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AFTER RECORDING RETURN TO:

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STEINER RANCH
[LAKESIDE/BELLAGIO ESTATES]
AMENDED AND RESTATED
DEVELOPMENT AREA DECLARATION

Cross reference to Master Declaration of Covenants, Conditions and Restrictions for Steiner Ranch, recorded as Volume 13008, Page 756, et. seq., in the Official Public Records of Travis County, Texas, as amended by that certain Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2000143255, in the Official Public Records of Travis County, Texas, that certain Second Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2002057508, in the Official Records of Travis County, Texas, that certain Third Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2004027474, in the Official Public Records of Travis County, Texas, that certain Fourth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2004036580, in the Official Public Records of Travis County, Texas, that certain Fifth Amendment to Master Declaration of

Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document 2004092278, in the Official Public Records of Travis County, Texas, that certain Sixth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2005091740 in the Official Public Records of Travis County, Texas, that certain Seventh Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2005163691 in the Official Public Records of Travis County, Texas, that certain Eighth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2005231870 in the Official Public Records of Travis County, Texas, that certain Ninth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded in the Official Public Records of Travis County, Texas, that certain Notice of Applicability of Master Declaration of Covenants, Conditions and Restrictions for Steiner Ranch [Steiner Ranch, Phase One, Section 6C], recorded as Document No. 2003129878, in the Official Public Records of Travis County, Texas, and that certain Steiner Ranch [Lakeside] Development Area Declaration, recorded as Document No. 2004203838, in the Official Public Records of Travis County, Texas. The terms and provisions of the afore-mentioned documents also apply to the Property encumbered by this Development Area Declaration.

AMENDED AND RESTATED DEVELOPMENT AREA DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS [LAKESIDE/BELLAGIO ESTATES]

This Amended and Restated Development Area Declaration of Covenants, Conditions and Restrictions [Lakeside/Bellagio Estates] (the "Declaration") is made by **TAYLOR WOODROW COMMUNITIES/STEINER RANCH, LTD.**, a Texas limited partnership (the "Declarant"), and is as follows:

RECITALS

A. Pursuant to that certain Bill of Sale and Assignment executed on January 18, 2000, and by that certain Assignment of Declarant's Rights and Amendments to Declarations executed on January 18, 2000 recorded in Document No. 2000009812, Official Public Records of Travis County, Texas, Declarant is the Declarant under that certain Master Declaration of Covenants, Conditions and Restrictions for Steiner Ranch, recorded as Volume 13008, Page 756, et. seq., in the Official Public Records of Travis County, Texas, as amended by that certain Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2000143255, in the Official Public Records of Travis County, Texas, that certain Second Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2002057508, in the Official Records of Travis County, Texas, that certain Third Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2004027474, in the Official Public Records of Travis County, Texas, that certain Fourth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2004036580, in the Official Public Records of Travis County, Texas, that certain Fifth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document 2004092278, in the Official Public Records of Travis County, Texas, that certain Sixth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2005091740 in the Official Public Records of Travis County, Texas, that certain Seventh Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2005163691 in the Official Public Records of Travis County, Texas, that certain Eighth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2005231870 in the Official Public Records of Travis County, Texas, and that certain Ninth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. _____ in the Official Public Records of Travis County, Texas (the "Master Declaration").

B. Declarant is the owner of Lots 253 through 262, Block A, located in Steiner Ranch Phase One, Section 6C, a subdivision in Travis County, Texas, according to the map or plat recorded as Document No. 200300147, in the Official Public Records of Travis County, Texas (the "Property").

C. Pursuant to that one certain Notice of Applicability of Master Declaration of Covenants, Conditions and Restrictions for Steiner Ranch [Steiner Ranch, Phase One, Section 6C], recorded as Document No. 2003129878, in the Official Public Records of Travis County, Texas, the Property is subject to the Master Declaration.

D. Declarant filed that certain Steiner Ranch [Lakeside] Development Area Declaration, recorded as Document No. 2004203838, in the Official Public Records of Travis County, Texas (the "Original Declaration").

E. Section 7.02 of the Original Declaration provides that the Original Declaration may be amended or terminated by the Declarant, acting alone, by recording in the Real Property Records of Travis County, Texas an instrument setting forth the amendment executed and acknowledged by the Declarant.

F. Declarant desires to terminate the Original Declaration in its entirety, and substitute the terms and provisions of this Declaration in its place.

G. Declarant further 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 all future owners thereof

H. Declarant further 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 Declaration.

NOW, THEREFORE, it is hereby declared: (i) that all of the Property shall be held, sold, conveyed, and occupied subject to the following covenants, conditions and restrictions which shall run with the Property and shall be binding upon all parties having right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof; and (ii) that 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) that this Declaration shall supplement and be in addition to the covenants, conditions, and restrictions of the Master Declaration.

ARTICLE I

DEFINITIONS

1.01. Defined Terms. Unless the context specifies or requires otherwise, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

"Architectural Guidelines" shall mean that certain Steiner Ranch Residential Design Guidelines Manual, adopted by the Master Architectural Control Committee and recorded in the Official Public Records of Travis County, Texas, as supplemented and modified by the Steiner Ranch Design Guidelines/Supplemental Conditions Bellagio Estates, attached hereto as Exhibit "A" and incorporated herein for all purposes. The Architectural Guidelines may be amended, modified, or restated from time to time.

"Assessment" or "Assessments" shall mean all assessment(s) imposed by the Association under the Master Declaration.

"Association" shall mean and refer to the Steiner Ranch Master Association, Inc., a Texas non-profit corporation.

"Association Restrictions" shall mean and refer to the Master Declaration, this Development Area Declaration, any rules adopted by the Architectural Control Committee pursuant to 6.02(c) of the Master Declaration, any rules or regulations adopted by the Board pursuant to 3.04(A) of the Master Declaration, the Articles and Bylaws of the Association, and rules and regulations adopted by the Development Area Association Board pursuant to 4.05(c) of this Development Area Declaration, and the articles and bylaws of such Development Area Association.

"Articles" shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.

"Bylaws" shall mean the bylaws of the Association, as amended from time to time.

"Board" shall mean and refer to the Board of Directors of the Association.

"Declarant" shall mean Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited partnership, its successors or assigns; provided that any assignment(s) of the rights of Taylor Woodrow Communities/Steiner Ranch, Ltd. as Declarant, must be expressly set forth in writing and the mere conveyance of a portion or all of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

"Development Area Assessment" or "Development Area Assessments" shall mean all assessment(s) imposed by the Development Area Association under this Development Area Declaration.

"Development Area Association" shall mean shall mean and refer to the optional association created pursuant to Article IV.

"Development Area Association Board" shall mean and refer to the Board of Directors of the Development Area Association.

"Development Area Association Property" shall mean and refer to any property or improvements owned by the Development Area Association.

"Development Common Area" shall mean and refer to all real property and any interest therein, including Improvements located thereon, which is designated by Declarant as common area which benefits the Development Area, is conveyed to the Development Area Association or is otherwise held by Declarant for the benefit of the Owners of lots within the Development Area. The Development Common Area may include all areas that shall be or have been dedicated to all public authorities but not yet accepted by such authorities. The Development Common Area shall be for the common use and enjoyment of the Owners of lots within the Development Area. Development Common Area may be designated by Declarant from time to time and at any time, and may include Limited Common Elements conveyed to the Development Area Association as permitted in the Master Declaration.

"Development Area Declaration" shall mean this instrument as it may be amended from time to time.

"Improvements" shall mean every structure and all appurtenances of every type, whether temporary or permanent, including but not limited to buildings, outbuildings, sheds, patios, tennis courts, swimming pools, sport courts, garages, driveways, storage buildings, sidewalks, gazebos, signs, fences, gates, screening walls, retaining walls, stairs, decks, landscaping, landscape improvements, poles, mailboxes, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, playground equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennae, towers, and other facilities used in connection with water, sewer, gas, electric, telephone, regular, satellite or cable television, other utilities, or otherwise.

"Lot" or "Lots" shall mean one or more of the subdivided lots within the Development Area other than Master Common Area and Development Common Areas.

"Master Architectural Control Committee" means the Master Architectural Control Committee as defined in the Master Declaration **OR** a New Construction Committee formed by the Declarant pursuant to the terms and provisions of the Master Declaration. As provided in the Master Declarant, Declarant may create a New Construction Committee with the sole and

exclusive authority to review and approve Improvements proposed to be constructed on any Lot within the Property.

"Master Declaration" shall mean that certain Master Declaration of Covenants, Conditions and Restrictions for Steiner Ranch, recorded as Volume 13008, Page 756, et. seq., in the Official Public Records of Travis County, Texas, as amended by that certain Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2000143255, in the Official Public Records of Travis County, Texas, that certain Second Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2002057508, in the Official Records of Travis County, Texas, that certain Third Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2004027474, in the Official Public Records of Travis County, Texas, that certain Fourth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document No. 2004036580, in the Official Public Records of Travis County, Texas, that certain Fifth Amendment to Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch, recorded as Document 2004092278, in the Official Public Records of Travis County, Texas.

"Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust securing indebtedness and covering any portion of the Property given to secure the payment of a debt.

"Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage(s).

"Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding all or a portion of the fee simple interest in any Lot, but shall not include the Mortgagee under a Mortgage prior to acquisition of its fee simple interest in such Lot pursuant to foreclosure of the lien of such Mortgage.

1.02. General Definitions. Unless the context specifies or requires otherwise, capitalized terms used but not defined in this Declaration are used and defined as they are used and defined in the Master Declaration.

