The Headlands

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DEVELOPMENT AREA DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STEINER RANCH PHASE ONE, SECTION 4C

This Development Area Declaration of Covenants, Conditions and Restrictions For Steiner Ranch Phase One, Section 4C (the "Declaration") is made by **T.H.L. RANCH, LTD.**, a Texas limited partnership (the "Declarant"), and is as follows:

RECITALS

A. **521 Development, Ltd.**, a Texas limited partnership ("521") is the owner of all lots located in STEINER RANCH PHASE ONE, SECTION 4C, a subdivision located in Travis County, Texas, according to the map or plat recorded in Volume 99, Pages 201 through 203, Real Property Records of Travis County, Texas (the "Property").

B. Pursuant to that one certain Notice of Applicability of Master Declaration of Covenants, Conditions, and Restrictions for Steiner Ranch Phase One, Section 4C, recorded in the Real Property Records of Travis County, Texas, the Property is subject to the Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch recorded in Volume 13008, Page 756 of the Real Property Records of Travis County, Texas (the "Master Declaration").

C. The Master Declaration permits the Declarant to file Development Area Declarations applicable to specific Development Areas, as those terms are used and defined in the Master Declaration, which shall be in addition to the covenants, conditions, and restrictions of the Master Declaration.

D. Declarant and 521 (sometimes collectively called "Grantor") desire 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.

E. Grantor 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.

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swimming pools, 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 or cable television, other utilities, or otherwise.

"Lot" or "Lots" shall mean one or more of the subdivided lots within the Property excluding Common Area conveyed to the Master Association or the Association or to any lot designated by Declarant as Common Area which has yet to be conveyed to the Master Association or the Association.

"Master Architectural Control Committee" shall mean the committee created pursuant to the Master Declaration to establish Architectural Guidelines, to review and approve plans for the construction of Improvements upon the Property, and to carry out its duties as set forth in the Declaration and the Master Declaration. The Master Architectural Control Committee is sometimes referred to herein as the "Architectural Control Committee."

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

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

"Master Common Area" shall mean and refer to those areas within the Property which have been or may in the future be conveyed to, or leased by, the Master Association, including, without limitation, all private streets and easements for landscape, drainage, irrigation, fence or related purposes.

"Master Declaration" shall mean that certain Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch recorded in Volume _____, Page ___ of the Real Property Records of Travis County, Texas, filed against the Property and other real estate in Travis County, Texas, as such declaration may be modified, amended, or restated from time to time.

"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 Grantor, 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.

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(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 Architectural Control Committee.

(e) The design, construction materials, and location of all driveways shall comply with the requirements set forth in the Architectural Guidelines. Circular and asphalt driveways shall not be permitted.

(f) All landscaping shall comply with the Architectural Guidelines. The 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; provided that, in connection with its development of the Property and sale of Lots, Declarant, or any designee appointed by Declarant, shall have the right to maintain 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. 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.

2.03. Sight Distance at Intersection. No fence, wall, hedge, or shrub planting that obstructs sight lines at elevations between two (2) and nine (9) feet above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points thirty (30) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within the triangular area formed by the street line, a driveway or alley line and a line connecting them at points ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. All tree foliage within such distances of intersections shall be maintained to meet the sight line requirements set forth above. Notwithstanding the foregoing or anything in this Declaration to the contrary, at a minimum, sight distances required by any applicable governmental authority shall be complied with.

2.04. Antennae and Solar Systems. Except as expressly provided below, no exterior radio or television antennae or aerial or satellite dish or disc (collectively "Antennae"), nor any solar energy system ("Solar System"), shall be erected, maintained or placed on a Lot without the prior written approval of the Master Architectural Control Committee; provided, however, that a satellite dish or other similar instrument with a diameter no greater than one (1) meter may be located upon a Lot. Prior to the erection of any Antennae (unless otherwise permitted by this Section 2.04) or Solar System, plans and specifications and a proposal for screening shall be presented to and expressly approved by the Master Architectural Control Committee, which approval may be denied for any reason whatsoever. The Master Architectural Control

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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 Property other than the Lot on which such 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.

