is otherwise entitled pursuant to *Section 3.06* below. Notwithstanding the foregoing, all co-Owners of a Lot or Condominium Unit shall be Members of the Association.

(e) Suspension. The right of any Owner to vote may be suspended by the Association, acting through the Board, for any time period during which any Assessment against such Owner's Lot or Condominium Unit remains past due, for any period during which such Owner or such Owner's Lot(s) or Condominium Unit(s) are in violation of this Master Covenant and, as provided in *Section 3.02(b)* above, for any period during which such Owner has failed to execute and deliver a Membership Agreement, if required by the

Board. In addition, Declarant may suspend the right of any Owner to vote during the period such Owner's Lot or Condominium Unit is exempt from Assessments in accordance with *Section 5.09(f)*.

3.06 Vote Allocation.

(a) Residential Owner Allocation. The Owner of each Residential Lot will be allocated one (1) vote for each Residential Lot so owned. In the event of the re-subdivision of any Residential Lot into two or more Residential Lots: (i) the number of votes to which such Residential Lot is entitled will be increased as necessary to retain the ratio of one (1) vote for each Residential Lot resulting from such re-subdivision, e.g., each Residential Lot resulting from the re-subdivision will be entitled to one (1) vote; and (ii) each Residential Lot resulting from the re-subdivision will be allocated one (1) Assessment Unit. In the event of the consolidation of two (2) or more Residential Lots for purposes of construction of a single residence thereon, voting rights and Assessments will continue to be determined according to the number of original Residential Lots contained in such consolidated Residential Lot. Nothing in this Master Covenant will be construed as authorization for any re-subdivision or consolidation of Residential Lots, such actions being subject to the conditions and restrictions of the applicable Development Area Declaration.

(b) Commercial/Condominium Owner Allocation. Each Owner of a Commercial Lot or Condominium Unit will be allocated the number of votes for such Commercial Lot or Condominium Unit so owned as determined by Declarant and set forth in the Development Area Declaration for the Development Area within which such Commercial Lot or Condominium Unit is located. Declarant will determine such votes in its sole discretion, taking into account, among other things, the relationship of the Commercial Lots or Condominium Units to the entire Development. Declarant's determination regarding the number of votes to which such Owners will be entitled will be final, binding and conclusive. Such determination of Declarant may also be set forth in the notice filed by Declarant pursuant to *Section 9.05* below for the Development Area within which such Commercial Lot(s) or Condominium Unit(s) are located. Prior to the time any Commercial Lots or Condominium Units in a Development Area are conveyed by Declarant to any person or entity not affiliated with Declarant, Declarant may amend or modify its allocation of votes by filing an amended notice in the Official Public Records of Travis County, Texas, setting forth the amended allocation. In addition, Declarant, in its sole and absolute discretion, may modify or amend (which amendment or modification may be effected after Declarant's conveyance of any Commercial Lots or Condominium Units to any person not affiliated with Declarant) the number of votes previously assigned to a Commercial Lot or Condominium Unit if the Improvements actually constructed on the Commercial Lot or Condominium Unit differ substantially from the Improvements contemplated to be constructed thereon at the time a notice allocating votes thereto was originally filed. In the event of a modification to the votes allocated to a Commercial Lot or

Condominium Unit, Declarant will file of record an amended vote determination setting forth the revised allocation of votes attributable to such Commercial Lot Condominium Unit.

(c) Declarant Allocation. In addition to the votes to which Declarant is entitled by reason of *Section 3.06(a)* and *Section 3.06(b)*, for every one (1) vote outstanding in favor of any other person or entity, Declarant will have four (4) additional votes until the expiration or termination of the Development Period.

3.07 Powers. The Association will have the powers of a Texas nonprofit corporation. It will further have the power to do and perform any and all acts that may be necessary or proper, for or incidental to, the exercise of any of the express powers granted to it by the laws of Texas or this Master Covenant. Without in any way limiting the generality of the two preceding sentences, the Board, acting on behalf of the Association, will have the following powers at all times:

(a) Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend from time to time, or repeal and re-enact, such Rules and Regulations and Bylaws not in conflict with this Master Covenant as it deems proper, covering any and all aspects of the Development (including the operation, maintenance and preservation thereof) or of the Association;

**When you acquire a Lot or Condominium Unit, you are required to comply
with the terms of ALL of the Master Restrictions!**

(b) Insurance. To obtain and maintain in effect, policies of insurance that, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association's functions;

(c) Records. To keep books and records of the Association's affairs, and to make such books and records, together with current copies of the Master Restrictions available for inspection by the Owners, Mortgagees, and insurers or guarantors of any Mortgage upon request during normal business hours;

(d) Assessments. To levy and collect assessments and to determine Assessment Units, as provided in *Article 5* below;

(e) Right of Entry and Enforcement. To enter at any time without notice in an emergency (or in the case of a non-emergency, after twenty-four (24) hours written notice), without being liable to any Owner, upon any Lot and into any Improvement thereon or into any Condominium Unit for the purpose of enforcing the Master Restrictions or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to the Master Restrictions. The expense incurred by the Association in

connection with the entry upon any Lot or into any Condominium Unit and the maintenance and repair work conducted thereon or therein will be a personal obligation of the Owner of the Lot or the Condominium Unit so entered, will be deemed a special Assessment against such Lot or Condominium Unit, will be secured by a lien upon such Lot or Condominium Unit, and will be enforced in the same manner and to the same extent as provided in *Article 5* hereof for Assessments. The Association will have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Master Restrictions. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Master Restrictions; provided, however, that the Board will never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, or their successors or assigns. The Association may not alter or demolish any Improvements on any Lot or Condominium Unit other than Master Community Facilities or Special Common Area in enforcing this Master Covenant before a judicial order authorizing such action has been obtained by the Association, or before the written consent of the Owner(s) of the affected Lot(s) or Condominium Unit(s) has been obtained. **EACH SUCH OWNER WILL INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF THE ASSOCIATION'S ACTS OR ACTIVITIES UNDER THIS SECTION 3.07(e) (INCLUDING ANY COST, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE ASSOCIATION'S NEGLIGENCE IN CONNECTION THEREWITH), EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING BY REASON OF THE ASSOCIATION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. "GROSS NEGLIGENCE" DOES NOT INCLUDE SIMPLE NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE;**

(f) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association;

(g) Conveyances. To grant and convey to any person or entity the real property and/or other interest, including fee title, leasehold estates, easements, rights-of-way or mortgages, out of, in, on, over, or under any Master Community Facilities or Special Common Area, in compliance with the use and occupancy restrictions imposed by the Master Restrictions or by any governmental authority, for the purpose of constructing, erecting, operating or maintaining: (i) parks, parkways or other recreational facilities or structures; (ii) roads, streets, bridges, sidewalks, signs, street lights, walks, driveways, trails and paths; (iii) lines, cables, wires, conduits, pipelines or other devices for utility

purposes; (iv) sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or (v) any similar improvements or facilities;

(h) Manager. To retain and pay for the services of a person or entity (the “**Manager**”) to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Personnel may be employed directly by the Association or may be furnished by the Manager. Each contract entered into between the Association and the Manager will be terminable by the Association without cause upon sixty (60) days written notice to the Manager. To the extent permitted by law, the Board may delegate any other duties, powers and functions to the Manager. In addition, the Board may adopt transfer fees, resale certificate fees or any other fees associated with the provision of management services to the Association or its Members. **THE MEMBERS HEREBY RELEASE THE ASSOCIATION AND THE MEMBERS OF THE BOARD FROM LIABILITY FOR ANY OMISSION OR IMPROPER EXERCISE BY THE MANAGER OF ANY SUCH DUTY, POWER OR FUNCTION SO DELEGATED;**

(i) Property Services. To pay for water, sewer, garbage removal, street lights, landscaping, gardening and all other utilities, services, repair and maintenance for any portion of the Property or the Development and any Master Community Facilities, including but not limited to private or public recreational facilities, easements, roads, roadways, rights-of-ways, signs, parks, parkways, median strips, sidewalks, paths, trails, ponds, and lakes;

(j) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments that the Association or the Board is required or permitted to secure or to pay for pursuant to applicable law (including the Texas Business Organizations Code) or under the terms of the Master Restrictions or as determined by the Board;

(k) Construction. To construct new Improvements or additions to any property owned, leased, or licensed by the Association, subject to the approval of the Board;

(l) Contracts. To enter into Bulk Rate Contracts or other contracts or licenses with Declarant or any third party on such terms and provisions as the Board will determine, to operate and maintain any Master Community Facilities, Special Common Area, or other property, or to provide any service, including but not limited to cable, utility, or telecommunication services, or perform any function on behalf of Declarant, the Board, the Association, or the Members;

(m) Property Ownership. To acquire, own and dispose of all manner of real and personal property, including habitat, whether by grant, lease, easement, gift or otherwise;

(n) Authority with Respect to Development Area Declaration. To do any act, thing or deed that is necessary or desirable, in the judgment of the Board, to implement, administer or enforce the provisions of any Development Area Declaration. Any decision by the Association to delay or defer the exercise of the power and authority granted by this *Section 3.07(n)* will not subsequently in any way limit, impair or affect ability of the Association to exercise such power and authority;

(o) Allocation of Votes. To determine votes when permitted pursuant to *Section 3.05* above;

(p) Membership Privileges. To establish Rules and Regulations governing and limiting the use of the Master Community Facilities, Special Common Area, and any Improvements thereon; and

(q) Owner Education. To implement procedures and rules pertaining to the use of pesticides, herbicides and fertilizers, maintaining wildfire defensible space, and mitigating and enhancing wildlife impact, and to periodically educate Owners, through newsletters or the distribution of appropriate written materials, about the sensitivity of the Texas Hill Country ecosystem and each Owner's potential impact on water quality, wildfire safety and wildlife.

3.08 Master Community Facilities, Special Common Area and Area of Common Responsibility.

(a) Transfers and Conveyance by Declarant. The Association may acquire, hold, and dispose of any interest in tangible and intangible personal property and real property. Declarant may transfer or convey to the Association interests in real or personal property within or for the benefit of the Development, or the Development and the general public, and the Association will accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests. Such property, rights, and/or obligations will be accepted by the Association and thereafter will be maintained as Master Community Facilities or Special Common Area, as applicable, by the Association for the benefit of the Development and/or the general public subject to any restrictions set forth in the deed or other instrument transferring or assigning such property to the Association. Upon Declarant's written request, the Association will re-convey to Declarant any unimproved real property that Declarant originally conveyed to the Association for no payment to the extent conveyed in error or needed to make minor adjustments in property lines.

(b) Maintenance of Areas of Common Responsibility. The Association shall maintain the Area of Common Responsibility. The Area of Common Responsibility includes, but is not limited to:

(i) The Master Community Facilities including but not limited to all landscaping and other flora, parks, ponds, signage, structures, and improvements, including any private streets, and bike and pedestrian pathways/trails, situated upon the Master Community Facilities;

(ii) The Special Common Area;

(iii) Landscaping, sidewalks, street-lights, and signage within public rights-of-way within or abutting the Development, except to the extent that responsibility therefore is assigned to the Owners of adjacent Lots or Condominium Units;

(iv) Such portions of any additional property as may be included within the Area of Common Responsibility pursuant to this Master Covenant, any Development Area Declaration, or any covenant or agreement for maintenance entered into by, or otherwise binding on the Association, including property not owned by the Association, such as Lots, Condominium Units and property dedicated to the public; and

(v) Any property and facilities that Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and some or all of its Members. Declarant shall identify any such property and facilities by written notice to the Association, and they shall remain part of the Area of Common Responsibility and be maintained by the Association until Declarant revokes such privilege of use and enjoyment by written notice to the Association.

