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AFTER RECORDING RETURN TO:

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DECLARATION OF CONDOMINIUM REGIME FOR FAIRWAYS AT STEINER RANCH

(A Residential Condominium in Travis County, Texas)

Declarant: S & P Villas, LP, a Texas limited partnership

THE PROPERTY SUBJECT HERETO IS ALSO SUBJECT TO THE TERMS AND CONDITIONS OF THAT CERTAIN: (I) 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; (II) NOTICE OF APPLICABILITY OF MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STEINER RANCH [LOT 426, BLOCK A, PHASE ONE, SECTION 10A], RECORDED AS DOCUMENT NO. 2006205126 IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; AND (III) DEVELOPMENT AREA DECLARATION [LOT 426, BLOCK A, PHASE ONE, SECTION 10A], RECORDED AS DOCUMENT NO. 2006205127 IN THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS (COLLECTIVELY, THE "**MASTER PLAN DOCUMENTS**").

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DECLARATION OF CONDOMINIUM REGIME FOR FAIRWAYS AT STEINER RANCH

S & P Villas, LP, a Texas limited partnership ("**Declarant**"), is the owner of that certain real property located in Travis County, Texas being more particularly described on Exhibit "A", attached hereto and incorporated herein by reference (collectively, the "**Property**"). The Property, together with all Improvements thereon and all easements, rights, and appurtenances thereto are hereby submitted to the terms and provisions of the Texas Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating the Fairways at Steiner Ranch through the recordation of this Declaration of Condominium Regime for Fairways at Steiner Ranch (the "**Declaration**").

A. Pursuant to that one certain Notice of Applicability of Master Declaration of Covenants, Conditions and Restrictions for Steiner Ranch [Lot 426, Block A, Phase One, Section 10A], recorded as Document No. 2006205126 in the Official Public Records of Travis County, Texas (the "**Notice of Applicability**"), the Property is subject to the terms and provisions of that certain 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 (the "**Master Declaration**"). TAYLOR WOODROW COMMUNITIES/STEINER RANCH, LTD., a Texas limited partnership ("**Taylor Woodrow**"), is the declarant under the Master Declaration and consents to the recordation of this Declaration by its execution of this Declaration in the space provided below. In addition, Taylor Woodrow and Declarant caused to be recorded that certain Development Area Declaration [Lot 426, Block A, Phase One, Section 10A], recorded as Document No. 2006205127 in the Official Public Records of Travis County, Texas (the "**Development Area Declaration**"). The terms and provisions of the Master Declaration and Development Area Declaration apply to the Property. In the event of any conflict between this Declaration and the terms and provisions of the Master Declaration, Notice of Applicability or Development Area Declaration, the terms and provisions of the Master Declaration, Notice of Applicability and Development Area Declaration will apply.

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

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

NOW, THEREFORE, it is hereby declared that the Property will be held sold, conveyed, leased, occupied, used, insured, and encumbered with this Declaration, including the representations and reservations of Declarant, set forth on Appendix "A", attached hereto, which will run with the Property, together with all Improvements thereon and all easements, rights, and appurtenances thereto, and be binding upon all parties having right, title, or interest in or to such property, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.

ARTICLE 1
DEFINITIONS

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

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

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

1.3 "**Architectural Reviewer**" means Declarant during the Development Period. After expiration of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Board.

1.4 "**Assessment**" means any charge levied against a Unit or Owner by the Association, pursuant to the Documents, the Act, or other public law, including but not limited to Regular Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments as defined in *Article 6* of this Declaration.

1.5 "**Association**" means Fairways at Steiner Ranch Condominium Community, Inc., a Texas non-profit corporation, the Members of which shall be the Owners of Units within the Regime. The term "Association" shall have the same meaning as the term "unit owners association" in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, the Certificate, the Bylaws, and the Act.

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

1.7 "**Builder**" means any Owner designated by the Declarant who intends to construct or cause to be constructed a residence on a Unit for resale to a third party.

1.8 **"Building"** means the detached residential dwelling constructed within the Regime, together with all appurtenant Improvements. Each Building and Unit is described in *Section 5.2* and *Section 5.3* below and also described and depicted on Exhibit "B", attached hereto.

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

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

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

1.12 "**Community Manual**" means the community manual, adopted by the Board for the benefit of the Association as part of the initial project documentation for the Regime. The Community Manual shall include the Rules, and may also include such other policies governing the Association as the Board determines to be in the best interests of the Association, in its sole and absolute discretion.

1.13 "**Declarant**" means **S & P Villas, LP,** a Texas limited partnership, which is developing the Property, or the successors and assigns thereof which acquire any portion of the Property for the purpose of development and is designated as a Successor Declarant in accordance with this Declaration. A designation of a Successor Declarant must be expressly set forth in writing and recorded in the Official Public Records of Travis County, Texas.

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

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

1.16 "**Development Area Declaration**" means that certain Development Area Declaration [Lot 426, Block A, Phase One, Section 10A], recorded as Document No. 2006205127 in the Official Public Records of Travis County, Texas.

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

During the Development Period, Appendix "A" has priority over the terms and provisions of this Declaration.

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

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

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

1.20 "**Improvement**" means every structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to, buildings, outbuildings, storage sheds, patios, recreational facilities, swimming pools, garages, driveways, parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, patios, decks, walkways, landscaping, mailboxes, poles, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

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

1.22 "**Majority**" means more than half.

1.23 "**Master Association**" means the Steiner Ranch Master Association, Inc., a Texas non-profit corporation.

1.24 "**Master Architectural Committee**" means the Master Architectural Committee established pursuant to the Master Plan Documents.

1.25 "**Master Plan Documents**" means the Master Declaration, Notice of Applicability, and the Development Area Declaration.

1.26 "**Member**" means a member of the Association, each Member being an Owner of a Unit, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

1.27 "**Mortgagee**" means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a Unit.

1.28 "**Occupant**" means a resident, occupant or tenant of a Unit, regardless of whether the person owns the Unit.

1.29 "**Owner**" means a holder of recorded fee simple title to a Unit. Declarant is the initial Owner of all Units. Mortgagees who acquire title to a Unit through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association.

1.30 "**Person**" shall mean any individual or entity having the legal right to hold title to real property.

1.31 "**Plat and Plans**" means the plat and plans attached hereto as Exhibit "B", as changed, modified, or amended in accordance with this Declaration.

1.32 "**Property**" means: that certain real property located in Travis County, Texas being more particularly described on Exhibit "A", attached hereto and incorporated herein by reference, together with all Improvements thereon and all easements, rights, and appurtenances thereto, and includes every Unit and Common Element thereon.

1.33 **"Recorded"** means recorded in the Official Public Records of each county in which the Property is located.

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

1.35 "**Rules**" means rules and regulations of the Association adopted in accordance with the Documents or the Act. The initial Rules may be adopted by Declarant for the benefit of the Association.

1.36 "**Underwriting Lender**" means a national institutional mortgage lender, insurer, underwriter, guarantor, or purchaser on the secondary market, such as Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), or Government National Mortgage Association (Ginnie Mae), singularly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner's financing options or as a representation that the Property is approved by any institution.

1.37 "**Unit**" means a physical portion of the Property designated by this Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans attached hereto as Exhibit "B", as further described in *Section 5.2* and *Section 5.3* of this Declaration.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS

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

2.2. **Additional Property**. Additional real property may be annexed into the Regime and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least two-thirds of the ownership interests in the Property, or, during the Development Period, by Declarant as permitted in Appendix "A". Annexation of additional property is accomplished by the Recording of a declaration of annexation, which will include a description of the additional real property. The declaration of annexation will also include a description of the Units and Common Elements added to the Regime.

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

2.4. **Common Elements**. The Common Elements of the Property consist of all of the Property, save and except the Units.

2.4.1. Ownership & Maintenance. The designation of Common Elements is determined by this Declaration. The Declarant may install, construct, or authorize certain Improvements on Common Elements in connection with the initial development of the Property, and the cost thereof is not a common expense of the Association. Thereafter, all costs attributable to Common Elements, including maintenance, insurance, and enhancements, are automatically the responsibility of the Association, unless this Declaration elsewhere provides for a different allocation for a specific Common Element.

2.4.2. Acceptance. By accepting an interest in or title to a Unit, each Owner is deemed: (i) to accept the Common Elements of the Property, and any Improvement thereon, in its then-existing condition; (ii) to acknowledge the authority of the Association, acting through its Board of Directors, for all decisions pertaining to the Common Elements; (iii) to acknowledge that transfer of a Common Element's title (if any) to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (iv) to acknowledge the continuity of maintenance of the Common Elements, regardless of changes in the Association's Board of Directors or management.

ARTICLE 3
PROPERTY EASEMENTS, RIGHTS AND RESTRICTIONS

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

3.2. **Owner's Easement of Enjoyment**. Every Owner is granted a right and easement of enjoyment over the General Common Elements and to use of Improvements therein, subject to other rights and easements contained in the Documents. An Owner who does not occupy a Unit delegates this right of enjoyment to the Occupants of his Unit, and is not entitled to use the General Common Elements.

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

Notwithstanding the foregoing, no Owner shall perform any work to any portion of his Unit if the work requires access to, over or through the Common Elements or other Units without the prior written consent of the Board except in case of an emergency. All such work may only be performed by a Person who shall deliver to the Board prior to commencement of such work, in form satisfactory to the Board:

(i) releases of the Board and the Association for all claims that such Person may assert in connection with such work;

(ii) indemnities of the Board and the Association, holding each and all of them harmless from and against any claims asserted for loss or damage to persons or property, including, but not limited to, Common Elements or other Units;

(iii) certificates of insurance, including liability and workmen's compensation coverage, in amounts and with companies reasonably acceptable to the Board; and

(iv) all other releases, indemnities, certificates, information and assurances which the Board may reasonably require.

3.4. **Owner's Ingress/Egress Easement**. Each Owner is hereby granted a perpetual easement over the Property, as may be reasonably required, for vehicular and pedestrian ingress to and egress from his Unit or the Limited Common Elements assigned thereto.

3.5. **Owner's Encroachment Easement**. Every Owner is granted an easement for the existence and continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of an Improvement constructed within a Unit, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the Improvement stands.

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

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

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

(ii) To perform maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.

(iii) To enforce the Documents, including without limitation, the architectural standards and use restrictions.

(iv) To exercise self-help remedies permitted by the Documents or by Applicable Law.

(v) To respond to emergencies.

(vi) To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.

(vii) To perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law.

3.8. **Utility Easement**. The Association and Declarant (during the Development Period) may grant permits, licenses, and easements over the Common Elements for utilities, and other purposes reasonably necessary for the proper operation of the Regime. Declarant (during the Development Period) and the Association may grant easements over and across the Units and Common Elements to the extent necessary or required to provide utilities to Units; provided, however, that such easements will not unreasonably interfere with the use of any Unit for residential purposes. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board and may not unreasonably interfere with the use of a Unit. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

NOTICE

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

3.9. **Security**. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Occupant acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees,

agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Occupant acknowledges and accepts as his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Occupant further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Occupant relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglary, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Occupant acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of any failure to provide adequate security or the ineffectiveness of security measures undertaken.

3.10. **Injury to Person or Property**. Neither the Association nor Declarant, or their respective directors, officers, committees, agents, and employees have a duty or obligation to any Owner, Occupant or their guests: (a) to supervise minor children or any other person; (b) to fence or otherwise enclose any Limited Common Element, General Common Element, or other Improvement; or (c) to provide security or protection to any Owner, Occupant, or their guests, employees, contractors, and invitees from harm or loss. By accepting title to a Unit, each Owner agrees that the limitations set forth in this section are reasonable and constitute the exercise of ordinary care by the Association and Declarant. Each Owner agrees to indemnify and hold harmless the Association and Declarant, and Declarant's agents from any claim of damages, to person or property arising out of an accident or injury in or about the Regime to the extent and only to the extent caused by the acts or omissions of such Owner, his tenant, his guests, employees, contractors, or invitees to the extent such claim is not covered by insurance obtained by the Association at the time of such accident or injury.

3.11. **Easement to Inspect and Right To Correct**. For a period of 10 years after the expiration of the Development Period, Declarant reserves for itself and for Declarant's architect, engineer, other design professionals, builder, and general contractor the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, Improvement, or condition that may exist on any portion of the Property, including the Units, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. The party exercising such rights will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of mechanical or electrical facilities may be warranted by a change of circumstance, imprecise siting of the original facilities, or the desire or necessity to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant, the Association, any architect, engineer, other design professionals, builder or general contractor, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant an easement of access and entry over, across, under, and through the

Property, including without limitation, all Common Elements and the Owner's Unit and all Improvements thereon for the purposes contained in this Section.

3.12. **Parking**. Declarant reserves the right to designate and assign portions of the General Common Elements as parking for the exclusive use of any Owner. The assignment of parking spaces within the General Common Elements not specifically designated by the Declarant for the exclusive use of an Owner of a Unit will be under the exclusive control and administration of the Declarant until such time as the Declarant no longer owns any Unit within the Regime. The Association may thereafter assign parking spaces to any Owner or may use such parking spaces in a manner determined by the Board, but subject to any assignment previously made by the Declarant. Any designation and assignment of General Common Elements as parking will be memorialized by a written "assignment of parking" executed by an authorized representative of the Declarant (or the Association if Declarant no longer owns any Units within the Regime) which shall identify the parking space(s) and the Unit assigned thereto. The assignment shall be made a part of the corporate records of the Association, will be considered an agreement between the Association and such Owner with regard to use of the parking spaces so assigned, and may not be terminated or modified without the consent of the Declarant (or a majority of the Board if Declarant no longer owns any Units within the Regime) and the owner of the Unit to which the parking space was assigned. The Declarant may be required periodically to re-allocate parking to comply with the site plan approved for the Property.

ARTICLE 4
DISCLOSURES

This Article discloses selective features of the Regime that may not be obvious to potential Owners and Occupants. Because features may change over time, no disclosure in this Article should be relied upon without independent confirmation.

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

4.2. **Adjacent Thoroughfares**. The Property is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future.

4.3. **Zoning.** No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

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

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

4.6. **Moisture.** The Units may trap humidity created by general use and occupation of such space. As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not property maintained by Owners and Occupants, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold. **Mold and/or mildew can grow in any portion of the Property that is exposed to elevated levels of moisture.** *(See Section 9.6).*

4.7. **Codes and Permits.** Improvements within the Units were constructed pursuant to plans and specifications prepared by licensed professionals and permits issued by the applicable regulatory authorities. During the course of the construction of any Improvements, variations from the original plans and specifications, some of which add scope, some of which reduce scope, and some of which alter scope, are inevitable and can, do, and did occur as a matter of intention and/or as a matter of necessity.

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

4.9. **Budgets.** Any budgets are based on estimated expenses only without consideration for the effects of inflation and may increase or decrease significantly when the actual expenses become known.

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

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

4.12. **Sounds.** No representations are made that the Units are or will be soundproof or that sound and/or vibrations may not be transmitted from one Unit to another or from the Common Elements to a Unit.

4.13. **Suburban Environment.** The Property is located in a suburban environment. Sound and vibrations may be audible and felt from such things as sirens, whistles, horns, the playing of music, people speaking loudly, trash being picked up, deliveries being made, equipment being operated, dogs barking, construction activity, building and grounds maintenance being performed, automobiles, buses, trucks, ambulances, airplanes, trains and other generators of sound and vibrations typically found in an urban area. In addition to sound and vibration, there may be odors (from restaurants, food being prepared and dumpsters) and light (from signs, streetlights, other buildings, car headlights and other similar items) in suburban areas and these things are part of the reality of suburban living. The Units are not constructed to be totally soundproof or free from vibrations. Sounds and vibrations can also be generated from sources located within a unit or the Common Elements including elevator motors, heating and air conditioning equipment, pump rooms, other mechanical equipment, dogs barking and the playing of certain kinds of music.

4.14. **Declarant's Right to Construct Gate**. During the Development Period, Declarant may cause to be constructed a gate across a portion of the Property, which may serve less than all of the Units. In the event Declarant elects to construct or install a gate that serves less than all of the Units, Declarant shall have the right during the Development Period to designate the gate and entrance improvements, any walls and landscaping associated therewith, and roadways and landscaping posterior to the gate as Limited Common Element assigned to certain Units designated by the Declarant.

4.15. **Unit Plans and Dimensions.** Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant or Builder to Owner which purport to depict the Units to be constructed or any portion thereof, are merely approximations and do not necessarily reflect the actual as-built conditions of the same. In addition, the Unit dimensions as more fully described on Exhibit "B" attached hereto, are only approximations. If an Owner is concerned about any representations regarding the Unit dimensions, the Owner should conduct its own investigation as to the dimensions of the Unit.

4.16. **Water Runoff.** While the drainage system for surface water runoff on the Property will be constructed in accordance with applicable governmental standards, the Property may still be subject to erosion and/or flooding during unusually intense or prolonged

periods of rain. In addition, water may pond on various portions of the Property having impervious surfaces, such as the streets, driveways, and patios.

4.17. **Upgrades.** The cost of upgrades may not necessarily result in a commensurate increase in the value of the Unit.

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

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

4.20. **Chemicals.** All buildings contain products that have water, powders, solids and industrial chemicals, which will be used in construction. The water, powders, solids and industrial chemicals will and do contain mold, mildew, fungus, spores and chemicals that may cause allergic or other bodily reactions in certain individuals. Leaks, wet flooring and moisture will contribute to the growth of molds, mildew, fungus or spores. Neither Declarant nor Builder are responsible for any illness or allergic reactions that a person may experience as a result of mold, mildew, fungus or spores. It is the responsibility of the Owner to keep his or her Unit clean, dry, well ventilated and free of contamination.

4.21. **Paint.** Due to the large quantity of paint used in the project, Owner should be aware that slight variations in paint shade may exist within a Unit. Due to the properties within today's paints, Owner should expect paint to yellow somewhat with time. This is a normal occurrence and is therefore not covered as a warranty issue. Avoid washing or scrubbing painted walls. Lightly soiled areas may be cleaned using a sponge with water and lightly wiping over the soiled areas.

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

4.23. **Driveways and Parking Areas.** The streets located outside the Property are public streets and maintained by applicable governmental authorities. Streets and driveways within the Property are private and are maintained and administered by the Association.

4.23.1. Rules and Regulations. By acquiring a Unit in the Regime, each Owner acknowledges and agrees that use of the streets driveways will be subject to all applicable Rules, as well as any rules or policies adopted by the Board. The Board has the express authority to adopt, amend, repeal, and enforce the rules, regulations and procedures for use of streets and driveways, including but not limited to:

(i) Identification of vehicles used by Owners and Occupants and their guests.

(ii) Designation of parking areas and no-parking areas, and loading/unloading zones.

(iii) Limitations or prohibitions on driveway and street parking.

(iv) Limitations on access to any streets or Common Elements enclosed by a gate.

(v) Removal or prohibition of vehicles that violate applicable rules and regulations.

(vi) Fines for violations of applicable rules and regulations.

4.24. **Golf Course Notice**. Portions of the Property are adjacent to the University of Texas Golf Club (the "**Golf Course**"). Units adjacent to or near the Golf Course facilities are subject to risk of damage or injury from errant golf balls. Additional information regarding living adjacent to or near the Golf Course facilities is contained in that certain Notice to Purchasers of Property in Steiner Ranch [Golf Course Notice], recorded as Document No. 2006024322 in the Official Public Records of Travis County, Texas.

4.25. **Existing Easements**. Portions of the Property are subject to the following existing easements:

4.25.1. Buffer Easements. Buffer easements along certain boundaries of the Property adjacent to the Golf Course prohibit planting, clearing or removing any trees, grasses or other vegetation and are described further in that certain: (a) Golf Course Buffer Easement and Restrictive Covenant, recorded as Document No. 2004163008 in the Official Public Records of Travis County, Texas; and (b) Golf Course Buffer Easement and Restrictive Covenant, recorded as Document No. 2006033841 in the Official Public Records of Travis County, Texas.

4.25.2. Cart Path Easement. A golf cart path easement in favor of the Golf Course over and across a portion of the Property for (a) the construction, maintenance and operation of a golf cart path; (b) pedestrian and golf cart ingress and egress for the Golf Course's employees and golf course patrons; (c) vehicular ingress and egress for golf course maintenance vehicles and equipment utilized by the Golf Course's employees; and (d) construction, maintenance and operation of underground irrigation pipes and related equipment, all as more particularly described in that certain Cart Path Easement and Setback Agreement, recorded as Document No. 2006045062 in the Official Public Records of Travis County, Texas.

4.25.3. Tree Restriction Easement. Restrictions prevent the removal or alteration of certain protected trees located on the Property as more particularly described in that certain Tree Restriction Agreement, recorded as Document No. 2006045063 in the Official Public Records of Travis County, Texas.

4.25.4. Entryway Monument and Landscaping Easement. An easement in favor of the Master Association over, upon and across a portion of the Property for the purpose of constructing, maintaining, operating, repairing, removing, replacing and upgrading an entryway monument sign and landscaping related thereto as more particularly described in that certain Entryway Monument and Landscaping Easement Agreement, recorded as Document No. 2006045064 in the Official Public Records of Travis County, Texas.

4.25.5. Development and Easement Agreement. The Property is also subject to that certain Development and Easement Agreement, recorded as Document No. 2006200626 in the Official Public Records of Travis County, Texas (the "**Development and Easement Agreement**"), which provides, *inter alia*:

(i) for the installation of fencing within the Property that must match the existing "wrought iron" style fencing located on other portions of the Golf Course and must conform with requirements of the Master Architectural Committee. The Association may be called upon to maintain the fences and, from time to time, repair and replace the fences.

(ii) for the installation of certain landscaping within the Property that must match the existing Golf Course landscaping located on other portions of the Golf Course. The Association may be called upon to maintain such landscaping.

(iii) for certain landscape easements over and across portions of the Property in favor of the Golf Course.

(iv) the protection of certain specimen oak trees located near Unit 9 and that Unit 9 may be no more than thirty feet (30') in height measured according to the following definition: the vertical distance between the lowest finished floor elevation at any point within the structure and the highest ridge, peak, or gable of a roof, excluding chimneys.

(v) access to agents, employees, contractors, subcontractors and other parties of the Golf Course across the private roadways within the Property for the purposes of the construction of part of the golf cart path.