ARTICLE II

GENERAL RESTRICTIONS

All of the Property shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions:

2.01. Architectural Guidelines. Any and all Improvements erected, placed, constructed, painted, altered, modified, or remodeled on any portion of the Property shall strictly comply with the requirements of the Declaration and the Architectural Guidelines, unless a variance is obtained pursuant to the Master Declaration. Pursuant to Section 6.02(c) of

the Master Declaration, the Master Architectural Control Committee has adopted the Steiner Ranch Residential Design Guidelines Manual, dated September 2, 1997, and revised on March 7, 2002, recorded in the Official Public Records of Travis County, Texas, as supplemented and modified by that certain Steiner Ranch Design Guidelines/Supplemental Conditions Bellagio Estates, a copy of which is attached hereto as Exhibit "A". The Architectural Guidelines may be supplemented, modified, amended, or restated by the Master Architectural Control Committee as authorized by the Master Declaration, and Declarant shall be under no obligation to place such supplement, modification, amendment or restatement of record in the Official Public Records of Travis County, Texas. In the event of any conflict between the terms and provisions of any Architectural Guidelines and the terms and provisions of the Master Declaration or this Declaration, the terms and provisions of the Master Declaration and this Declaration shall control. In addition, the Master Architectural Control Committee shall have the power and authority to impose a fee for the review of plans, specifications and other documents and information. Such charges shall be held by the Master Architectural Control Committee and used to defray the administrative expenses incurred by the Master Architectural Control Committee in performing its duties hereunder; provided, however, that any excess funds held by the Master Architectural Control Committee shall be distributed to the Association at the end of each calendar year. The Master Architectural Control Committee shall not be required to review any plans until a complete submittal package, as required by this Master Declaration, the Declaration and the Architectural Guidelines, is submitted to the Master Architectural Control Committee.

2.02. General Restrictions.

(a) The Lots shall be used solely for private single family residential purposes and there shall not be constructed or maintained thereon more than one detached single family residence which shall not exceed the following height limitations and shall meet the following criteria:

(i) The maximum building height shall be determined utilizing City of Austin height limitation requirements.

(ii) The composition and percentage of masonry required for each single family residence to be constructed upon the Property shall comply with the terms and provisions of the Architectural Guidelines.

(iii) All roofs shall be constructed as set forth in the Architectural Guidelines or as expressly approved by the Master Architectural Control Committee.

(iv) Any residence constructed on any Lot within the Property must comply with the minimum and/or maximum square foot size requirements set forth in the Architectural Guidelines.

(b) Each Lot must contain a private garage for not fewer than two (2) automobiles and off-street parking space for a minimum of two (2) automobiles. All garages will be

maintained for the parking of automobiles, may not be used for storage or other purposes which preclude its use for the parking of automobiles, and no garage may be permanently enclosed or otherwise used for habitation.

(c) The location of all buildings and Improvements shall comply with the minimum setbacks shown on any plat of the Property and the Architectural Guidelines.

(d) The location, orientation and opening of each garage to be located on a Lot shall be approved in advance of construction by the Master Architectural Control Committee.

(e) The design, construction materials, and location of all driveways shall comply with the requirements set forth in the Architectural Guidelines.

(f) All landscaping shall comply with the Architectural Guidelines. The Master Architectural Control Committee shall have the authority to promulgate additional rules and requirements for landscaping design, installation, and materials to be located on any Lot.

(g) No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot, except an Owner or occupant of a residence may conduct business activities within a residence so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (ii) the business activity conforms to all zoning requirements for the Development Area; (iii) the business activity does not involve door-to-door solicitation of residents within the Development; (iv) the business does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles parked in the Development which is noticeably greater than that which is typical of residences in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Development Area and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Development as may be determined in the sole discretion of the Board. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) such activity is engaged in full or part-time; (y) such activity in intended to or does generate a profit; or (z) a license is required.

Leasing of a residence shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Declarant or an Owner engaged in the business of constructing homes for resale who acquires a Lot for the purpose of constructing a residence thereon for resale to a third party. Declarant or its licensees, in connection with its development of the Development Area and sale of Lots, shall have the right to maintain on any Lot or Lot(s) model homes, temporary or permanent sales and marketing centers and offices, and conduct open houses or other marketing events, to which the

general public may be invited until such Lot is purchased by an individual who intends to reside thereon. Notwithstanding any provision in this Section 2.02(g) or the Declaration to the contrary, "garage sales" shall be permitted with the advance written consent of the Master Board.

(h) No portion of the Property may be used for: (i) the takeoff, storage, or landing of aircraft (including, without limitation, helicopters) except for medical emergencies; or (ii) a carport or other automobile storage which is open on more than one side.

(i) No Lot may be used as an apartment house, flat, lodging house, hotel, bed and breakfast lodge, or any similar purpose, but Lots may be leased for single family residential purposes for a minimum term of six (6) months; provided that any lease agreement must be in writing and must be made specifically subject to this Declaration. Tenants must be the lessee and his or her family within the first degree of relationship by blood, adoption or marriage.

2.03. **Antennae**. Except as expressly provided below, no exterior radio or television antennae or aerial or satellite dish or disc, nor any solar energy system, shall be erected, maintained or placed on a Lot without the prior written approval of the Master Architectural Control Committee; provided, however, that:

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

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

(iii) an antenna that is designed to receive television broadcast signals; (collectively, (i) through (iii) are referred to herein as the "Permitted Antennas") will be permitted subject to reasonable requirements as to location and screening as may be set forth in rules adopted by the Master Architectural Control Committee, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. Declarant and/or the Association will have the right, but not the obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or any portion of the Development.

2.03A. **Location of Permitted Antennas.** A Permitted Antenna may be installed solely on the Owner's Lot and shall not encroach upon any street, Master Common Area, Limited Common Area, Development Common Area, or any other portion of the Property. A Permitted Antenna shall be installed in a location on the Lot from which an acceptable quality signal can be obtained and where least visible from the street and the Property, other than the Lot. In order of preference, the locations of a Permitted Antenna which will be considered least visible by the Master Architectural Committee are as follows:

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

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

The Master Architectural Control Committee may, from time to time, modify, amend, or supplement the rules regarding installation and placement of Permitted Antennas.

2.04. Insurance Rates. Nothing shall be done or kept on the Property that would increase the rate of casualty or liability insurance or cause the cancellation of any such insurance on the Master Common Area, the Development Common Area, or the improvements located thereon, without the prior written approval of the Master Board or the Board, as applicable.

2.05. Subdividing and Easements. No Lot shall be further divided or subdivided, nor may any easements or other interests therein covering less than the whole Lot be conveyed by the Owner thereof without the prior express written approval of the Declarant. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat or by separate written instrument. No utility company, water district, political subdivision, or other authorized entity using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, employees, or servants, to shrubbery, trees, or flowers, or any other landscaping or Improvements or to other property of the Owner situated within any such easement.

2.06. Signs. No sign of any kind shall be displayed to the public view on any Lot without the prior written approval of the Master Architectural Control Committee, except for:

(i) signs which are part of Declarant's overall marketing or construction plans or activities for the Property and/or Development;

(ii) one (1) temporary "For Sale" or "For Rent" sign placed on the Lot being advertised "For Sale" or "For Rent". The sign will be limited to a maximum face area of five (5) square feet on each visible side and, if free standing, is mounted on a single or frame post. The overall height of the sign from finished grade from the spot where the sign is located may not exceed four (4) feet. The sign must be removed within two (2) business days following the sale of the Lot;

(iii) one (1) small security service sign per Lot, provided that the sign has a maximum face area of two (2) square feet and is located no more than five (5) feet from the front elevation of the principal residence constructed upon the Lot;

(iv) permits as may be required by legal proceedings; and

(v) permits as may be required by any governmental entity.

An Owner will be permitted to post a "no soliciting" sign near or on the front door to the principal residence constructed upon the Lot, provided, that the sign not exceed twenty-five (25) square inches.

2.07. Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other property or to its occupants. Refuse, garbage, and trash shall be kept at all times in covered containers, and such containers shall be kept within enclosed structures or otherwise appropriately screened from view from any portion of the Property, other than the Lot on which such containers are properly located.

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

2.09. Construction of Improvements. No Improvements of any kind shall hereafter be placed, maintained, erected or constructed upon any of the Property by anyone other than Declarant, without the prior written approval of the Master Architectural Control Committee.

2.10. Repair of Buildings. All Improvements upon any of the Property that are not maintained by the Master Association or the Development Area Association shall at all times be kept in good condition and repair and adequately maintained by the Owner thereof. The opinion of the Master Architectural Control Committee as to condition and repair shall be final.

2.11 Repair and Maintenance. The Owners of each Lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep their Lot and all Improvements thereon in good condition and repair and in a well-maintained, safe, clean and attractive condition at all times. The Master Architectural Control Committee, in its sole discretion, shall determine whether a violation of the maintenance obligations set forth in this Section 2.11 has occurred. Such maintenance includes, but is not limited to the following, which shall be performed in a timely manner, as determined by the Master Architectural Control Committee, in its sole discretion:

(i) Prompt removal of all litter, trash, refuse, and wastes.

(ii) Lawn mowing.

(iii) Tree and shrub pruning.

(iv) Watering.

(v) Keeping exterior lighting and mechanical facilities in working order.

(vi) Keeping lawn and garden areas alive, free of weeds, and attractive.

(vii) Keeping sidewalks, driveways, and private roads in good repair.

(viii) Complying with all government, health and police requirements.

(ix) Repainting of Improvements.