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

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2.22. Compliance with the Declaration. Each Owner shall comply strictly with the provisions of the Master Declaration and the Declaration (collectively, the "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 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 Master Board on behalf of the Master Association, the Master Architectural Control Committee, or by an aggrieved Owner. Without limiting any rights or powers of the Master Association or the Association, the Master Board or the 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 Master 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 Master 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 Master Association, the Association, 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 Master Association's or the 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 Master 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 Master Association's or the Association's gross negligence or wilful 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 Courts. No tennis courts shall be constructed on any Lot. The foregoing sentence shall not act to prohibit the Board from constructing, operating, or maintaining tennis courts on any Common Area. This Section 2.26 shall not prohibit the installation and construction of "sport courts" on any Lot so long as the design, location, and screening has been approved in advance by the Master Architectural Control Committee.

ARTICLE III

THE ASSOCIATION

3.01. OPTIONAL ASSOCIATION. THE PROVISIONS CONTAINED IN THIS ARTICLE III AND ARTICLE VI SHALL ONLY BE OPERATIVE IN THE EVENT DECLARANT DETERMINES.

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for any period during which a Member is in violation of the Association Restrictions;

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

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

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

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

Rules and regulations adopted by the Board pursuant to 3.03(b)(iv) above, may be amended from time to time.

3.04. Voting Rights. The right to cast votes and the number of votes which may be cast for election of members of the 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 3.04(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 Real Property 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 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 Grantor is entitled by reason of Section 3.04(a), for every one (1) vote outstanding in favor of any other person or entity, each Grantor shall have four (4) additional votes until such time as such Grantor no longer owns any of the Lots.

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3.06. Powers and Authority of the Association. The 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 Association and the Board, acting on behalf of the 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 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 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 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 Assessments. The Association, acting through the 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 Association, acting through the 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 Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns. Notwithstanding any provision herein to the contrary, the Association may not alter or demolish any Improvements on any Lot other than Common Area or Association Property in enforcing the Association Restrictions before judicial proceedings are instituted by the Association or the written consent of the Owner(s) of the affect Lot(s) has been obtained. Each such Owner shall indemnify and hold harmless the Association, its officers, directors, employees and agents from any cost, loss, damage, expense, liability, claim or cause of action incurred or that may arise by reason of the Association's acts or activities under this Section 3.06(b) (INCLUDING ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE ASSOCIATION'S NEGLIGENCE IN CONNECTION THEREWITH), except for such cost, loss, damage, expense, liability, claim or cause of action arising by reason of the Association's gross negligence or wilful misconduct. "Gross negligence" as used herein does not include simple negligence, contributory negligence or similar negligence short of actual gross negligence.

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(h) Construction on Association Property. To construct new Improvements on or additions to 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 Board shall determine, and to acquire, own, and dispose of all manner of real and personal property, whether by grant, lease, gift, or otherwise.

3.07. 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 Association, the 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 Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person: (i) acted in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, 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 Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful. The 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 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 Association would have the power to indemnify such person against such liability hereunder or otherwise.

ARTICLE IV

INSURANCE AND CONDEMNATION

4.01. 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. The Master Association and the Association shall not be required to maintain insurance on the Improvements constructed upon any Lot. The Master Association and the Association may, however, obtain such insurance as it may deem necessary, including but not limited to such policies of liability and property damage insurance as the Master Board or the 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 Master Association and the Association, as the case may be. The acquisition of insurance by the Master Association and the Association shall be without prejudice to the right and obligation of any Owner to obtain additional individual insurance.