4.26. Swimming Pools. No swimming pools shall be permitted within any Unit.

ARTICLE 5
UNITS, LIMITED COMMON ELEMENTS & ALLOCATIONS

5.1. **Number of Units.** The Regime consists of eighty eight (88) Units and the maximum number of Units is eighty eight (88). During the Development Period, Declarant, as permitted in Appendix "A", has reserved the right to create a total of eighty eight (88) Units. During the Development Period, as provided in *Section* 2.2 above and as described on Appendix "A", Declarant has reserved the right to add additional property to the Regime.

5.2. **Unit Boundaries.** The boundaries and identifying number of each Unit are shown on the Plat and Plans attached as Exhibit "B". Each Unit includes the roof, exterior walls and foundation of the Building within which the Unit is located and all other Improvements which constitute the Unit. In addition to the Building and the Improvements which constitute the Unit, each Unit also includes Improvements, fixtures, and equipment serving the Building

and the Unit exclusively, whether located within, outside, or below the Unit, whether or not attached to or contiguous with the Building, including but not limited to any sidewalks, driveways, below-grade foundation, piers, retaining walls, fence, or other structural supports; plumbing, sewerage, and utility lines, pipes, drains, and conduits; landscape irrigation and subterranean components of plant material, including roots of trees on the Unit; and any other below-grade item that serves or supports the Building and the Unit exclusively.

5.3. **What Each Unit Includes.** Each Unit includes the spaces and Improvements within the above-described boundaries, including without limitation, any windows, window screens and frames, exterior doors and door hardware, attic area, firebox and fireplace flue. Each Unit also includes Improvements, fixtures, and equipment serving the Unit exclusively, whether located inside or outside the Unit, whether or not attached to or contiguous with the Unit, including but not limited to, the following (if any): chimneys, water heaters, air conditioners, utility meters, fuse boxes, electrical switches, wiring, pipes, ducts, conduits, smoke detectors, security systems, television antennas, lighting fixtures, telephone and electrical receptacles, and skylights.

5.3.1. Exclusions. Except as specifically included above, each Unit excludes the spaces and Improvements lying outside of the boundaries of the Unit.

5.3.2. Inconsistency with Plans. If the foregoing description of Unit boundaries is inconsistent with the Plats and Plans, then this Section will control.

5.3.3. Representations of Size. The space contained within the Unit's boundaries is not related to the size of the Unit's living areas. Similarly, the Units may be marketed on the basis of a limited number of representational floorplans, each of which is marked with a rounded and estimated size of air-conditioned space, taken from pre-construction architectural drawings. Those marketing sizes may vary from the size of the actual space contained within the Unit's vertical and horizontal boundaries and the actual area contained within the air conditioned space of t he Unit.

SIZE OF UNIT

The size of a Unit may be measured different ways for different purposes, such as for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air conditioned space, or the area within the Unit's legal boundaries.

5.4. **Initial Designations Of Limited Common Elements.** The following portions of the Common Elements are Limited Common Elements assigned to the Units.

5.4.1. Shown on Plats and Plans. Portions of the Common Elements may be allocated as Limited Common Elements on the Plats and Plans, attached hereto as Exhibit "B", by use of "LCE" and the identifying number of the Unit to which the

Limited Common Element is appurtenant, or by use of a comparable method of designation.

5.4.2. Appurtenant Areas. Only to the extent they are not part of the Unit, any front porch, sidewalk or fenced yard space that is obviously intended for the sole and exclusive use of the Unit to which the area is appurtenant is deemed a Limited Common Element, whether or not the area is so designated on Plats and Plans. If the boundaries of an appurtenant area change, with the Board's approval, the altered boundaries of the appurtenant area are the boundaries of the Limited Common Element.

5.5. **Subsequent Allocation Of Limited Common Elements.** A Common Element not allocated by this Declaration as a Limited Common Element may be so allocated only in accordance with the Act or the provisions of this Declaration. Declarant has reserved the right as set forth in Appendix "A" of this Declaration, to create and assign Limited Common Elements within the Property. During the Development Period, Declarant may cause to be constructed a gate across a portion of the Property, which may serve less than all of the Units. In the event Declarant elects to construct or install a gate that serves less than all of the Units, Declarant shall have the right during the Development Period to designate the gate and entrance improvements, any walls and landscaping associated therewith, and roadways and landscaping posterior to the gate as Limited Common Element assigned to certain Units designated by the Declarant.

5.6. **Common Interest Allocation**. The percentage of interest in the Common Elements (the "**Common Interest Allocation**") allocated to each Unit is set forth on Exhibit "C". As set forth on Exhibit "C", the Common Interest Allocation allocated to each Unit is equal to 1 divided by the total number of Units in the Regime. In the event additional Units are added to the Regime, whether through the conversion of General Common Elements, subdivision of Units, combination of Units, or the addition of land, the Common Interest Allocation will be reallocated among the Units using the same formula. In the event an amendment to this Declaration is filed which reallocates the Common Interest Allocation as a result of any modification of Units or any increase or decrease in the number of Units, the reallocation will be effective on the date such amendment is Recorded.

5.7. **Common Expense Liabilities**. The percentage of liability for common expenses allocated to each Unit and levied pursuant to Article 6 is equivalent to the Common Interest Allocation assigned to the Unit.

5.8. **Votes**. One (1) vote is allocated to each Unit. The one vote appurtenant to each Unit is weighted equally for all votes, regardless of the other allocations appurtenant to the Unit. In other words, the one vote appurtenant to each Unit is uniform and equal to the vote appurtenant to every other Unit.

ARTICLE 6
COVENANT FOR ASSESSMENTS

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

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

6.3. **Types of Assessments**. There are five (5) types of Assessments: Regular, Special, Utility, Individual, and Deficiency Assessments. Additionally, each Unit is subject to the terms and provisions of the Master Plan Documents, and accordingly, each Owner will also be a mandatory member of the Master Association and be required to pay assessments to the Master Association in accordance with the Master Plan Documents. Pursuant to the Master Plan Documents, each Unit will be allocated one (1) vote to be cast on all matters to be voted on by the Members of the Master Association and one (1) Assessment Unit (as defined in the Master Plan Documents).

6.4. **Regular Assessments**.

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

(i) Maintenance, repair, and replacement, as necessary, of the Common Elements, and Improvements, equipment, signage, and property owned by the Association.

(ii) Annual maintenance examination and report, as required by *Article 9*.

(iii) Utilities billed to the Association.

(iv) Services obtained by the Association and available to all Units.

(v) Taxes on property owned by the Association and the Association's income taxes.

(vi) Management, legal, accounting, auditing, and professional fees for services to the Association.

(vii) Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.

(viii) Insurance premiums and deductibles (*See Article 15*).

(ix) Contributions to the reserve funds.

(x) Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Regime or for enforcement of the Documents.

6.4.2. Annual Budget-Regular. The Board will prepare and approve an annual budget with the estimated expenses to be incurred by the Association for each fiscal year. The budget will take into account the estimated income and common expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to the Owner of each Unit, although failure to receive a budget or budget summary will not affect an Owner's liability for Assessments. The Board will provide copies of the budget to Owners who make written request and pay a reasonable copy charge.

6.4.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget, minus estimated income from sources other than Regular Assessments. Each Unit will be liable for its allocated share of the annual budget. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

6.4.4. Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated common expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency.

6.5. **Special Assessments**. In addition to Regular Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments, the Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, common

expenses not anticipated by the annual budget or reserve funds. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by at least a majority of the votes in the Association: (i) acquisition of real property; and (ii) construction of additional Improvements within the Regime (excluding the repair or replacement of existing Improvements and any Improvements constructed by Declarant).

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

6.7. **Individual Assessments**. In addition to Regular Assessments, Special Assessments, Utility Assessments, and Deficiency Assessments, the Board may levy an individual Assessment against an Owner and the Owner's Unit. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or the Owner's Unit into compliance with the Documents; fines for violations of the Documents; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; insurance deductibles; sub-metered utilities serving the Unit; reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees or Occupants of the Owner's Unit; common expenses that benefit fewer than all of the Units, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Unit basis; and "pass through" expenses for services to Units provided through the Association and which are equitably paid by each Unit according to benefit received.

6.8. **Deficiency Assessments**. The Board may levy a Deficiency Assessment against all Units for the purpose of defraying, in whole or in part, the cost of repair or restoration for General Common Elements if insurance proceeds or condemnation awards prove insufficient.

6.9. **Working Capital Fund**. Upon the transfer of a Unit, including transfers from one Owner to a subsequent Owner, but excluding transfers from Declarant to a Builder, a working capital fee in an amount equal to two (2) months of Regular Assessments will be paid by the transferee of the Unit to the Association for the Association's working capital fund.

Upon termination of the Development Period (and only at such time), the Board will be permitted to modify any working capital fund assessment payable on the transfer of a Unit. Except as set forth above, each working capital contribution will be collected upon the conveyance of the Unit from one Owner to another (expressly including any re-conveyances of the Unit upon resale or transfer thereof). Notwithstanding the foregoing provision, the following transfers will not be subject to the working capital contribution: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (ii) transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more co-owners, or to the Owner's spouse, child, or parent. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Declarant may not use working capital fees collected hereunder to pay operational expenses until the Declarant Control Period terminates.

6.10. **Reserve Fund Contribution**. Upon the transfer of a Unit, including transfers from one Owner to a subsequent Owner, but excluding transfers from Declarant to a Builder, a fee equal to one (1) month of Regular Assessments will be paid by the transferee to the Association for the Association's replacement reserve funds. Upon termination of the Development Period (and only at such time), the Board will be permitted to modify any reserve fund assessment payable on the transfer of a Unit. Except as set forth above, each reserve fund contribution will be collected upon the conveyance of the Unit from one Owner to another (expressly including any re-conveyances of the Unit upon resale or transfer thereof). Notwithstanding the foregoing provision, the following transfers will not be subject to the reserve fund contribution: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (ii) transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more co-owners, or to the Owner's spouse, child, or parent. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Declarant may not use reserve fund fees collected hereunder to pay operational expenses until the Declarant Control Period terminates.

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

6.12. **Reserve Funds**. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and may fund reserves out of Regular Assessments.

6.12.1. Operations Reserves. The Association may maintain operations reserves at a level determined by the Board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, including deductibles on insurance policies maintained by the Association.

6.12.2. Replacement & Repair Reserves-General Common Elements. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the General Common Elements.

6.13. **Declarant's Right To Inspect And Correct Accounts.** For a period of 5 years after termination of the Declarant Control Period, Declarant reserves for itself and for Declarant's accountants and attorneys, the right, but not the duty, to inspect, correct, and adjust the Association financial records and accounts from the formation of the Association until the termination of the Declarant Control Period. The Association may not refuse to accept an adjusting or correcting payment made by or for the benefit of Declarant. By way of illustration but not limitation, Declarant may find it necessary to recharacterize an expense or payment to conform to Declarant's obligations under the Documents or applicable State law. This Section may not be construed to create a duty for Declarant or a right for the Association, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant a right of access to the Association's books and records that is independent of Declarant's rights during the Declarant Control and Development Periods.

6.14. **Association's Right To Borrow Money**. The Association is granted the right to borrow money, subject to the consent of Owners representing at least a majority of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, or pledge any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

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

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

ARTICLE 7
ASSESSMENT LIEN

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

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

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

> If you fail to pay Assessments to the Association, you may lose title to your Unit if the Association forecloses its assessment lien.

7.4. **Notice and Release of Notice**. The Association's lien for Assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be Recorded. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing Owner. The Association may require reimbursement of its costs of preparing and recording the notice before granting the release.

7.5. **Power of Sale**. By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of non-judicial sale in connection with the Association's assessment lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf

of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

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

ARTICLE 8
EFFECT OF NONPAYMENT OF ASSESSMENTS

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

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

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

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

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

8.5. **Suspension of Vote**. Subject to the below-described limitations, if an Owner's account has been delinquent for at least 30 days, the Association may suspend the right to vote

appurtenant to the Unit during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. When the Association suspends an Owner's right to vote, the suspended Owner may nevertheless participate as a Member of the Association for the following activities: (i) be counted towards a quorum; (ii) attend meetings of the Association; (iii) participate in discussion at Association meetings; (iv) be counted as a petitioner for a special meeting of the Association; and (v) vote to remove a Director and for the replacement of the removed Director. If the number of suspended Members exceeds 20 percent of the total Members (Co-Owners of a Unit constituting one member), all Members are eligible to vote. These limitations are imposed to prevent a Board from disenfranchising a large segment of the membership and to preserve the membership's right to remove and replace Directors.

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

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

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

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

ARTICLE 9
MAINTENANCE AND REPAIR OBLIGATIONS

9.1. **Association Maintains.** The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs and replaces, as a common expense, all General and Limited Common Elements. The Association also maintains, as a common expense, any component of a Unit delegated to the Association by this Declaration.

9.2. **Landscaping of Yard Space**. The first Owner of a Unit other than Declarant or a Builder (the "**Initial Owner**"), at such Initial Owner's sole cost and expense, will be required to install landscaping within any private yard space designated as Limited Common Element exclusively to the Unit ("**Private Yard Space**"). Private Yard Space is either designated and assigned to a Unit on the Plats and Plans or may be designated by the Declarant during the Development Period in accordance with the rights reserved by the Declarant as described on Appendix "A", attached hereto. Landscaping within Private Yard Space will be in accordance with a landscape plan prepared by the Initial Owner and submitted in advance to the Architectural Reviewer for review and approval on or before ninety (90) days after the Initial Owner's acquisition of the Unit. Each Initial Owner is advised to contact the Architectural Reviewer prior to preparing any landscaping plans required by this section to obtain: (i) the required landscaped area, which is either designated by the Plats or Plans or as designed by the Declarant during the Development Period in accordance with the rights reserved by the Declarant as described on Appendix "A", attached hereto; and (ii) landscaping guidelines and required plantings. Landscaping required by the plans approved by the Architectural Reviewer must be installed on or before the expiration of ninety (90) days after the date of approval.

9.3. **Annual Inspection of Common Area.** From the period commencing at the expiration of the Development Period until ten (10) years thereafter, at least annually, the Association must examine the condition of the Common Elements to evaluate the quality, frequency, and adequacy of maintenance performed during the preceding year, and to recommend maintenance for the upcoming year. The examination and report may be performed by one or more experts hired by the Association for this purpose, such as a professional property manager, an engineer, or professional contractors such as landscapers and brick masons. Within fifteen (15) days after performing the inspection, the expert should then submit to the Board a written report with findings and recommendations. The Board should evaluate the Association's operating budget and reserve accounts for maintenance, repair, and replacement in light of the expert's findings and recommendations. Any decision by the Board to reduce or defer recommended maintenance should be made with an evaluation of the potential consequences for future costs and deterioration. An expert's report is a record of the Association that is available to Owners for inspection and copying. To assist the Board in its examination of the condition of Common Elements, a Guide to Association's Examination of Common Elements is attached to this Declaration as Exhibit "D".

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

(i) To maintain, repair, and replace his Unit, the Private Yard Space (including the maintenance and replacement of all landscaping located therein or thereon) and the Limited Common Elements (other than those Limited Common Elements which the Association elects to maintain) assigned exclusively thereto, except for components expressly assigned to the Association by this Declaration.

(ii) To maintain, repair, and replace all portions of the Property for which the Owner is responsible under this Declaration or by agreement with the Association.

(iii) To not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or real property right thereto.

(iv) To be responsible for his own willful or negligent acts and those of his or the Occupant's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement of Common Elements, the property of another Owner, or any component of the Property for which the Association has maintenance or insurance responsibility.

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

9.6. **Mold.** In the era in which this Declaration is written, the public and the insurance industry have a heightened awareness of and sensitivity to anything pertaining to mold. This Section addresses that environment. For more information about mold and mold prevention, an Owner should consult a reliable source, such as the U.S. Environmental Protection Agency.

9.6.1. Owner's Duties. To reduce the risks associated with concentrations of mold, Owners should be proactive in preventing circumstances conducive to mold, identifying mold, and eliminating mold. Towards that end, each Owner is responsible for:

(i) regularly inspecting his entire Unit for evidence of water leaks or penetrations or other conditions which may lead to mold growth;

(ii) repairing promptly any water leaks, breaks, or malfunctions of any kind in his Unit that may cause damage to another Unit or Common Element; and

(iii) regularly inspecting his entire Unit for visible surface mold and promptly removing same using appropriate procedures.

9.6.2. Insurance. Many insurance policies do not cover damages related to mold. The Association will not maintain insurance coverage applicable to mold damage with respect to any Unit. Accordingly, an Owner who wants insurance coverage with respect to mold and mold-related damages is advised to purchase such insurance coverage as part of his homeowners insurance policy.

9.7. **Concrete.** Minor cracks in poured concrete, including foundations, garage floors, sidewalks, driveways and porches, are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of the building. Such minor cracking in poured concrete may not warrant repair. The Association's duty to maintain and repair foundations and other concrete or cementitious components of the building does not extend to minor or cosmetic cracking.

FACT: CONCRETE CRACKS

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

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

ARTICLE 10
ARCHITECTURAL COVENANTS AND CONTROL

PURSUANT TO THE MASTER DECLARATION, EACH OWNER OF A UNIT IS REQUIRED TO SUBMIT PLANS AND SPECIFICATIONS TO THE MASTER ARCHITECTURAL COMMITTEE FOR APPROVAL. NO IMPROVEMENTS SHALL BE CONSTRUCTED ON ANY UNIT UNTIL SUCH APPROVAL IS OBTAINED PURSUANT TO THE MASTER DECLARATION. NOTWITHSTANDING ANY PROVISION HEREOF TO THE CONTRARY, THE APPROVAL OF THE MASTER ARCHITECTURAL COMMITTEE IS IN ADDITION TO THE APPROVAL REQUIRED PURSUANT TO THIS ARTICLE 10.

10.1. **Purpose**. Because the Units are part of a single, unified community, the Association has the right to regulate every aspect of the exterior of the Property, including the exterior design, use and appearance of Units and Common Elements, in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to allow the Association to respond to changes in technology, style, and taste. The Association has the right to regulate every aspect of proposed or existing Improvements on the Property, including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

10.2. **Architectural Control During the Development Period**. Until expiration or termination of the Development Period, the Declarant exercises architectural control of the Property. After the Development Period, the Board or a committee appointed by the Board exercises architectural control over the Property.

10.3. **Limits on Liability.** Until expiration or termination of the Development Period, the Declarant has sole discretion with respect to taste, design, and all standards specified by this Article. After expiration or termination of the Development Period, or after a delegation of duties as provided by *Section 10.9.2* below, the Board has sole discretion with respect to taste, design, and all standards specified by this Article. Neither the Declarant, nor the Board, or their directors, officers, committee members, employees or agents will have any liability for decisions made in good faith, and which are not arbitrary or capricious. Neither the Declarant, nor the Board, or their directors, officers, committee members, employees or agents are responsible for: (i) errors in or omissions from the plans and specifications submitted to the Board; (ii) supervising construction for the Owner's compliance with approved plans and specifications; or (iii) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. Approval of a modification or Improvement may not be deemed to constitute a waiver of the right to withhold approval of similar proposals, plans or specifications that are subsequently submitted.

10.4. **Prohibition of Construction, Alteration and Improvement**. Without the Board's prior written approval, a person may not commence or continue any construction, alteration,

addition, Improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property.

YOU CANNOT CHANGE THE EXTERIOR OF YOUR UNIT OR ANY BUILDING UNLESS YOU HAVE THE SIGNED CONSENT OF THE BOARD.

10.5. **No Deemed Or Verbal Approval.** Approval by the Board may not be deemed, construed, or implied from an action, a lack of action, or a verbal statement by an Association director or officer, a member or chair of the Board-appointed architectural control committee, the Association's manager, or any other representative of the Association. To be valid, approval of the Board must be: (i) in writing; (ii) on a form or letterhead issued by the Association; (iii) signed and dated by the Association president or another officer designated by the Board for that purpose; (iv) specific to a Unit; and (v) accompanied by detailed plans and specifications showing the proposed change. If the Board fails to respond in writing – negatively, affirmatively, or requesting information – within 60 days after the Board's actual receipt of the Owner's application, **the application is deemed denied. Under no circumstance may approval of the Board be deemed, implied or presumed.** If the Board approves a change, the Owner or the Board may require that the architectural approval be recorded. Board approval of an architectural change automatically terminates if work on the approved Improvement has not started by the commencement date stated in the Board's approval or, if no commencement date is stated, within 90 days after the date of Board approval.

10.6. **Application To Board.** To request Board approval, an Owner must make written application and submit 2 identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. The Board may return one set of plans and specifications to the applicant marked with the Board's response, such as "Approved," "Denied," or "Submit Additional Information." The Board will retain the other set of plans and specifications, together with the application, for the Association's files. The Board has the right, but not the duty, to evaluate every aspect of construction and property use that may alter or adversely affect the general value of appearance of the Property.

10.7. **Owner's Duties.** If the Board approves an Owner's application, the Owner may proceed with the Improvement, provided:

(i) The Owner complies with *Section 3.3*.

(ii) The Owner must adhere strictly to the plans and specifications which accompanied his application.

(iii) The Owner must initiate and complete the Improvement in a timely manner.

(iv) If the approved application is for work that requires a building permit from the city, the Owner must obtain the appropriate permit. The Board's approval of plans and specifications does not mean that they comply with the city's requirements. Alternatively, approval by the city does not ensure Board approval.

10.8. **Prohibited Acts.** The types of acts affecting the exterior of the Property that may not be commenced without the Board's written approval include, but are not limited to the following:

(i) Installation of ornamental iron or burglar bars, storm window or door, awnings, shutters, exterior lighting, balcony or deck cover, chimney, or skylight.

(ii) Installation of equipment that may create a noise annoyance, such as noise-producing security devices, exterior pumps, and speakers.

(iii) Installation of walls, screens, fences, gates, or carports.

(iv) Enclosure of balconies, decks, or garages.

(v) Installation of impermeable decking or other Improvement that may interfere with established drainage patterns.

10.9. **Declarant Rights.** During the Development Period, only the Declarant is responsible for architectural control of the Property. Declarant may designate one or more persons from time to time to act on its behalf in reviewing and responding to applications. The Association, the Board of Directors, or a committee appointed by the Association or Board (no matter how the committee is named) may not involve itself with architectural approval during the Development Period. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other person or any organization.

10.9.1. Owner Agrees. Each Owner, by accepting an interest in or title to a Unit, covenants and agrees that Declarant has a substantial interest in ensuring that the Improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market homes in the Property or in Declarant's other developments. Accordingly, during the Development Period architectural approval may be granted or withheld at Declarant's sole discretion.