(x) Repair of exterior damage, and wear and tear to Improvements.

2.12. Alteration or Removal of Improvements. Any alteration, remodeling, or construction that in any way alters or modifies the exterior appearance of any Improvements, or the removal of any Improvements within the Property, shall be performed only with the prior written approval of the Master Architectural Control Committee.

2.13. Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and approved in writing by the Master Architectural Control Committee.

2.14. Hazardous Activities. No activities may be conducted on the Property and no Improvements constructed on the Property that are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property, and no open fires shall be lighted or permitted except within safe and well-designed interior fireplaces or in contained barbecue units which are attended while in use and are used for cooking purposes only.

2.15. Temporary Structures. No tent, shack, or other temporary building, improvement, or structure shall be placed upon the Property without the written approval of the Master Architectural Control Committee; provided, however, that temporary structures necessary for storage of tools and equipment and for office space for architects, builders, and foreman during actual construction may be maintained with the prior approval of Master Architectural Control Committee, such approval to include the nature, size, duration, and location of such structure.

2.16. Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth.

2.17. Unsightly Articles: Vehicles. No article deemed to be unsightly by the Master Architectural Control Committee shall be permitted to remain on any Lot so as to be visible

from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks larger than a 3/4 ton pickup, boats, tractors, semi-trailers, campers, wagons, buses, motorcycles, motor scooters, machinery, garden maintenance equipment and inoperable vehicles shall be kept at all times, except when in actual use, in enclosed structures or screened from view, and no repair or maintenance work shall be done on any of the foregoing or on any automobile (other than minor emergency repairs) except in enclosed garages or other structures. Facilities for hanging, drying, or airing clothing or household fabrics (including, without limitation, clothes lines) shall be screened from view from any portion of the Development Area other than the Lot on which such areas, piles and facilities are properly located. No lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scraps, refuse, or trash of any kind shall be kept, stored, or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view from any portion of the Property other than the Lot on which such materials are properly located.

Parking of any vehicles on public or private streets or thoroughfares; and parking of commercial vehicles or equipment, mobile homes, recreational vehicles, boats and other watercraft, trailers, stored vehicles or inoperable vehicles in places other than enclosed garages is prohibited; provided, construction, service and delivery vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a residence.

2.18. **Animals.** No animals, including pigs, poultry, fowl, wild animals, horses, cattle, sheep, goats or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property. No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation shall be allowed. No animal shall be allowed to run at large, and all animals shall be kept within enclosed areas which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Master Architectural Control Committee, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof.

2.19. **Travel Trailers and Recreational Vehicles.** No travel trailers or recreational vehicles shall be parked in any street or on or near any Lot for more than forty-eight (48) hours or for more than seventy-two (72) hours in any 30-day period, so as to be visible from any other portion of the Property.

2.20. **Owner's Responsibility for Maintenance.** Each Owner shall maintain and keep in a good state of repair the interior and exterior of all buildings, structures, and other Improvements of any kind or nature that are located upon such Owner's Lot. An Owner, when exercising the right and responsibility of repair, maintenance, replacement, or remodeling, as

herein defined, shall never alter in any manner whatsoever the color and exterior appearance of the Improvements located on such Owner's Lot, except by written consent of the Master Architectural Control Committee. Each Owner shall, however, have the exclusive right to paint, plaster, panel, tile, wax, paper, or otherwise refinish and decorate the inner surface of the walls, ceilings, floors, windows, and doors within such Owner's structure; provided, that window treatments which are visible from the street or any other residence will have window coverings which have a white or off-white backing or blend with the exterior color of the residence. In the event an Owner fails to maintain the Improvements located on such Owner's Lot as provided herein in a manner that the Master Architectural Control Committee deems necessary to preserve the appearance and value of the Property, the Master Architectural Control Committee may notify such Owner of the work required and request that it be done within thirty (30) days from the giving of such notice. In the event such Owner fails to complete such work or maintenance within said period, the Master Architectural Control Committee shall so notify the Board or the Development Area Association , and such board may (but shall not be obligated to) cause such work to be done and the Owner shall be personally liable to the Association or the Development Area Association for the cost of such work. If the Owner fails to pay such cost upon demand, such cost (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one-half percent (1-1/2%) per month) shall be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed or chargeable against a Lot shall be secured by the liens reserved in this Declaration and the Master Declaration for assessments and may be collected by any means provided in this Declaration and the Master Declaration for the collection of such assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). EACH SUCH OWNER SHALL INDEMNIFY AND HOLD HARMLESS THE DEVELOPMENT AREA ASSOCIATION AND THE ASSOCIATION AND THEIR 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 DEVELOPMENT ARE ASSOCIATION'S OR THE ASSOCIATION'S ACTS OR ACTIVITIES UNDER THIS SECTION 2.20 (INCLUDING ANY COST, FEES, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE DEVELOPMENT AREA ASSOCIATION'S OR 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 DEVELOPMENT AREA ASSOCIATION'S OR THE ASSOCIATION'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. "GROSS NEGLIGENCE" AS USED HEREIN DOES NOT INCLUDE SIMPLE NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE.

2.21. **Liability of Owners for Damage to Master Common Area or Development Common Area.** No Owner shall in any way alter, modify, add to, or otherwise perform any work whatsoever upon the Master Common Area or the Development Common Area. The Owner of each Lot shall be liable to the Association or the Development Area Association for all damages to: (i) the Master Common Area, Development Common Area, or any Improvements

constructed thereon; or (ii) to any Improvements constructed upon any Lot, the maintenance of which has been assumed by the Master Association or the Development Area Association; which damage is caused by the neglect, misuse or negligence of such Owner or any tenant or other occupant of such Owner's Lot or such Owner's guest or invitee. The full cost of all repairs of such damage shall be assessed and charged against the Owner's Lot, secured by a lien against the Owner's Lot and collectible in the same manner as provided in the Master Declaration or the Declaration.

2.22. Compliance with the Declaration. Each Owner shall comply strictly with the provisions of the Association Restrictions as the same may be amended from time to time. Failure to comply with any of the Restrictions shall constitute a violation of the Association Restrictions and shall give rise to a cause of action to recover sums due for damages or injunctive relief, or both, maintainable by the Declarant, the Manager, the Board on behalf of the Association, the Development Area Association Board on behalf of the Development Area Association, the Master Architectural Control Committee, or by an aggrieved Owner. Without limiting any rights or powers of the Association or the Development Area Association, either board may (but shall not be obligated to) remedy or attempt to remedy any violation of any of the provisions of this Declaration and/or the Master Declaration, and the Owner whose violation has been so remedied shall be personally liable to the Association or the Development Area Association for all costs and expenses of effecting (or attempting to effect) such remedy. If such Owner fails to pay such costs and expenses upon demand by the Association or the Development Area Association, such costs and expenses (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one-half percent (1-1/2%) per month) shall be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed and chargeable against a Lot shall be secured by the liens reserved in the Declaration and/or the Master Declaration for Assessments and may be collected by any means provided in the Declaration and/or the Master Declaration for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). Each such Owner shall indemnify and hold harmless the Association and the Development Area Association and their 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 or Development Area Association's acts or activities under this Section 2.22 (including any cost, loss, damage, expense, liability, claim or cause of action arising out of the Association's or the Development Area 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 or Development Area Association's gross negligence or willful misconduct. "Gross negligence" as used herein does not include simple negligence, contributory negligence or similar negligence short of actual gross negligence.

2.23. Butane and Fuel Tanks. No butane or fuel tank or other structure or facility for the storage of combustible fuel (other than gas grills) shall be placed or maintained on the Property unless approved in writing by the Master Architectural Control Committee.

2.24. No Warranty of Enforceability. Declarant makes no warranty or representation as to the present or future validity or enforceability of any restrictive covenants, terms, or provisions contained in the Declaration. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms, or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

2.25. No Tennis or Recreational Courts; Playscapes; Basketball Goals. No tennis, recreational or sport courts shall be constructed on any Lot unless expressly approved by the Master Architectural Control Committee. The Master Architectural Control Committee may prohibit the installation of a tennis, recreational or sport court on any Lot. Playscapes or any similar recreational facilities may not be constructed on any Lot without the advance written approval of the Master Architectural Control Committee. The Master Architectural Control Committee may prohibit the installation of playscapes or similar recreational facilities on any Lot. Permanent basketball goals are permitted between the street right-of-way and the front of the residence on a Lot provided the basketball goal is located a minimum of twenty feet (20') from the street curb. The basketball goal backboard must be perpendicular to the street and mounted on a black metal pole permanently installed in the ground Portable basketball goals are only allowed in the rear of the Lots and shall not be placed, at any time: (i) in or adjacent to any street or right of way located within the subdivision; or (ii) between the street right-of-way and the front of the residence on any Lot in the subdivision. Basketball goals must be properly maintained and painted, with the net in good repair. All basketball goals, whether permanent or portable, must be approved by the Master Architectural Control Committee prior to being placed on any Lot.

2.26. Protective Covenants. Each Owner agrees to comply with all terms and conditions of that certain Conservation Easement Agreement Steiner Ranch, Travis County, Texas recorded as Document No. 2001009450 in the Official Public Records of Travis County, Texas, to the extent such terms and/or conditions apply to such Owner's Lot; and with all the terms and conditions of that certain Development Agreement, recorded as Document No. 2001180705 in the Official Public Records of Travis County, Texas, to the extent such terms and/or conditions apply to such Owner's Lot; and the terms and conditions of that certain Conservation Easement to Restrict Impervious Cover, recorded as Document No. 2001180704 in the Official Public Records of Travis County, Texas, to the extent such terms and/or conditions apply to such Owner's Lot.