(c) Cost Allocation. Except as otherwise specifically provided herein, all costs associated with maintenance, repair, and replacement of the Area of Common Responsibility shall be a common expense to be included in the Regular Annual Assessments levied by the Association, without prejudice to the Association's right to seek reimbursement from the owner(s) of, or other persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Master Covenant, other recorded covenants, or agreements with the owner(s) thereof. All costs associated with maintenance, repair, and replacement of Special Common Area shall be a Service Area Expense assessed against the Service Area(s) to which the Special Common Area is assigned, notwithstanding that the Association may be responsible for performing such maintenance.

(d) Failure to Maintain. In the event that the Association fails properly to perform its maintenance responsibilities hereunder, Declarant during the Development Period may, upon not less than ten (10) days' notice and opportunity to cure such failure,

cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred.

(e) Relationships with Other Properties and Entities. The Association may contract with the owner of any neighboring property and any entity that provides services to all or any portion of the Members for the purpose of sharing costs associated with: (a) maintenance and operation of mutually beneficial properties or facilities; and (b) provision of mutually beneficial services.

(f) Relationships with Governmental Entities and Tax Exempt Organizations. The Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Master Community Facilities to Governmental Entities and/or nonprofit, tax-exempt organizations, the operation of which confers some benefit upon the Development, the Association, its Members, or Occupants. The Association may contribute money, real or personal property, or services to such entity. Any such contribution shall be a common expense to be included in the assessments levied by the Association and included as a line item in the Association's annual budget. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code (the "Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time. The Association may maintain multiple-use facilities within the Development and allow use by tax-exempt organizations. Such use may be on a scheduled or "first-come, first-served" basis. A reasonable maintenance and use fee may be charged for the use of such facilities.

3.09 Indemnification. To the fullest extent permitted by applicable law but without duplication (and subject to) any rights or benefits arising under the Certificate or Bylaws of the Association, the Association will indemnify any person who was, or is, a party, or is threatened to be made a party to any threatened pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is, or was, a director, officer, committee member, employee, servant or agent of the Association against expenses, including attorneys' fees, reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, or (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of *nolo contendere* or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner which was reasonably believed to be in, or not opposed to, the best interests of the Association or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

3.10 Insurance. The Board may purchase and maintain, at the expense of the Association, insurance on behalf of any person who is acting as a director, officer, committee

member, employee, servant or agent of the Association against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability or otherwise.

3.11 Bulk Rate Contracts. Without limitation on the generality of the Association powers set out in *Section 3.07* hereinabove, the Association will have the power to enter into Bulk Rate Contracts at any time and from time to time. The Association may enter into Bulk Rate Contracts with any service providers chosen by the Board (including Declarant, and/or any entities in which Declarant, or the owners or partners of Declarant are owners or participants, directly or indirectly). The Bulk Rate Contracts may be entered into on such terms and provisions as the Board may determine in its sole and absolute discretion. The Association may, at its option and election, add the charges payable by such Owner under such Bulk Rate Contract to the Assessments against such Owner's Lot or Condominium Unit. In this regard, it is agreed and understood that, if any Owner fails to pay any charges due by such Owner under the terms of any Bulk Rate Contract, then the Association will be entitled to collect such charges by exercising the same rights and remedies it would be entitled to exercise under this Master Covenant with respect to the failure by such Owner to pay Assessments, including without limitation the right to foreclose the lien against such Owner's Lot or Condominium Unit which is reserved under the terms and provisions of this Master Covenant. In addition, in the event of nonpayment by any Owner of any charges due under any Bulk Rate Contract and after the lapse of at least twelve (12) days since such charges were due, the Association may, upon five (5) days' prior written notice to such Owner (which may run concurrently with such twelve (12) day period), in addition to all other rights and remedies available at law, equity or otherwise, terminate, in such manner as the Board deems appropriate, any utility service or other service provided at the cost of the Association and not paid for by such Owner (or the Occupant of such Owner's Lot or Condominium Unit) directly to the applicable service or utility provider. Such notice will consist of a separate mailing or hand delivery at least five (5) days prior to a stated date of termination, with the title "termination notice" or similar language prominently displayed on the notice. The notice will include the office or street address where the Owner (or the Occupant of such Owner's Lot or Condominium Unit) can make arrangements for payment of the bill and for re-connection or re-institution of service. No utility or cable television service will be disconnected on a day, or immediately preceding a day, when personnel are not available for the purpose of collection and reconnecting such services.

3.12 Community Technology.

(a) Contract Services. In connection with construction of the Property, community infrastructure may have been constructed in order that one or more services to be may be provided by vendors to the Lots on a contract basis, such as intrusion monitoring, data, video, and phone services. In exchange for such installations, Declarant may have contracted on behalf of the Owners for a period of service to all Lots. In that event, whether or not an Owner chooses to use the service, the Owner is required to pay the Lot's share of the contract for the contract period. The Association may serve as the

conduit for the service fees and payments, which may be considered Regular Annual Assessments or Individual Assessments. However, the Association is not the service provider and has no responsibility or liability for the availability or quality of the service, or for the maintenance, repair, or replacement of such infrastructure, including any wires, conduits, equipment, or other fittings relating to the contract service.

(b) Community Systems. Without limiting the generality of *Section 3.07*, the Association is specifically authorized to provide, or to enter into contracts with other persons to provide, central telecommunication receiving and distribution systems (e.g. cable television, high speed data/internet/intranet services, and security monitoring) and related components, including associated infrastructure, equipment, hardware, and software, to serve the Development ("**Community Systems**"). Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate.

(c) Opportunities for Community Interaction. The Association may make use of computers, the internet, and expanding technology to facilitate community interaction and encourage participation in Association activities. For example, the Association may sponsor a community cable television channel, create and maintain a community intranet or Internet home page, maintain an "online" newsletter or bulletin board, and offer other technology related services and opportunities for Owners and Occupants to interact and participate in Association-sponsored activities. To the extent Texas law permits, and unless otherwise specifically prohibited in the Master Restrictions, the Association may send notices by electronic means, hold Board or Association meetings and permit attendance and voting by electronic means, and send and collect assessment and other invoices by electronic means. The Board will specifically have the authority to adopt policies and procedures related to: (i) Community Systems access by Owners, Occupants and other parties; (ii) using the Community Systems for the purpose of sending any notice required by the Master Restrictions; and (iii) electronic voting and the establishment of any quorum.

3.13 Cooperation with the Community Council. The Association will cooperate with Rough Hollow South Shore II Community Council, if created, involving Rough Hollow South Shore II Community Council's obligations and responsibilities under the Community Covenant. For example, to the extent reasonable and financially feasible in the Board's discretion, the Association will permit use of Common Area by Rough Hollow South Shore II Community Council and "chartered clubs" and other volunteer groups operated by or through Rough Hollow South Shore II Community Council, for their offices, programs, activities, and services.

ARTICLE 4
INSURANCE; DAMAGE AND DESTRUCTION

4.01 Insurance. Each Owner will be required to purchase and maintain commercially standard insurance on the Improvements located upon such Owner's Lot or Condominium Unit. The Association will not be required to maintain insurance on the Improvements constructed upon any Lot or Condominium Unit. The Association may, however, obtain such insurance as it may deem necessary, including but not limited to such policies of liability and property damage insurance as the Board, in its discretion, may deem necessary. Insurance premiums for such policies will be a common expense to be included in the assessments levied by the Association. The acquisition of insurance by the Association will be without prejudice to the right and obligation of any Owner to obtain additional individual insurance.

ARE YOU COVERED?

The Association will not provide insurance which covers an Owner's Lot, a Condominium Unit, or any Improvements or personal property located on a Lot or contained within a Condominium Unit.

4.02 Restoration. In the event of any fire or other casualty, the Owner will promptly repair, restore and replace any damaged or destroyed structures to their same exterior condition existing prior to the damage or destruction thereof. Such repair, restoration or replacement will be commenced and completed in a good and workmanlike manner using exterior materials identical to those originally used in the structures damaged or destroyed. To the extent that the Owner fails to commence such repair, restoration or replacement of substantial or total damage or destruction within one hundred and twenty (120) days after the occurrence of such damage or destruction, and thereafter prosecute same to completion, or if the Owner does not clean up any debris resulting from any damage within thirty (30) days after the occurrence of such damage, the Association may commence, complete or effect such repair, restoration, replacement or clean-up, and such Owner will be personally liable to the Association for the cost of such work; provided, however, that if the Owner is prohibited or delayed by law, regulation or administrative or public body or tribunal from commencing such repair, restoration, replacement or clean-up, the rights of the Association under this provision will not arise until the expiration of thirty (30) days after such prohibition or delay is removed. If the Owner fails to pay such cost upon demand by the Association, the cost thereof (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, than at the rate of one and one-half percent (1½%) per month will be added to the Assessment chargeable to the Owner's Lot or Condominium Unit. Any such amounts added to the Assessments chargeable against a Lot or Condominium Unit will be secured by the liens reserved in the Master Covenant for Assessments and may be collected by any means provided in this Master Covenant for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot or Condominium Unit. **EACH SUCH OWNER WILL INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND ITS**

OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF THE ASSOCIATION'S ACTS OR ACTIVITIES UNDER THIS SECTION 4.02, EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR COST OF ACTION ARISING BY REASON OF THE ASSOCIATION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. "GROSS NEGLIGENCE" AS USED HEREIN DOES NOT INCLUDE SIMPLE NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE.

4.03 Mechanic's and Materialmen's Lien. Each Owner whose structure is repaired, restored, replaced or cleaned up by the Association pursuant to the rights granted under this Article 4, hereby grants to the Association an express mechanic's and materialmen's lien for the reasonable cost of such repair, restoration, or replacement of the damaged or destroyed Improvement to the extent that the cost of such repair, restoration or replacement exceeds any insurance proceeds allocable to such repair, restoration or replacement and delivered to the Association. Upon request by the Board, and before the commencement of any reconstruction, repair, restoration or replacement, such Owner will execute all documents sufficient to effectuate such mechanic's and materialmen's lien in favor of the Association.

4.04 Damage and Destruction – Association Property.

(a) Claims. Promptly after damage or destruction by fire or other casualty to all or any part of the Master Community Facilities or Special Common Area covered by insurance, the Board, or its duly authorized agent, will proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair of the damage. Repair, as used in this *Section 4.04(a)*, means repairing or restoring the Master Community Facilities or Special Common Area to substantially the same condition as existed prior to the fire or other casualty.

(b) Repair Obligations. Any damage to or destruction of the Master Community Facilities or Special Common Area will be repaired unless a majority of the Board decides within sixty (60) days after the casualty not to repair. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair, or both, are not made available to the Association within said period, then the period will be extended until such information will be made available.

(c) Restoration. In the event that it should be determined by the Board that the damage or destruction of the Master Community Facilities or Special Common Area will not be repaired and no alternative Improvements are authorized, then the affected portion of the Master Community Facilities or Special Common Area will be restored to its natural state and maintained as an undeveloped portion of the Master Community Facilities by the Association in a neat and attractive condition.

(d) Special Assessment. If insurance proceeds are paid to restore or repair any damaged or destroyed Master Community Facilities, and such proceeds are not sufficient to defray the cost of such repair or restoration, the Board will levy a Special Assessment, as provided in *Article 5*, against all Owners. Additional Special Assessments may be made in like manner at any time during or following the completion of any repair.