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ARTICLE V

ARCHITECTURAL GUIDELINES

5.01. Compliance with Design and 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 Section 5.03.

5.02. Adoption of Rules and Regulations. The Master Architectural Control Committee shall have the authority to adopt such procedural and substantive rules and guidelines (including without limitation the imposition of any requirements for certificates of compliance or completion relating to any Improvement), not in conflict with this Declaration, as it may deem necessary or appropriate in connection with the performance of its duties hereunder, including rules and guidelines establishing and describing its review procedures, and principles and criteria used in its review. The Master Architectural Control Committee may amend or modify or supplement its rules and guidelines from time to time as the Master Architectural Control Committee deems advisable. In addition the Master Architectural Control Committee shall have the power and authority to impose such reasonable charges for the review of plans, specifications and other documents and information submitted to it pursuant to the terms of this Declaration. 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 Master Association at the end of each calendar year.

5.03. Variances. The Master Architectural Control Committee may grant variances from compliance with any of the provisions of this Declaration or the Architectural Guidelines or when, in the opinion of the Master Architectural Control Committee, in its sole and absolute discretion, such variance will not be adverse to the overall development plan for the Property, and such variance is justified due to visual or aesthetic considerations or unusual circumstances. All variances must be evidenced in writing and must be signed by at least a majority of the members of the Master Architectural Control Committee. Plans and specifications which have been approved by the Master Architectural Control Committee without conditions or exception and which reflect deviations from this Declaration or the Architectural Guidelines shall constitute a writing for the purpose of the foregoing sentence. If a variance is granted, no violation of the covenants, conditions, or restrictions contained in this Declaration or the Architectural Guidelines shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such variance shall not operate to waive or amend any of the terms and provisions of this or Architectural Guidelines for any purpose except as to the particular property and in the particular instance covered by the variance, and such variance shall not be considered to establish a precedent for any future waiver, modification, or amendment of the terms and provisions hereof.

ARTICLE VI

COVENANT FOR ASSESSMENTS

THE PROVISIONS CONTAINED IN THIS ARTICLE VI SHALL BE OPERATIVE ONLY IN THE EVENT A HOMEOWNERS ASSOCIATION IS CREATED PURSUANT TO SECTION 3.01; 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

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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 Assessment first arises after the commencement of the fiscal year or any other period for which the Assessment was levied the Assessment shall be prorated as of the date when the obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.

6.06. Late Charges. If any 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 Assessment relates, collectible in the same manner as herein provided for collection of 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 Assessments. The Assessments and late charges provided for herein shall be the personal and individual debt of each Owner. No diminution or abatement of Assessments shall be allowed for inconveniences arising from the making of repairs or improvements to the Common Area or any Lot, and no Owner may exempt himself from liability for such Assessments and charges through non-use of such Owner's Lot or otherwise.

6.08. 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 Assessment lien and shall constitute a charge on or against the Lot covered by such 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 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 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 Real Property Records of Travis County, Texas before the delinquent Assessment was due. The Association shall have the power to subordinate the aforesaid 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 Association. The Association may, at its option and without prejudice to the priority or enforceability of the Assessment lien granted hereunder, prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the Real Property 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 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 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 Association, with the Association retaining the power to remove any trustee with or without cause and to appoint a successor trustee without the consent or joinder of any other person.) The Assessment liens and rights to foreclosure thereof shall be in addition to and not in substitution of any other rights and remedies the Association may have by law and under the Association Restrictions, including the rights of the Association to institute suit against the Owner personally obligated to pay the Assessment

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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 Real Property Records of Travis County, Texas.

8.02. Amendment. This Declaration may be amended or terminated by the recording in the Real Property 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 owned by such Owner.

8.03. 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 Association. Such address may be changed from time to time by notice in writing given by such person to the Secretary of the Association.

8.04. 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.

8.05. 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.

8.06. 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.

8.07. 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.

8.08. Enforcement and Nonwaiver.

(a) Except as otherwise provided herein, any Owner of a Lot, at such Owner's own expense, Declarant, the Master Association and/or the Association shall have the right to enforce all of the provisions of this Declaration. The Association or Master 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

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 28th day of August, 1997 by James D. Plueck Treasurer of MK Development, Inc., a Texas corporation, the General Partner of T.H.L. Ranch, Ltd., a Texas limited partnership, on behalf of said corporation and partnership.