2.27. Violation of Association Restrictions. In the event the Association Restrictions are violated by any Owner, its employees, lessees, invitees or licensees, the Declarant, the Master Architectural Control Committee, and/or the Master Board may seek any one or more of the following remedies, in addition to any other remedy or right provided in the Association Restrictions:

(A) The suspension of an Owner's right to vote in matters pertaining to the Master Association and to suspend such Owner's right to use any Master Common Area;

(B) The right to enforce the Association Restrictions (and in connection therewith, to enter upon any Lot or any Improvements constructed thereon or therein, if necessary), and levy an assessment against the Lot for any expense occasioned by such violation;

(C) The right to levy fines as a result of such violation;

(D) The right to seek injunctive or any other relief provided or allowed by law against such violation and to recover from such Owner all its expenses and costs in connection therewith, including, but not limited to, attorneys' fees and court costs. Each day a violation continues shall be deemed a separate violation.

2.28. **Construction Standards.**

(a) Once commenced, construction shall be diligently pursued to the end that it may not be left in a partly finished condition any longer than reasonably necessary.

(b) Any and all debris due to construction including but not limited to dirt or trash, which is deposited on any public or common roadway, shall be removed daily. No construction equipment or vehicles shall be parked on any public or common roadway within the Development Area without prior written approval of the Master Architectural Control Committee.

(c) All temporary utilities on any portion of the Development Area during the construction of Improvements thereon shall be contained in unobtrusive areas to be approved in writing by the Master Architectural Control Committee. To the extent reasonably practicable, equipment and materials shall be stored at a location that is visibly unobtrusive from any public or common roadway and from any adjacent property. To the extent reasonably practicable, construction debris shall be concealed from any public or common roadway and from adjacent property, by the use of visual screening, and such debris shall be removed promptly and on a regular basis. Burning of debris shall not be permitted. Upon completion of construction upon any portion of the Development Area, all trash, debris, surplus materials, temporary screening barriers, and equipment shall be removed promptly.

ARTICLE III

PROVISIONS REGARDING BOAT DOCKS

3.01. **Lakefront Lots.** The Owners of Lots which share a common boundary with Lake Austin may install boat docks and accessory structures in accordance with this Section, any additional rules promulgated by the Master Architectural Control Committee, from time to time, and the requirements of the Lower Colorado River Authority and/or the City of Austin (if applicable). The plans and specifications for all boat docks and accessory structures must be submitted in advance to the Master Architectural Control Committee for review and approval, which approval may include but not be limited to the location of all boat docks and accessory

structures, and the materials and method used in construction. In addition, the following restrictions will apply:

(a) Boat docks and related facilities must remain, at all times, in good condition, free of trash and unsightly debris. All personal items should be secured when not in use;

(b) Piers may not extend more than fifty (50) feet into Lake Austin or its tributaries or channels;

(c) Boat docks may not be greater than thirty six (36) feet in length and may not be installed within twenty (20) feet of the side boundary line of any Lot;

(d) The Association and its authorized agents have the right, from time to time, to enter a Lot to inspect the general condition and state of repair of any boat docks and accessory structures and to confirm that the Owner is complying with the terms and provisions of this Declaration; and

(e) Each Owner must comply with all valid and applicable laws, rules and regulations of governmental bodies and agencies having jurisdiction over boat slips or boat docks.

The Master Architectural Control Committee may, from time to time, adopt additional rules or guidelines governing the construction, use, repair, and operation of boat docks and accessory structures.

3.02. Insurance. Each Owner will obtain and maintain general liability insurance on all boat docks and accessory structures and the Association shall be made an additional insured to such policy. Each Owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. Each Owner is solely responsible for insuring his personal property, including boats, equipment, and stored items.

3.03. Partition; Lease. No Owner may partition any boat dock or accessory structures from such Owner's Lot, and the boat dock or accessory structures may not be leased unless such lease includes the principal single family residence located on such Owner's Lot.

3.04. NO REPRESENTATIONS OR WARRANTIES. NEITHER THE ASSOCIATION NOR THE DECLARANT MAKES ANY IMPLIED OR EXPRESS REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER REGARDING THE SUITABILITY OF ANY PORTION OF THE OWNER'S LOT FOR THE CONSTRUCTION, USE OR OPERATION OF ANY BOAT DOCK OR ACCESSORY STRUCTURES, INCLUDING, BUT NOT LIMITED TO,

THE SAFETY OR SECURITY OF THE OWNER'S LOT OR ANY BOAT DOCK OR ACCESSORY STRUCTURES CONSTRUCTED THEREON, OR THE FITNESS FOR ANY USE BY OWNER, OR OWNER'S FAMILY, AGENTS, GUESTS, AND INVITEES. NO AFFIRMATION OF THE ASSOCIATION OR DECLARANT BY WORDS OR ACTIONS SHALL CONSTITUTE A WARRANTY OF ANY KIND WHATSOEVER. OWNER ACKNOWLEDGES THAT THERE IS NO GUARANTEE THAT THE BOAT DOCK OR ACCESSORY STRUCTURES WILL BE USABLE AT ALL TIMES AND THAT NEITHER THE ASSOCIATION NOR DECLARANT WILL HAVE ANY LIABILITY OR RESPONSIBILITY TO OWNER OR ANY OTHER PERSON IN THE EVENT OF CHANGES IN CONDITIONS INCLUDING SIGNIFICANT VARIATIONS IN WATER LEVELS THAT RESULT IN THE BOAT DOCK OR ACCESSORY STRUCTURES BEING UNUSABLE OR INACCESSIBLE FOR ANY PERIOD OF TIME.

3.05. INDEMNITY. NEITHER THE DECLARANT NOR THE ASSOCIATION SHALL BE LIABLE TO OWNER, OR THE OWNER'S FAMILY, AGENTS, GUESTS AND INVITEES, OR ANY THIRD PARTY FOR ANY DAMAGE TO PERSON OR PROPERTY PROXIMATELY CAUSED BY ANY ACT, OMISSION OR NEGLIGENCE OF OWNER, OR OWNER'S FAMILY, AGENTS, GUESTS AND INVITEES RELATED TO THE USE, CONSTRUCTION, OR OPERATION OF THE BOAT DOCK OR ACCESSORY STRUCTURES; AND OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS DECLARANT AND THE ASSOCIATION AND THEIR RESPECTIVE PARTNERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES (THE "INDEMNIFIED PARTIES") FROM ALL CLAIMS, DEMANDS, ACTIONS, SUITS, AND LIABILITIES, OF ANY KIND WHATSOEVER, FOR ANY SUCH DAMAGE. NEITHER DECLARANT NOR THE ASSOCIATION SHALL BE LIABLE TO OWNER, OR OWNER'S FAMILY, AGENTS, GUESTS, AND INVITEES FOR ANY DAMAGE TO PERSON OR PROPERTY PROXIMATELY CAUSED BY ANY ACT, OMISSION, OR NEGLIGENCE OF ANY INDEMNIFIED PARTY, AND OWNER AGREES TO INDEMNIFY, AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM ALL CLAIMS, DEMANDS, ACTIONS, SUITS, AND LIABILITIES OF ANY KIND WHATSOEVER, FOR ANY SUCH DAMAGE. OWNER AGREES TO INDEMNIFY THE INDEMNIFIED PARTIES FOR ALL ATTORNEYS FEES AND COURT COSTS FOR ANY CLAIMS, DEMANDS, ACTIONS, SUITS, AND LIABILITIES, OF ANY KIND WHATSOEVER, RELATED TO THIS PROVISION.

3.06. RELEASE. OWNER RELEASES THE INDEMNIFIED PARTIES FROM LIABILITY FOR ANY CLAIMS, DAMAGES, CAUSES OF ACTION, OR LIABILITIES WITH RESPECT TO THE BOAT DOCK OR ACCESSORY STRUCTURES BY, THROUGH OR UNDER OWNER.

ARTICLE IV

DEVELOPMENT AREA ASSOCIATION

4.01. OPTIONAL DEVELOPMENT AREA ASSOCIATION. THE PROVISIONS CONTAINED IN THIS ARTICLE IV AND ARTICLE VI SHALL ONLY BE OPERATIVE IN