(e) Special Common Area Assessments. If insurance proceeds are paid to restore or repair any damaged or destroyed Special Common Area, and such proceeds are not sufficient to defray the cost of such repair or restoration, the Board will levy a Special Common Area Assessment, as provided in *Article 5*, against all Owners designated as a beneficiary of such Special Common Area. Additional Special Common Area Assessments may be made in like manner at any time during or following the completion of any repair.

(f) Proceeds Payable to Owners. In the event that any proceeds of insurance policies are paid to Owners, including but not limited to any proceeds of insurance policies paid to Owners as a result of any damage or destruction to any Master Community Facilities or any Special Common Area, such payments will be allocated based on Assessment Units and will be paid jointly to the Owners and the holders of first Mortgages or deeds of trust on their Lots or Condominium Units.

ARTICLE 5 COVENANT FOR ASSESSMENTS

5.01 Assessments.

(a) Established by Board. Assessments established by the Board pursuant to the provisions of this *Article 5* will be levied against each Lot and Condominium Unit in amounts determined pursuant to *Section 5.09* below. The total amount of Assessments will be determined by the Board pursuant to *Section 5.03, 5.04, 5.05, 5.06 and/or 5.07.*

(b) Personal Obligation; Lien. Each Assessment, together with such interest thereon and costs of collection as hereinafter provided, will be the personal obligation of the Owner of the Lot or Condominium Unit against which the Assessment is levied and will be secured by a lien hereby granted and conveyed by Declarant to the Association against each such Lot and all Improvements thereon and each such Condominium Unit (such lien, with respect to any Lot or Condominium Unit not in existence on the date hereof, will be deemed granted and conveyed at the time that such Lot or Condominium Unit is created). The Association may enforce payment of such Assessments in accordance with the provisions of this Article.

(c) Declarant Subsidy. Declarant may, but is not obligated, to reduce Assessments which would otherwise be levied against Lots and Condominium Units for

any fiscal year by the payment of a subsidy to the Association. Any subsidy paid to the Association by Declarant may be treated as a contribution or a loan, in Declarant's sole and absolute discretion. Any subsidy and the characterization thereof will be disclosed as a line item in the annual budget prepared by the Board and attributable to such Assessments. The payment of a subsidy in any given year will not obligate Declarant to continue payment of a subsidy to the Association in future years.

5.02 Maintenance Fund. The Board will establish one or more accounts into which will be deposited all monies paid to the Association and from which disbursements will be made in performing the functions of the Association under the Master Restrictions and the Texas Business Organizations Code. The funds of the Association may be used for any purpose authorized by the Master Restrictions and the Texas Business Organizations Code, as each may be amended from time to time.

5.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board will estimate the expenses to be incurred by the Association during such year in performing its functions and exercising its powers under the Master Restrictions, including, but not limited to, the cost of all management, repair and maintenance, the cost of providing street and other lighting, the cost of administering and enforcing the covenants and restrictions contained herein, and will estimate the amount needed to maintain a reasonable provision for contingencies and an appropriate replacement reserve, and will give due consideration to any expected income and any surplus from the prior year's fund. The budget prepared by the Association for the purpose of determining Regular Annual Assessments will exclude the maintenance, repair and management costs and expenses associated with any Special Common Area or Service Area. Assessments sufficient to pay such estimated net expenses will then be levied at the level of Assessments set by the Board in its sole and absolute discretion, and the Board's determination will be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time, and from time to time, levy further Assessments in the same manner. All such Regular Annual Assessments will be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion.

5.04 Special Common Area Assessments. Prior to the beginning of each fiscal year, the Board will prepare a separate budget covering the estimated expenses to be incurred by the Association to maintain, repair, or manage any Special Common Area. The budget will be an estimate of the amount needed to maintain, repair and manage such Special Common Area including a reasonable provision for contingencies and an appropriate replacement reserve, and will give due consideration to any expected income and surplus from the prior year's fund. The level of Special Common Area Assessments will be set by the Board in its sole and absolute discretion, and the Board's determination will be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including non-payment of any

individual Special Common Area Assessment, the Association may at any time, and from time to time, levy further Special Common Area Assessments in the same manner as aforesaid. All such Special Common Area Assessments will be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion.

5.05 Service Area Assessments. Prior to the beginning of each fiscal year, the Board will prepare a separate budget for each Service Area reflecting the estimated Service Area Expenses to be incurred by the Association in the coming year. The total amount of estimated Service Area Expenses for each Service Area will be allocated equally among all Lots and/or Condominium Units in the benefited Service Area and will be levied as a Service Area Assessment. All amounts that the Association collects as Service Area Assessments will be held in trust for and expended solely for the benefit of the Service Area for which they were collected and will be accounted for separately from the Association's general funds.

5.06 Individual Assessments. In The Board may also levy an Individual Assessment against an Owner and the Owner's Lot or Condominium Unit. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or the Owner's Lot or Condominium Unit into compliance with the Master Restrictions; fines for violations of the Master Restrictions; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; insurance deductibles; reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees or Occupants of the Owner's Lot; common expenses that benefit fewer than all of the Lots or Condominium Units, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Lot or per-Condominium Unit basis; and "pass through" expenses for services to Lots or Condominium Units provided through the Association and which are equitably paid by each Lot or Condominium Unit according to benefit received.

5.07 Special Assessments. In addition to the other Assessments provided for herein, the Board may authorize Special Assessments whenever in the Board's opinion such Special Assessments are necessary to enable the Board to carry out the functions of the Association under this Master Covenant. The amount of any Special Assessments will be at the reasonable discretion of the Board. In addition to the Special Assessments authorized above, the Association may, in any fiscal year, authorize a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Master Community Facilities or Special Common Area. Any Special Assessment authorized by the Association for the purpose of defraying, in whole or in part, costs of any construction, reconstruction, repair or replacement of capital improvement upon the Master Community Facilities will be levied against all Owners based on Assessment Units. Any Special Assessments authorized by the Association for the purpose of defraying in whole or in part, the cost of any construction,

reconstruction, repair or replacement of a capital improvement upon any Special Common Area will be levied against all Owners who have been designated as a beneficiary of such Special Common Area and will be allocated among such Owners in proportion to the number of Assessment Units allocated to their property pursuant to *Section 5.09* below. Prior to levying any Special Assessment, the Board shall provide written notice to the Owners describing the amount and purpose of the Special Assessment. The Special Assessment will be levied against the Owners within thirty (30) days of the date of the notice, unless prior to the expiration of such thirty (30) day period, a written petition executed by Members entitled to cast at least twenty percent (20%) of the total number of votes of the Association is provided to the President of the Association whereupon the Board will call a special meeting to discuss the Special Assessments. At the end of the meeting, the Board shall either modify, reaffirm or cancel such Special Assessment in its sole and absolute discretion.

5.08 Working Capital Fee.

(a) Due Upon Sale. Except as otherwise provided herein, a working capital fee, in such amount as may be determined by the Board from time to time in its sole and absolute discretion, will be payable upon the sale of each Lot and Condominium Unit. The working capital fee will be collected from the transferee when the sale of the Lot or Condominium Unit closes to an Owner. Contributions to the fund are not advance payments of any other Assessments levied hereunder and are not refundable. Declarant is not required to make contributions for any Lot or Condominium Unit owned or retained by Declarant, or for any Lot or Condominium Unit for which the contribution was not collected at closing. During the Development Period, Declarant must approve the amount of any working capital fee adopted by the Board.

(b) Exempt Transfers. Notwithstanding the foregoing provision, the following transfers will not be subject to the working capital assessment: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (ii) transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more co-Owners, or to the Owner's spouse, child, or parent. Additionally, a Homebuilder will not be subject to the working capital fee; however, the working capital fee will be payable by any Owner who acquires a Lot and/or a Condominium Unit from a Homebuilder for residential living purposes or by any Owner who: (i) acquires a Lot and/or a Condominium Unit and is not in the business of constructing single-family residences for resale to a third party; or (ii) who acquires the Lot for any purpose other than constructing a single-family residence (including a Condominium Unit) thereon for resale to a third party. In the event of any dispute regarding the application of the working capital fee to a particular Owner, Declarant's determination regarding application of the exemption will be binding and conclusive without regard to any contrary interpretation of this *Section 5.08*. The working capital fee will be in addition to, not in lieu of, any other assessments levied in accordance with this *Article 5* and will not be considered an advance payment of such assessments. The working capital fee will be due and payable by the transferee to the Association

immediately upon each transfer of title to the Lot or Condominium Unit, including upon transfer of title from one Owner of such Lot or Condominium Unit to any subsequent purchaser or transferee thereof. The Association will have the power to waive the payment of any working capital fee attributable to a Lot or Condominium Unit by the recordation in the Official Public Records of Travis County, Texas of a waiver notice executed by a majority of the Board members of the Association.

5.09 Amount of Assessment.

(a) Assessments to be Levied. The Board will levy Assessments against each Lot and Condominium Unit in proportion to the number of "Assessment Units" allocated to the Lot or Condominium Unit as provided in *Section 5.09(b)*. Unless otherwise provided in this Master Covenant, Assessments levied pursuant to *Section 5.03* and *Section 5.07* will be levied against each Lot and Condominium Unit. Special Common Area Assessments levied pursuant to *Section 5.04* will be levied against only those Lots and/or Condominium Units that have been designated as a beneficiary of the Special Common Area to which such Special Common Area Assessment relates. Service Area Assessments levied pursuant to *Section 5.05* will be levied against only those Lots and/or Condominium Units that have been included in the Service Area to which such Service Area Assessment relates.

(b) Assessment Unit. Each Residential Lot will constitute one "Assessment Unit" unless otherwise provided in *Section 5.09(c)*. Each Commercial Lot and Condominium Unit will constitute that number of Assessment Units as determined by Declarant at the time that the Development Area Declaration is first recorded in the Official Public Records of Travis County, Texas for the Development Area within which such Commercial Lot or Condominium Unit is located. Declarant will determine such Assessment Units in its sole and absolute discretion, taking into account, among other things, the relationship of such Commercial Lots or Condominium Units to the entire Development. Declarant's determination regarding the number of Assessment Units applicable to each Commercial Lot or Condominium Unit will be final, binding and conclusive. Such determination of Declarant may also be set forth in the Notice of Applicability filed by Declarant pursuant to *Section 9.05* for the Development Area within which such Commercial Lot(s) or Condominium Unit(s) are located. Declarant, in its sole and absolute discretion, may modify or amend the number of Assessment Units previously assigned to a Commercial Lot or Condominium Unit if the Improvements actually constructed on the Commercial Lot or Condominium Unit differ substantially from the Improvements contemplated to be constructed thereon at the time the notice allocating Assessment Units thereto was originally recorded. In the event of a modification to the Assessment Units allocated to a Commercial Lot or Condominium Unit, Declarant will execute and record an amended notice setting forth the revised Assessment Units attributable to the Commercial Lot or Condominium Unit.

(c) Residential Assessment Allocation. Declarant, in Declarant's sole and absolute discretion, may elect to allocate more than one Assessment Unit to a Residential Lot. An allocation of more than one Assessment Unit to a Residential Lot must be made in a notice executed and recorded by Declarant pursuant to *Section 9.05* or in a Development Area Declaration for the Development in which the Residential Lot is located. Declarant's determination regarding the number of Assessment Units applicable to a Residential Lot pursuant to this *Section 5.09(c)* will be final, binding and conclusive.