[Seal] ROBERT D. BURTON NOTARY PUBLIC State of Texas Comm. Exp. 09-09-98

Notary Public Signature

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 28th day of August 1997 by James D Plueck, Treasurer of D.M. Ranch Development, Inc., a Texas corporation, the General Partner of 521 Development, Ltd., a Texas limited partnership, on behalf of said corporation and partnership.

[Seal] ROBERT D. BURTON NOTARY PUBLIC State of Texas Comm. Exp. 09-09-98

Notary Public Signature

AFTER RECORDING, RETURN TO:

Robert D. Burton
Armbrust Brown & Davis, L.L.P.
100 Congress Avenue, Suite 1350
Austin, Texas 78701

FILED
97 AUG 29 AM 11:13
DANA DEBEAUVOIR
COUNTY CLERK
TRAVIS COUNTY, TEXAS

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Travis County, Texas, on

AUG 29 1997

COUNTY CLERK
TRAVIS COUNTY, TEXAS

5874.3/082797

RECEIPT #: 00086508 TRANS#: 00013 DEPT: REGULAR RECORD $13.00
CASHIER: KAREN FILE DATE: 8/29/97 TRAN DATE: 8/29/97
PAID BY:

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

13009 0402

FILM CODE

00005620179

LANDSCAPE AND ACCESS EASEMENT AGREEMENT

THE STATE OF TEXAS §
§ KNOW ALL BY THESE PRESENTS:
COUNTY OF TRAVIS §

This Landscape Easement Agreement (the "Agreement") is made by and between **521 Development, Ltd., a Texas limited partnership** ("Grantor") and **Steiner Ranch Master Association, Inc., a Texas** nonprofit corporation, ("Grantee") and is as follows:

1. Grant of Easement. For and in consideration of Ten and No/100 Dollars ($10.00) cash paid to Grantor by Grantee, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and for which no lien or encumbrance, express or implied is retained, Grantor GRANTS, SELLS, CONVEYS, and ASSIGNS unto Grantee, an easement and right-of-way (the "Easement") upon and across real property located in Travis County, Texas, as more particularly described on Exhibit "A", attached to and incorporated herein (the "Easement Tract"), to be used solely for the purposes and pursuant to the terms and conditions set forth below.

2. Character of Easement. The Easement is an easement in gross.

3. Exclusiveness of Easement. The easements, rights, and privileges granted hereunder are non-exclusive, and Grantor reserves the right to enter upon and use the Easement Tract for any purpose. Nothing contained in this Agreement shall be deemed to be a gift or dedication of all or any part of the Easement Tract or any other property interest to or for the general public or for any public purpose whatsoever, it being the intention of both parties that this Agreement be strictly limited to and for only those purposes expressly set out herein.

4. Purpose of Easement. The Easement, rights and privileges herein granted, shall be used for the placement, construction, inspection, installation, replacement, repair, maintenance, relocation, removal, and operation of landscaping and landscaping materials and related appurtenances, including but not limited to plants, trees, grasses, shrubs, irrigation and sprinkler systems and infrastructure, and for access onto and across the Easement Tract to accomplish these purposes.

5. Duration of Easement. The Easement shall be perpetual.

6. Indemnity/Mechanic's Liens. Grantee shall indemnify and hold Grantor harmless from all claims arising out of Grantee's activities on the Easement Tract. Grantee agrees to promptly remove any mechanic's liens which encumber the Easement Tract and arise out of Grantee's activities on the Easement Tract.

7. Assignment. The easement, rights, obligations, and privileges granted hereunder may not be assigned by Grantee without the consent of Grantor.

8. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights granted and the obligations assumed in this Agreement. Any oral representation or modification concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

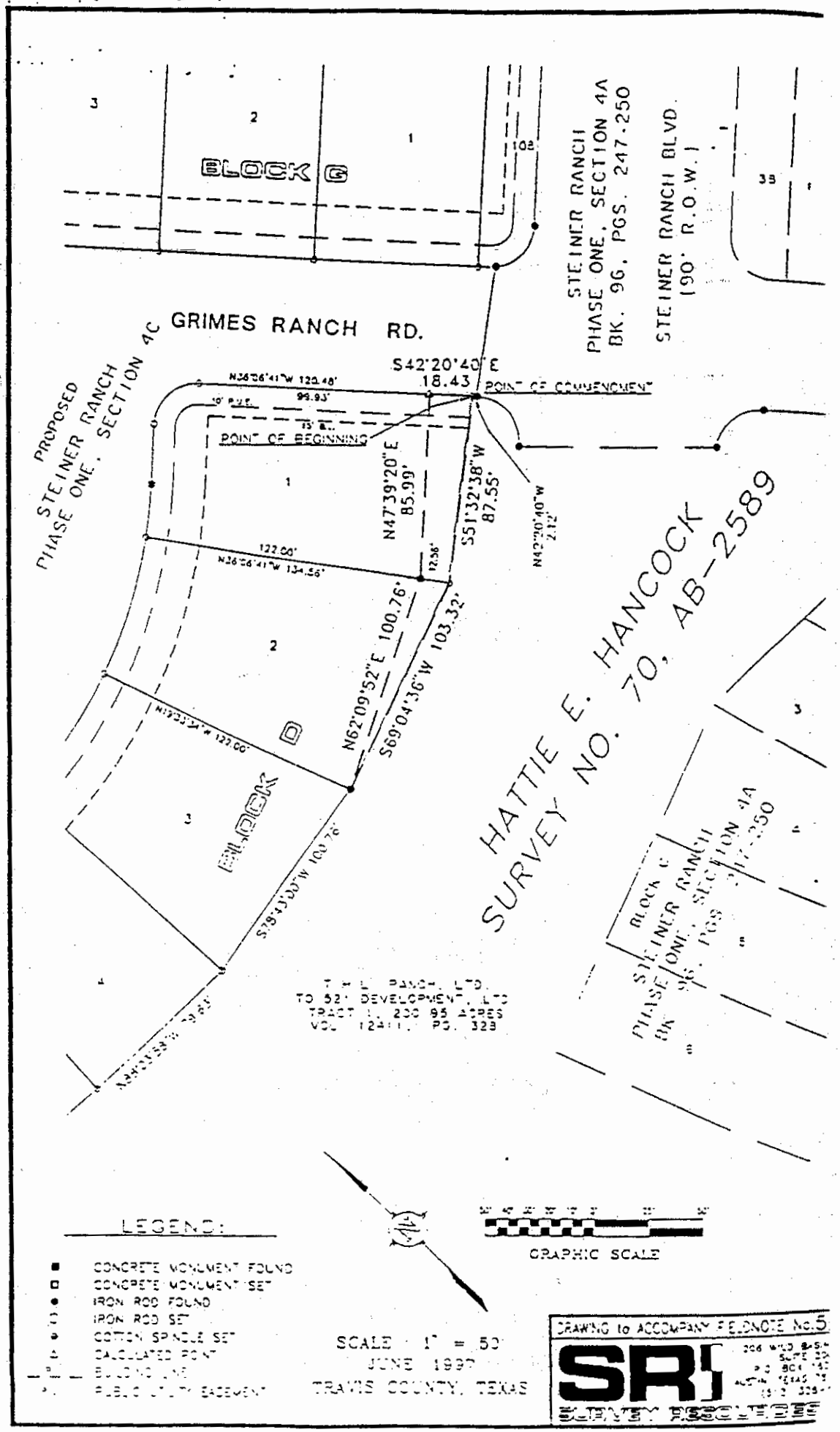
13009 0106

AFTER RECORDING, RETURN TO:

Robert D. Burton
Armbrust Brown & Davis, L.L.P.
100 Congress Avenue, Suite 1350
Austin, Texas 78701

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

13009 0405



REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS
13009 0407

STEINER RANCH MASTER ASSOCIATION, INC.