10.9.2. Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to: (i) an architectural control committee appointed by the Board; or (ii) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation must be in writing and must

specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant: (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

ARTICLE 11
USE RESTRICTIONS

11.1. **Variance**. The use of the Property is subject to the restrictions contained in this Article, and subject to Rules adopted pursuant to this Article. The Board or the Declarant, as the case may be, may grant a variance or waiver of a restriction or Rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not effect a waiver or estoppel of the Association's right to deny a variance in other circumstances.

11.2. **Association's Right To Promulgate Rules and Adopt Community Manual**. The Association, acting through the Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. The Association, acting through the Board, is further granted the right to adopt, amend, repeal, and enforce the Community Manual, setting forth therein such policies governing the Association as the Board determines to be in the best interests of the Association, in its sole and absolute discretion.

EVERY RESIDENT IS EXPECTED TO COMPLY WITH RULES ADOPTED BY THE BOARD OF DIRECTORS

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

(i) Use of Common Elements.

(ii) Hazardous, illegal, or annoying materials or activities on the Property.

(iii) The use of Property-wide services provided through the Association.

(iv) The consumption of utilities billed to the Association.

(v) The use, maintenance, and appearance of anything visible from the street, Common Elements, or other Units.

(vi) The occupancy and leasing of Units.

(vii) Animals.

(viii) Vehicles.

(ix) Disposition of trash and control of vermin, termites, and pests.

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

11.4. **Ages Of Occupants.** No person under the age of 18 years may occupy a Unit unless he lives with an Occupant who is his spouse, parent, legal guardian, or a designee of his parent or legal guardian. Upon request by the Association, an Owner must provide satisfactory proof of the ages and relationships of the occupants of his Unit.

11.5. **Animals - Household Pets**. Except for fish, there shall be allowed no more than three (3) household pets in a Unit and *provided, further*, that said pets may consist only of domesticated dogs, cats, fish and/or birds and may not be kept, bred, or maintained for any commercial purpose and not become a nuisance or annoyance to neighbors. All pets must be registered and approved in writing by the Board, which approval may be given or withheld in the sole discretion of the Board. Owners must immediately pick up all solid waste of their pets and dispose of such waste appropriately. All individual pets, including cats, must be leashed at all times when outside a Unit. No reptiles or other forms of wildlife shall be kept in or on the Regime (including Units). Without limiting the generality of this *Section 11.5*, violations of the provisions of this *Section 11.5* will entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Owners and/or to require, through order of the Board, any pet to be permanently removed from the Regime. No one other than an Owner or an Owner's tenant is permitted to keep any pet.

11.6. **Annoyance.** No Unit or Limited Common Element may be used in any way that: (i) may reasonably be considered annoying to neighbors; (ii) may be calculated to reduce the desirability of the Property as a residential neighborhood; (iii) may endanger the health or safety of Occupants of other Units; (iv) may result in the cancellation of insurance on any portion of the Property; (v) violates any law; or (vi) creates noise or odor pollution. The Board has the sole authority to determine what constitutes an annoyance.

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

11.8. **Declarant Privileges.** In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways

that are not available to other Owners and Occupants, as provided in Appendix "A" of this Declaration. Declarant's exercise of a Development Period right that appears to violate a Rule or a Use Restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

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

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

11.11. **Fire Safety.** No person may use, misuse, cover, disconnect, tamper with, or modify the fire and safety equipment of the Property or interfere with the maintenance and/or testing of same by persons authorized by the Association or by public officials.

11.12. **Garages.** Garages may not be enclosed or used for any purpose that would prohibit the parking of operable vehicles therein, without the Board's written authorization. Any automatic garage door opener is to be maintained by the Owner.

11.13. **Landscaping.** No person may perform landscaping, planting, or gardening anywhere upon the Property without the Board's prior written authorization.

11.14. **Noise And Odor.** An Occupant must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb or annoy Occupants of neighboring Units. The Rules may limit, discourage, or prohibit noise-producing activities and items in the Units and on the Common Element.

NOT SOUNDPROOFED

The Units are not soundproofed. Noise transmission will occur.

11.15. **Occupancy.** The Board may adopt Rules regarding the occupancy of Units. If the Rules fail to establish occupancy standards, no more than 2 persons per bedroom may occupy a Unit, subject to the exception for familial status. The Association's occupancy standard for Occupants who qualify for familial status protection under the fair housing laws may not be more restrictive than the minimum (*i.e., the fewest people per Unit*) permitted by the U.S. Department of Housing and Urban Development. A person may not occupy a Unit of the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others.

11.16. **Residential Use.** The use of a Unit is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit an Occupant from using the Unit for personal business or professional pursuits provided that: (i) the uses are incidental to the use of the Unit as a dwelling; (ii) the uses conform to applicable governmental ordinances; (iii) there is no external evidence of the uses; (iv) the uses do not entail visits to the Unit by employees or the public; and (v) the uses do not interfere with Occupants' use and enjoyment of neighboring Units. Other than the air conditioned part of a Unit, no thing or structure on the Property may be occupied as residence at any time by any person. This provision applies, without limitation, to the garage.

11.17. **Signs.** Other than signs erected and maintained by the Declarant or a Builder in conjunction with the marketing and sale of Units, no sign of any kind, including signs advertising Units for sale, for rent or for lease, may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Units unless approved in advance by the Board. As used in this Section, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. The Board may, but is not required to, authorize a sign, and such authorization may specify the location, nature, dimensions, number, and time period of a sign. This prohibition against signs also applies to any object visible from a street or driveway which the Board deems to be unsightly or inappropriate. The Association may effect the immediate removal of any sign or object that violates this Section or which the Board deems inconsistent with Property standards without liability for trespass or any other liability connected with the removal.

11.18. **Antenna.** Except as expressly provided below, no exterior radio, television or communications antenna or aerial or satellite dish or disc, nor any solar energy system (collectively, an "**Antenna/Dish**"), shall be erected, maintained, or placed on a Unit without the prior written approval of the Board.

11.18.1. Dishes Over One Meter Prohibited. Unless otherwise approved by the Board, an Antenna/Dish which is over one meter in diameter is prohibited within the Regime.

11.18.2. Notification. An Owner or Occupant who wishes to install an Antenna/Dish one meter or less in diameter (a "**Permitted Antenna**") must submit a written notice to the Board or its designee, which notice must include the Owner or Occupant's installation plans for the satellite dish.

11.18.3. One Dish Limitation. Unless otherwise approved by the Board, only one Permitted Antenna per Unit is permitted. In the event an acceptable quality signal for video programming or wireless communications cannot be received from one satellite dish, the Owner must provide written notification to the Board or its designee. Upon notification, the Owner will be permitted to install an additional Permitted Antenna if a single Permitted Antenna is not sufficient for the reception of an acceptable

quality signal and the use of an additional Permitted Antenna results in the reception of an acceptable quality signal.

11.18.4. Permitted Installation Locations – Generally. An Owner or Occupant may erect a Permitted Antenna (after written notification has been provided to the Board or its designee) if the Owner or Occupant has an exclusive use area in which to install the antenna. An "exclusive use area" is an area in which only the Owner or Occupant may enter and use to the exclusion of all other Owners and Occupants. Unless otherwise approved by the Board or its designee, the Permitted Antenna must be entirely within the exclusive use area of the Owner's Unit.

A Permitted Antenna or the use of a Permitted Antenna may not interfere with satellite or broadcast reception to other Units or the Common Elements, or otherwise be a nuisance to Occupants of other Units or to the Association. A Permitted Antenna exists at the sole risk of the Owner and/or occupant of the Unit. The Association does not insure the Permitted Antenna and is not liable to the Owner or any other person for any loss or damage to the Permitted Antenna from any cause. The Owner will defend and indemnify the Association, its directors, officers, and Members, individually and collectively, against losses due to any and all claims for damages or lawsuits, by anyone, arising from his Permitted Antenna. The Board of Directors may determine what constitutes a nuisance to the Association. The Board may, from time to time, modify, amend, or supplement the rules regarding installation and placement of a Permitted Antenna.

11.18.5. Preferred Installation Locations. A Permitted Antenna may be installed in a location within the Unit from which an acceptable quality signal can be obtained and where least visible from the street and the Regime, other than the Unit. In order of preference, the locations of a Permitted Antenna which will be considered least visible by the Board are as follows:

(i) attached to the back of the residence constructed within the Unit, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Units and the street; then

(ii) Attached to the side of the residence constructed within the Unit, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Units and the street.

11.18.6. Cable Conduit. The Property is designed with a conduit for use with cable television lines. Each Owner may use the conduit for its intended purpose and for no other purpose. The draping of cable wires on the exteriors of Improvements, or the installation of additional conduits are prohibited without the Board's prior written consent.

11.18.7. Association Controls. To the extent permitted by public law, the Association may adopt and amend reasonable standards for the color, appearance, location, method of installation, maintenance, camouflaging, screening, and use of an Antenna/Dish.

11.19. **Parking and Vehicular Restrictions**. With the exception of the Declarant and Persons authorized by the Declarant or the Board after the expiration of the Development Period, no Owner shall park, store or keep within the Regime any: (i) large commercial-type vehicle (including, but not limited to, vehicles with commercial writing, any dump truck, cement mixer truck, oil or gas truck or delivery truck); (ii) recreational vehicle (including, but not limited to, any camper unit, house/car or motor home); bus, trailer, trailer coach, camp trailer, boat or other type of watercraft of any kind, aircraft or mobile home; or (iii) inoperable or unlicensed vehicle or any other similar vehicle. The above excludes camper trucks and similar vehicles up to and including three-quarter (3/4) ton when used for daily transportation and subject to approval by the Board. In addition, no Owner shall park, store, or keep anywhere within the Regime any vehicle or vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Board. In addition, there shall be no operating of any unlicensed vehicles including, but not limited to, mopeds, scooters or similar motorized products within the Regime. All vehicles kept within the parking areas shall be in good condition and shall be kept clean and reasonably free of dust. The Board may establish additional regulations as it deems appropriate in its sole discretion with regard to any of the parking areas of the Regime, including, without limitation, designating "parking," "private parking," "guest parking" and "no parking" areas thereon; and shall have the power to enforce all parking and vehicle use restrictions applicable to the Regime, including the power to remove violating vehicles from any of the parking areas of the Regime to the extent permitted by applicable law. In those parking areas of the Regime left unassigned, the Board may allow, on an individually approved basis, for temporary short term parking for an Owner's guest in such areas. Any vehicle or other item(s) which is parked or stored so as to block an Owner's access to such Owner's designated parking space(s) or which is parked or stored in any drive or fire lane shall be subject to immediate towing without notification to the owner of such vehicle or item and such towing shall be at the sole cost of the owner of such vehicle or other item. The Declarant during the Development Period, and the Board after expiration or termination of the Development Period, may, in its sole discretion, designate and re-designate handicap, guest and Unit designated parking spaces. THERE SHALL BE NO PARKING FOR RECREATIONAL VEHICLES AVAILABLE ANYWHERE WITHIN THE REGIME.

11.20. **On Street Parking.** No Owner or Occupant may park a vehicle on any road or street within the Regime unless in the event of an emergency or as otherwise approved in writing by the Board. Guests and/or visitors may not park a vehicle on any road or street within the Regime for more than twelve (12) consecutive hours unless in the event of an emergency or as otherwise approved in writing by the Board. "Emergency" for purpose of this *Section 11.20* means an event which jeopardizes life or property. "Parked" as used herein shall be defined as a vehicle left unattended for more than thirty (30) consecutive minutes.

11.21. **Window Treatments**. The Regime is designed to have a uniform window appearance for all the Units. Therefore, the color and condition of all window panes, window screens, and window treatments must conform to the building standard. All window treatments within the Unit, that are visible from the street or another Unit, must be maintained in good condition and must not detract from the appearance of the Property. The Board may require an Owner to change or remove a window treatment, window film, window screen, or window decoration that the Board determines to be inappropriate, unattractive, or inconsistent with the Property's uniform window standard. The Board may prohibit the use of certain colors or materials for window treatments.

11.22. **Wireless Internet Systems**. A wireless Internet communication network ("**WiFi System**") may be installed or otherwise used in a Unit provided precautions are taken to insure against interfering with, disturbing, or intercepting computer, communications, or other permitted electronic signals, networks, or systems installed in other portions of the Regime. The Association may establish reasonable requirements relating to the installation of WiFi Systems that must be complied with, including, without limitation, requiring assurance from the installation of the system that proper precautions are being taken. Notwithstanding the foregoing, compliance with requirements relating to the installation of WiFi Systems is not a guarantee that any WiFi System installed or otherwise used in a Unit will not interfere with, disturb, or intercept other signals, networks, or systems within the Regime. The Association may require that any WiFi System found to cause such problems be terminated. The Association, Declarant, and their respective current and former partners, members, directors, officers agents employees, affiliates, and committee members, shall not in any way be considered insurers or guarantors of the proper operation or use of any WiFi Systems in the Regime, nor shall any of such Persons be held liable for any loss or damage relating to the use or operation of WiFi Systems in the Regime.

11.23. **Notice Regarding Impervious Cover**. There are limits on the amount of impervious cover that may be incorporated into the Regime. "Impervious Cover" and the calculation thereof will mean and be determined in accordance with the City of Austin Land Development Code or any successor code, ordinance, or regulation. Pursuant to *Article 10*, no Improvement within the Property may be constructed, altered, or modified without the advance written approval of the Architectural Reviewer. In the event an Improvement to the Property is added without the advance written approval of the Architectural Reviewer, the Owner responsible for such Improvement may be required to remove the Improvement and impervious cover, if any, associated therewith at the Owner's sole cost and expense. Constructing an Improvement without the advance written approval of the Architectural Reviewer will constitute a violation of the terms and provisions of this Declaration.

ARTICLE 12
UNIT LEASING

12.1. **Lease Conditions.** The leasing of Units is subject to the following conditions: (i) no Unit may be rented for transient or hotel purposes or for a period less than one hundred eighty (180) days; (ii) no Unit may be subdivided for rent purposes, and not less than an entire Unit may be leased; (iii) all leases must be in writing and must be made subject to the Documents; (iv) an Owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto; and (v) each tenant is subject to and must comply with all provisions of the Documents, federal and State laws, and local ordinances.

12.2. **Owner Occupancy.** For purposes of this Article, a Unit is considered "Owner occupied" if at least one Occupant of an occupied Unit is an Owner of the Unit or is related by blood, marriage, or adoption to an Owner of the Unit, or if the Unit is vacant; provided, however, except that a Unit being offered for lease may not be considered "Owner occupied" even though the Unit is then-vacant or then-occupied by an Owner. In calculating occupancy, Units are counted uniformly regardless of size.

12.3. **Eviction Of Tenants.** Every lease agreement on a Unit, whether written or oral, express or implied, is subject to and is deemed to include the following provisions:

12.3.1. Violation Constitutes Default. Failure by the tenant or his invitees to comply with the Documents, federal or State law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant's violation, the Owner will promptly obtain his tenant's compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or State law for the default, including eviction of the tenant, subject to the terms of this Section.

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

12.3.3. Association Not Liable for Damages. The Owner of a leased Unit is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the

Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

12.4. **Exemption.** A Mortgagee that acquires title to the Unit by foreclosure of its deed of trust lien or by deed in lieu of foreclosure of its lien is exempt from the effect of this Article. During the Development Period, Declarant is exempt from the effect of this Article.

ARTICLE 13
ASSOCIATION OPERATIONS

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

13.2. **The Association**. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

13.3. **Name**. A name is not the defining feature of the Association. Although the initial name of the Association is the Fairways at Steiner Ranch Condominium Community, Inc., the Association may operate under any name that is approved by the Board and (1) filed with the Travis County Clerk as an assumed name, or (2) filed with the Secretary of State of Texas as the name of the filing entity. The Association may also change its name by amending the Documents. Another legal entity with the same name as the Association, or with a name based on the name of the Property, is not the Association, which derives its authority from this Declaration.

13.4. **Duration**. The Association comes into existence on the earlier to occur of the following two events: (1) the date on which the Certificate is filed with the Secretary of State of Texas, or (2) the date on which a Unit deed is recorded in the Official Public Records of Travis County, Texas, evidencing diversity of ownership in the Property (that the Property is not owned entirely by Declarant or its affiliates). The Association will continue to exist at least as long as this Declaration, as it may be amended, is effective against all or part of the Property.

13.5. **Governance**. The Association will be governed by a board of directors elected by the Members. Unless the Bylaws or Certificate provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting

called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners representing at least a majority of the ownership interests, or at a meeting by Owners' representing at least a majority of the ownership interests that are represented at the meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13.12.3. Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Unit, including but not limited to, fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association. This Section does not obligate the Board or the manager to levy transfer-related fees. This exclusion may be waived by a party to a conveyance who requests transfer-related services or documentation for which fees are charged.

13.12.4. Information. Within 30 days after acquiring an interest in a Unit, an Owner will provide the Association with the following information: a copy of the settlement statement, or deed by which Owner has title to the Unit; the Owner's email address (if any); U.S. Post address, and phone number; any mortgagee's name, address, and loan number; the name and phone number of any resident other than the Owner; the name, address, and phone number of Owner's managing agent, if any.

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

ARTICLE 14
ENFORCING THE DOCUMENTS

14.1. **Notice And Hearing**. Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property

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

14.2. **Remedies**. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following rights to enforce the Documents:

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

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

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

14.2.4. Self-Help. The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Unit and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to

exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish an item of construction on a Unit without judicial proceedings.

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

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

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

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

ARTICLE 15
INSURANCE

15.1. **General Provisions**. The broad purpose of this Article is to require that the Property be insured with the types and amounts of coverage that are customary for similar types of properties and that are acceptable to mortgage lenders, guarantors, or insurers that finance the purchase or Improvement of Units. Because the insurance requirements of mortgage underwriters are subject to change, as are State-promulgated insurance regulations and policies, this Articles tries to balance the need for certain minimum insurance requirements with the desire to adapt to a periodically changing insurance environment. The Board will make every reasonable effort to comply with the requirements of this Article.

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

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

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

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

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

15.1.6. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, and the amount thereof may not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the coverage limits required by this Declaration or an Underwriting lender. In the event of an insured loss, the deductible is treated as a common expense of the Association in the

same manner as the Insurance premium. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner or Occupant or their invitee, then the Board may levy an Individual Assessment against the Owner and his Unit for the amount of the deductible that is attributable to the act or omission, provided the Owner is given notice and an opportunity to be heard in accordance with the Notice and hearing Section of this Declaration.

15.2. **Property Insurance.** The Association will obtain blanket all-risk insurance, if reasonably available, for all Common Element Improvements insurable by the Association. If blanket all-risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. The Federal National Mortgage Association recommends use of a guaranteed replacement cost endorsement, or a replacement cost endorsement, together with an agreed amount endorsement in case of coinsurance.

15.2.1. Common Property Insured. The Association will insure: (i) General Common Elements; (ii) Limited Common Elements; and (iii) property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies.

15.2.2. Units Not Insured by Association. In no event will the Association maintain property insurance on any Units. Accordingly, each Owner of a Unit will be obligated to maintain property insurance on such Owner's Unit, including any betterments and Improvements installed within such Unit by the current or previous Owner, in an amount sufficient to cover 100 percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.

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

15.3. **Liability Insurance.** The Association will maintain a commercial general liability insurance policy over the Common Elements – expressly excluding the liability of each Owner and Occupant within his Unit – for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. Each Owner will obtain and maintain general liability insurance on his Unit. The amount of coverage should be at least that required by an Underwriting Lender, to the extent reasonably available. The purpose of this requirement is, in part, to assure mortgage companies that the Association maintains at least minimum levels of insurance coverage. For example, the Federal National Mortgage Association requires a minimum of $1 million for bodily injury and property damage per single occurrence. If the policy does not contain a severability of interest provision, it should contain

an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.

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

15.5. **Fidelity Coverage.** The Association may maintain blanket fidelity coverage for any person who handles or is responsible for funds held or administered by the Association, whether or not the person is paid for his services. The policy should be for an amount that exceeds the greater of: (i) the estimated maximum funds, including reserve funds, that will be in the Association's custody at any time the policy is in force; or (ii) an amount equal to 3 months of Regular Assessments on all Units. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages. If the Property has more than 20 Units, the Association must maintain fidelity coverage to the extent reasonably available.

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

15.7. **Mortgagee Required Policies.** Unless coverage is not available or has been waived in writing, the Association will maintain any insurance and bond required by an Underwriting Lender for condominium developments as long as an Underwriting Lender is a Mortgagee or an Owner.

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

15.9. Owner's Responsibility For Insurance.

15.9.1. Insurance by Owners. Each Owner of a Unit will be obligated to maintain property insurance on such Owner's Unit, including any betterments and Improvements installed within such Unit by the current or previous Owner, in an amount sufficient to cover 100 percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Notwithstanding the foregoing, the Board may establish minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. If an Owner fails to maintain required insurance, the Board may obtain it on behalf of the Owner who will be obligated for the cost as an Individual Assessment.

15.9.2. Owners' Responsibilities. On request, an Owner will give the Board written notification of any and all structural changes, additions, betterments, or Improvements to his Unit, and any other information the Board may require to maintain adequate levels of insurance coverage. Each Owner will comply with reasonable requests by the Board for periodic inspection of the Unit for purposes of insurance appraisal. Each Owner, at his expense, will maintain any insurance coverages required by the Association pursuant to this Article. Each Owner at his expense, may obtain additional insurance coverage of his real property, Improvements, and betterments thereto, or personal property.

15.10. Association Does Not Insure. The Association does not insure Units or an Owner's or Occupant's personal property. Each Owner and Occupant is solely responsible for insuring his Unit and the personal property in his Unit and on the Property, including furnishings, vehicles, and stored items. Each Owner is required to obtain insurance on his Unit (*See Section 15.9.1* above). The Association strongly recommends that each Owner and Occupant also purchase and maintain insurance on such Owner's or Occupant's personal belongings.

ARTICLE 16
RECONSTRUCTION OR REPAIR AFTER LOSS

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

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

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

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

16.2.3. Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as

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

16.3. **Costs And Plans**.

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

16.3.2. Plans and Specifications. Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Units will be repaired and restored substantially in accordance with original construction plans and specifications, unless the Association insures betterments and Improvements made by Owners, in which case the Units will be repaired and restored substantially as they existed immediately prior to the damage or destruction . Alternate plans and specifications for repair and restoration of either Common Elements or Units must be approved by Owners of at least two-thirds of the Units and by certain Mortgagees if so required by the Mortgagee Protection article of this Declaration.