THE EVENT DECLARANT DETERMINES, IN ITS SOLE AND ABSOLUTE DISCRETION, TO CREATE A HOMEOWNERS ASSOCIATION TO ASSUME THE DUTIES AND POWERS PRESCRIBED BY LAW AS SET FORTH IN THIS DECLARATION. ON THE EFFECTIVE DATE OF THIS DOCUMENT, DECLARANT DOES NOT CONTEMPLATE CREATING THE DEVELOPMENT AREA ASSOCIATION AND SHALL HAVE NO OBLIGATION TO DO SO. THIS ARTICLE IV AND ARTICLE VI SHALL HAVE NO LEGAL OR OTHER EFFECT UNLESS AND UNTIL: (i) DECLARANT ELECTS TO CREATE THE DEVELOPMENT AREA ASSOCIATION AS EVIDENCED BY DECLARANT'S INCORPORATION OF THE DEVELOPMENT AREA ASSOCIATION AND ISSUANCE OF ARTICLES OF INCORPORATION BY THE SECRETARY OF STATE OF THE STATE OF TEXAS; OR (ii) DECLARANT ACCEPTS, WHICH ACCEPTANCE SHALL BE IN DECLARANT'S SOLE AND ABSOLUTE DISCRETION, A PETITION WHICH SUPPORTS THE FORMATION OF A HOMEOWNERS ASSOCIATION, WHICH PETITION IS IN RECORDABLE FORM SIGNED BY A MAJORITY OF OWNERS OF LOTS WITHIN THE PROPERTY, EACH LOT BEING ALLOCATED ONE (1) VOTE. IN THE EVENT DECLARANT ELECTS TO ACCEPT THE PETITION PURSUANT TO SECTION 4.01(ii) ABOVE, DECLARANT SHALL INCUR NO EXPENSE RELATED TO THE INCORPORATION OR ORGANIZATION OF THE DEVELOPMENT AREA ASSOCIATION. ANY DEVELOPMENT AREA ASSOCIATION CREATED SUBSEQUENT TO DECLARANT'S ACCEPTANCE OF THE PETITION PURSUANT TO SECTION 4.01(ii) ABOVE, SHALL BE EMPOWERED TO REIMBURSE ALL REASONABLE INCORPORATION AND ORGANIZATION EXPENSES ADVANCED BY ANY OWNER WHO BECOMES A MEMBER OF THE DEVELOPMENT AREA ASSOCIATION. IN THE EVENT THE DECLARANT NO LONGER OWNS ANY PORTION OF THE PROPERTY ENCUMBERED BY THIS DECLARATION, A MAJORITY OF OWNERS OF LOTS WITHIN THE PROPERTY, EACH LOT BEING ALLOCATED ONE (1) VOTE, MAY ELECT TO CREATE THE DEVELOPMENT AREA ASSOCIATION, AND DECLARANT'S ACCEPTANCE PURSUANT TO SECTION 4.01(ii) SHALL NOT BE NECESSARY. DECLARANT SHALL BE UNDER NO OBLIGATION TO CREATE A DEVELOPMENT AREA ASSOCIATION.

4.02. Organization. The Development Area Association shall be a non-profit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its articles and bylaws or in this Declaration. Neither the articles nor bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Notwithstanding any provision in this Declaration to the contrary, Declarant shall be under no obligation to administer, finance, or cause the creation of the Development Area Association.

4.03. Membership.

(a) Any person or entity, upon becoming an Owner, shall automatically become a Member of the Development Area Association. Membership shall be appurtenant to and shall run with the ownership of the Lot that qualifies the Owner thereof for membership. Membership in the Development Area Association may not be severed from the ownership

of a Lot, or in any way transferred, pledged, mortgaged, or alienated, except together with the title to the said Lot.

(b) Every Member shall have a right and easement of enjoyment in and to the Development Common Area which shall be appurtenant to and shall pass with the title to such Member's Lot, subject to the following restrictions and reservations:

(i) the right of the Development Area Association Board to suspend the Member's voting rights and right to use the Development Common Area for any period during which any Assessment against such Member's Lot(s) remains past due, and for any period during which a Member is in violation of the Association Restrictions;

(ii) the right of the Development Area Association Board to dedicate or transfer all or any part of the Development Common Area to any public agency, authority, or utility;

(iii) the right of the Development Area Association Board to borrow money for the purpose of improving or maintaining the Development Common Area and, in aid thereof, to mortgage said Development Common Area;

(iv) the right of the Development Area Association Board to make reasonable rules and regulations (which may include the right to levy fines for the breach thereof) regarding the use of the Development Common Area and facilities located thereon by the Members and other persons entitled to such use; and

(v) the right of the Development Area Association Board to contract for services with third parties on such terms as the Development Area Association Board may determine to be in the best interest of the Development Area Association.

Rules and regulations adopted by the Development Area Association Board pursuant to 4.03(b)(iv) above, may be amended from time to time.

4.04. Voting Rights. The right to cast votes and the number of votes which may be cast for election of members of the Development Area Association Board and on all other matters to be voted on by the Members shall be calculated as follows:

(a) The Owner of each Lot shall have one (1) vote for each Lot so owned. In no event, except as set forth in Section 4.04(c) below, shall any Lot be

entitled to more than one (1) vote; provided, however, that in the event of the resubdivision of any Lot into two or more Lots, the number of votes to which such Lot is entitled shall be increased as necessary to retain the ratio of one (1) vote for each Lot resulting from such resubdivision. No resubdivision shall be effective, for purposes of the Association Restrictions, unless the same is approved by the appropriate governmental entity in accordance with the requirements of Chapter 212 of the Texas Local Government Code then in effect (or its successor statute), and duly recorded in the Official Public Records of Travis County, Texas. In the event of the consolidation of two (2) or more Lots for purposes of construction of a single residence thereon, voting rights and Assessment Units shall continue to be determined according to the number of original Lots contained in such consolidated Lot. Nothing herein shall be construed as authorization for any resubdivision or consolidation of Lots; such actions are subject to and require the prior approval of the Master Architectural Control Committee pursuant to other provisions of this Declaration.

(b) In addition to the votes to which Declarant is entitled by reason of Section 4.04(a), for every one (1) vote outstanding in favor of any other person or entity, Declarant shall have four (4) additional votes until such time as Declarant no longer owns any of the Lots.

(c) The right of any Owner to vote may be suspended by the Development Area Association, acting through the Development Area Association Board, for any period during which any assessment against such Owner's Lot(s) remains past due, or for any period during which such Owner or such Owner's Lot(s) is in violation of the Association Restrictions.

4.05. Duties of the Development Area Association. Subject to and in accordance with these restrictions, the Development Area Association acting through the Development Area Association Board shall have and perform each of the following duties:

(a) Development Area Association Property.

(1) Ownership and Control. To accept, own, operate, and maintain all Development Common Area, together with all improvements of whatever kind and for whatever purpose that may be located in said Development Common Area, and all sidewalks, pathways and private driveways and streets located within the Property.

(2) Repair and Maintenance. To maintain in good repair and condition the Development Common Area and all lands, Improvements, security devices, landscaping, and other property

owned by or leased to the Development Area Association, including, without limitation, all sidewalks, pathways, private streets, driveways and fences located within the Property.

(3) Taxes. To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to the Development Common Area to the extent that such taxes and assessment are not levied directly upon the Members. The Development Area Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(b) Insurance. To obtain and maintain in effect policies of insurance that, in the opinion of the Development Area Association Board, are reasonably necessary or appropriate to carry out the Development Area Association's functions.

(c) Rules and Bylaws. To make, establish, and promulgate and in its discretion, to amend or repeal and re-enact the bylaws and such Association Rules not in conflict with this Declaration, as it deems proper, covering any and all aspects of its functions, including the use and occupancy of Development Common Area. In the event of any conflict between the terms and provisions of the articles, bylaws, or any other Association Rules with this Declaration, the terms and provisions of this Declaration are intended to and shall be controlling.

(d) Records. To keep books and records of the Development Area Association's affairs and to make such books and records, together with current copies of the Association Restrictions, available for inspection by the Owners, Mortgagees, and insurers or guarantors of any Mortgage upon request during normal business hours.

(e) Other. To carry out and enforce all duties of the Development Area Association set forth in the Association Restrictions.

4.06. Powers and Authority of the Development Area Association. The Development Area Association shall have the powers of a Texas non-profit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration, the Articles and the Bylaws. It shall 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 by this Declaration. Without in any way limiting the generality of the two preceding sentences, the Development Area Association and the Development Area Association Board, acting on behalf of the Development Area Association, shall have the power and authority at all times as follows:

(a) Assessments. To levy assessments as provided herein.

(b) Right of Entry and Enforcement. To enter at any time in an emergency without notice, or in a non-emergency after twenty-four (24) hours written notice, without being liable to any Owner or any other person or entity, upon any Lot or into any Improvement thereon, or to enter at any time without notice onto any Development Common Area, for the purpose of enforcing the Association Restrictions or for the purpose of maintaining or repairing any area, Improvement, or other facility to conform to the Association Restrictions. The expense incurred by the Development Area Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be deemed a special Development Area Assessment against such Lot, shall be a lien upon the Lot entered upon and Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VI hereof for regular and special Development Area Assessments. The Development Area Association, acting through the Development Area Association Board, shall 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 Association Restrictions. The Development Area Association, acting through the Development Area Association Board, is also authorized to settle claims, enforce liens, and take all such action as it may deem necessary or expedient to enforce the Association Restrictions; provided, however, that the Development Area Association Board shall never be authorized to expend any Development Area Association funds for the purpose of bringing suit against Declarant, its successors or assigns. Notwithstanding any provision herein to the contrary, the Development Area Association may not alter or demolish any Improvements on any Lot other than Development Common Area or Development Area Association Property in enforcing the Association Restrictions before judicial proceedings are instituted by the Development Area Association or the written consent of the Owner(s) of the affected Lot(s) has been obtained. Each such Owner shall indemnify and hold harmless the Development Area 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 Development Area Association's acts or activities under this Section 4.06(b) (**INCLUDING ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE DEVELOPMENT AREA ASSOCIATION'S NEGLIGENCE IN CONNECTION THEREWITH**), except for such cost, loss, damage, expense, liability, claim or cause of

action arising by reason of the Development Area 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.

(c) Conveyances. To grant and convey to any person or entity any 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 Development Area Association Property for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder:

(1) Roads, streets, walks, street lights, signs, driveways, parking lots, trails, paths and fences;

(2) Lines, cables, wires, conduits, pipelines, or other devices for utility purposes;

(3) Sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines, or any other water quality features or improvements; or

(4) Any other improvements or facilities.