(d) Modification of Allocation. Prior to the time any Lots or Condominium Units in such Development Area are conveyed to any person not affiliated with Declarant, Declarant may also modify its determination regarding the allocation of Assessment Units by filing a notice in the Official Public Records of Travis County, Texas, setting forth the amended allocation.

(e) Declarant Exemption. Notwithstanding anything in this Master Covenant to the contrary, no Assessments will be levied upon Lots or Condominium Units owned by Declarant.

(f) Other Exemptions. Declarant may, in its sole discretion, elect to: (i) exempt any un-platted or unimproved portion of the Development, Lot or Condominium Unit from Assessments; or (ii) exempt or delay the levy of Assessments against any un-platted, unimproved or improved portion of the Development, Lot or Condominium Unit during a specified period of time.

5.10 Late Charges. If any Assessment, whether Regular Annual, Special Common Area, Service Area or Special Assessment, is not paid by the due date applicable thereto, the Owner responsible for the payment may be required by the Board, at the Board's election at any time and from time to time, to pay a late charge in such amount as the Board may designate, and the late charge (and any reasonable handling costs) will be levied as an Individual Assessment against the Lot or Condominium Unit owned by such Owner, collectible in the manner as provided for collection of Assessments, including foreclosure of the lien against such Lot or Condominium Unit; provided, however, such charge will never exceed the maximum charge permitted under applicable law.

5.11 Owner's Personal Obligation; Interest. Assessments levied as provided for herein will be the personal and individual debt of the Owner of the Lot or Condominium Unit against which are levied such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot or Condominium Unit will be obligated to pay interest on the amount of the Assessment at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date therefor (or if there is no such highest rate, then at the rate of one and one half percent (1½%) per month), together with all costs and expenses of collection,

including reasonable attorneys fees. Such amounts will be levied as an Individual Assessment against the Lot or Condominium Unit owned by such Owner.

5.12 Application of Payments. The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association may be applied in the following order: Individual Assessments, Special Assessments, Service Area Assessments, Special Common Area Assessments and (lastly) Regular Annual Assessments. The Association may refuse to accept partial payment, *i.e.*, less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Association's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Owner's account.

5.13 Assessment Lien and Foreclosure. The payment of all sums assessed in the manner provided in this *Article 5* is, together with late charges as provided in *Section 5.10* and interest as provided in *Section 5.11* hereof and all costs of collection, including attorney's fees as herein provided, secured by the continuing Assessment lien granted to the Association pursuant to *Section 5.01(b)* above, and will bind each Lot or Condominium Unit in the hands of the Owner thereof, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien will be superior to all other liens and charges against such Lot or Condominium Unit, except only for tax liens and all sums secured by a first mortgage lien or first deed of trust lien of record, to the extent such lien secures sums borrowed for the acquisition or improvement of the Lot or Condominium Unit in question, provided such Mortgage was recorded in the Official Public Records of Travis County, Texas before the delinquent Assessment was due. The Association will have the power to subordinate the aforesaid Assessment lien to any other lien. Such power will be entirely discretionary with the Board, and such subordination may be signed by an officer of the Association. The Association may, at its option and without prejudice to the priority or enforceability of the Assessment lien granted hereunder, prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot or Condominium Unit covered by such lien and a description of the Lot or Condominium Unit. Such notice may be signed by one of the officers of the Association and will be recorded in the Official Public Records of Travis County, Texas. Each Owner, by accepting a deed or ownership interest to a Lot or Condominium Unit subject to this Master Covenant, will be deemed conclusively to have granted a power of sale to the Association to secure and enforce the Assessment lien granted hereunder. Such lien for payment of Assessments may be enforced by the non-judicial foreclosure of the defaulting Owner's Lot or Condominium Unit by the Association in like manner as a real property mortgage with power of sale under Tex. Prop. Code § 51.002. (For such purpose, Robert D. Burton of Travis County, Texas, is hereby designated as trustee for the benefit of the Association, with the Association retaining the power to remove any trustee with or without cause and to appoint a successor trustee without the consent or joinder of any other

person.) The Assessment liens and rights to foreclosure thereof will be in addition to and not in substitution of any other rights and remedies the Association may have by law and under this Master Covenant, including the rights of the Association to institute suit against such Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or non-judicial, such Owner will be required to pay the costs, expenses and reasonable attorney's fees incurred. The Association will have the power to bid (in cash or by credit against the amount secured by the lien) on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee, the Association will report to said Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due. The lien hereunder will not be affected by the sale or transfer of any Lot or Condominium Unit; except, however, that in the event of foreclosure of any first-lien Mortgage securing indebtedness incurred to acquire such Lot or Condominium Unit, the lien for any Assessments that were due and payable before the foreclosure sale will be extinguished, provided that past-due Assessments will be paid out of the proceeds of such foreclosure sale only to the extent that funds are available after the satisfaction of the indebtedness secured by the first lien Mortgage. The provisions of the preceding sentence will not, however, relieve any subsequent Owner (including any Mortgagee or other purchaser at a foreclosure sale) from paying Assessments becoming due and payable after the foreclosure sale. Upon payment of all sums secured by a lien of the type described in this *Section 5.13*, the Association will, upon the request of the Owner, execute a release of lien relating to any lien for which written notice has been filed as provided above, except in circumstances in which the Association has already foreclosed such lien. Such release will be signed by an officer of the Association. **NOTWITHSTANDING ANY PROVISION IN THIS SECTION 5.13 TO THE CONTRARY, THE ASSOCIATION WILL NOT HAVE THE AUTHORITY TO FORECLOSE ON A CONDOMINIUM UNIT FOR NON-PAYMENT OF ASSESSMENTS IF THE ASSESSMENTS CONSIST SOLELY OF FINES.** In addition to the lien hereby retained, in the event of nonpayment by any Owner of any Assessment and after the lapse of at least twelve (12) days since such payment was due, the Association may, upon five (5) days' prior written notice (which may run concurrently with such twelve (12) day period) to such Owner, in addition to all other rights and remedies available at law, equity or otherwise, terminate, in such manner as the Board deems appropriate, any utility or cable service provided through the Association and not paid for directly by a Owner or Occupant to the utility provider. Such notice will consist of a separate mailing or hand delivery at least five (5) days prior to a stated date of disconnection, with the title "termination notice" or similar language prominently displayed on the notice. The notice will include the office or street address where the Owner or the Owner's tenant can make arrangements for payment of the bill and for reconnection of service. Utility or cable service will not be disconnected on a day, or immediately preceding a day, when personnel are not available for the purpose of collection and reconnecting such services. Except as otherwise provided by applicable law, the sale or transfer of a Lot or Condominium Unit will not relieve the Owner of such Lot or Condominium Unit or such Owner's transferee from liability for any Assessments thereafter becoming due or from the lien associated therewith. If an Owner

conveys its Lot or Condominium Unit and on the date of such conveyance Assessments against the Lot or Condominium Unit remain unpaid, or said Owner owes other sums or fees under this Master Covenant to the Association, the Owner will pay such amounts to the Association out of the sales price of the Lot or Condominium Unit, and such sums will be paid in preference to any other charges against the Lot or Condominium Unit other than a first lien Mortgage or Assessment Liens and charges in favor of the State of Texas or a political subdivision thereof for taxes on the Lot or Condominium Unit which are due and unpaid. The Owner conveying such Lot or Condominium Unit will remain personally liable for all such sums until the same are fully paid, regardless of whether the transferee of the Lot or Condominium Unit also assumes the obligation to pay such amounts. The Board may adopt an administrative transfer fee to cover the administrative expenses associated with updating the Association's records upon the transfer of a Lot or Condominium Unit to a third party; provided, however, that no administrative transfer fee will be due upon the transfer of a Lot or Condominium Unit from Declarant to a third party.

Yes, the Association *can* foreclose on your Lot or Condominium Unit!

If you fail to pay assessments to the Association, you may LOSE TITLE TO YOUR LOT OR CONDOMINIUM UNIT if the Association forecloses its assessment lien.

5.14 Exempt Property. The following area within the Development will be exempt from the Assessments provided for in this Article:

- (i) All area dedicated and accepted by public authority, by the recordation of an appropriate document in the Official Public Records of Travis County, Texas;
- (ii) The Master Community Facilities and the Special Common Area; and
- (iii) Any portion of the Property or Development owned by Declarant.

No portion of the Property will be subject to the terms and provisions of this Master Covenant, and no portion of the Property (or any owner thereof) will be obligated to pay Assessments hereunder, unless and until such Property has been made subject to the terms of this Master Covenant by the filing of a Notice of Applicability in accordance with Section 9.05 below.

5.15 Fines and Damages Assessment.

(a) Board Assessment. The Board may assess fines against an Owner for violations of any restriction set forth in this Master Covenant, any Development Area Declaration, the Design Guidelines, or any rules adopted by the Board which have been

committed by an Owner, an Occupant of the Owner's Lot or Condominium Unit, or the Owner or Occupant's family, guests, employees, contractors, agents or invitees. Any fine and/or charge for damage levied in accordance with this *Section 5.15* will be considered an Assessment pursuant to this Master Covenant. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner. The Board may assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of Master Community Facilities or Special Common Area or any facilities located by the Owner or the Owner's family, guests, agents, Occupants, or tenants. The Manager will have authority to send notices to alleged violators, informing them of their violations and asking them to comply with the rules and/or informing them of potential or probable fines or damage assessments. The Board may from time to time adopt a schedule of fines.

(b) Procedure. The procedure for assessment of fines and damage charges will be as follows:

(i) the Association, acting through an officer, Board member or Manager, must give the Owner notice of the fine or damage charge not later than thirty (30) days after the assessment of the fine or damage charge by the Board;

(ii) the notice of the fine or damage charge must describe the violation or damage;

(iii) the notice of the fine or damage charge must state the amount of the fine or damage charge;

(iv) the notice of a fine or damage charge must state that the Owner will have thirty (30) days from the date of the notice to request a hearing before the Board to contest the fine or damage charge; and

(v) the notice of a fine must allow the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months.

(c) Due Date. Fine and/or damage charges are due immediately after the expiration of the thirty (30) day period for requesting a hearing. If a hearing is requested, such fines or damage charges will be due immediately after the Board's decision at such hearing, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

(d) Lien Created. The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot or Condominium Unit is, together with any late

charges as provided in *Section 5.10* and interest as provided in *Section 5.11* hereof and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Association pursuant to *Section 5.01(b)* of this Master Covenant. Unless otherwise provided in this *Section 5.15*, the fine and/or damage charge will be considered an Assessment for the purpose of this Article, and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to this *Article 5*.

ARTICLE 6 ARCHITECTURAL COVENANTS AND CONTROL

6.01 Purpose. This Master Covenant creates rights to regulate the design, use, and appearance of the Lots and Condominium Units in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to prevent Improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, inappropriate or peculiar in comparison to the then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing Improvements, including but not limited to dwellings, buildings, fences, landscaping, retaining walls, yard art, sidewalks, and driveways, and further including replacements or modifications of original construction or installation. Until expiration or termination of the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

6.02 Architectural Reviewer. The purposes of this Article shall be undertaken by the Architectural Reviewer. Until expiration or termination of the Development Period, the Architectural Reviewer shall mean Declarant or its designee. Upon expiration or termination of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Architectural Control Committee appointed by the Board as provided in *Section 6.04* below. In furtherance of the purposes of this Article, the Architectural Reviewer may adopt Design Guidelines as more fully set forth in *Section 6.06(b)* below.