16.4. **Owner's Duty to Repair**.

16.4.1. Uninsured Loss. Within sixty (60) days after the date of damage, the Owner will begin repair or reconstruction of any portion of his Unit not covered by the Association's blanket insurance policy, subject to the right of the Association to supervise, approve, or disapprove repair or restoration during the course thereof.

16.4.2. Insured Loss. If the loss to a Unit is covered by the Association's insurance policy, the Owner will begin repair or restoration of damage on receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association to supervise, approve, or disapprove the repair or restoration during the course thereof.

16.4.3. Failure to Repair. If an Owner fails to repair or restore damage as required by this Section, the Association may effect the necessary repairs and levy an Individual Assessment against the Owner and Unit for the cost thereof, after giving an Owner of the Unit reasonable notice of the Association's intent to do so.

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

ARTICLE 17
TERMINATION AND CONDEMNATION

17.1. **Association As Trustee**. Each Owner hereby irrevocably appoints the Association, acting through the Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

17.2. **Termination**. Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act, subject to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by Owners of at least 67 percent of the Units and by certain Mortgagees pursuant to the Mortgagee protection article of this Declaration. In the event of condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees. In all other circumstances, an amendment to terminate must be approved by Owners of at least 80 percent of the Units and by certain Mortgagees pursuant to the Mortgagee Protection article of this Declaration.

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

ARTICLE 18
MORTGAGEE PROTECTION

18.1. **Introduction**. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. Some sections of this

Article apply to "Mortgagees," as defined in *Article 1*. Other sections apply to "Eligible Mortgagees," as defined below.

18.1.1. Known Mortgagees. An Owner who mortgages his Unit will notify the Association, giving the complete name and address of his mortgagee and the loan number. The Association's obligations to mortgagees under the Documents extend only to those mortgagees known to the Association. All actions and approvals required by mortgagees will be conclusively satisfied by the mortgagees known to the Association, without regard to other holders of mortgages on Units. The Association may rely on the information provided by Owners and mortgagees.

18.1.2. Eligible Mortgagees. "**Eligible Mortgagee**" means the holder, insurer, or guarantor of a first purchase money mortgage secured by a recorded deed of trust lien against a Unit who has submitted to the Association a written notice containing its name and address, the loan number, and the identifying number and street address of the mortgaged Unit. A single notice per Unit will be valid so long as the Eligible Mortgagee holds a mortgage on the Unit. The Board will maintain this information. The Association will treat the notice as the Eligible Mortgagee's request to be notified of any proposed action requiring the consent of Eligible Mortgagees. A provision of the Documents requiring the approval of a specified percentage of Eligible Mortgagees will be based on the number of Units subject to mortgages held by Eligible Mortgagees. For example, "51 percent of Eligible Mortgagees" means Eligible Mortgagees of fifty-one percent (51%) of the Units that are subject to mortgages held by Eligible Mortgagees.

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

18.3. **Termination-**. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by Owners of at least 67 percent of the Units, and by at least 51 percent of Eligible Mortgagees, An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least 67 percent of Eligible Mortgagees.

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

18.5. **Other Mortgagee Rights**.

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

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

18.5.3. Attendance at Meetings. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

18.5.4. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien. No right of first refusal is established by this Declaration.

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

18.6. **Insurance Policies**. If an Underwriting Lender that holds a mortgage on a Unit or desires to finance a Unit has requirements for insurance of condominiums, the Association must try to obtain and maintain the required coverages, to the extent they are reasonably available, and must try to comply with any notifications or processes required by the Underwriting Lender. Because underwriting requirements are subject to change, they are not recited here.

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

(i) Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Unit.

(ii) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of the mortgaged Unit.

(iii) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.

(iv) Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

(v) Any proposed amendment of a material nature, as provided in this Article.

(vi) Any proposed termination of the condominium status of the Property.

18.8. **Amendments of a Material Nature**. A Document amendment of a material nature must be approved by owners representing at least 67 percent of the votes in the Association, and by at least 51 percent of Eligible Mortgagees. **THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS EFFECTED BY THE EXERCISE OF A DEVELOPMENT RIGHT PROVIDED IN APPENDIX "A" ATTACHED HERETO.** A change to any of the provisions governing the following would be considered material:

(i) Voting rights.

(ii) Assessment liens or the priority of assessment liens.

(iii) Reductions in reserves for maintenance, repair, and replacement of Common Elements.

(iv) Responsibility for maintenance and repairs.

(v) Reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; except that when Limited Common Elements are reallocated by Declarant pursuant to any rights reserved by Declarant pursuant to Appendix "A", by agreement between Owners (only those Owners and only the Eligible Mortgagees holding mortgages against those Units need approve the action).

(vi) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, then only those owners and the Eligible Mortgagees holding mortgages against the Unit or Units need approve the action.

(vii) Convertibility of Units into Common Elements or Common Elements into Units.

(viii) Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.

(ix) Property or fidelity insurance requirements.

(x) Imposition of any restrictions on the leasing of Units.

(xi) Imposition of any restrictions on Owners' right to sell or transfer their Units.

(xii) Restoration or repair of the Property, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.

(xiii) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

ARTICLE 19
AMENDMENTS

19.1. **Consents Required**. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant acting alone, or by certain owners acting alone, or by the Board acting alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least 67 percent of the votes in the Association. Notwithstanding any provisions in this Declaration to the contrary, no amendment to this Declaration shall modify, alter, abridge or delete any: (i) provision of this Declaration that benefits Declarant; (ii) rights, privileges, easements, protections, or defenses of Declarant; or (iii) rights of the Owners or the Association in relationship to Declarant, without the written consent of Declarant attached to and recorded with such amendment.

19.2. **Method of Amendment**. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives the Owner of each Unit the substance if not exact wording of the proposed amendment, a description in layman's terms of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. For amendments requiring the consent of Eligible Mortgagees, the Association will send each Eligible Mortgagee a detailed description, if not the exact wording, of any proposed amendment.

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

19.4. **Declarant Provisions**. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix "A". An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration or the Act without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Because Appendix "A" of this Declaration is destined to become obsolete, beginning 15 years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Appendix "A". The automatic

expiration and subsequent deletion of Appendix "A" does not constitute an amendment of this Declaration. This Section may not be amended without Declarant's written and acknowledged consent.

ARTICLE 20
DISPUTE RESOLUTION

Declarant may assign its rights and obligations pursuant to this *Article 20*, unilaterally and in whole or in part, to an assignee, including a Builder. In the event of a partial assignment of the rights and obligations of this *Article 20* to an assignee, such assignment shall only govern defects in General Common Elements, Limited Common Elements, Units, and/or Improvements constructed or caused to be constructed by the assignee.

20.1. **Introduction And Definitions.** The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "**Parties**") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all Claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

20.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Property, except Exempt Claims as defined below, and including without limitation:

(i) Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.

(ii) Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.

(iii) Claims relating to the design, construction, or maintenance of the Property.

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

20.1.3. "**Exempt Claims**" means the following claims or actions, which are exempt from this Article:

(i) The Association's claim for Assessments, and any action by the Association to collect Assessments.

(ii) An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as

the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.

(iii) Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.

(iv) A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

(v) A dispute that is subject to alternate dispute resolution – such as mediation or arbitration – by the terms of a public law or another instrument, such as a contract or warranty agreement, in which case the dispute is exempt from this Article, unless the Parties agree to have the dispute governed by this Article.

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

20.2. **Mandatory Procedures.** Claimant may not initiate any proceeding before any administrative tribunal seeking redress of resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in *Section 20.7* below, a Claim asserted against the Declarant will be resolved by binding arbitration unless Declarant specifically waives arbitration in writing, otherwise the terms and provisions to this Article apply to Claims asserted against Declarant.

20.3. **Notice.** Claimant must notify Respondent in writing of the Claim (the "**Notice**"), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this Section.

20.4. **Negotiation.** Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.

20.5. **Mediation.** If the parties negotiate but do not resolve the Claim through negotiation within 120 days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have 30 additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least 5 years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

20.6. **Termination Of Mediation.** If the Parties do not settle the Claim within 30 days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit, initiate arbitration, or commence administrative proceedings on the Claim, as appropriate and permitted by this Article.

20.7. **Binding Arbitration-Declarant Claims.** All Claims in which Declarant is the Respondent must be settled by binding arbitration unless binding arbitration is specifically waived in writing by the Declarant. Declarant may, by summary proceedings (*e.g.*, a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this *Section 20.7*. This Section may not be amended without the prior written approval of Declarant.

20.7.1. Governing Rules. If a Claim asserted against the Declarant has not been resolved after Mediation as required by *Section 20.5*, the Claim will be resolved by binding arbitration in accordance with the terms of this *Section 20.7* and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Declarant in Travis County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules to govern the arbitration of any Claim as provided above, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this *Section 20.7*, this *Section 20.7* will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary any

applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

(1) one arbitrator shall be selected by Declarant, in its sole and absolute discretion;

(2) one arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

(3) one arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Declarant and the Claimant, in their sole and absolute discretion.

20.7.2. Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this *Section 20.7* will limit the right of Claimant or Declarant, and Claimant and the Declarant will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party, including the Claimant, to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

20.7.3. Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this *Section 20.7*.

20.7.4. Arbitrator. Unless the parties to the arbitration agree in writing to the contrary, all arbitration proceedings shall be arbitrated by at least one arbitrator, which shall be appointed in accordance with the AAA Rules.

20.7.5. Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deem just and equitable and within the scope of this *Section 20.7*; provided, however, that in no event shall the arbitrator's award damages which exceed the damages for construction defects a Claimant would be entitled to under Chapter 27 of the Texas Property Code. The arbitrator may also grant such ancillary relief as is necessary to make effective the award. In all arbitration proceedings in which the amount in controversy exceeds $50,000.00, in the aggregate, the arbitrator shall make specific, written findings of fact and conclusions of law. In all

arbitration proceedings in which the amount in controversy exceeds $50,000.00, in the aggregate, the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on an incorrect or erroneous ruling of law by appeal to an appropriate court having jurisdiction; provided, however, that any such application for vacation or modification of an award based on an incorrect ruling of law must be filed in a court having jurisdiction over the Claim within fifteen (15) days from the date the award is rendered. The arbitrator's findings of fact shall be binding on all parties and shall not be subject to further review except as otherwise allowed by applicable law.

20.7.6. Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within 180 days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Travis County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and applicable law. The arbitrator shall have the power to award recovery of all costs and fees (including attorney's fees, administrative fees, and arbitrator's fees) to the prevailing party. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by applicable law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

20.8. **Allocation Of Costs.** Except as otherwise provided in this Article, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorneys fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

20.9. **General Provisions.** A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A Party have an Exempt Claim may submit it to the procedures of this Article.

20.10. **Period of Limitation.**

20.10.1. For Actions by an Owner or Occupant of a Unit. The exclusive period of limitation for any of the Parties to bring any Claim of any nature against Declarant or its contractors, including, but not limited to, a Claim of construction defect or defective design of a Unit, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years from the date that the Owner or Occupant discovered or reasonably should have discovered evidence of the Claim, provided, however, that in no event shall the limitation period exceed four (4) years from the date Declarant conveyed

the Unit to the original Owner unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; (ii) for Claims other than those alleging construction defect or defective design, two (2) years after the date Declarant conveyed the Unit to the original Owner or such other shorter period specified in any written agreement between Declarant and the Owner to whom Declarant initially conveyed the Unit, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the applicable law governing the limitation period and period of repose shall apply to the Claim; or (iii) the end of the statutory period provided under applicable law governing the limitation period and period of repose.

20.10.2. For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim of any nature against Declarant or its contractors, including, but not limited to, a Claim of construction defect or defective design of the Common Elements, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim, provided, however, that in no event shall the limitation period exceed four (4) years from the date Declarant substantially completed the Common Elements unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; (ii) for Claims other than those alleging construction defect or defective design of the Common Elements, two (2) years after the Declarant Control Period, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the applicable law governing the limitation period and period of repose shall apply to the Claim; or (iii) the end of the statutory period provided under applicable law governing the limitation period and period of repose.

20.11. **Approval & Settlement.** The initiation of litigation or binding arbitration as required by this Article, or the initiation of any judicial or administrative proceeding by the Association is subject to the following conditions in addition to and notwithstanding the above alternate dispute resolution procedures. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this Section. This Section may not be amended without the approval of Owners of at least 80 percent of the Units and the Declarant.

20.11.1. Owner Approval. The Association may not initiate any judicial, or administrative proceeding without the prior approval of Owners of at least a majority of the Units, except that no such approval is required: (i) to enforce provisions of this Declaration, including collection of assessments; (ii) to challenge condemnation proceedings; (iii) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (iv) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (v) to obtain

a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consent of Owners in order to preserve the status quo.

20.11.2. Suit Against Declarant. Also, the Association may not initiate any judicial, arbitration, or administrative proceeding against Declarant without the approval of Owners representing at least 80 percent of the Units.

20.11.3. Funding Litigation. Except in the case of a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to levy a Special Assessment, the Association must levy a Special Assessment to fund the estimated costs of litigation or arbitration prior to initiating a judicial, arbitration, or administrative proceeding. The Association may not use its annual operating income or reserve funds or savings to fund litigation or arbitration, unless the Association's annual budget or a savings account was established and funded from its inception as a litigation and arbitration reserve fund.

20.11.4. Settlement. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreement and waiver or release of claims.

ARTICLE 21
GENERAL PROVISIONS

21.1. **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 day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association of created.

21.2. **Compliance**. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasigovernmental entity having jurisdiction over the Association or Property.

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

21.4. **Higher Authority.** The documents are subordinate to federal and State law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, State, or federal law or ordinance.

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

21.6. **Duration.** Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

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

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

21.9. **Declarant as Attorney in Fact and Proxy**. To secure and facilitate Declarant's exercise of the rights reserved by Declarant pursuant to Appendix "A" and elsewhere in this Declaration, each Owner, by accepting a deed to a Unit and each Mortgagee, by accepting the benefits of a Mortgage against a Unit within the Regime, and any other Person, by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Unit in the Regime, shall thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and Person's irrevocable attorney-in-fact, with full power of substitution, to do and perform, each and every act permitted or required to be performed by Declarant pursuant to Appendix "A" or elsewhere in this Declaration. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee, and/or Person, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency, and death of an Owner, Mortgagee, and/or Person and shall be binding upon the legal representatives,

administrators, executors, successors, heirs, and assigns of each such party. In addition, each Owner, by accepting a deed to a Unit, and each Mortgagee, by accepting the benefits of a Mortgage against a Unit in the Regime, and any Person, by accepting the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien, and/or any other security interest against any Unit in the Regime, shall thereby appoint Declarant the proxy of such Owner, Mortgagee, or Person, with full power of substitution in the premises, to do and perform each and every act permitted or required pursuant to Appendix "A" or elsewhere in this Declaration, and which may otherwise be reasonably necessary in connection therewith, including without limitation, to cast a vote for such Owner, Mortgagee, or Person at any meeting of the Members for the purpose of approving or consenting to any amendment to this Declaration in order to effect and perfect any such act permitted or required pursuant to Appendix "A" or elsewhere in this Declaration and to execute and record amendments on their behalf to such effect; and the power hereby reposed in Declarant, as the attorney-in-fact for each such Owner, Mortgagee, or Person includes, without limitation, the authority to execute a proxy as the act and deed of any Owner, Mortgagee, or Person and, upon termination or revocation of any Owner's proxy as permitted by the Texas Non-profit Corporation Act the authority to execute successive proxies as the act and deed of any Owner, Mortgagee, or Person authorizing Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. Furthermore, each Owner, Mortgagee, and Person upon request by Declarant, will execute and deliver a written proxy pursuant to Section 82.110(b) of the Act, including a successive written proxy upon the termination or revocation as permitted by the Act of any earlier proxy, authorizing Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. All such appointments and successive proxies shall expire as to power reserved by Declarant pursuant to Appendix "A" or elsewhere in this Declaration on the date Declarant no longer has the right to exercise such rights. All such proxies shall be non-revocable for the maximum lawful time and upon the expiration of non-revocable period, new proxies shall again be executed for the maximum non-revocable time until Declarant's right to require such successive proxies expires.

21.10. **Attachment/Appendix/Exhibits**. The following appendixes and exhibits are attached to this Declaration and are incorporated herein by reference:

Exhibit "A"	Description of Property
Exhibit "B"	Plats and Plans
Exhibit "C"	Schedule of Allocated Interests
Exhibit "D"	Guide to Association's Examination of Common Elements
Exhibit "E"	Guide to Association's Major Management and Governance Functions
Appendix "A"	Declarant Representations and Reservations

[SIGNATURE PAGE FOLLOWS]

EXECUTED on this 27th day of February, 2007.

DECLARANT:

S & P Villas, LP, a Texas limited partnership

By: S & P Villas Mgt., LLC, a Texas limited liability company, its General Partner

By: _____
Leslie Perry, Member

By: _____
Rodney Speaks, Member

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 27th day of February, 2007 by Leslie Perry, Member of S & P Villas Mgt., LLC, a Texas limited liability company, general partner of S & P Villas, LP, on behalf of said limited liability company and limited partnership.

(SEAL)

_____
Notary Public Signature

LYNN VONSTERNBERG
Notary Public, State of Texas
My Commission Expires
September 19, 2010

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 27th day of February, 2007 by Rodney Speaks, Member of S & P Villas Mgt., LLC, a Texas limited liability company, general partner of S & P Villas, LP, on behalf of said limited liability company and limited partnership.

(SEAL)

_____
Notary Public Signature

LYNN VONSTERNBERG
Notary Public, State of Texas
My Commission Expires
September 19, 2010

APPROVAL OF DECLARANT UNDER MASTER PLAN DOCUMENTS

Taylor Woodrow Communities/Steiner Ranch, Ltd, a Texas Limited Partnership executes this Declaration for the sole and limited purpose of evidencing its approval of the Declaration under Section 2.10 of the Development Area Declaration. Taylor Woodrow Communities/Steiner Ranch, Ltd. does not, by giving this approval, make any statement or representation whatsoever regarding the form, content and/or completeness of this Declaration and hereby expressly disclaims all such statements and representations. This consent shall not evidence approval by Taylor Woodrow Communities/Steiner Ranch, Ltd. of any plans or specifications or any other items included or referenced in the Declaration, but rather shall solely evidence that Taylor Woodrow Communities/Steiner Ranch, Ltd. has reviewed and approved the Declaration.

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

By: TWC/Steiner Ranch, LLC, a Texas limited liability company, its General Partner

By: _____
James D. Plasek, Vice President

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 27th day of February, 2007 by James D. Plasek, Vice President of TWC/Steiner Ranch, LLC, 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

CONSENT OF INCHOATE LIEN HOLDER

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

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

By: _____
Name: James D. Plasek
Title: President

STATE OF TEXAS §
COUNTY OF Travis §

This instrument was acknowledged before me on the 27th day of February, 2007 by James D. Plasek, President of Steiner Ranch Master Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

(SEAL)

POLLY J. HAGERTY
MY COMMISSION EXPIRES
October 3, 2009

Polly J. Hagerty
Notary Public, State of Texas

POLLY J. HAGERTY
MY COMMISSION EXPIRES
October 3, 2009

EXHIBIT "A"

DESCRIPTION OF PROPERTY

Lot 426 in Block "A" of Steiner Ranch, Phase One, Section 10A, a subdivision in Travis County, Texas, according to the subdivision plat which is recorded as Document No. 200300065 in the Official Public Records of Travis County, Texas.

EXHIBIT "B"

[CONDOMINIUM PLATS AND PLANS]

The plats and plans, attached hereto as Exhibit "B" contains the information required by the Texas Uniform Condominium Act.

Printed Name:_____
RPLS or License No._____

BOUNDARIES OF UNIT

The legal boundaries of each Unit are established by the Declarant and the plats and plans attached hereto. However, each Owner acknowledges that the Unit may be measured and depicted in a manner which differs from the legal boundaries of a Unit. For example, the Unit may be measured or depicted differently for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air conditioned space, or the area within the Unit's legal boundaries.

SEE FOLLOWING PAGE FOR ORIGINAL CERTIFICATION

EXHIBIT "__B__"

FAIRWAYS AT STEINER RANCH CONDOMINIUMS

1.) ALL IMPROVEMENTS AND LAND REFLECTED ON THE PLAT ARE DESIGNATED AS GENERAL COMMON ELEMENTS, SAVE AND EXCEPT PORTIONS OF THE REGIME DESIGNATED AS LIMITED COMMON ELEMENTS "L.C.E." OR UNITS: (i) IN THE DECLARATION OF CONDOMINIUM REGIME FOR FAIRWAYS OF STEINER RANCH CONDOMINIUMS (THE "DECLARATION"); OR (ii) ON THE PLATS AND PLANS OF THE REGIME.

2.) PORTIONS OF THE GENERAL COMMON ELEMENTS ARE "SUBJECT TO DEVELOPMENT RIGHTS", AS MORE PARTICULARLY DESCRIBED ON APPENDIX "A" TO THE DECLARATION; INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO ADD ADDITIONAL UNITS AND LIMITED COMMON AREA TO THE REGIME.

3.) OWNERSHIP AND USE OF CONDOMINIUM UNITS IS SUBJECT TO THE RIGHTS AND RESTRICTIONS CONTAINED IN THE DECLARATION.