Nothing set forth above, however, shall be construed to permit the use or occupancy of any improvement or other facility in any way that would violate applicable use and occupancy restrictions imposed thereon by the Association Restrictions, or by any governmental authority.

(d) Manager. To retain and pay for the services of a Manager to manage and operate the Development Area Association, including the Development Area Association Property, to the extent deemed advisable by the Development Area Association Board; provided, however, that the Development Area Association Board will have no power to discharge, limit the authority of or interfere with the exercise of functions by, a Manager for the Property appointed pursuant to the Master Declaration. Additional personnel may be employed directly by the Development Area Association or may be furnished by the Manager. To the extent permitted by law, the Development Area Association and the Development Area Association Board may delegate any duties, powers, and functions to the Manager. The Members of the Development Area Association hereby release the Development Area Association and the members of the Development Area Association Board from liability for any omission or improper exercise by the Manager of any such duty, power, or function so delegated.

(e) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Development Area Association.

(f) Development Common Area Services. To pay for water, sewer, garbage removal, landscaping, gardening, and all other utilities or services to, and all maintenance of the Development Common Area, including, but not limited to, any recreational facilities; to maintain and repair any recreational facilities, easements, roads, roadways, rights-of-way, parkways, median strips, sidewalks, paths, trails, fences, ponds, lakes located within or upon the Development Common Area; and to maintain and repair other portions of the Development Common Area.

(g) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or Assessments that the Development Area Association or the Development Area Association Board is required or permitted to secure or to pay for pursuant to applicable law or under the terms of the Association Restrictions.

(h) Construction on Development Area Association Property. To construct new Improvements on or additions to Development Area Association Property.

(i) Contracts; Property Ownership. To enter into contracts with Declarant and with other persons or entities on such terms and provisions as the Development Area Association Board shall determine, and to acquire, own, and dispose of all manner of real and personal property, whether by grant, lease, gift, or otherwise.

(j) Financial Accounts. To establish operating and other accounts for the purpose of receiving and depositing Assessments in the name of the Association as the Board of Directors may deem appropriate from time to time and as may be consistent with generally accepted accounting principles.

4.07. Indemnification. To the fullest extent permitted by applicable law, but without duplication of (and subject to) any rights or benefits arising under the articles or bylaws of the Development Area Association, the Development Area Association shall 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 Development Area 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 Development Area Association 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 Development Area 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, shall 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 Development Area Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful. The Development Area Association Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, servant, or agent of the Development Area Association, against any liability asserted against such person or incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Development Area Association would have the power to indemnify such person against such liability hereunder or otherwise.

ARTICLE V

INSURANCE AND CONDEMNATION

5.01. Insurance. Each Owner shall be required to maintain insurance on the Improvements located upon such Owner's Lot, providing fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for Improvements similar in construction, location and use. Such insurance policies shall be for the full insurable value of the Improvements constructed upon each Lot, shall contain extended coverage and replacement costs endorsements, if reasonably available, and may also contain vandalism and malicious mischief coverage, special form endorsement, a stipulated amount clause and a determinable cash adjustment clause. Neither the Association nor the Development Area Association shall be required to maintain insurance on the Improvements constructed upon any Lot. The Association or the Development Area 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 or the Development Area Association Board in their discretion may deem necessary. Insurance premiums for such policies shall be a common expense to be included in the assessments levied by the Association, as the case may be. The acquisition of insurance by the Association and the Development Area Association shall be without prejudice to the right and obligation of any Owner to obtain additional individual insurance.

5.02. Restoration. In the event of any fire or other casualty, the Owner shall 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 shall 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 thirty (30) 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 or the Development Area Association may commence, complete or effect such repair, restoration, replacement or clean-up, and such Owner shall be personally liable to the Association and/or the Development Area 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 and the Development Area Association under this sentence shall 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 or the Development Area 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 (1-1/2%) per month) shall be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed and chargeable against a Lot shall be secured by the liens reserved in the Master Declaration or this Declaration for Assessments and may be collected by any means provided in the Master Declaration and/or Declaration for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). **EACH SUCH OWNER SHALL INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND THE DEVELOPMENT AREA ASSOCIATION, AND THEIR 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 OR THE DEVELOPMENT AREA ASSOCIATION'S ACTS OR ACTIVITIES UNDER THIS SECTION 5.02, EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR COST OF ACTION ARISING BY REASON OF THE ASSOCIATION'S OR THE DEVELOPMENT AREA 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.**

5.03. **Mechanic's and Materialmen's Lien.** Each Owner whose structure is repaired, restored, replaced or cleaned up by the Association or the Development Area Association pursuant to the rights granted under this Article IV, hereby grants to the Association and the Development Area 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 or the Development Area Association. Upon request by the Board or the Development Area Association Board and before the commencement of any reconstruction, repair, restoration or replacement, such Owner shall execute all documents sufficient to effectuate such mechanic's and materialmen's lien in favor of the Association or the Development Area Association.

ARTICLE VI

COVENANT FOR ASSESSMENTS

THE PROVISIONS CONTAINED IN THIS ARTICLE VI SHALL BE OPERATIVE ONLY IN THE EVENT A DEVELOPMENT AREA ASSOCIATION IS CREATED PURSUANT TO SECTION 4.01; PROVIDED, HOWEVER, THAT THE MASTER ASSOCIATION MAY AVAIL ITSELF OF THE LIENS RESERVED IN SECTION 6.08 FOR THE PURPOSE OF DISCHARGING ANY LIABILITY INCURRED BY AN OWNER AS A RESULT OF SUCH OWNER'S VIOLATION OF ANY TERM OR PROVISION OF THIS DECLARATION.

6.01. Development Area Assessments. Each Owner of any Lot, by acceptance of a deed therefor or ownership interest thereto, whether or not it shall be so expressed in any such deed or other conveyance document, shall be deemed to covenant to pay to the Development Area Association: (i) Development Area Assessments or charges (as specified in Section 6.03 hereof); (ii) Special Development Area Assessments (as specified in Section 6.04 hereof); and (iii) late charges (as specified in Section 6.06 hereof). All of such Development Area Assessments shall be fixed, established, and collected from time to time as hereinafter provided. **The Development Area Assessments provided for under this Article VI shall be in addition to the assessments levied pursuant to the Master Declaration.** Notwithstanding any provision in this Declaration to the contrary, Development Area Assessments shall not be assessed against any Lot owned by Declarant.

6.02. Purpose of Development Area Assessments. The Development Area Assessments levied by the Development Area Association shall be used exclusively for the purpose of promoting the comfort, health, safety, and welfare of the Owners, and the maintenance and improvement of the Property or any part thereof, including, without limitation, the Development Common Area, and for carrying out the purposes of the Development Area Association as stated herein or as otherwise provided in the Articles or Bylaws.

6.03. Establishing Development Area Assessments. Each fiscal year, the Board shall estimate the expenses to be incurred by the Development Area Association during each year in performing its functions with respect to the Property, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Development Area Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and as between the Lots within the Property, the amount of the Development Area Assessments levied against each Lot shall be equal and uniform. The level of Development Area Assessments set by the Board shall 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 Development Area Assessment, the Development Area Association may at any time, and from time to time, levy further Development Area Assessments in the same manner as aforesaid. All such regular Development Area Assessments shall be due and payable by each Owner to the Development

Area Association during the fiscal year in equal monthly, quarterly, semi-annual, annual, or other periodic installments, as the Board determines in its sole discretion, on or before the first day of the applicable period.

6.04. **Special Development Area Assessments.** In addition to the Development Area Assessments authorized by Section 6.03 hereof, the Development Area Association may, by vote of its Members as set out in Section 6.04 hereof, levy special Assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of any Improvement located upon any of the Development Common Area, or any portion of the Property owned by the Development Area Association, including the necessary fixtures and personal property related thereto, or for carrying out other purposes of or otherwise benefiting the Development Area Association. Special Development Area Assessments levied against the Owner(s) of a particular Lot to cure violations of the Association Restrictions by such Owner(s) shall be deemed approved and authorized automatically upon the occurrence of the events giving rise to such curative special Assessments. Special Development Area Assessments to be levied against all Owners as authorized by Section 6.04 hereof must be approved by a majority of the total votes of the membership of the Development Area Association determined in accordance with Sections 4.03 and 4.04 of this Declaration, voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be given to all Members in accordance with the Bylaws.

6.05. **Due Date of Development Area Assessments.** The first Development Area Assessment shall become due and payable on each Lot in accordance with the periodic payment schedule established by the Board in accordance with Section 6.03. The due date of any special Assessment hereunder shall be fixed in the resolution authorizing such Development Area Assessment or, if not so fixed or established by other terms of this Declaration, the first day of the first month following the imposition of such special Assessment. Payments shall be considered delinquent if not paid within five (5) days after their due date. Where the obligation to pay an Development Area Assessment first arises after the commencement of the fiscal year or any other period for which the Development Area Assessment was levied, the Development Area Assessment shall be prorated as of the date when the obligation first arose in proportion to the amount of the Development Area Assessment year or other period remaining after said date.

6.06. **Late Charges.** If any Development Area Assessment is not paid before it is delinquent, the Owner responsible for the payment thereof may be required by the Board to pay a late charge at such rate the Board may designate from time to time, and such late charge (and any reasonable handling costs therefor) shall be a charge upon the Lots owned by the said Owner to which the Development Area Assessment relates, collectible in the same manner as herein provided for collection of Development Area Assessments, including foreclosure of the lien against such Lot(s); provided, however, such charge shall never exceed the maximum charge permitted under applicable law.