CONSENT OF DIRECTORS IN LIEU OF SPECIAL MEETING

The undersigned, being all the members of the Board of Directors of Steiner Ranch Master Association, Inc., a Texas corporation (hereinafter referred to as the "Corporation"), do hereby consent, pursuant to Article 1396-9.10A of the Texas Non-Profit Corporation Act, to the adoption of the following resolutions:

1. ADOPTION OF BUDGET AND ASSESSMENTS

RESOLVED, that the annual budget of the Corporation for the calendar year 1998 is attached hereto as Exhibit A, is hereby adopted; and assessments shall be levied on a monthly basis in the amount of $35.00 per lot, due and payable on or before 30 days after the date the notice of assessment is mailed to each member as defined in the Master Declaration of Covenants, Conditions and Restrictions Steiner Ranch.

IN WITNESS WHEREOF, the undersigned have executed this instrument effective as of the 29th day of January, 1998.

Jim Plasek, Director

Mike Schoenfeld, Director

Laura Naiser, Director

STEINER RANCH MASTER ASSOCIATION, INC.

CONSENT OF DIRECTORS IN LIEU OF SPECIAL MEETING

The undersigned, being all of the members of the Board of Directors of Steiner Ranch Master Association, Inc., a Texas corporation (hereinafter referred to as the "Corporation"), do hereby consent, pursuant to Article 1396-9.10A of the Texas Non-Profit Corporation Act, to the adoption of the following resolutions:

1. ADOPTION OF RULES AND REGULATIONS

RESOLVED, that the rules and regulations of the Corporation, attached hereto as Exhibit A, are hereby adopted; and which shall be applicable to any Corporation member or members who may use the common area owned by Steiner Ranch Residential Owners Association, Inc. (SRROA), subject to the terms and provisions of the Common Area Agreement (Agreement) executed by the Corporation and SRROA, provisions of the SRROA Declaration, and any rules, regulations or fees adopted by SRROA for the use of the SRROA common area described in the Agreement.

2. CREATION OF SUBCOMMITTEES

RESOLVED, that the following subcommittees are created for the purpose of coordinating activities within the Property, as defined in the Bylaws. The Board of Directors has determined that it is in the best interest of the corporation that the subcommittee members be comprised of members of the corporation and members of the Steiner Ranch Residential Owners Association, Inc.:

Community Facilities Committee
Bulletin Board Sub-Committee
Trails Club Sub-Committee
Parks Sub-Committee
Garden Club Sub-Committee
Courts Sub-Committee
Boat Committee
Social Activity Committee

IN WITNESS WHEREOF, the undersigned have executed this instrument effective as of the 29 day of January, 1998.

Jim Plasek, Director

Mike Schoenfeld, Director

Laura Naiser, Director

COPY

FILED
98 JUN 29 PM 1:28
DANA DEBEAUVOIR
COUNTY CLERK
TRAVIS COUNTY, TEXAS

ORIGINAL
FILED FOR RECORD

COMMON AREA AGREEMENT

This Common Area Agreement (the "Agreement") is made by and between **STEINER RANCH MASTER ASSOCIATION, INC.**, a Texas non-profit corporation ("SRMA"), and **STEINER RANCH RESIDENTIAL OWNERS ASSOCIATION, INC.**, a Texas non-profit corporation ("SRROA"), and is as follows:

RECITALS

A. SRMA is a property owners association with a membership comprised of all owners of certain property located in Travis County, Texas, encumbered by that one certain Master Declaration of Covenants, Conditions, and Restrictions Steiner Ranch, recorded in Volume 13008, Page 756, Real Property Records of Travis County, Texas (the "SRMA Declaration").

B. SRROA is a property owners association with a membership comprised of all owners of certain property located in Travis County, Texas, encumbered by that one certain Restatement of Master Declaration of Covenants, Conditions and Restrictions for Steiner Ranch Residential Areas, recorded in Volume 10920, Page 0001, Real Property Records of Travis County, Texas, as amended (the "SRROA Declaration").

C. SRMA has agreed to permit members of SRROA to use SRMA's "Common Area" (as such term is defined in the SRMA Declaration and on Exhibit "A") (the "SRMA Common Area").