4.) EACH UNIT, BUILDING, LIMITED COMMON ELEMENT AND GENERAL COMMON ELEMENT IS SUBJECT TO SPECIAL RIGHTS RESERVED BY THE DECLARANT AS PROVIDED IN PROVISION A.4 OF APPENDIX "A" TO THE DECLARATION. PURSUANT TO SUCH PROVISIONS, AMONG OTHER THINGS, DECLARANT HAS RESERVED THE RIGHT TO; (i) COMPLETE OR MAKE IMPROVEMENTS INDICATED ON THE PLAT AND PLANS, AS PROVIDED IN PROVISION A.4(i) OF APPENDIX "A" TO THE DECLARATION; (ii) EXCERCISE ANY DEVELOPMENT RIGHT PERMITTED BY THE TEXAS UNIFORM CONDOMINIUM ACT (THE "ACT") AND THE DECLARATION, INCLUDING THE ADDITION OF REAL PROPERTY TO THE REGIME DESCRIBED ON THIS PLAT AS "ADDITIONAL PROPERTY WHICH MAY BE ADDED TO THE REGIME," WHICH PROPERTY MAY BE ADDED AS UNITS, GENERAL COMMON ELEMENTS AND/OR LIMITED COMMON ELEMENTS, AS PROVIDED IN SECTION 2.2 OF THE DECLARATION AND PROVISION A.4(ii) OF APPENDIX "A" TO THE DECLARATION; (iii) MAKE THE PROPERTY PART OF A LARGER CONDOMINIUM OR PLANNED COMMUNITY, AS PROVIDED IN PROVISION A.4(iii) OF APPENDIX "A" TO THE DECLARATION; (iv) USE UNITS OWNED OR LEASED BY DECLARANT AS MODELS, STORAGE AREAS, AND OFFICES FOR THE MARKETING, MANAGEMENT, MAINTENANCE, CUSTOMER SERVICE, CONSTRUCTION, AND LEASING OF THE PROPERTY, AS PROVIDED IN PROVISION A.4(iv) OF APPENDIX "A" TO THE DECLARATION, AND (v) APPOINT OF REMOVE ANY DECLARANT-APPOINTED OFFICER OR DIRECTOR OF THE ASSOCIATION DURING THE DECLARANT CONTROL PERIOD (AS DESCRIBED IN THE DECLARATION) CONSISTENT WITH THE TEXAS UNIFORM CONDOMINIUM ACT, AS PROVIDED IN PROVISION A.4(vii) OF APPENDIX "A" TO THE DECLARATION AS PROVIDED IN PROVISION A.4(v) OF APPENDIX "A" TO THE DECLARATION, FOR PURPOSES OF PROMOTING, IDENTIFYING AND MARKETING THE PROPERTY, DECLARANT RESERVES AN EASEMENT AND RIGHT TO PLACE OR INSTALL SIGNS, BANNERS, FLAGS, DISPLAY LIGHTING, POTTED PLANTS, EXTERIOR DECORATIVE ITEMS, SEASONAL DECORATIONS, TEMPORARY WINDOW TREATMENTS, AND SEASONAL LANDSCAPING ON THE PROPERTY, INCLUDING ITEMS AND LOCATIONS THAT ARE PROHIBITED TO OTHER OWNERS AND RESIDENTS. DECLARANT RESERVES AN EASEMENT AND RIGHT TO MAINTAIN, RELOCATE, REPLACE, OR REMOVE THE SAME FROM TIME TO TIME WITHIN THE PROPERTY. AS PROVIDED IN PROVISION A.4(vi) OF APPENDIX "A" TO THE DECLARATION, DECLARANT HAS AN EASEMENT AND RIGHT OF INGRESS AND EGRESS IN AND THROUGH THE COMMON ELEMENTS (AS DEFINED IN THE DECLARATION) AND UNITS OWNED OR LEASED BY DECLARANT FOR PURPOSES OF CONSTRUCTING, MAINTAINING, MANAGING AND MARKETING THE PROPERTY, AND FOR DISCHARGING DECLARANT'S OBLIGATIONS UNDER THE TEXAS UNIFORM CONDOMINIUM ACT AND THE DECLARATION.

(Certification of Surveyor)

THE ATTACHED PLATS AND PLANS, ATTACHED HERETO AS "FAIRWAYS AT STEINER RANCH CONDOMINIUMS" CONTAINS THE INFORMATION REQUIRED BY SECTION 82.059 OF THE TEXAS UNIFORM CONDOMINIUM ACT, AS APPLICABLE.

STATE OF TEXAS
REGISTERED
PAUL C. SAUVE, JR.
2518
PROFESSIONAL
LAND SURVEYOR

PAUL SAUVE, JR.
R.P.L.S. # 2518
DATE: 2/22/07

C FAULKNER ENGINEERING
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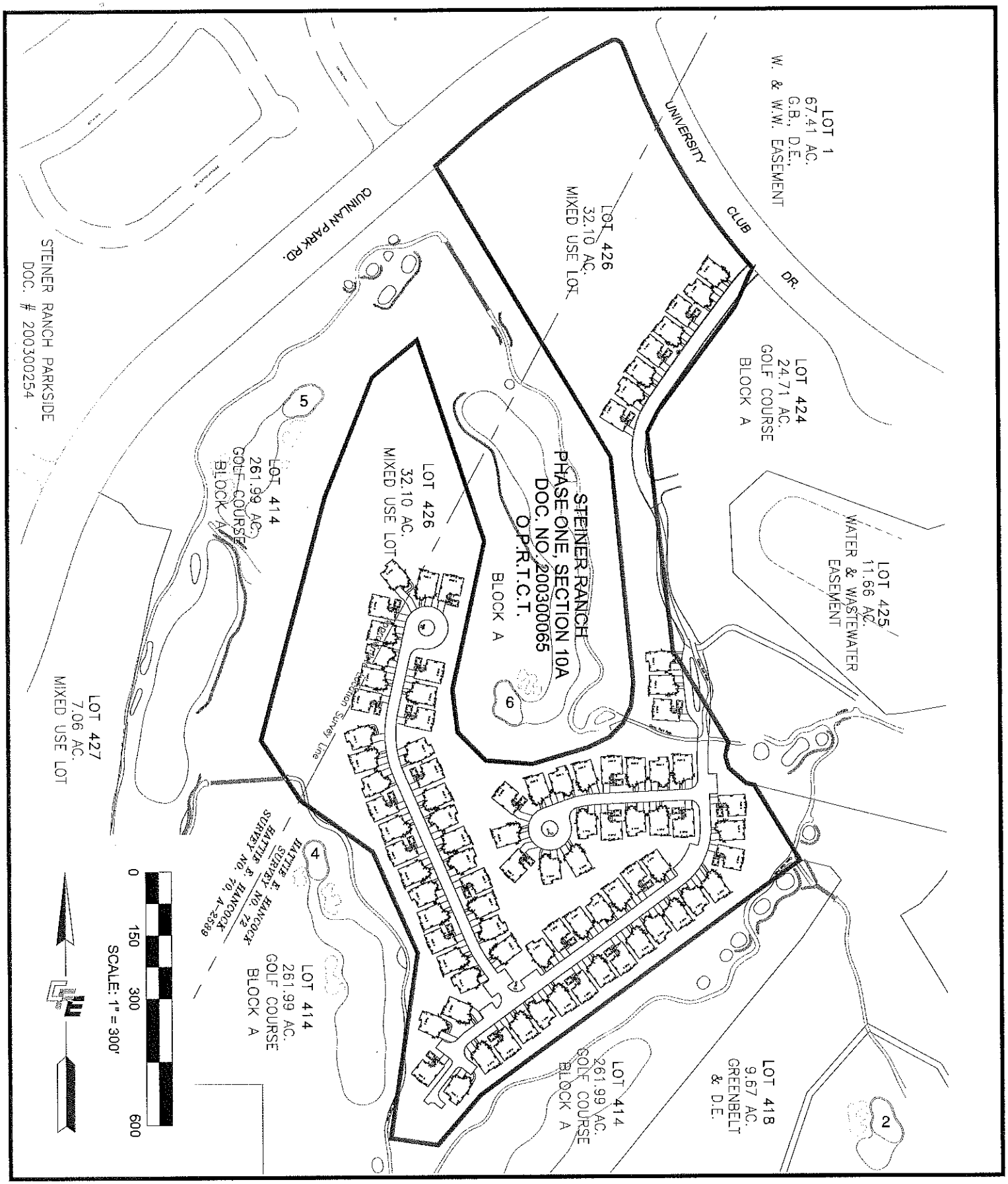
Austin, Texas 78703
P: 512.495.9470
F: 512.495.9473
P.O. Box 1528
Austin, Texas 78767-1528
www.cfeamerica.com

TRAVIS COUNTY, TEXAS	
DATE:	FEBRUARY, 2007
SURVEYOR:	PAUL C. SAUVE, JR., RPLS No.2518
TECHNICIAN:	JSA
FIELDBOOK:	N/A
JOB NUMBER:	2086.001
DESCRIPTION:	N/A
DRAWING:	J:\TWC\Steiner\Ph1Sec10\acad \Lot 426\Condo Plat\Lot 426.dwg

FAIRWAYS AT STEINER RANCH CONDOMINIUMS
LOT 426, BLOCK A
STEINER RANCH PHASE 1, SECTION 10A
DOC. # 200300065 / O.P.R.T.C.T.

EXHIBIT



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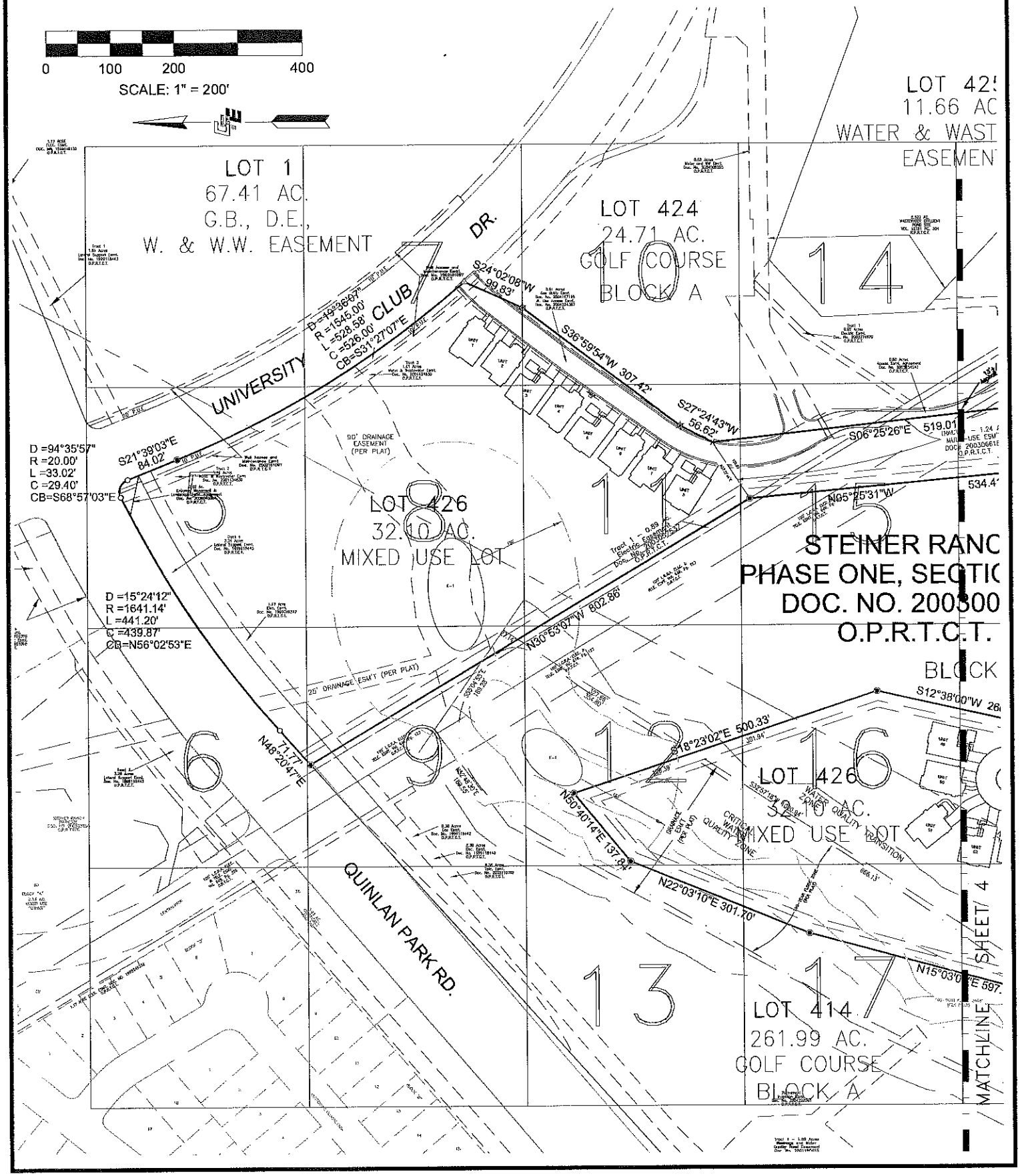

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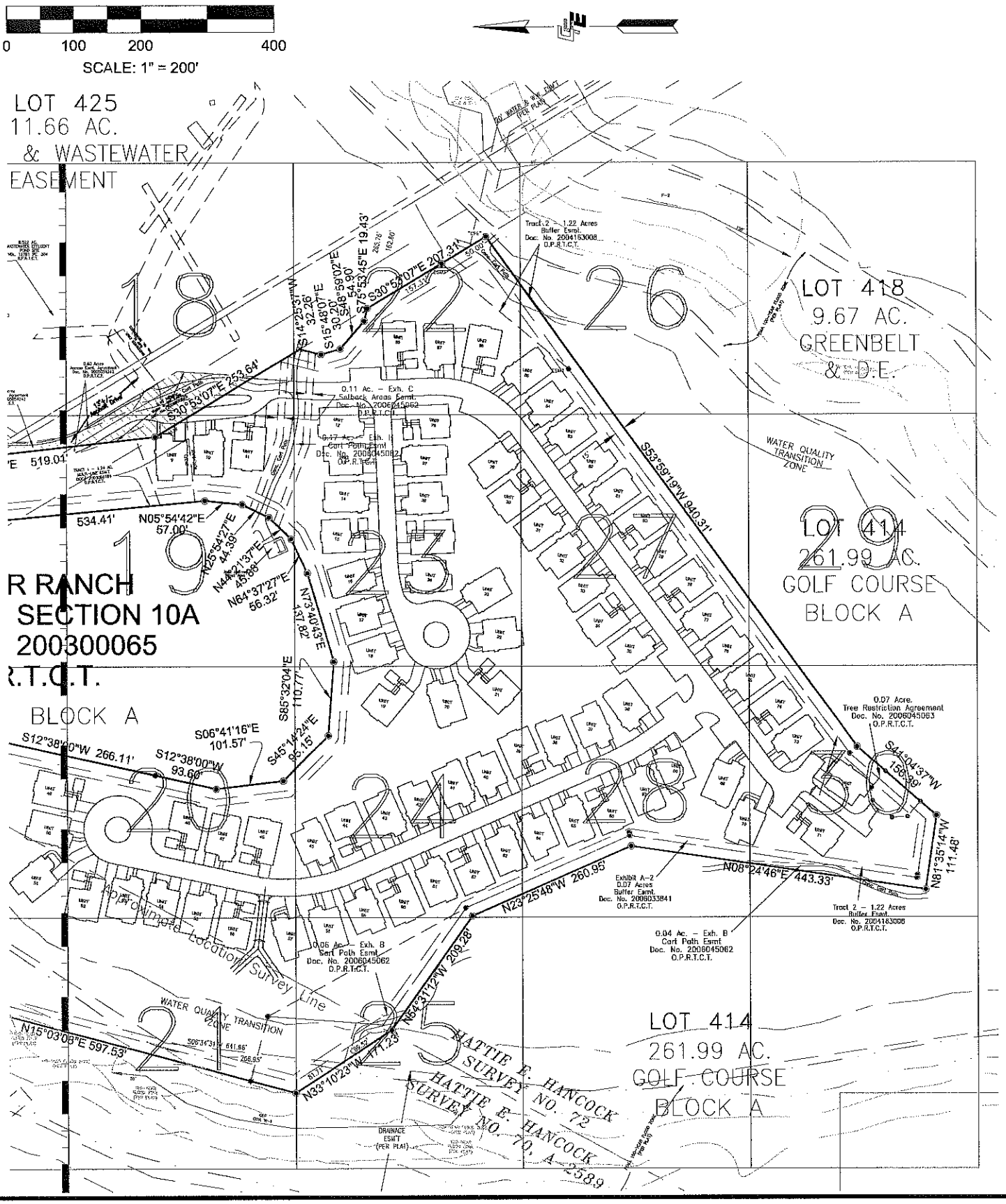

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TRAVIS COUNTY, TEXAS	
DATE:	FEBRUARY, 2007
SURVEYOR:	PAUL C. SAUVE, JR., RPLS No.2515
TECHNICIAN:	JSA
FIELDBOOK:	N/A
JOB NUMBER:	2086.001
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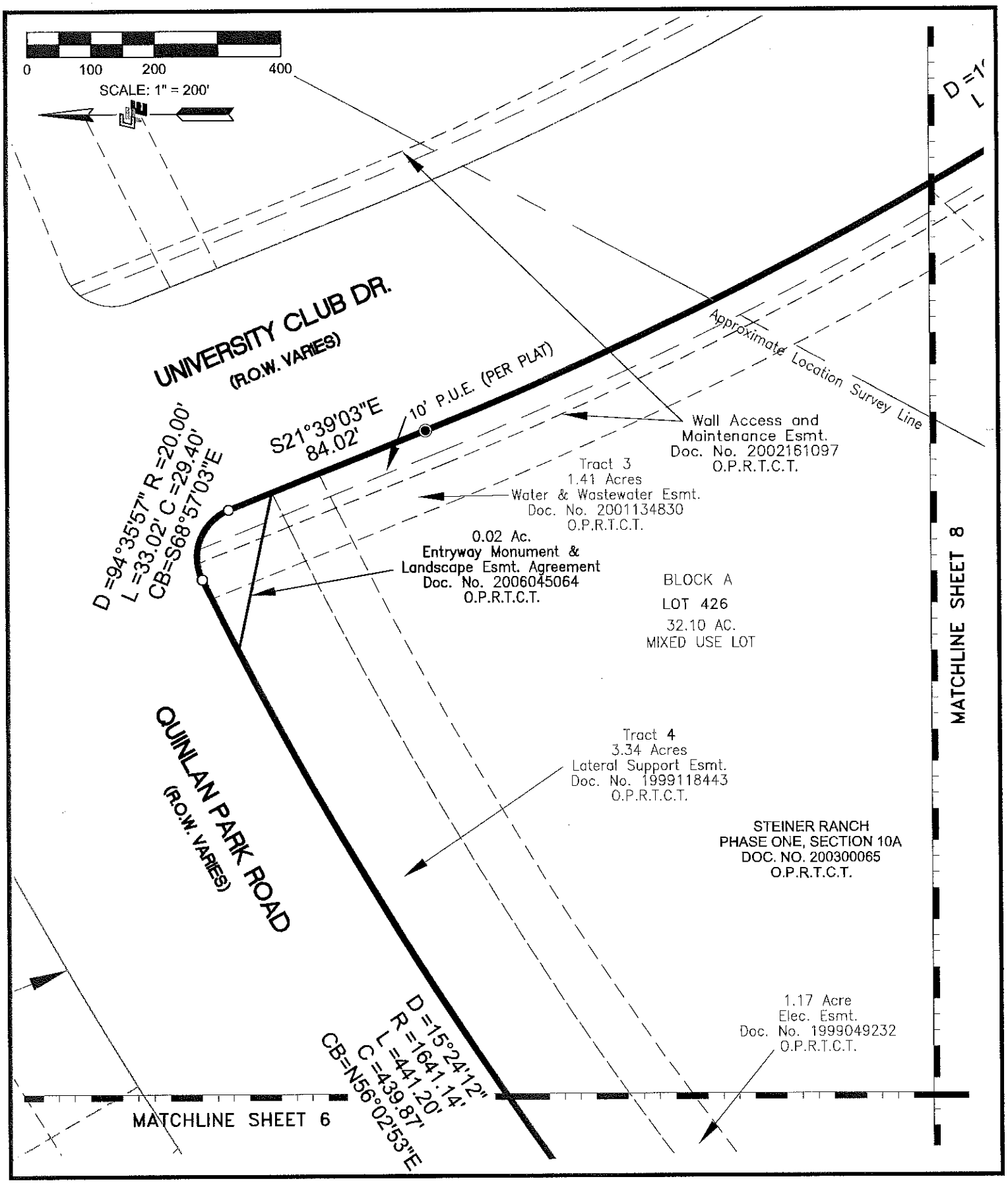

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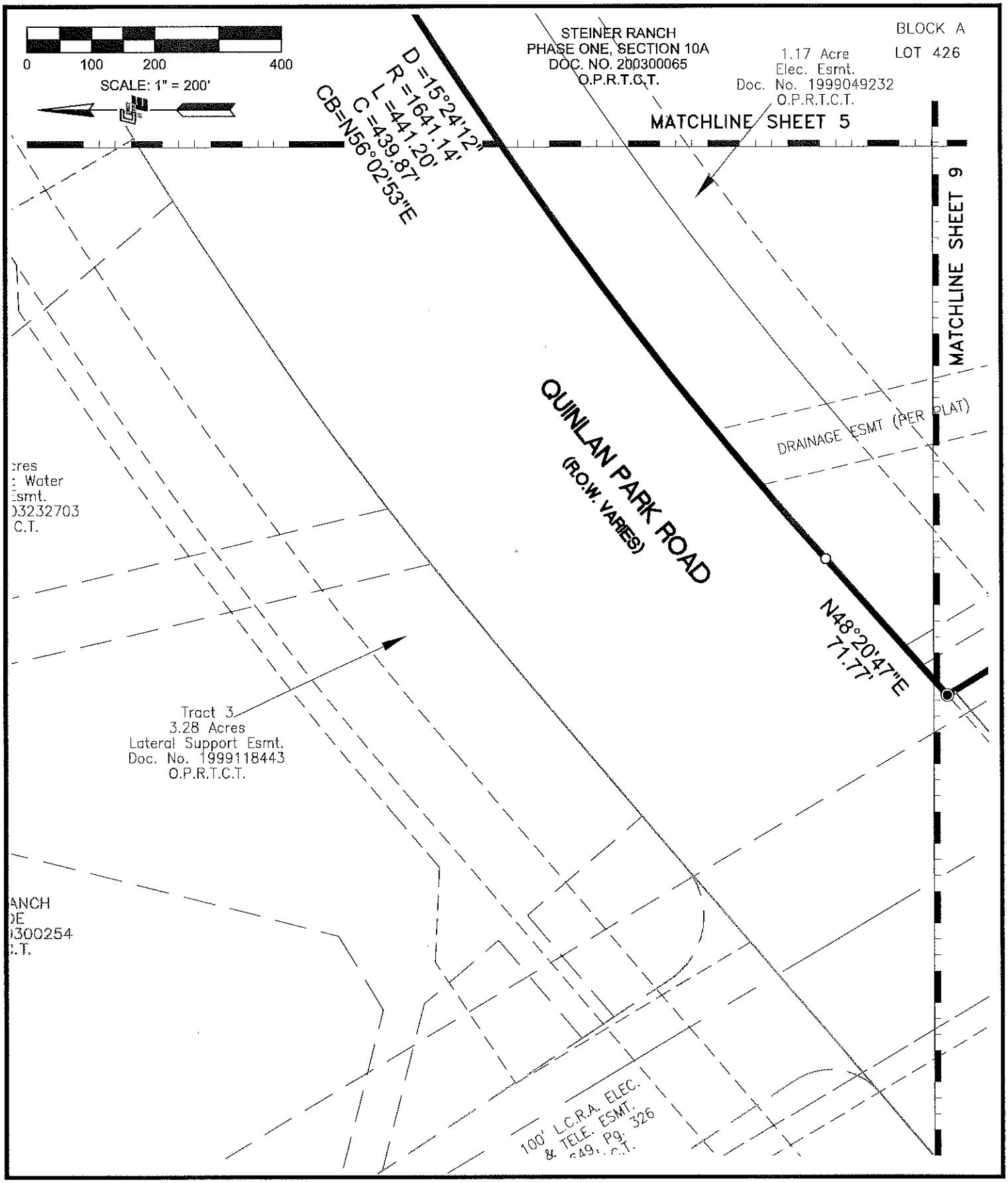