6.03 Architectural Control by Declarant.

(a) **Declarant as Architectural Reviewer.** During the Development Period, the Architectural Reviewer shall mean Declarant or its designee, and neither the Association, the Board, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of any Improvements. Declarant may designate one or more persons from time to time to act on its behalf as the Architectural Reviewer in reviewing and responding to applications pursuant to this Article.

(b) **Declarant's Rights Reserved.** Each Owner, by accepting an interest in or title to a Lot or Condominium Unit, whether or not it is so expressed in the instrument of

conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the Improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market its property. Accordingly, each Owner agrees that during the Development Period no Improvements will be started or progressed without the prior written approval of the Architectural Reviewer, which approval may be granted or withheld at the Architectural Reviewer's sole discretion. In reviewing and acting on an application for approval, the Architectural Reviewer may act solely in its self-interest and owes no duty to any other person or any organization.

(c) Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights as Architectural Reviewer under this Article to an Architectural Control Committee appointed by the Board or a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant to: (i) revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) veto any decision which Declarant, in its sole discretion, determines to be inappropriate or inadvisable for any reason.

6.04 Architectural Control by Association.

(a) Association as Architectural Reviewer. Upon Declarant's delegation in writing of all or a portion of its reserved rights as Architectural Reviewer to the Board, or upon the expiration or termination of the Development Period, the Association, acting through an Architectural Control Committee (the "ACC") will assume jurisdiction over architectural control and will have the powers of the Architectural Reviewer hereunder.

(b) ACC. The ACC will consist of at least three (3) but not more than seven (7) persons appointed by the Board. Members of the ACC serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. At the Board's option, the Board may act as the ACC, in which case all references in the Documents to the ACC will be construed to mean the Board. Members of the ACC need not be Owners or Occupants, and may but need not include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the Board.

6.05 Prohibition of Construction, Alteration and Improvement. No Improvement, or any addition, alteration, improvement, installation, modification, redecoration, or reconstruction thereof may be constructed or occur unless approved in advance by the Architectural Reviewer. The Architectural Reviewer has the right but not the duty to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property. Notwithstanding the foregoing, each Owner will have the right to modify, alter, repair, decorate, redecorate, or improve the interior of an

Improvement, provided that such action is not visible from any other portion of the Development or Property.

**NO IMPROVEMENT MAY BE CONSTRUCTED, ALTERED, OR MODIFIED
WITHOUT THE ADVANCE WRITTEN APPROVAL OF THE ARCHITECTURAL REVIEWER.**

6.06 Architectural Approval.

(a) Submission and Approval of Plans and Specifications. Construction plans and specifications or, when an Owner desires solely to re-subdivide or consolidate Lots or Condominium Units, a proposal for such re-subdivision or consolidation, will be submitted in accordance with the Design Guidelines or any additional rules adopted by the Architectural Reviewer, together with any review fee which is imposed by the Architectural Reviewer in accordance with *Section 6.06(b)*. Contact information for the Architectural Reviewer will be set forth in the Design Guidelines. No re-subdivision or consolidation will be made, nor any Improvement placed or allowed on any Lot or Condominium Unit, until the plans and specifications and the builder which the Owner intends to use to construct the proposed structure or Improvement have been approved in writing by the Architectural Reviewer. The Architectural Reviewer may, in reviewing such plans and specifications consider any information that it deems proper; including, without limitation, any permits, environmental impact statements or percolation tests that may be required by the Architectural Reviewer or any other entity; and harmony of external design and location in relation to surrounding structures, topography, vegetation, and finished grade elevation. The Architectural Reviewer may postpone its review of any plans and specifications submitted for approval pending receipt of any information or material which the Architectural Reviewer, in its sole discretion, may require. Site plans must be approved by the Architectural Reviewer prior to the clearing of any Lot, or the construction of any Improvements. The Architectural Reviewer may refuse to approve plans and specifications for proposed Improvements, or for the re-subdivision or consolidation of any Lot or Condominium Unit on any grounds that, in the sole and absolute discretion of the Architectural Reviewer, are deemed sufficient, including, but not limited to, purely aesthetic grounds.

(b) Design Guidelines. The Architectural Reviewer will have the power, from time to time, to adopt, amend, modify, or supplement the Design Guidelines. In the event of any conflict between the terms and provisions of the Design Guidelines and the terms and provisions of this Master Covenant, the terms and provisions of this Master Covenant will control. In addition, the Architectural Reviewer will have the power and authority to impose a fee for the review of plans, specifications and other documents and information submitted to it pursuant to the terms of this Master Covenant. Such charges will be held by the Architectural Reviewer and used to defray the administrative expenses incurred by the Architectural Reviewer in performing its duties hereunder; provided,

however, that any excess funds held by the Architectural Reviewer will be distributed to the Association at the end of each calendar year. The Architectural Reviewer will not be required to review any plans until a complete submittal package, as required by this Master Covenant and the Design Guidelines, is assembled and submitted to the Architectural Reviewer. The Architectural Reviewer will have the authority to adopt such additional procedural and substantive rules and guidelines (including, without limitation, the imposition of any requirements for a compliance deposit, certificates of compliance or completion relating to any Improvement, and the right to approve in advance any contractor selected for the construction of Improvements), not in conflict with this Master Covenant, as it may deem necessary or appropriate in connection with the performance of its duties hereunder.

(c) Failure to Act. In the event that any plans and specifications are submitted to the Architectural Reviewer as provided herein, and the Architectural Reviewer fails to either approve or reject such plans and specifications for a period of sixty (60) days following such submission, the plans and specifications will be deemed disapproved.

(d) Variances. The Architectural Reviewer may grant variances from compliance with any of the provisions of this Master Covenant or any Development Area Declaration, including, but not limited to, restrictions upon height, size, shape, floor areas, land area, placement of structures, set-backs, building envelopes, colors, materials, or land use, when, in the opinion of the Architectural Reviewer, in its sole and absolute discretion, such variance is justified. All variances must be evidenced in writing and, if Declarant has assigned its rights to the ACC, must be approved by at least a majority of the members of the ACC. Each variance must also be recorded in the Official Public Records of Travis County, Texas; provided, however, that failure to record a variance will not affect the validity thereof or give rise to any claim or cause of action against the Architectural Reviewer, including the Declarant or its designee, the Association, the Board or the ACC. If a variance is granted, no violation of the covenants, conditions, or restrictions contained in this Master Covenant or any Development Area Declaration will be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such variance will not operate to waive or amend any of the terms and provisions of this Master Covenant, or any Development Area Declaration, for any purpose except as to the particular property and in the particular instance covered by the variance, and such variance will not be considered to establish a precedent for any future waiver, modification, or amendment of the terms and provisions of this Master Covenant or any Development Area Declaration.

(e) Duration of Approval. The approval of the Architectural Reviewer of any final plans and specifications, and any variances granted by the Architectural Reviewer will be valid for a period of one hundred and twenty (120) days only. If construction in accordance with such plans and specifications or variance is not commenced within such

one hundred and twenty (120) day period and diligently prosecuted to completion thereafter, the Owner will be required to resubmit such final plans and specifications or request for a variance to the Architectural Reviewer, and the Architectural Reviewer will have the authority to re-evaluate such plans and specifications in accordance with this *Section 6.06(e)* and may, in addition, consider any change in circumstances which may have occurred since the time of the original approval.

(f) No Waiver of Future Approvals. The approval of the Architectural Reviewer to any plans or specifications for any work done or proposed in connection with any matter requiring the approval or consent of the Architectural Reviewer will not be deemed to constitute a waiver of any right to withhold approval or consent as to any plans and specifications on any other matter, subsequently or additionally submitted for approval by the same or a different person, nor will such approval or consent be deemed to establish a precedent for future approvals by the Architectural Reviewer.

6.07 Limits on Liability.

(a) The Architectural Reviewer has sole discretion with respect to taste, design, and all standards specified by this Article. The Architectural Reviewer shall have no liability for decisions made in good faith, and which are not arbitrary or capricious. The Architectural Reviewer is not responsible for: (i) errors in or omissions from the plans and specifications submitted to it; (ii) supervising construction for the Owner's compliance with approved plans and specifications; or (iii) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws.

(b) THE ARCHITECTURAL REVIEWER WILL NOT BE LIABLE TO ANY OWNER OR TO ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR INJURY ARISING OUT OF THE PERFORMANCE OF THE ARCHITECTURAL REVIEWER'S DUTIES UNDER THIS MASTER COVENANT, UNLESS SUCH LOSS, DAMAGE, OR INJURY IS DUE TO THE WILLFUL MISCONDUCT OR BAD FAITH OF THE ARCHITECTURAL REVIEWER OR ONE OR MORE INDIVIDUALS ACTING ON ITS BEHALF, AS THE CASE MAY BE.

ARTICLE 7 MORTGAGE PROVISIONS

7.01 Applicability. The provisions of this *Article 7* are for the benefit of holders, insurers and guarantors of first Mortgages on Lots or Condominium Units within the Development. The provisions of this Article apply to the Master Covenant and the Bylaws of the Association.

7.02 Notice of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name

and address of such holder, insurer, or guarantor and the street address of the Lot or Condominium Unit to which its Mortgage relates (thereby becoming an "Eligible Mortgage Holder"), will be entitled to timely written notice of:

- (i) any condemnation loss or any casualty loss which affects a material portion of the Development or which affects any Lot or Condominium Unit on which there is an Eligible Mortgage held, insured, or guaranteed by such Eligible Mortgage Holder; or
- (ii) any delinquency in the payment of assessments or charges owed for a Lot or Condominium Unit subject to the Mortgage of such Eligible Mortgage Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Master Restrictions relating to such Lot or Condominium Unit or the Owner or Occupant which is not cured within sixty (60) days; or
- (iii) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

7.03 Examination of Books. The Association will permit Mortgagees to examine the books and records of the Association during normal business hours.

7.04 Taxes, Assessments and Charges. All taxes, assessments and charges that may become liens prior to first lien mortgages under applicable law will relate only to the individual Lots or Condominium Units and not to any other portion of the Development.

ARTICLE 8 EASEMENTS

8.01 Right of Ingress and Egress. Declarant and its agents, employees and designees will have a right of ingress and egress over and the right of access to the Master Community Facilities and Special Common Area to the extent necessary to use the Master Community Facilities or Special Common Area and the right to such other temporary uses of the Master Community Facilities and Special Common Area as may be required or reasonably desirable (as determined by Declarant in its sole discretion) in connection with the construction and development of the Development.

8.02 Reserved Easements. All dedications, limitations, restrictions and reservations shown on any Plat and all grants and dedications of easements, rights-of-way, restrictions and related rights made by Declarant prior to the Development becoming subject to this Master Covenant are incorporated herein by reference and made a part of this Master Covenant for all purposes as if fully set forth herein, and will be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant. Declarant reserves the right to relocate, make changes in, and additions to said easements, rights-of-way,

dedications, limitations, reservations and grants for the purpose of most efficiently and economically developing the Development.