6.07. **Owner's Personal Obligation for Payment of Development Area Assessments.** The Development Area Assessments and late charges provided for herein shall be the personal and individual debt of each Owner. No diminution or abatement of Development Area Assessments shall be allowed for inconveniences arising from the making of repairs or improvements to the Development Common Area or any Lot, and no Owner may exempt himself from liability for such Development Area Assessments and charges through non-use of such Owner's Lot or otherwise.

6.08. **Development Area Assessment Lien and Foreclosure.** All sums assessed or charged in the manner provided in this Article but unpaid, together with all costs and expenses of collection, including reasonable attorney's fees, are secured by a continuing Development Area Assessment lien and shall constitute a charge on or against the Lot covered by such Development Area Assessment or charge, which shall bind such property in the hands of the Owner, and such Owner's heirs, devisees, and personal representatives, successors or assigns. The obligation to pay Development Area Assessments hereunder is part of the purchase price of each Lot when sold to an Owner. An express lien on each Lot is hereby granted and conveyed by Declarant to the Development Area Association to secure the payment thereof in each such instance, each such lien to be superior and paramount to any homestead or other exemption provided by law. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for tax liens, and all sums unpaid secured by a first-lien Mortgage securing sums borrowed for the purchase or improvements of the Lot in question, provided such Mortgage was recorded in the Official Public Records of Travis County, Texas before the delinquent Development Area Assessment was due. The Development Area Association shall have the power to subordinate the aforesaid Development Area Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination must be signed by an officer of the Development Area Association. The Development Area Association may, at its option and without prejudice to the priority or enforceability of the Development Area Assessment lien granted hereunder, prepare a written notice of Development Area Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Development Area Association and shall be recorded in the Official Public Records of Travis County, Texas. Each Owner, by accepting a deed to a Lot subject to this Declaration, shall be deemed conclusively to have granted a power of sale to the Development Area Association to secure and enforce at any time after such payment becomes delinquent by the non-judicial foreclosure of such lien on the defaulting Owner's Lot by the Development Area Association in like manner as a deed of trust or 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 Development Area Association, with the Development Area 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 Development Area Assessment liens and rights to foreclosure thereof shall be in addition to and not in substitution of any other rights and remedies the Development Area Association may have by law and under the Association Restrictions, including the rights of the

Development Area Association to institute suit against the Owner personally obligated to pay the Development Area Assessment for monetary damages and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or non-judicial, the Owner shall be required to pay the costs, expenses, and reasonable trustee's and attorney's fees incurred. The Development Area Association shall 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 holding a prior lien on any Lot, the Development Area Association shall report to said Mortgagee any Development Area Assessments remaining unpaid for longer than thirty (30) days after the same are due. The lien hereunder shall not be affected by the sale or transfer of any Lot; except, however, that in the event of foreclosure of any first-lien Mortgage, the lien for any Development Area Assessments that were due and payable before the foreclosure sale will be extinguished, provided that past-due Development Area Assessments shall 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 Lot Owner 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 paragraph, the Development Area Association shall 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 Development Area Association has already foreclosed such lien. Such release shall be signed by an officer of the Development Area Association.

6.09. Exemptions. Notwithstanding any provision herein to the contrary, all Common Area, Development Common Area, and any Lot owned by the Declarant shall be exempt from the payment of any Development Area Assessment levied by the Development Area Association, regular or special.

ARTICLE VII

GENERAL PROVISIONS

7.01. Duration. This Declaration and the covenants, conditions, restrictions, easements, charges, and liens set out herein shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Development Area Association and every Owner, including Declarant, and their respective legal representatives, heirs, successors, and assigns, for a term beginning on the date this Declaration is recorded in the Official Public Records of Travis County, Texas, and continuing through and including January 1, 2050, after which time this Declaration shall be automatically extended for successive periods of five (5) 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 of the Association, 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 shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of such meeting;

provided, however, that such change shall be effective only upon the recording of a certified copy of such resolution in the Official Public Records of Travis County, Texas.

7.02. Amendment. This Declaration may be amended or terminated by the recording in the Official Public Records of Travis County, Texas, of an instrument setting forth the amendment executed and acknowledged by (i) the Declarant, acting alone; or (ii) Declarant and at least seventy percent (70%) of the Owners with each Owner being allocated one (1) vote for each Lot within the Property owned by such Owner.

7.03. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Saturday, 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 in writing to the Secretary of the Association for the purpose of service of notices, or to the residence located on the Lot owned by such person if no address has been given to the Secretary of the Master Association. Such address may be changed from time to time by notice in writing given by such person to the Secretary of the Master Association.

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

7.05. Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of improvements upon Lots within the Property, so long as such construction is pursuant to proper approval of the Master Architectural Control Committee.

7.06. Gender. Whenever the context shall so require, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

7.07. Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by written instrument, assign, in whole or in part, any of its privileges, exemptions, rights, and duties under this 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.

7.08. Enforcement and Nonwaiver.

(a) Except as otherwise provided herein, any Owner of a Lot, at such Owner's own expense, Declarant, the Association, and the Development

Area Association shall have the right to enforce all of the provisions of this Declaration. The Association and the Development Area 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 Association Restrictions is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated by any Owner of a Lot (at such Owner's own expense), Declarant, the Association, or the Development Area 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 Property is hereby declared to be a violation of this Declaration and subject to all of the enforcement procedures set forth herein.

(d) The failure to enforce any provision of the Association Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of the Association Restrictions.

7.09. Construction. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or enforceability of any other provision. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit, or otherwise affect that which is set forth in any of the paragraphs, sections, or articles hereof.

ARTICLE VIII

DEVELOPMENT

8.01. Addition of Land. Declarant may, at any time and from time to time, add additional land to the Property and, upon the filing of a notice as hereinafter described, such land shall be considered part of the Property for purposes of this Declaration, and such land shall be subject to the terms, covenants, conditions, restrictions and obligations set forth in this Declaration, and the rights, privileges, duties and liabilities of the persons subject to this Declaration shall be the same with respect to such added land as with respect to the land originally covered by this Declaration. Declarant may change, amend or modify any or all of the terms, covenants, conditions, restrictions and obligations of this Declaration as applied to any additional land added to the Declaration pursuant to this Section 8.01. To add land to the Property, Declarant shall 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 notice of

applicability filed pursuant to Section 9.05 of the Master Declaration) containing the following provisions:

(A) A reference to this Declaration, which reference shall include the recordation information of the Declaration;

(B) A statement that such land shall be considered Property for purposes of this Declaration, and that all of the terms, covenants, conditions, restrictions and obligations of this Declaration, as changed, amended, or modified as set froth in the notice, shall apply to the added land; and

(C) A legal description of the added land.

8.02. Withdrawal of Land. Declarant may, at any time and from time to time, reduce or withdraw land from the Property and remove and exclude from the burden of this Declaration: (i) any portion of the Property which has not been included in a Plat; (ii) any portion of the Property included in a Plat if Declarant owns all Lots described in such Plat; and (iii) any portion of the Property 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 renewal this Declaration and the covenants conditions, restrictions and obligations set forth herein shall no longer apply to the portion of the Property withdrawn. To withdraw lands from the Property hereunder, Declarant shall be required only to record in the Official Public Records of Travis County, Texas, a notice of withdrawal of land containing the following provisions:

(A) A reference to this Declaration, which reference shall include the recordation information of the Declaration;

(B) A statement that the provisions of this Declaration shall no longer apply to the withdrawn land; and

(C) A legal description of the withdrawn land.

EXECUTED to be effective the 1st day of February, 2006.

DECLARANT:

TAYLOR WOODROW COMMUNITIES/ STEINER RANCH, LTD., a Texas limited partnership

By: TWC/Steiner Ranch, L.L.C. Texas limited liability company, its General Partner

By: _____
James D. Plasek, Vice-President

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument as executed before me on this 1st day of February, 2006, by James D. Plasek, Vice-President of TWC/Steiner Ranch, L.L.C., a Texas limited liability company, General Partner of Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited partnership, on behalf of said limited liability company and limited partnership.

(seal) POLLY J. HAGERTY MY COMMISSION EXPIRES October 3, 2009

_____
Notary Public, State of Texas

EXHIBIT "A"

STEINER RANCH
DESIGN GUIDELINES /SUPPLEMENTAL CONDITIONS

Bellagio Estates

January 20, 2006

STEINER RANCH
DESIGN GUIDELINES / SUPPLEMENTAL CONDITIONS

This information is supplemental to the **Steiner Ranch Residential Design Guidelines Manual that was adopted by the SRMA Architectural Committee on September 2, 1997 and revised on November 14, 2005. Please refer to that document for all general Architectural Guidelines.*

Bellagio Estates

Lot/Block Description

Lots 253-262 Block A, Steiner Ranch Phase One, Section 6C

Building Area

- **5,000 square foot minimum** of habitable floor space (conditioned living area) measured to outside face of masonry. This excludes garages, gazebos, patios, basements, cabanas, decks, porches, etc.

Construction Schedule

- Owner/Builder shall be required to begin construction within two years after closing on the lot. Construction of the main building structure and garage shall be complete within eighteen months from the time the plans are approved by the SRMA Architectural Committee.