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DESCRIPTION:	N/A
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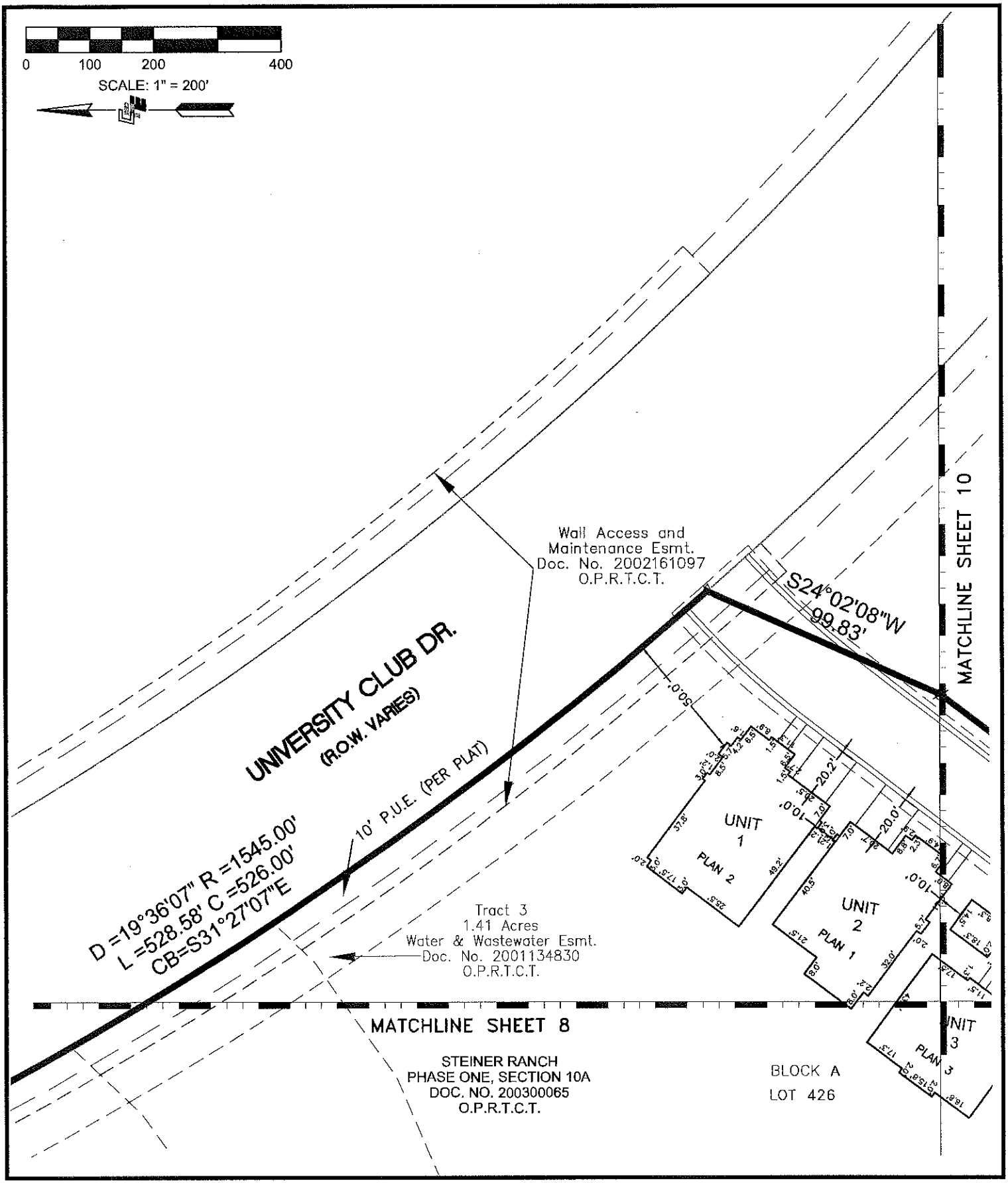
FAIRWAYS AT STEINER RANCH CONDOMINIUMS
LOT 426, BLOCK A
STEINER RANCH PHASE 1, SECTION 10A
DOC. # 200300065 / O.P.R.T.C.T.

EXHIBIT



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TRAVIS COUNTY, TEXAS	
DATE:	FEBRUARY, 2007
SURVEYOR:	PAUL C. SAUVE, JR., RPLS No.2518
TECHNICIAN:	JSA
FIELDBOOK:	N/A
JOB NUMBER:	2086.001
DESCRIPTION:	N/A
DRAWING:	J:\TWC\Steiner\Ph1Sec10\pcad\Lot 426\Condo Plat\Lot 426.dwg

FAIRWAYS AT STEINER RANCH CONDOMINIUMS
LOT 426, BLOCK A
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DOC. # 200300065 / O.P.R.T.C.T.

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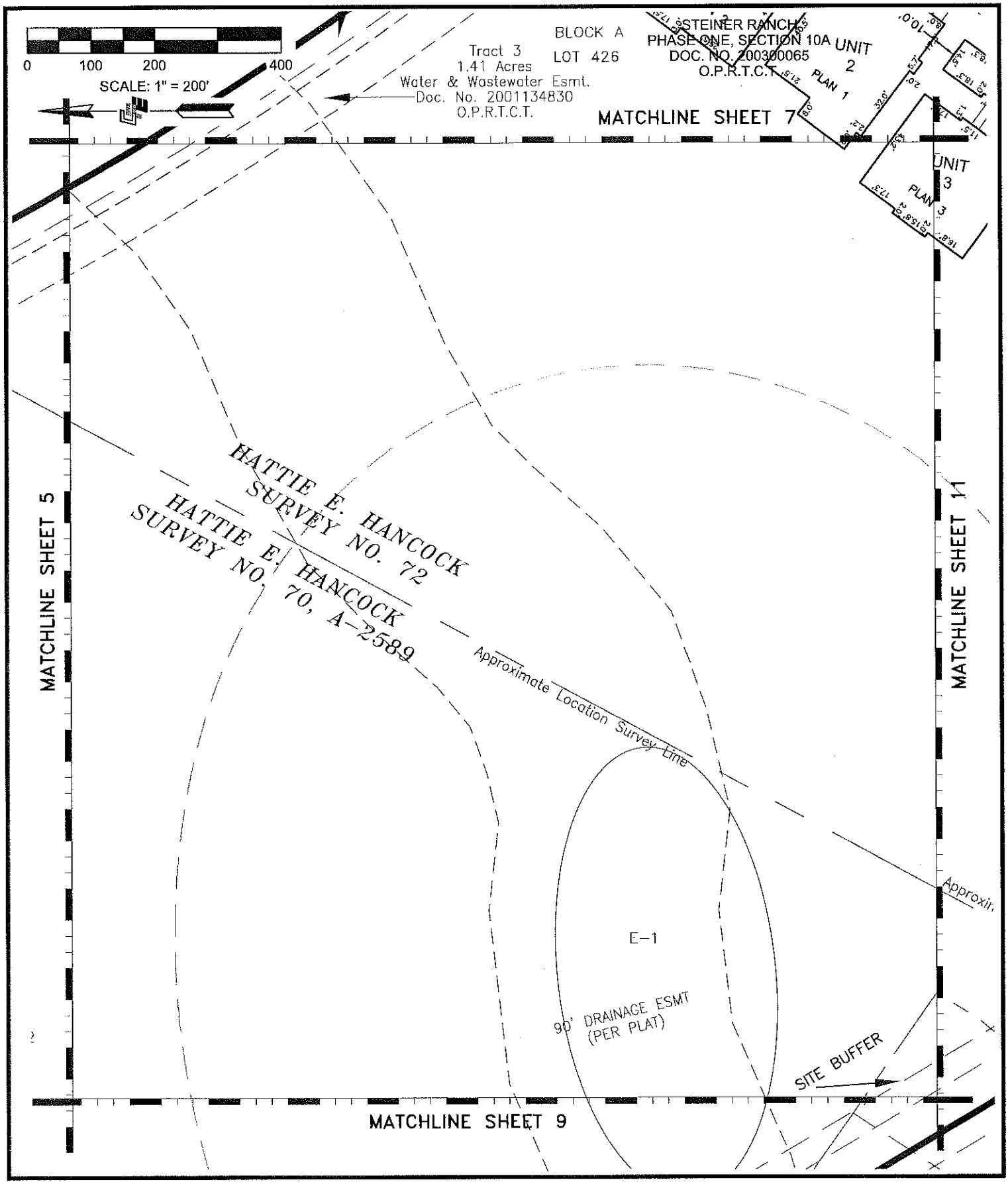

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FAIRWAYS AT STEINER RANCH CONDOMINIUMS
LOT 426, BLOCK A
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DOC. # 200300065 / O.P.R.T.C.T.

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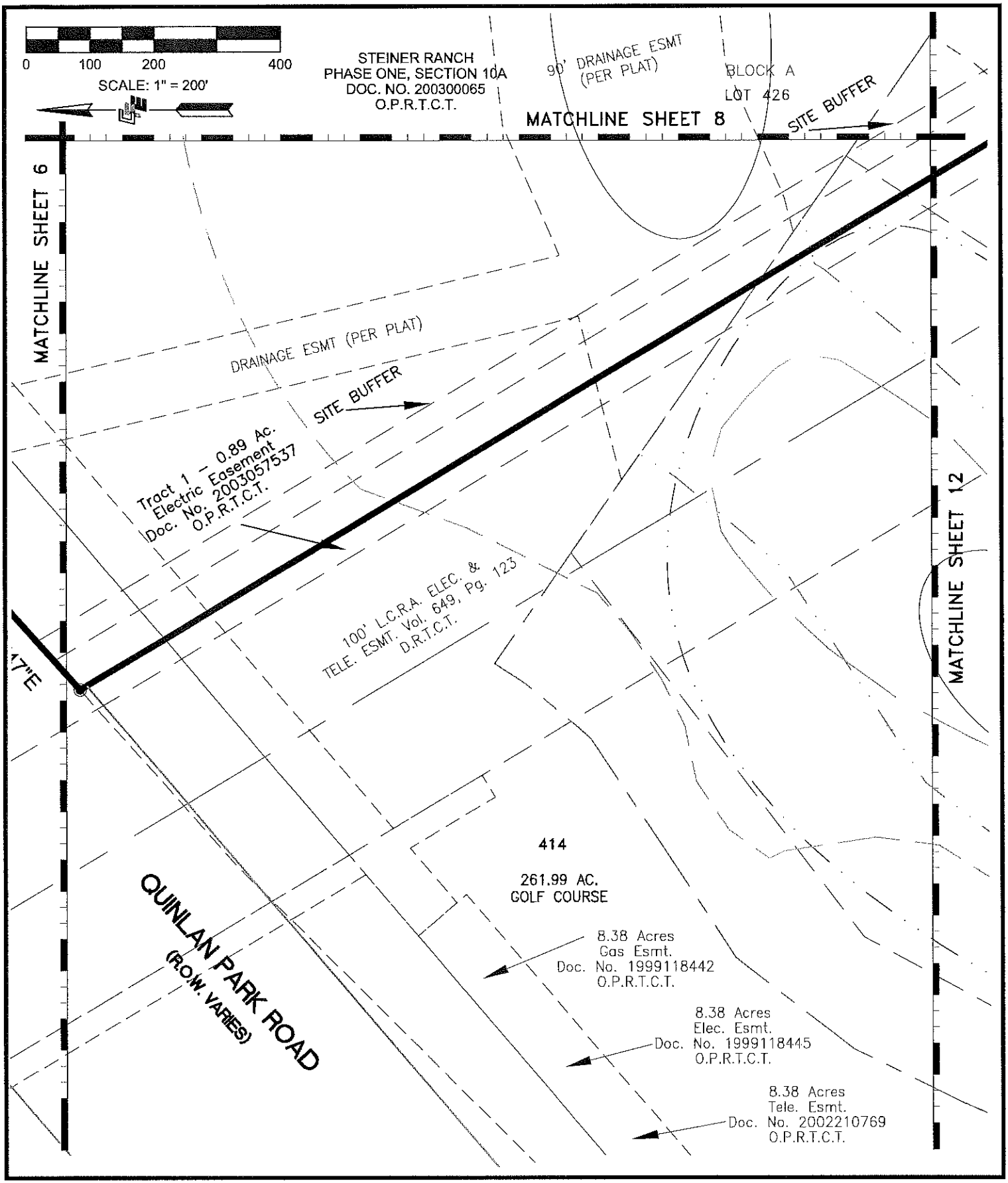

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TRAVIS COUNTY, TEXAS	
DATE:	FEBRUARY, 2007
SURVEYOR:	PAUL C. SAUVE, JR., RPLS No.2518
TECHNICIAN:	JSA
FIELDBOOK:	N/A
JOB NUMBER:	2086.001
DESCRIPTION:	N/A
DRAWING:	J:\TWC\Steiner\Ph1Sec10\acad\Lot 426\Condo Plat\Lot 426.dwg

FAIRWAYS AT STEINER RANCH CONDOMINIUMS
LOT 426, BLOCK A
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DOC. # 200300065 / O.P.R.T.C.T.

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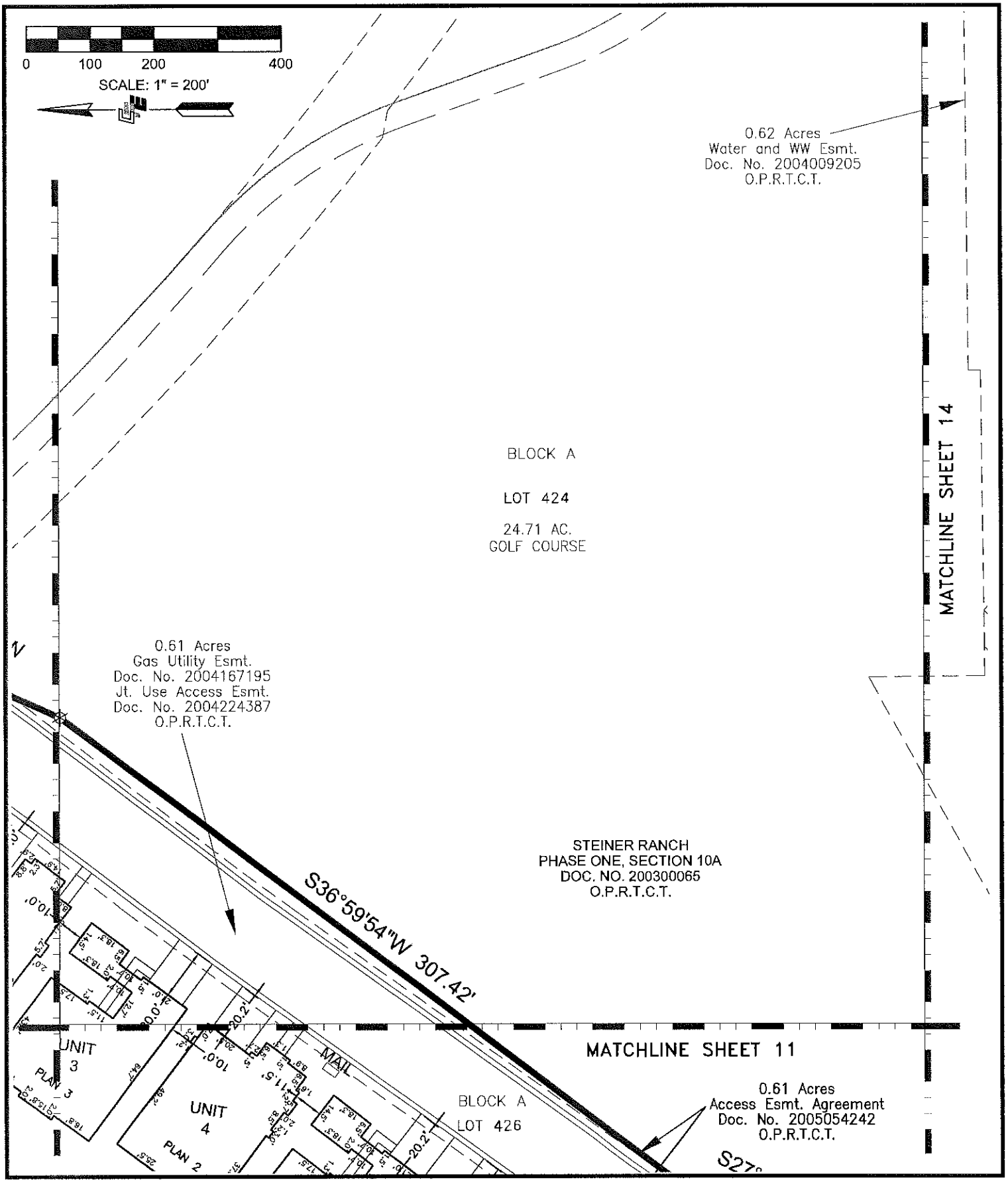

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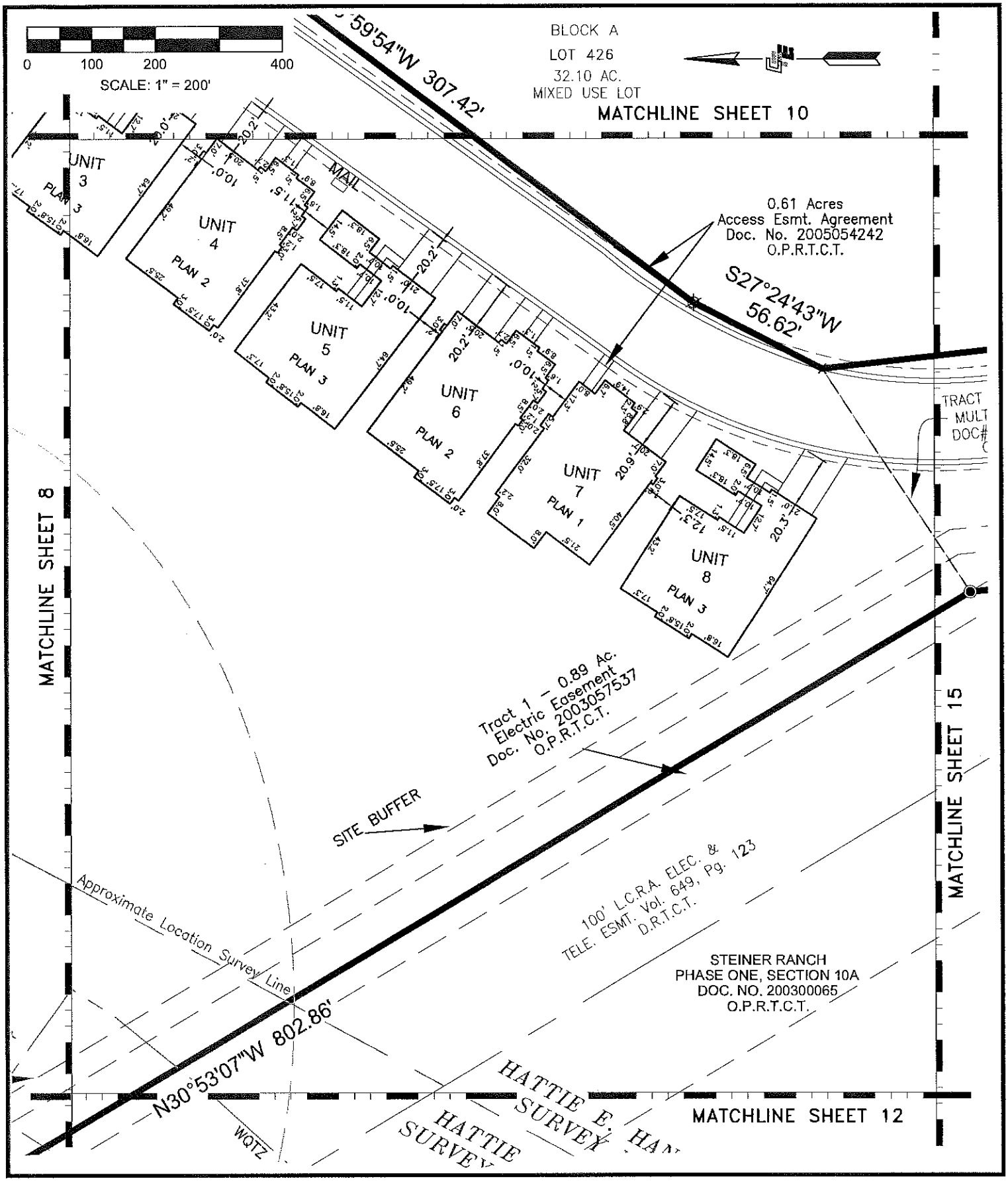