8.03 Subdivision Entry, Fencing and Landscape Easements. Declarant hereby reserves, for itself and the Association, an easement over and across the Development for the installation, maintenance, repair or replacement of certain subdivision entry facilities, fencing and landscaping which serves the Development. Declarant will have the right, from time to time, to execute and record a written notice in the Official Public Records of Travis County, Texas, which identifies the subdivision entry facilities, fencing or landscaping to which the easement reserved hereunder applies. Declarant may designate all or any portion of the subdivision entry facilities, fencing or landscaping as Master Community Facilities or Special Common Area by written notice recorded in the Official Public Records of Travis County, Texas. The exercise of the easements reserved hereunder will not extend to permitting entry into any residence, nor will it unreasonably interfere with the use of any Lot or Condominium Unit or residence or Improvement constructed thereon.

8.04 Easement for Construction of Nature Trail. Declarant hereby reserves, for itself and the Association, an easement over and across the Development for the installation of a nature trail and related facilities in or in the vicinity of the Development (the "**Nature Trail Facilities**"), and for the maintenance, repair or replacement of the Nature Trail Facilities as may be necessary from time to time. Upon completion of the initial construction of the Nature Trail Facilities and upon completion of any addition thereto, Declarant will execute and record a written notice in the Official Public Records of Travis County, Texas which includes a legally sufficient description of the real property upon which the Nature Trail Facilities are located. Upon recordation of such notice, the easement retained in this *Section 8.04* shall run over and across only that real property described in such notice. Declarant may designate all or any portion of the Nature Trail Facilities as Master Community Facilities or Special Common Area by written notice recorded in the Official Public Records of Travis County, Texas. The exercise of the easements reserved hereunder will not extend to permitting entry into any residence, nor will it unreasonably interfere with the use of any Lot or Condominium Unit or residence or Improvement constructed thereon which is approved by the Architectural Reviewer.

8.05 Easements for Special Events. Declarant hereby reserves, for itself and the Association, and their successors, assigns, and designees, a perpetual, non-exclusive easement over the Master Community Facilities or applicable Special Common Area for the purpose of: (i) conducting parades; (ii) running, fishing, biking or other sporting events; (iii) educational, cultural, artistic, musical and entertainment activities; and (iv) other activities of general community interest, at such locations and times as Declarant and/or the Association, in their reasonable discretion, deem appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot or Condominium Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the

Occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement.

ARTICLE 9 DEVELOPMENT RIGHTS

9.01 Development by Declarant. It is contemplated that the Development will be developed pursuant to a coordinated plan, which may, from time to time, be amended or modified. Declarant reserves the right, but not the obligation, to designate Development Areas, to create and/or designate Lots, Special Common Areas and Master Community Facilities and to subdivide with respect to any of the Development pursuant to the terms of this *Section 9.01*, subject to any limitations imposed on portions of the Development by any applicable Plat. These rights may be exercised with respect to any portions of the Property in accordance with *Section 9.05*. As each area is developed or dedicated, Declarant may record one or more Development Area Declarations and designate the use, classification and such additional covenants, conditions and restrictions as Declarant may deem appropriate for that area. Any Development Area Declaration may provide its own procedure for the amendment of any provisions. All lands, Improvements, and uses in each area so developed will be subject to both this Master Covenant and the Development Area Declaration, if any, for that Development Area.

9.02 Special Declarant Rights. Notwithstanding any provision of this Master Covenant to the contrary, at all times, Declarant will have the right and privilege: (i) to erect and maintain advertising signs (illuminated or non-illuminated), sales flags, other sales devices and banners for the purpose of aiding the sale of Lots or Condominium Units in the Development; (ii) to maintain Improvements upon Lots as sales, model, management, business and construction offices; and (iii) to maintain and locate construction trailers and construction tools and equipment within the Development. The construction placement or maintenance of Improvements by Declarant will not be considered a nuisance, and Declarant hereby reserves the right and privilege for itself to conduct the activities enumerated in this *Section 9.02* until two (2) years after Declarant no longer owns any portion of the Property. Declarant hereby retains an easement over and across the Master Community Facilities and Special Common Area to effectuate any purpose enumerated in this *Section 9.02*.

9.03 Addition of Land. Declarant may, at any time and from time to time, add additional lands to the Property. To add lands to the Property, Declarant will be required only to record in the Official Public Records of Travis County, Texas, a Notice of Addition of Land (which notice may be contained within any Development Area Declaration affecting such land) containing the following provisions: (i) a reference to this Master Covenant, which reference will state the volume and initial page number of the Official Public Records of Travis County wherein this Master Covenant is recorded; (ii) a statement that such land will be considered Property for purposes of this Master Covenant, and that upon the further filing of a Notice of Applicability meeting the requirements of *Section 9.05* of this Master Covenant, all of the terms,

covenants, conditions, restrictions and obligations of this Master Covenant will apply to the added land; and (iii) a legal description of the added land. Upon the filing of a Notice of Addition of Land, such land will be considered part of the Property for purposes of this Master Covenant, and upon the further filing of a Notice of Applicability meeting the requirements of *Section 9.05* below, such added lands will be considered part of the Development subject to this Master Covenant and the terms, covenants, conditions, restrictions and obligations set forth in this Master Covenant, and the rights, privileges, duties and liabilities of the persons subject to this Master Covenant will be the same with respect to such added land as with respect to the lands originally covered by this Master Covenant.

9.04 Withdrawal of Land. Declarant may, at any time and from time to time, reduce or withdraw from the Property, including the Development, and remove and exclude from the burden of this Master Covenant and the jurisdiction of the Association: (i) any portions of the Development which have not been included in a Plat; (ii) any portion of the Development included in a Plat if Declarant owns all Lots described in such Plat; and (iii) any portions of the Development included in a Plat even if Declarant does not own all Lot(s) described in such Plat, provided that Declarant obtains the written consent of all other Owners of Lot(s) described in such Plat. Upon any such withdrawal and removal, this Master Covenant and the covenants conditions, restrictions and obligations set forth herein will no longer apply to the portion of the Development withdrawn. To withdraw lands from the Development hereunder, Declarant will be required only to record in the Official Public Records of Travis County, Texas, a Notice of Withdrawal of Land containing the following provisions: (i) a reference to this Master Covenant, which reference will state the volume and initial page number of the Official Public Records of Travis County wherein this Master Covenant is recorded; (ii) a statement that the provisions of this Master Covenant will no longer apply to the withdrawn land; and (iii) a legal description of the withdrawn land.

9.05 Notice of Applicability. Upon the filing in the Official Public Records of Travis County, Texas, this Master Covenant serves to provide notice that at any time, and from time to time, all or any portion of the Property may be made subject to the terms, covenants, conditions, restrictions and obligations of this Master Covenant. This Master Covenant will apply to and burden a portion or portions of the Property upon the filing of a Notice of Applicability describing such Property by a legally sufficient description and expressly providing that such Property will be considered a part of the Development and will be subject to the terms, covenants conditions, restrictions and obligations of this Master Covenant. To be effective, a Notice of Applicability must be executed by Declarant and the record title owner of the Property being made subject to this Master Covenant if such Property is not owned by Declarant, Las Ventanas Land Partners, Ltd. or JH West Land Ventures, Ltd, each a Texas limited partnership. Declarant may also cause a Notice of Applicability to be filed covering a portion of the Property for the purpose of encumbering such Property with this Master Covenant and any Development Area Declaration previously recorded by Declarant (which Notice of Applicability may amend, modify or supplement the restrictions, set forth in the

Development Area Declaration, which will apply to such Property). To make the terms and provisions of this Master Covenant applicable to a portion of the Property, Declarant will be required only to cause a Notice of Applicability to be recorded containing the following provisions:

- (i) a reference to this Master Covenant, which reference will state the volume and initial page number of the Official Public Records of Travis County, Texas wherein this Master Covenant is recorded;
- (ii) a reference, if applicable, to the Development Area Declaration which will apply to such portion of the Property (with any amendment, modification, or supplementation of the restrictions set forth in the Development Area Declaration which will apply to such portion of the Property), which reference will state the volume and initial page number of the Official Public Records of Travis County, Texas wherein the Development Area Declaration is recorded;
- (iii) a statement that all of the provisions of this Master Covenant will apply to such portion of the Property;
- (iv) a legal description of such portion of the Property; and
- (v) if applicable, a description of any Special Common Area which benefits the Property and the beneficiaries of such Special Common Area.

NOTICE TO TITLE COMPANY

NO PORTION OF THE PROPERTY IS SUBJECT TO THE TERMS AND PROVISIONS OF THIS MASTER COVENANT AND THIS MASTER COVENANT DOES NOT APPLY TO ANY PORTION OF THE PROPERTY UNLESS A NOTICE OF APPLICABILITY DESCRIBING SUCH PROPERTY AND REFERENCING THIS MASTER COVENANT HAS BEEN RECORDED IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

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

**ARTICLE 10
DISPUTE RESOLUTION**

10.01 Agreement to Encourage Resolution of Disputes without Litigation.

(a) Bound Parties. Declarant, the Association, including its officers, directors, and committee members, Owners and all other parties subject to this Master Covenant (each, a "**Bound Party**," and collectively, the "**Bound Parties**"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Development without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a "**Claim**" described in subsection (b) unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in *Section 10.02* in a good faith effort to resolve such Claim.

(b) Claims(s). As used in this Article, the term "Claim" or "Claims" will refer to any claim, grievance or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of the Master Covenant, any Development Area Declaration, the Design Guidelines, the Certificate, Bylaws, and rules and regulations adopted by the Board;

(ii) the rights, obligations, and duties of any Bound Party under the Master Covenant, any Development Area Declaration, the Design Guidelines, the Certificate, Bylaws, and rules and regulations adopted by the Board; or

(iii) the design or construction of Improvements within the Development, other than matters of aesthetic judgment under *Article 6*, which will not be subject to review.

(c) Not Considered Claims. The following will not be considered a "Claim" or "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in *Section 10.02*:

(i) any legal proceeding by the Association to collect assessments or other amounts due from any Owner;

(ii) any legal proceeding by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Master Covenant;

- (iii) any legal proceeding which does not include Declarant or the Association as a party, if such action asserts a Claim which would constitute a cause of action independent of the Master Covenant, any Development Area Declaration, the Design Guidelines, the Certificate, Bylaws, and rules and regulations adopted by the Board;
- (iv) any legal proceeding in which any indispensable party is not a Bound Party;
- (v) any action by the Association to enforce the easements, architectural control, maintenance and/or use restrictions under this Covenant; and
- (vi) any legal proceeding as to which any applicable statute of limitations would expire within one hundred and eighty (180) days of giving the Notice required by *Section 10.02(a)*, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

10.02 Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("**Claimant**") against another Bound Party ("**Respondent**") will give written notice to each Respondent and to the Board stating plainly and concisely:

- (i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;
- (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
- (iii) the Claimant's proposed resolution or remedy; and
- (iv) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The Claimant and Respondent will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) Mediation.

(i) If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the notice described in *Section 10.02(a)* (or within such other period as the parties may agree upon), the Claimant will have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in Travis County, Texas.

(ii) If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant will be deemed to have waived the Claim, and the Respondent will be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

(iii) If the Parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant will thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

(iv) Each Party will bear its own costs of the mediation, including attorney's fees, and each Party will share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this *Section 10.02(d)*. In such event, the party taking action to enforce the agreement or award will, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

10.03 Initiation of Litigation by Association. In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association will not initiate any judicial or administrative proceeding unless first approved by a vote of the Members entitled to cast seventy-five percent (75%) of the votes in the Association, excluding the votes held by Declarant, except that no such approval will be required for actions or proceedings:

- (i) initiated during the Development Period;
- (ii) initiated to enforce the provisions of the Master Covenant, any Development Area Declaration, the Design Guidelines, the Certificate, Bylaws, and rules and regulations adopted by the Board, including collection of assessments and foreclosure of liens;
- (iii) initiated to challenge *ad valorem* taxation or condemnation proceedings;
- (iv) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (v) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against the Association.