D. SRROA has agreed to permit members of SRMA to use SRROA's "Common Area" (as such term is defined in the SRROA Declaration and on Exhibit "A") (the "SRROA Common Area").

NOW THEREFORE, for and in consideration of the mutual covenants and obligations set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, SRMA and SRROA hereby agree as follows:

1. SRROA Member Use of Common Area. Each "Member" of SRROA (as the term "Member" is defined in the SRROA Declaration and on Exhibit "A") shall have access to and be entitled to use the SRMA Common Area, subject to the terms and provisions of this Agreement, the terms and provisions of the SRMA Declaration, and any rules, regulations, or fees (other than regular and special assessments levied pursuant to Article 5 of the SRMA Declaration) adopted by SRMA for the use of the SRMA Common Area by SRMA Members.

2. SRMA Member Use of Common Area. Each "Member" of SRMA (as the term "Member" is defined in the SRMA Declaration and on Exhibit "A") shall have access to and be entitled to use the SRROA Common Area, subject to the terms and provisions of this Agreement, the terms and provisions of the SRROA Declaration, and any rules, regulations, or fees (other than regular and special assessments levied pursuant to Article VII of the SRROA Declaration) adopted by SRROA for the use of the SRROA Common Area by SRROA members.

3. Common Area Rules and Regulations. SRMA and SRROA has or will adopt reasonable rules and regulations concerning the use of the Common Area owned by such association. The Board of Directors of SRMA and SRROA each covenant and agree to adopt a rule and regulation (the "Use Rule") which will require their respective members to comply and abide by the rules and regulations adopted by the other association governing use of such association's Common Area. The Board of Directors of SRMA and

notice of such cancellation or amendment is given to any additional insured named on such policy. Each association hereby waives and releases any and all right of recovery against the other, including employees and agents, arising during the term of this Agreement for any and all loss or damage to any property or person, which loss or damage arises from any peril which is covered, or required by this Agreement to be covered, by insurance in whole or in part. This mutual waiver is in addition to any other waiver or release contained in this Agreement. Each association shall have their insurance policies issued in such form as to waive any right of subrogation which might otherwise exist, and shall provide written evidence thereof to each other upon request.

8. Indemnification.

(i) SRMA Indemnification. SRMA agrees to save SRROA, SRROA's officers, directors, agents, employees, successors and assigns, harmless from and against and indemnify and defend them against any and all injury, loss, damage, liability (or any claims in respect of the foregoing), costs or expenses (including, without limitation, reasonable attorney's fees), of whatever nature, to any person or property caused or claimed to be caused or resulting from the negligence or willful acts of SRMA, SRMA's officers, directors, agents, employees, successors and assigns, while acting in their capacity as such, provided nothing contained herein shall require SRMA to indemnify SRROA against matters resulting from SRROA's negligence or willful acts.

(ii) SRROA Indemnification. SRROA agrees to save SRMA, SRMA's officers, directors, agents, employees, successors and assigns, harmless from and against and indemnify and defend them against any and all injury, loss, damage, liability (or any claims in respect of the foregoing), costs or expenses (including, without limitation, attorney's fees), of whatever nature, to any person or property caused or claimed to be caused or resulting from the negligence or willful acts of SRROA, SRROA's officers, directors, agents, employees, successors and assigns, while acting in their capacity as such, provided nothing contained herein shall require SRROA to indemnify SRMA against matters resulting from SRMA's negligence or willful acts.

9. SRROA Termination. Notwithstanding any provision in this Agreement to the contrary, and in addition to the rights of termination set forth in Paragraph 6, a majority of the board of directors of SRROA shall be entitled to terminate this Agreement by written notice to the board of directors of SRMA, in the event:

(i) the Members of SRROA are not provided access to a lake club, ball field and trail system located within the Steiner Ranch Development, on such terms, provisions, and access rights applicable to SRMA Members, on or before December 31, 1998;

(ii) the responsibility for maintaining the Steiner Ranch Blvd. entry at Highway 620 facilities is transferred or assigned to SRROA; or

(iii) the Members of SRROA are not provided access to a new swimming pool to be maintained by SRMA, on such terms and provisions applicable to SRMA Members, with construction to commence on or before the date on which the total number of occupied residential homes located within property encumbered by the SRMA Declaration and the SRROA Declaration is equal to 700.