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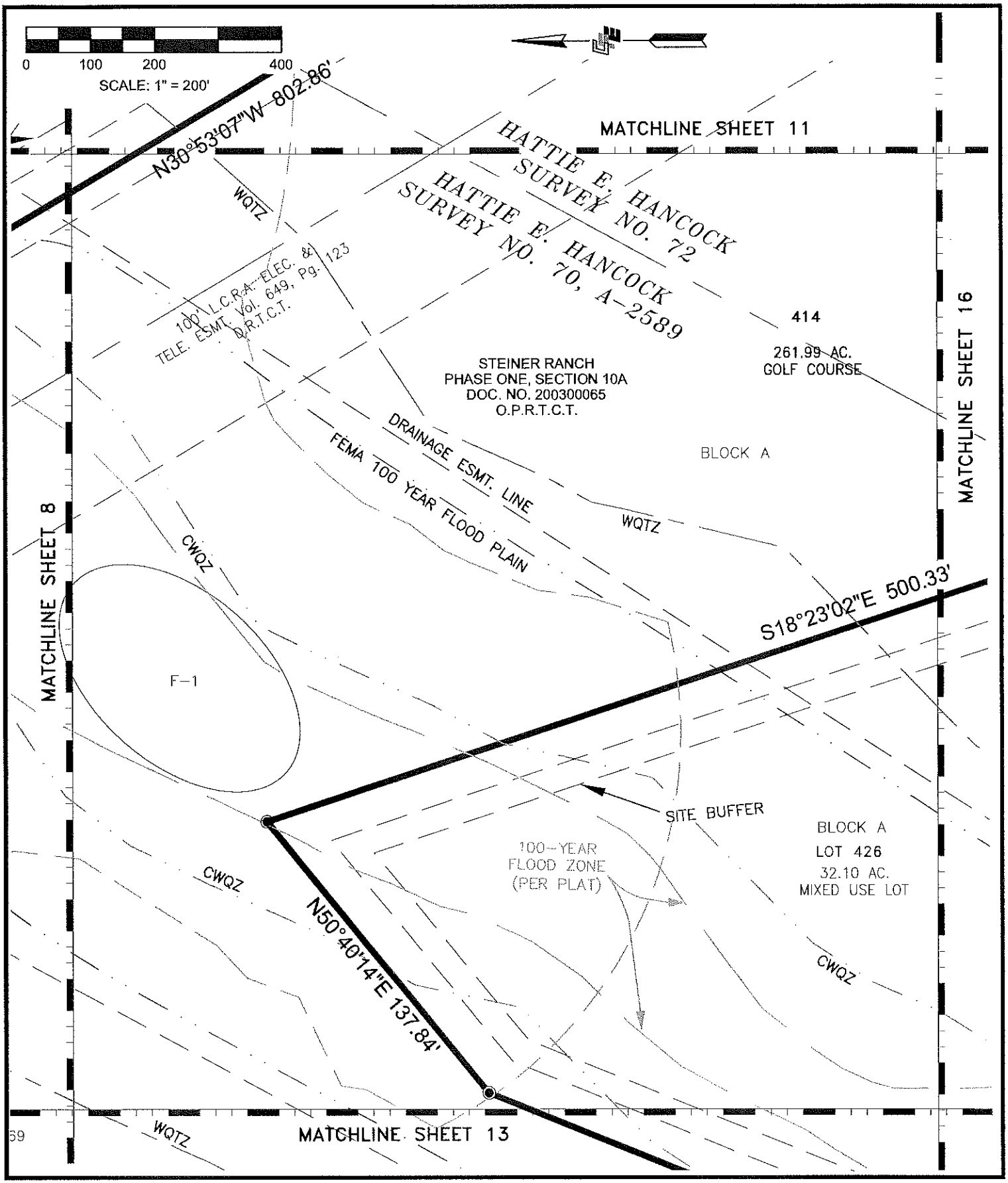

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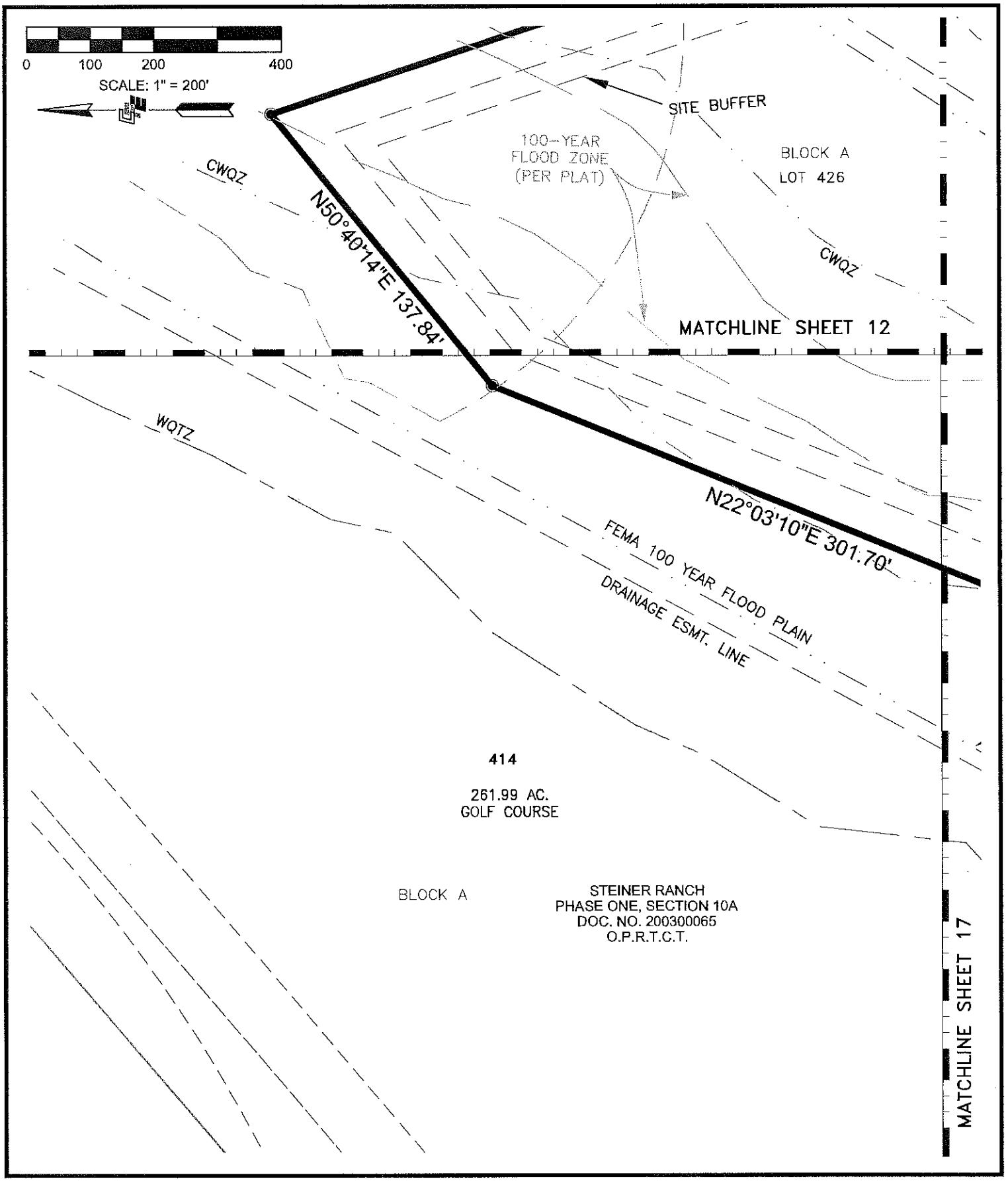

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TECHNICIAN:	JSA
FIELDBOOK:	N/A
JOB NUMBER:	2056.001
DESCRIPTION:	N/A
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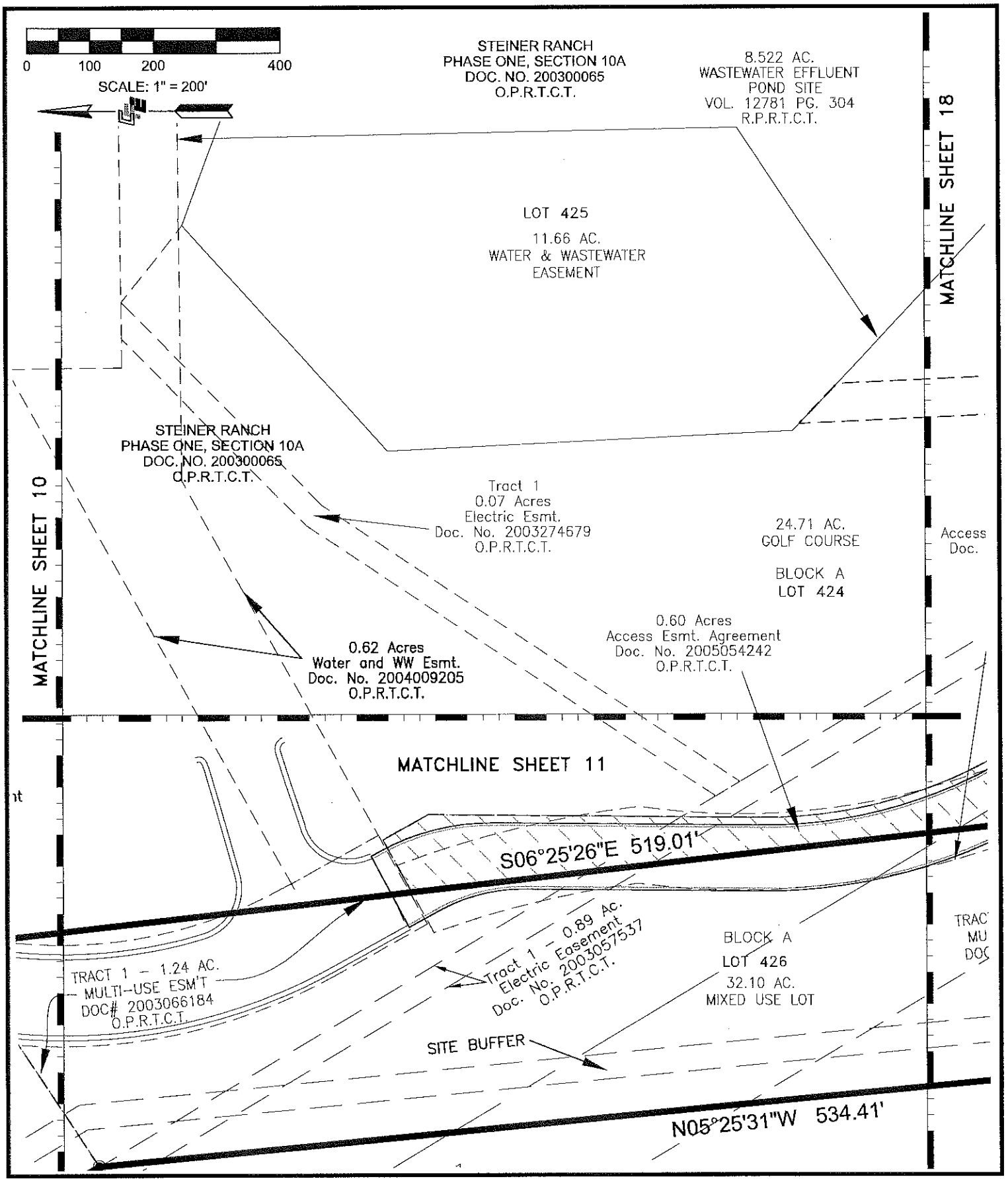

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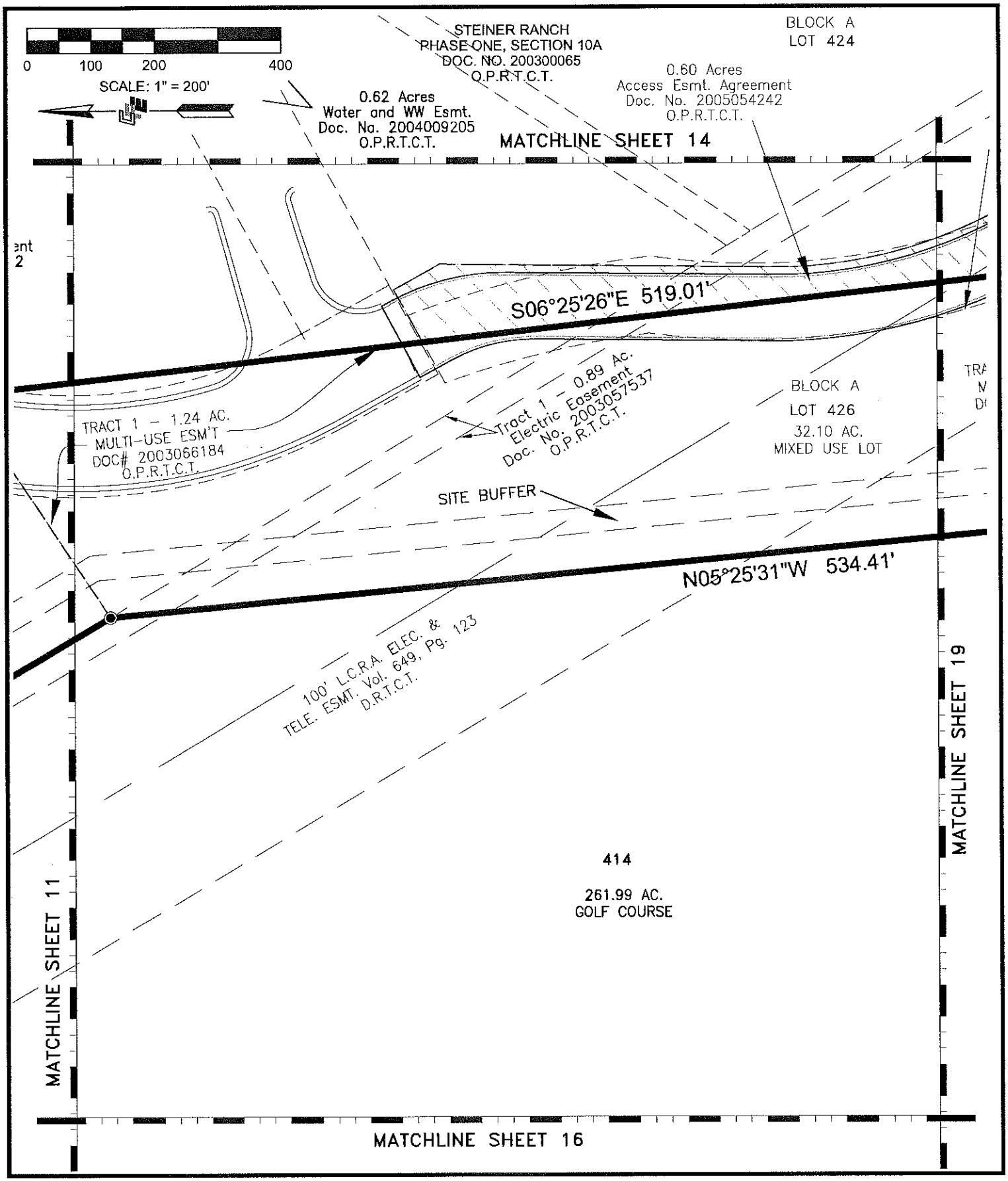

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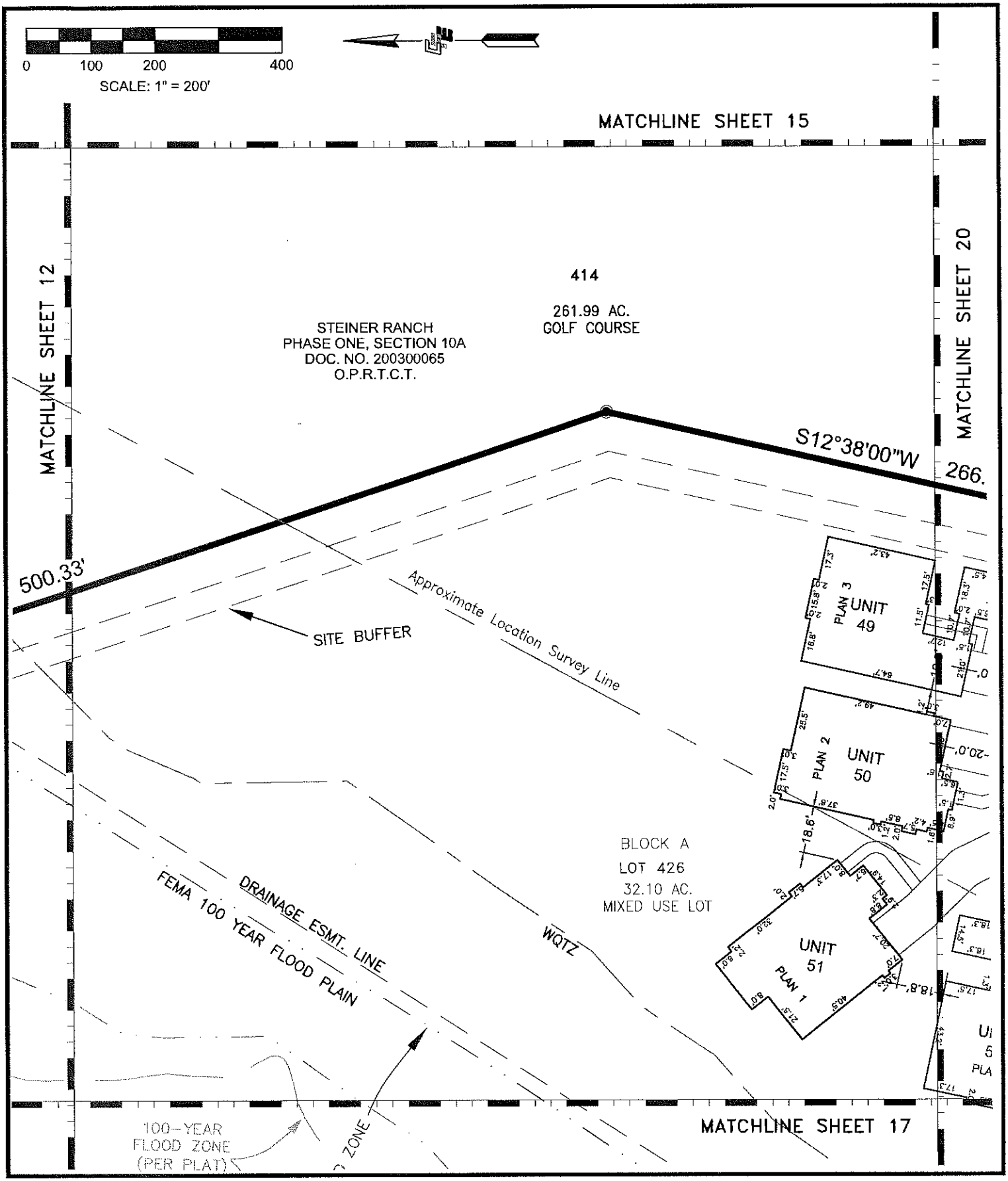

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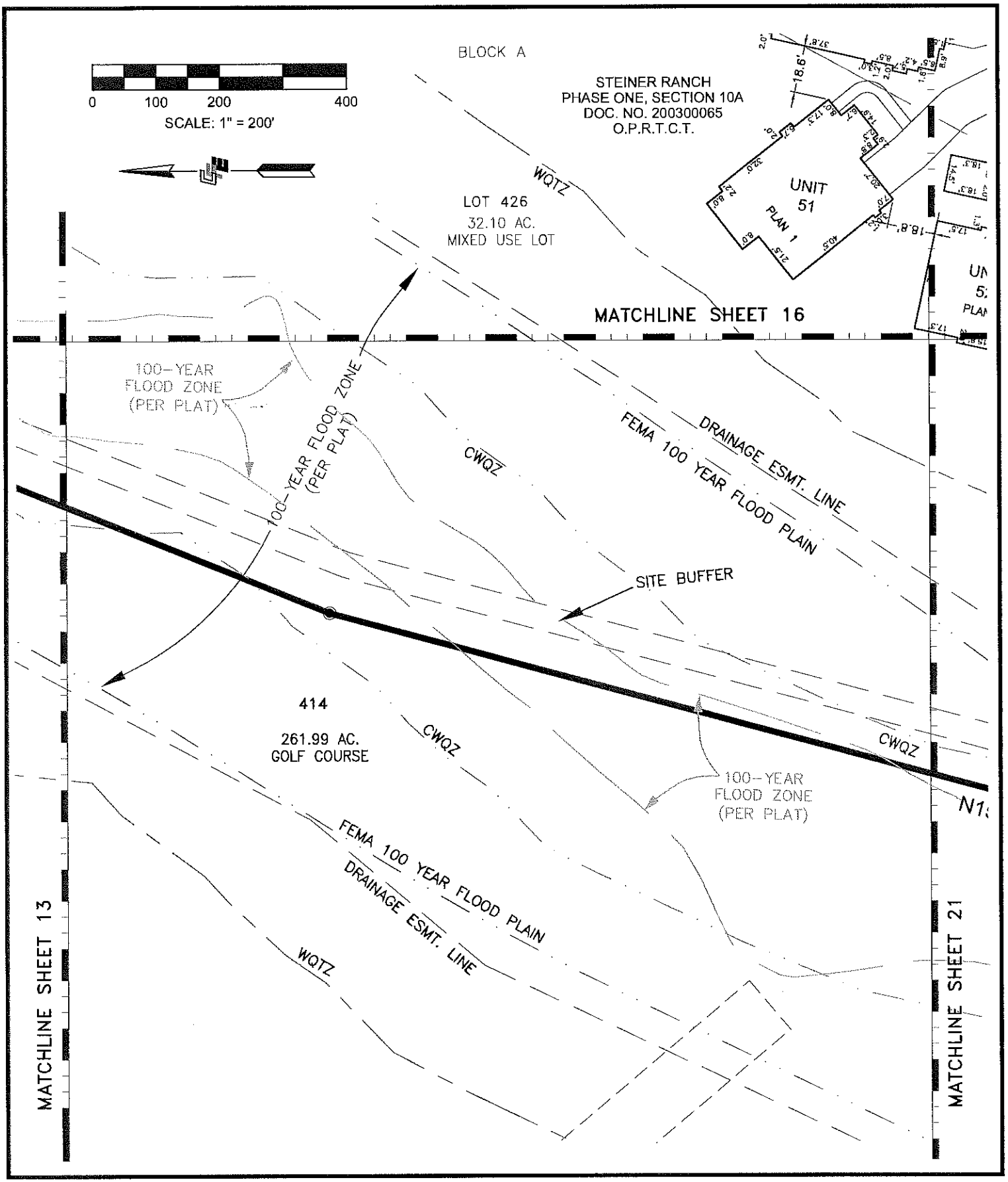