This Section 10.03 will not be amended unless such amendment is approved by Members representing the same percentage of votes necessary to institute proceedings as provided above AND, during the Development Period, the Declarant.

ARTICLE 11 GENERAL PROVISIONS

11.01 Term. Upon the recording of a Notice of Applicability pursuant to *Section 9.05*, the terms, covenants, conditions, restrictions, easements, charges, and liens set out in this Master Covenant will run with and bind the portion of the Property described in such notice, and will inure to the benefit of and be enforceable by the Association, and every Owner, including Declarant, and its respective legal representatives, heirs, successors, and assigns, for a term beginning on the date this Master Covenant is recorded in the Official Records of Travis County, Texas, and continuing through and including January 1, 2059, after which time this Master Covenant will be automatically extended for successive periods of ten (10) years unless a change (the word "change" meaning a termination, or change of term or renewal term) is approved in a resolution adopted by Members entitled to cast at least seventy percent (70%) of the total number of votes of the Association, voting in person or by proxy at a meeting duly called for such purpose, written notice of which will be given to all Members at least thirty (30) days in advance and will set forth the purpose of such meeting; provided, however, that such change will be effective only upon the recording of a certified copy of such resolution in the Official Public Records of Travis County, Texas. Notwithstanding any provision in this *Section 11.01* to the contrary, if any provision of this Master Covenant would be unlawful, void or voidable by reason of any Texas law restricting the period of time that covenants on land may be enforced, such provision will expire twenty-one (21) years after the death or the last survivor of the now living descendants of Elizabeth II, Queen of England.

11.02 Eminent Domain. In the event it becomes necessary for any public authority to acquire all or any part of the Master Community Facilities or Special Common Area for any public purpose during the period this Master Covenant is in effect, the Board is hereby authorized to negotiate with such public authority for such acquisition and to execute instruments necessary for that purpose. Should acquisitions by eminent domain become necessary, only the Board need be made a party, and in any event the proceeds received will be held by the Association for the benefit of the Owners. In the event any proceeds attributable to acquisition of Master Community Facilities are paid to Owners, such payments will be allocated on the basis of Assessment Units and paid jointly to the Owners and the holders of first Mortgages or deeds of trust on the respective Lot. In the event any proceeds attributable to acquisition of Special Common Area are paid to Owners who have been designated as a beneficiary of such Special Common Area, such payment will be allocated based on Assessment Units and paid jointly to such Owners and the holders of first Mortgages or deeds of trust on the respective Lot.

11.03 Amendment.

(a) During the Development Period.

(i) *By Declarant.* During the Development Period, this Master Covenant may be amended or terminated by the recording in the Official Public Records of Travis County, Texas of an instrument executed and acknowledged by the Declarant acting alone and unilaterally. Specifically, and not by way of limitation, during the Development Period, Declarant may unilaterally amend this Master Covenant and any Development Area Declaration: (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot or Condominium Unit; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on Lots and/or Condominium Units; or (d) to comply with any requirements promulgated by a local, state or governmental agency, including, for example, the Department of Housing and Urban Development.

(ii) *By the Members.* During the Development Period, Members entitled to cast at least seventy percent (70%) of the number of votes entitled to be cast in the Association may approve an amendment to this Master Covenant at a meeting duly called for such purpose. However, no such amendment shall be effective unless and until it has also been approved by the Declarant. To be effective, an instrument setting forth

the amendment must be executed by the Declarant and the President and the Secretary of the Association, and shall include a certification by the President and Secretary of the Association that the amendment has been approved by Members entitled to cast at least seventy percent (70%) of the number of votes entitled to be cast by members of the Association.

(b) Upon Expiration or Termination of the Development Period. Upon expiration or termination of the Development Period, Members entitled to cast at least seventy percent (70%) of the number of votes entitled to be cast in the Association may approve an amendment to this Master Covenant at a meeting duly called for such purpose. To be effective, an instrument setting forth the amendment must be executed by the President and the Secretary of the Association, and shall include a certification by the President and Secretary of the Association that the amendment has been approved by Members entitled to cast at least seventy percent (70%) of the number of votes entitled in the Association.

11.04 Higher Authority. The terms and provisions of this Master Covenant are subordinate to federal and state law, and local ordinances. Generally, the terms and provisions of this Master Covenant are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance.

NOTICE

Users of the Master Restrictions should periodically review statutes and court rulings that may modify or nullify the terms and provisions of those documents or their enforcement, or which may create rights or duties not contemplated therein.

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

11.06 Conflicts. If there is any conflict between the provisions of this Master Covenant, any Development Area Declaration, the Certificate of Formation, the Bylaws, or any Rules and Regulations adopted pursuant to the terms of such documents, the provisions of this Master Covenant will govern.

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

11.08 Acceptance by Grantees. Each grantee of Declarant of a Lot, Condominium Unit, or other real property interest in the Development, by the acceptance of a deed of conveyance, or each subsequent purchaser, accepts the same subject to all terms, restrictions,

conditions, covenants, reservations, easements, liens and charges, and the jurisdiction rights and powers created or reserved by this Master Covenant or to whom this Master Covenant is subject, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared. Furthermore, each grantee agrees that no assignee or successor to Declarant hereunder will have any liability for any act or omission of Declarant which occurred prior to the effective date of any such succession or assignment. All impositions and obligations hereby imposed will constitute covenants running with the land within the Development, and will bind any person having at any time any interest or estate in the Development, and will inure to the benefit of each Owner in like manner as though the provisions of this Master Covenant were recited and stipulated at length in each and every deed of conveyance.

11.09 Declarant as Attorney in Fact. To secure and facilitate Declarant's exercise of the rights reserved by Declarant pursuant to the terms and provisions of this Master Covenant, each Owner, by accepting a deed to a Lot or Condominium Unit and each Mortgagee, by accepting the benefits of a Mortgage against a Lot or Condominium Unit, and any other third party by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Lot or Condominium Unit, will thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and third party's irrevocable attorney-in-fact, with full power of substitution, to do and perform, each and every act permitted or required to be performed by Declarant pursuant to the terms of this Master Covenant. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee and/or third party, will be deemed, conclusively, to be coupled with an interest and will survive the dissolution, termination, insolvency, bankruptcy, incompetency and death of an Owner, Mortgagee and/or third party and will be binding upon the legal representatives, administrators, executors, successors, heirs and assigns of each such party.

11.10 No Partition. Except as may be permitted in this Master Covenant or amendments thereto, no physical partition of the Master Community Facilities or Special Common Area or any part will be permitted, nor will any person acquiring any interest in the Development or any part seek any such judicial partition unless the Development in question has been removed from the provisions of this Master Covenant pursuant to *Section 9.04* below. This *Section 11.11* will not be construed to prohibit the Board from acquiring and disposing of tangible personal property or from acquiring title to real property that may or may not be subject to this Master Covenant, nor will this provision be constructed to prohibit or affect the creation of a condominium regime in accordance with the Texas Uniform Condominium Act.

11.11 Notices. Any notice permitted or required to be given to any person by this Master Covenant will be in writing and may be delivered either personally or by mail. If delivery is made by mail, it will be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the

Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

11.12 Enforcement and Nonwaiver.

(a) Except as otherwise provided herein, any Owner of a Lot, at such Owner's own expense, Declarant and the Association shall have the right to enforce all of the provisions of this Master Covenant. The Association may initiate, defend or intervene in any action brought to enforce any provision of this Declaration. Such right of enforcement shall include both damages for and injunctive relief against the breach of any provision hereof.

(b) Every act or omission whereby any provision of the Master Restrictions is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated by any Owner (at such Owner's own expense), Declarant or the Association.

(c) Any violation of any federal, state, or local law, ordinance, or regulation pertaining to the ownership, occupancy, or use of any portion of the Development is hereby declared to be a violation of this Master Covenant and subject to all of the enforcement procedures set forth herein.

(d) The failure to enforce any provision of the Master Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of the Master Restrictions.

11.13 View Impairment. Neither the Declarant nor the Association guarantee or represent that any view over and across the Lots, Condominium Units or any open space within the Development will be preserved without impairment. Neither the Declarant nor the Association shall have any obligation to relocate, prune, or thin trees or other landscaping to preserve or restore views. The Association (with respect to any Master Community Facilities or Special Common Area) will have the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

11.14 Safety and Security.

(a) Owner Responsibility. Each Owner and Occupant of a Lot or Condominium Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in the Development. The Association may, but shall not be obligated to, maintain or support certain activities within the Development designed to promote or enhance the level of safety or security which each person provides for himself and his property. However, neither the Association nor the Declarant shall in any way be considered insurers or guarantors of safety or security

within the Development, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

(b) No Representation or Warranty. No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to the Development, cannot be compromised or circumvented; or that any such system or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any Occupants of such Owner's Lot or Condominium Unit that the Association, its Board and committees, and the Declarant are not insurers or guarantors of security or safety and that each Person within the Development assumes all risks of personal injury and loss or damage to property, including any residences or Improvements constructed upon any Lot or Condominium Unit and the contents of thereof, resulting from acts of third parties.

[SIGNATURE PAGE FOLLOWS]

EXECUTED to be effective on the date this instrument is recorded in the Official Public Records of Travis County, Texas.

DECLARANT:

ROUGH HOLLOW DEVELOPMENT, LTD., a Texas limited partnership

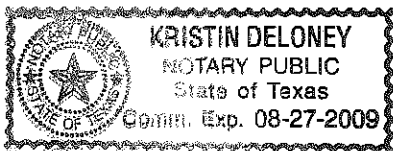
By: JHLV GP, Inc., a Texas corporation, its General Partner

By: *[Signature]*
Haythem Dawlett, Vice President

STATE OF TEXAS §
COUNTY OF *Travis* §

This instrument was acknowledged before me on the *6th* day of *April*, 2009, by Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, general partner of Rough Hollow Development, Ltd, a Texas limited partnership on behalf of said corporation and partnership.

[seal]




Kristin Deloney
Notary Public, State of Texas

LAS VENTANAS:

LAS VENTANAS LAND PARTNERS, LTD., a
Texas limited partnership

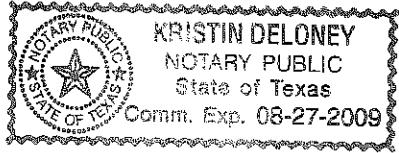
By: JHLV GP, Inc., a Texas corporation, its
General Partner

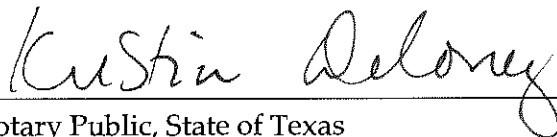
By: 
Haythem Dawlett, Vice President

STATE OF TEXAS §
 §
COUNTY OF Texas §

This instrument was acknowledged before me on the 6th day of April, 2009, by Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, general partner of Las Ventanas Land Partners, Ltd, a Texas limited partnership on behalf of said corporation and partnership.