Building Siting/Structure Setbacks

- **Front yard** setbacks shall be a minimum of 50 feet.
- **Side yard** setbacks facing streets shall be 20 feet.
- **Interior side yard** setbacks shall be a minimum of 25 feet on one side, with a combined total of at least 50 feet for both sides of building footprint.
- **Rear yard** setbacks shall be measured from the bank of Lake Austin. Minimums are as follows: lots 253, 254, 255, 256, 257 – 175 feet, lot 258 – 185 feet, lot 259 – 200 feet, lots 260, 261 – 215 feet, lot 262 – 225 feet. In the event of any dispute regarding the location of the common boundary line the determination of the Architectural Committee will be final. In no event will the rear setback established herein negate any City of Austin guidelines requiring setback from the lake.
- Setbacks are measured from property line and are inclusive of any easements shown on the plat or recorded by separate instrument.

- In no case shall structure, including overhangs, encroach into *easement* areas.
- In order to enhance the views and streetscape, and to not adversely affect adjacent homes, the Architectural Committee at times, may dictate the exact location of building structures on the lot. However, views are not protected and decisions made by the SRMA Architectural Committee will be with the benefit of all homeowners and the community overall.
- **Pool & Decking** setbacks shall be a minimum 25 feet from the side property lines.
- **Accessory structures** setbacks shall be a minimum of 25 feet from the side property lines.

Architectural Submissions

- Before architectural plans can be submitted to the Architectural Committee for review, a meeting with the Architectural Committee representative, architect, homeowner and/or builder, must be scheduled. This meeting will allow an opportunity for all involved to understand the guidelines and restrictions, before design has been undertaken.
- Color boards for all exterior colors and materials will be required to be submitted with the final application for approval.

Facade Design

- Unless otherwise expressly approved by the Architectural Committee the exterior walls of any residence shall consist of one hundred percent (100%) stone or stucco constructed in strict compliance with the requirements of the Architectural Committee. Notwithstanding the foregoing provision, the Architectural Committee shall have the authority to permit the use of wood siding or brick in specific circumstances where the Architectural Committee determines the limited use of wood siding or brick to be appropriate and consistent with the design requirements established by the Architectural Committee, but in no event shall the exterior walls of any residence consist of greater than five percent (5.0%) wood siding or brick. Notwithstanding anything in this section or in the Development Area Declaration to the contrary, orange or red brick shall not be permitted on the exterior walls of any residence unless otherwise approved by the Architectural Committee.
- The following architectural design styles are not allowed in this neighborhood: Colonial, Georgian, Federal and Victorian.
- Due to the high visibility of these homes to the lake, special consideration should be given to the design of all elevations of the homes. Flat or "boxy" elevations will not be allowed. Variation in the planes, both horizontally and vertically, are required. Variation in one-story, one-and-a-half-story, and two-story elements are required to break up the roofline and wall elevations. Varying plate heights are encouraged.
- Only wood or vinyl-clad wood windows, unless specifically approved by the Architectural Committee, shall be permitted and all windows in each residence shall have a consistent design throughout the residence and shall strictly comply with requirements established by the Architectural Committee.

- Only wood garage doors will be allowed. Design and color must be submitted to the committee for approval. No metal garage doors will be allowed.
- Each lot must contain a private garage for not fewer than three (3) automobiles and off-street parking for a minimum of two (2) automobiles. Side entry garages are required. Combination of front and side entry may be considered on an individual basis.
- That portion of the foundation visible from the exterior of the structure must be concealed by extending the exterior stone or stucco to within twelve inches (12") of the finished grade. In the event that this requirement is violated, applicable fines will be assessed and the builder/owner will be required to screen the area in a manner decided by the Architectural Committee.

Roofing

- All roofs shall be constructed of concrete, slate or clay tile, or painted, non-reflective, metal roofing expressly approved by the Architectural Committee. No composition shingles will be allowed. The color and composition of all roof materials shall be expressly approved by the Architectural Committee.

Fencing and Walls

- Fencing is optional. However, materials to be used for optional fencing are limited to "wrought iron" styling, or masonry walls, as determined by the Architectural Committee. Installation of fencing may not commence until written approval of final design is received from the Architectural Committee. Fence may not exceed six feet (6') in height unless approved by the Architectural Committee.
- If trash containers are to be stored outside, a masonry wall to match the exterior of the house must be constructed to shield the containers from view at the street and from adjacent lots. For houses, which have been approved with cement masonry siding as the primary façade, masonry wall of rock complimentary to the home must be constructed for screening of trash containers.

Flat Work

- No broom finish concrete allowed. Only stained concrete or special finish concrete allowed.
- Flatwork design, plot plan and specifications, to be submitted with architectural plans. Acceptable flat work materials may be, but are not limited to, aggregate concrete, stained concrete, or brick/stone pavers.
- Circular drives will be allowed.
- Lighted masonry monument address blocks must be installed 5' off the interior side of the driveway and 5' off the front property line. All designs for the monument signs must be submitted to the Architectural Committee for review before installation.
- Driveways required to be set back off the side property line a minimum of 20'.
- Masonry columns of a design to compliment the house, and as approved by the Architectural Committee, are required on each side of the driveway at the front property line.

Landscaping Requirements

- A custom landscape plan is required to be submitted to the Architectural Committee with the architectural plans. The landscaping design must include turf and plant bed areas to enhance the architectural style of the home and the neighborhood. The following items must be submitted for review:
  - Materials list for plants – include types and sizes at installation and maturity
  - Materials list for all other landscaping structures shown on site plan.
  - Landscape site plans to include, but are not limited to, the following items:
    - Walls and fences
    - Decks, patios and all other flatwork
    - Meters, A/C units and other miscellaneous equipment
    - Fountains and other water features
    - Outdoor fireplaces or BBQ pits
  - Elevation/detail drawings to include, but are not limited to, the following items:
    - Walls, fences and gates
    - Decks, gazebos, cabanas, trellises and other landscape accessory structures
    - Fountains and other water features
    - Outdoor fireplaces or BBQ pits
    - Any other architectural feature, such as columns or arches
- Minimum of 5-5" and 5-4" hardwood trees required to be installed at each street yard. The number of trees required **may** be adjusted, upon submittal of a variance to the Architectural Committee, but only in a situation where there are existing hardwood trees in the specified yard.
- Automatic irrigation system will be required for all landscape areas.
- Landscape lighting is encouraged, however color lenses or bulbs are not allowed. Lights must also be shielded, so as not to shine or glare onto adjacent lots or roads.
- Native grass areas can remain if they are maintained, to be free of weeds and non-native nuisance plants, and it is incorporated into the overall design of the yard. The owner will be required to cut back the native plants and grasses no more than thirty (30) days after the plants have gone to seed.

Decks

- All deck plans must be submitted to the Architectural Committee for review. These plans should follow the guidelines for submission on decks found in Section 7.8 of the Residential Guidelines Manual.

Boat Dock & Boat House Guidelines

All boat docks, slips, houses, lifts, or any other such marine structure to be built into Lake Austin must meet City of Austin's guidelines, and the Architectural Committee must approve the structure before construction commences. A construction deposit, of an amount determine by the Architectural Committee is required to be posted before construction commences.

It is the responsibility of the homeowner/contractor to insure that all applicable permits are received and all restrictions, rules, and/or guidelines are followed. All structures must be substantially complete no more than 180 days from the date of approval. In the case of pilings being set prior to lake filling, the 180-day construction period will commence when the lake is full, as determined by LCRA.

- Typical structures, which may be submitted to the Architectural Committee may include: boat docks, boat slips, boathouses, roof decks, and other decking.
- Access to boat docks must also be submitted to the Architectural Committee for review. Possible types of access that may be approved would include: wood steps, stone paths, or terraced landscaping.
- Floating docks are strictly prohibited.

Location & Size

- All docks and boathouses must be located within the property lines of their property, but no closer than 25' to the side lot lines, and may not protrude from the shoreline more than 50'.
- Boat docks may not be configured in such a way that it encloses or fences in the water for private use.
- Piers may not extend more than 50' into Lake Austin or its tributaries or channels. Piers may not be greater than 35' in length

Design – Boat Docks and slips

- All materials must be new, and of treated or marine grade quality, i.e. wolmanized wood or wood treated with a comparable preservative, or concrete. Deck boards may be CCA 0.40. All structures must be built to generally marine construction standards. Any other materials to be used for construction of boat docks must be approved by the AC.
- Per City of Austin code, no more than two (2) boat slips are allowed per lot.
- Pilings to be used to support roof structure or boatlifts must be minimum 8x8 square, pressure-treated wood (CCA 0.60, fresh-water immersion). Pilings to be used to support decks and courtesy piers may be 6x6, pressure-treated wood (CCA 0.60). All pilings must be set or driven at least 4' deep into the lake bottom and may be spaced at 8' intervals, maximum.

Design – Boat House

- All materials must be compatible with main house structure. For example, matching materials and colors of main house façade and roofing.
- Roof decks on boathouses are optional. If a roof deck is to be constructed, it must have railings of at least 3' high and 2x2 pickets spaced 6" o.c.

- Roof deck covers will be reviewed on an individual basis, for materials and colors. Colors should be limited to earth tones and muted colors. These also should be in keeping with the design and color of the main house structure.
- Minimum and maximum size of the boathouse is not restricted. However, during the review process, the Architectural Committee will assess the size of the boathouse to match in scale the home and lot size.

Plan Submissions

The following items must be included in the submission to the Architectural Committee:

- Contact information for homeowner, architect, and/or contractor.
- Plot plan of the dock or pier showing the underwater property lines and the placement of the dock thereon.
- Elevation drawings of boat dock, pier, or house to be constructed from each elevation view.
- Cross section drawing of boat dock, pier, or house, showing high water level, height of deck, depth of piers, height of house and any other structural elements.
- Location and description of any bulkheads to be installed.
- Complete materials list for all structures to be constructed.

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