The post-termination procedures set forth in Paragraph 6 shall be applicable in the event this Agreement is terminated by SRROA pursuant to this Paragraph 9.

finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its applicable rules.

12. **Definitions**. Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the SRMA Declaration and the SRROA Declaration.

EXECUTED on this 30th day of December, 1997.

SRMA:

STEINER RANCH MASTER ASSOCIATION, INC., a Texas non-profit corporation

By: _____
James D. Plasek, President

SRROA:

STEINER RANCH RESIDENTIAL OWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: _____
Michael L. Schoenfeld, President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 30th day of December, 1997, by James D. Plasek, President of the Steiner Ranch Master Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

_____
Notary Public Signature

(SEAL)

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 30th day of December, 1997, by Michael L. Schoenfeld, President of the Steiner Ranch Residential Owners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

_____
Notary Public Signature

(SEAL)

EXHIBIT "A"

Defined Terms

"SRMA Common Area" shall mean and refer to all real property, including Improvements located thereon, designated by Declarant or conveyed to the SRMA by plat dedication or otherwise and held for the benefit of the Owners, excluding only those areas within the SRMA Common Area dedicated to and accepted by any public authority. Upon conveyance or dedication to the SRMA, the SRMA Common Area shall include all areas within the SRMA Common Area that shall be or have been dedicated to all public authorities but not yet accepted by such authorities. The SRMA Common Area may be owned by the SRMA Association for the common use and enjoyment of the Owners or non-members on such terms and conditions established by the Board of SRMA. SRMA Common Area may be designated by Declarant and dedicated or otherwise conveyed to the SRMA from time to time and at any time.

"SRMA Members" shall mean and refer to every person or entity who holds membership privileges in the SRMA.

"SRROA Common Area" shall mean all real property, including the improvements thereto, conveyed to the SRROA by the Plat dedication or otherwise. The SRROA Common Area shall be owned by the SRROA for the common use and enjoyment of the Owners. SRROA Common Area may be designated by Declarant and dedicated or otherwise conveyed to the SRROA from time to time and at any time. At the time Declarant annexes additional real property to the Property in accordance with Section 2.02 of the SRROA Declaration hereof, additional SRROA Common Area may be designated.

"SRROA Members" shall mean any person, persons, entity or entities holding membership rights in the SRROA.

STEINER RANCH
SUPPLEMENTAL CONDITIONS & DESIGN GUIDELINES
The Headlands - (Parcel 5A) Phase One, Section 4C (52 Lots)

Building Area

- **1,800 square foot minimum** habitable floor space (conditioned living area) measured to outside face of framing. This excludes garages, gazebos, patios, basements, cabanas, decks, porches, etc.

Structure Setbacks

- **Front yard** setbacks shall be a minimum of 25 feet per plat.
- **Side yard** setbacks facing streets shall be 15 feet per plat.
- **Interior side yard** setbacks shall be a minimum of 5 feet, and a combined total of 15 feet for both sides.
- **Rear yard** setbacks shall be a minimum of 20 feet.
- 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.

Facade Design

- In addition to any street facing front or side elevations, the rear elevations on the following lots must be 100% masonry, exclusive of minimal non-masonry architectural treatment or detailing, which may be approved by the Architectural Committee: **Block H, Lots 9, 10, 11; Block D, Lots 1 through 8, and Lots 15 through 20; Block G, Lots 1 through 4.** Also, the side (greenbelt facing) elevations on the following lots must be 100% masonry: **Block G, Lot 1; Block D, Lot 20; Block H, Lot 11**

Fencing and Walls

- Perimeter fencing is required at all lots adjacent to greenbelt areas and the Community Center. In this section, no option exists to eliminate rear property line fencing.
- No private access is allowed between residential lots and greenbelt areas, or the Community Center.