[seal]

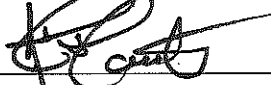



Notary Public, State of Texas

JH WEST:

JH WEST LAND VENTURES, LTD., a Texas limited partnership

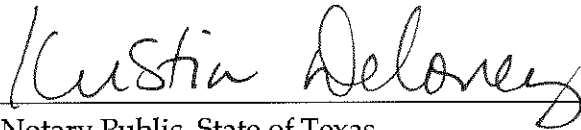
By: JHLV GP, Inc., a Texas corporation, its General Partner

By: 
Haythem Dawlett, Vice President

STATE OF TEXAS §
 §
COUNTY OF Texas §

This instrument was acknowledged before me on the 6th day of April, 2009, by Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, general partner of JH West Land Ventures, Ltd, a Texas limited partnership on behalf of said corporation and partnership.

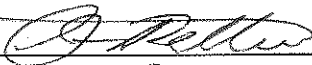
[seal]


Notary Public, State of Texas

CONSENT OF MORTGAGEE

The undersigned, being the sole owner and holder of the liens established by those certain deeds of trust, each dated September 21, 2007, recorded as Document Nos. 2007180061, 2007180062, and 2007180063 in the Official Public Records of Travis County, Texas, each of which secures two notes of even date therewith, one in the original principal amount of \$29,112,868, and the other in the original principal amount of \$24,721,839, executes this Declaration solely for the purpose of evidencing its consent to this Declaration.

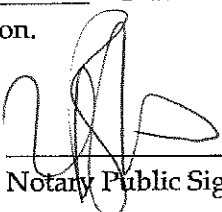
**FIRST HORIZON HOME LOANS, A DIVISION
OF FIRST TENNESSEE BANK NATIONAL
ASSOCIATION**

By: 
Printed Name: Damon Petticossi
Title: SUP

STATE OF Georgia §
 §
COUNTY Fulton §

This instrument was acknowledged before me on this 6th day of April, 2009 by _____ of First Horizon Home Loans, a division of First Tennessee Bank National Association.

(seal)


Notary Public Signature

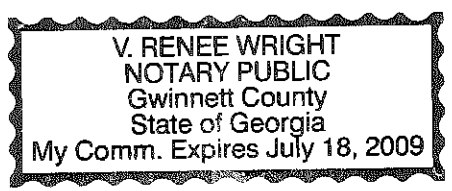
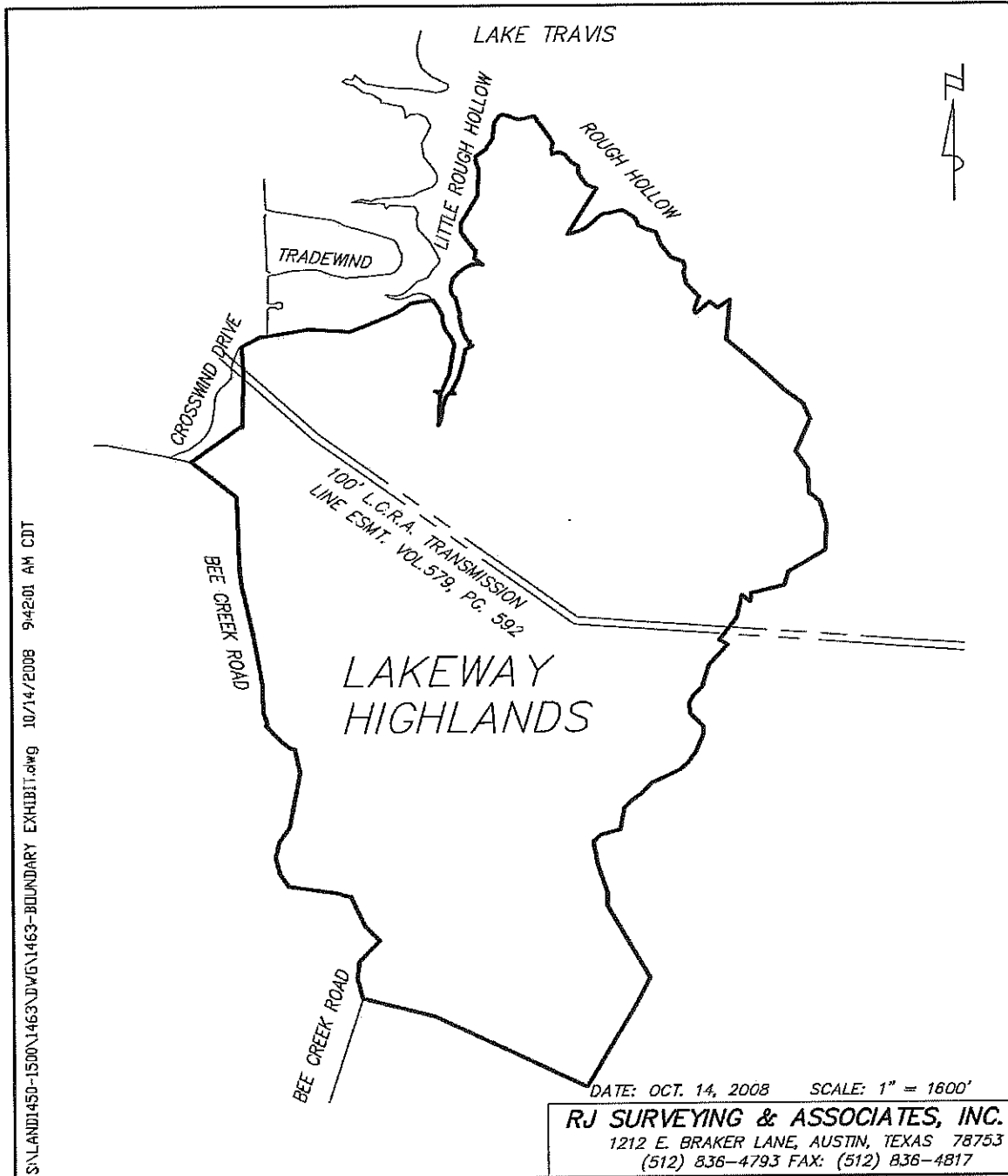


EXHIBIT "A"

DESCRIPTION OF PROPERTY



FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2009 Apr 09 09:56 AM 2009056508

BENAVIOESV \$288.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

ROUGH HOLLOW CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

ATTACHMENT 6

NOTICE OF ANNEXATION

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Dana DeBeauvoir

Dana DeBeauvoir, County Clerk
Travis County, Texas

Mar 29, 2021 08:21 AM Fee: \$42.00

2021065898

Electronically Recorded

AFTER RECORDING RETURN TO:

Emily Jung
JAE Law Group, PLLC
1717 West 6th St., Suite 262
Austin, TX 78703

ROUGH HOLLOW SOUTH SHORE II
[ROUGH HOLLOW CONDOMINIUMS]

NOTICE OF APPLICABILITY OF
MASTER COVENANT

03-684137 CB/BR

Cross reference to Rough Hollow South Shore II Master Covenant recorded under Document No.2009056508, Official Public Records of Travis County, Texas, as amended.

Declarant: RH LAKEWAY DEVELOPMENT, LTD., a Texas limited partnership

Copyright © 2021. All rights reserved. This Notice of Applicability may be used only in connection with the Master Planned Community known as Rough Hollow South Shore II in Travis County, Texas and the operation of Rough Hollow South Shore II Master Community, Inc.

NOTICE OF APPLICABILITY OF MASTER COVENANT
ROUGH HOLLOW SOUTH SHORE II
[ROUGH HOLLOW CONDOMINIUMS]

This Notice of Applicability of Master Covenant [Rough Hollow South Shore II – Rough Hollow Condominiums] (this “Notice”), is made and executed by RH LAKEWAY DEVELOPMENT, LTD., a Texas limited partnership (“Declarant”), and is as follows:

R E C I T A L S:

1. **Applicability of Master Covenant to Development Area.** This Notice is filed with respect to that certain real property in Travis County, Texas, as more particularly described on Exhibit “A” attached hereto and incorporated herein, together with all improvements thereon and all easements, rights and appurtenances thereto, (collectively the “**Development Area**”). Pursuant to that certain Rough Hollow South Shore II Master Covenant recorded under Document No.2009056508, Official Public Records of Travis County, Texas (as amended from time to time, the “**Master Covenant**”), Declarant served notice that portions of the “**Property**,” as defined and described in the Master Covenant, upon the filing of appropriate Notices of Applicability from time to time, may be made a part of the “**Development**,” as defined and described in the Master Covenant, and thereby fully subjected to the terms, covenants, conditions, restrictions, reservations, easements, servitudes, liens and charges of the Master Covenant.

2. **Property Incorporated Into Development.** The provisions of the Master Covenant shall apply to the Development Area. The Development Area is hereby included within and made a part of the Development and is hereby subjected to the terms, covenants, conditions, restrictions, reservations, easements, servitudes, liens and charges of the Master Covenant.

3. **Allocation of Assessment Units to Condominium Units.** In the event all or any portion of the Development Area is submitted to the condominium form of ownership by the recordation of a declaration of condominium in the Official Public Records of Travis County, Texas (a “**Condominium Declaration**”), then on the date a Condominium Declaration is recorded, each condominium unit established thereby will be deemed a “**Condominium Unit**” as such term is defined in the Master Covenant. Pursuant to *Section 5.09(b)* of the Master Covenant, each Condominium Unit so created will be allocated Assessment Units and votes which may be cast on all matters to be voted on by the Members of the Association in accordance with the Master Covenant, as follows:

Assessment Unit per Condominium Unit	0.60
Vote per Condominium Unit	0.60

In lieu of mailing a statement of Assessment to each Owner, the Association will have the option to mail a statement of Assessment for all Condominium Units within the Development Area to the condominium association established for such Condominium Units. The amounts reflected on a statement of Assessment will be due and payable within thirty (30) days after the due date set forth on any statement.

Notwithstanding any provision in this Notice to the contrary, each owner of a Condominium Unit is obligated to pay the Assessment attributable to such owner’s Condominium Unit as set forth in the Master Covenant. The Association’s remittance of a statement to any Condominium Association will not

be construed to waive the Association's right to collect Assessments from the owner of a Condominium Unit.

4. **Miscellaneous**. Any capitalized terms used and not otherwise defined in this Notice shall have the meanings set forth in the Master Covenant.

[SIGNATURES ON FOLLOWING PAGE]

EXECUTED to be effective as of the date this Notice has been recorded in the Official Public Records of Travis County, Texas.

DECLARANT:

RH LAKEWAY DEVELOPMENT, LTD., a Texas limited partnership

By: RH Lakeway Development GP, LLC, a Texas limited liability company, its General Partner

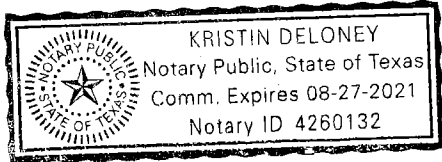
By: 
William Hayes, Asst. Vice President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 25th day of March, 2021, by William Hayes, Asst. Vice President of RH Lakeway Development GP, LLC, a Texas limited liability company, general partner of RH Lakeway Development, Ltd, a Texas limited partnership, on behalf of said limited liability company and limited partnership.

[SEAL]



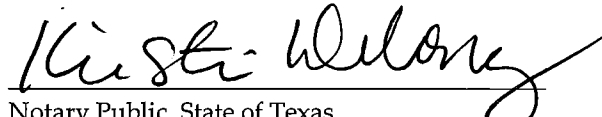

Notary Public, State of Texas

Exhibit "A"
Property Description

All of LAKEWAY HIGHLANDS, PHASE 2, SECTION 8, an addition in Travis County, according to the map or plat thereof recorded in/under Document Number 202100027 of the Official Public Records of Travis County, Texas.