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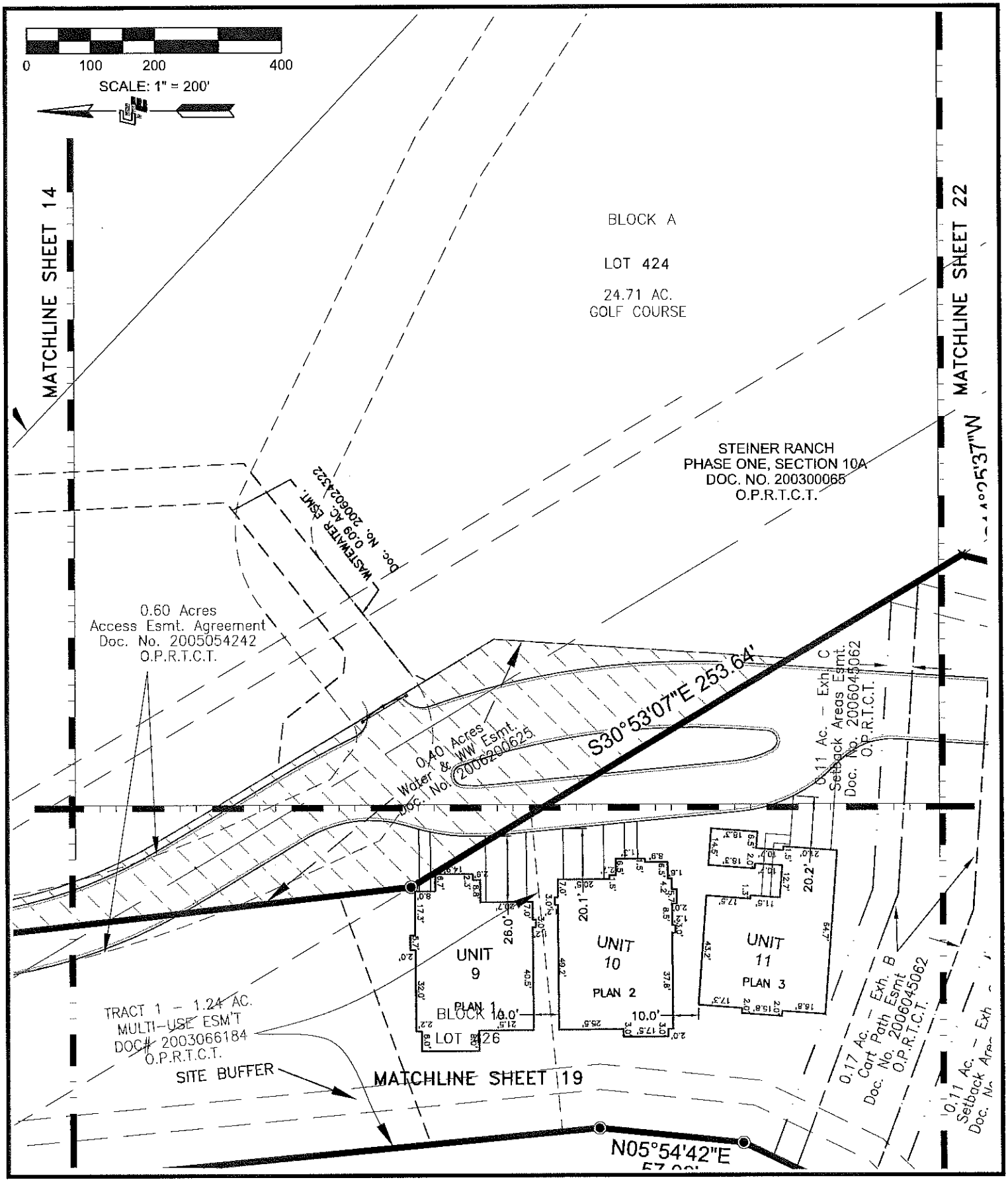

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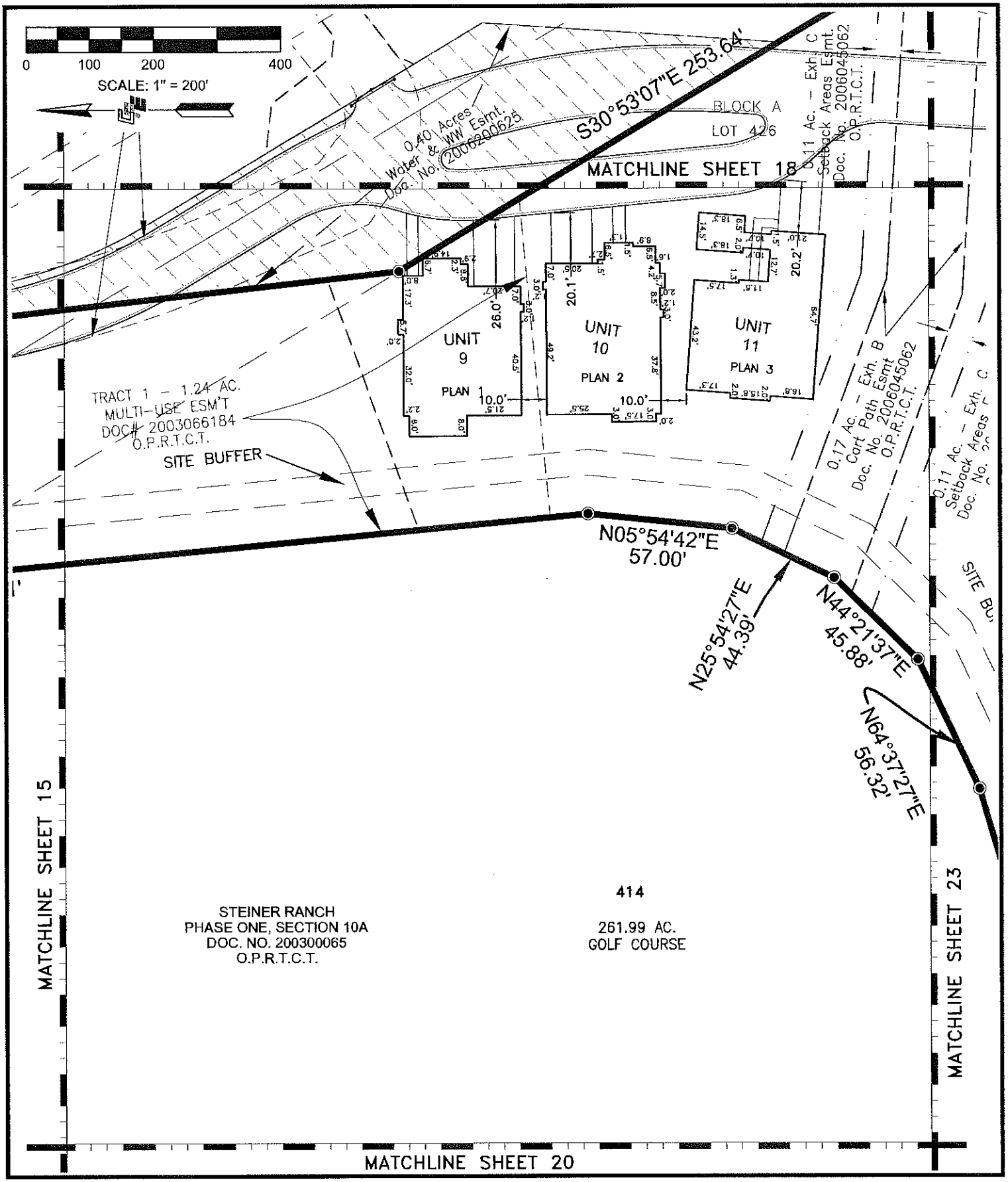

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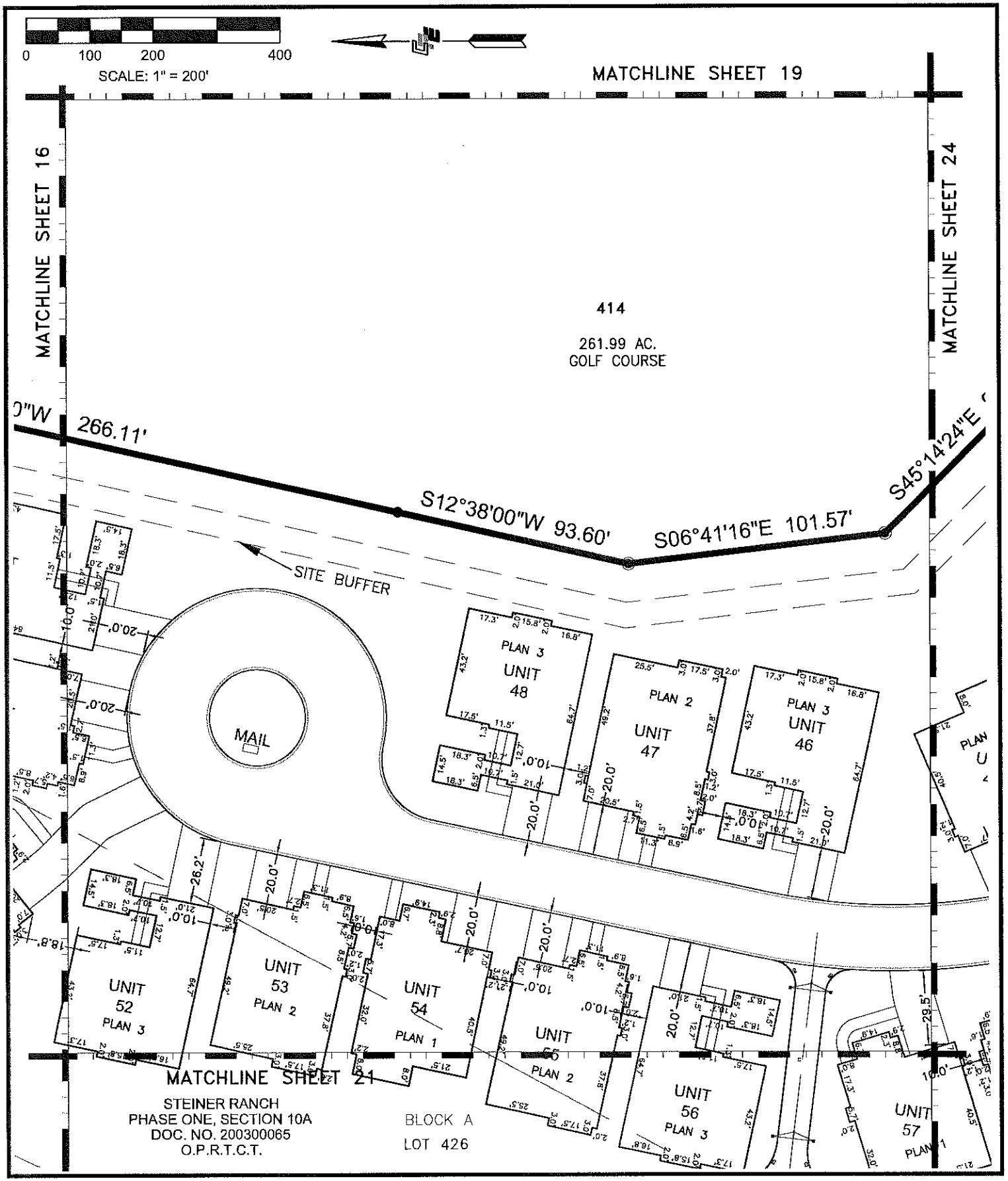

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TECHNICIAN:	JSA
FIELDBOOK:	N/A
JOB NUMBER:	2056.001
DESCRIPTION:	N/A
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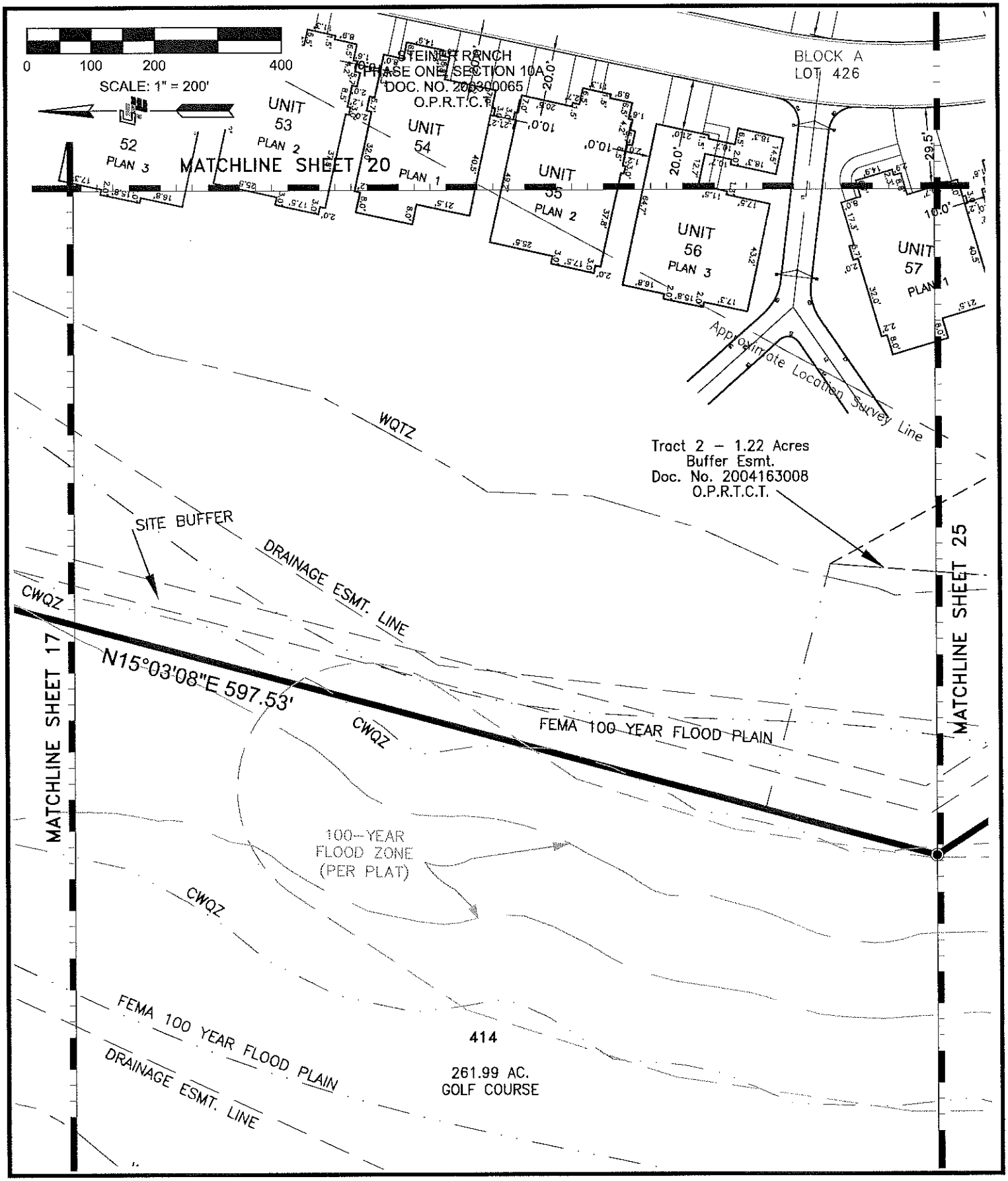

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DATE:	FEBRUARY, 2007
SURVEYOR:	PAUL C. SAUVE, JR., RPLS No.2516
TECHNICIAN:	JSA
FIELDBOOK:	N/A
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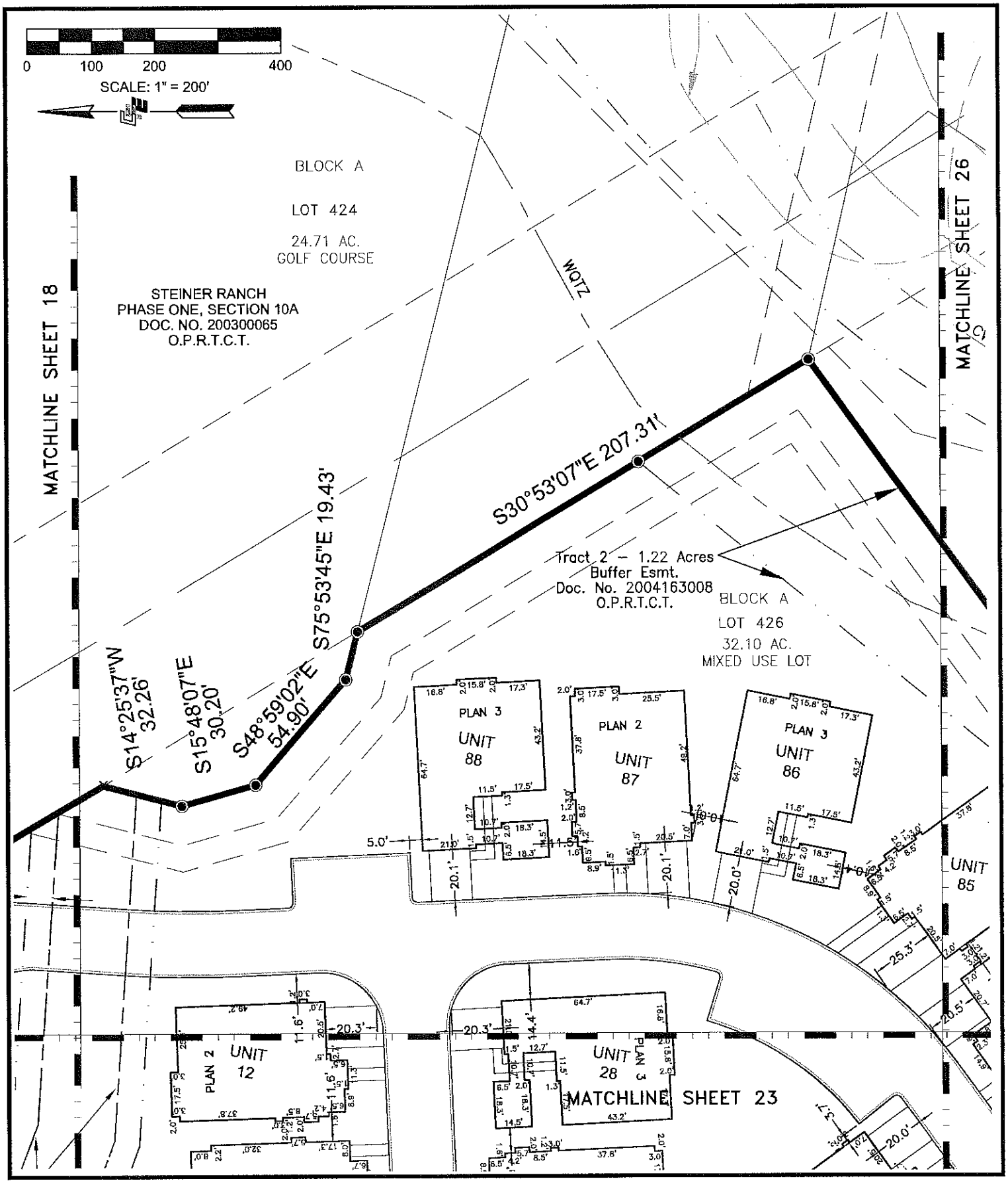

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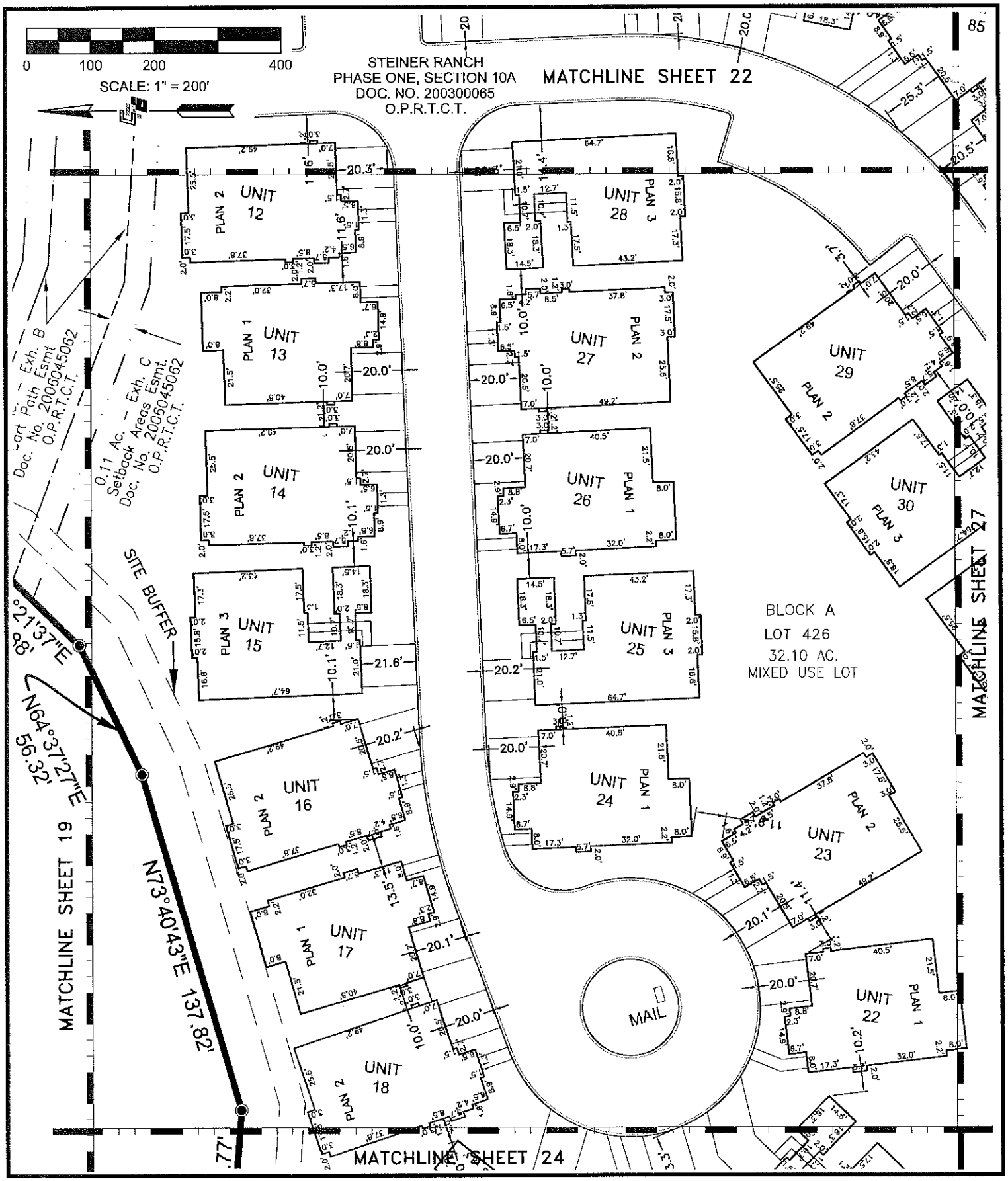

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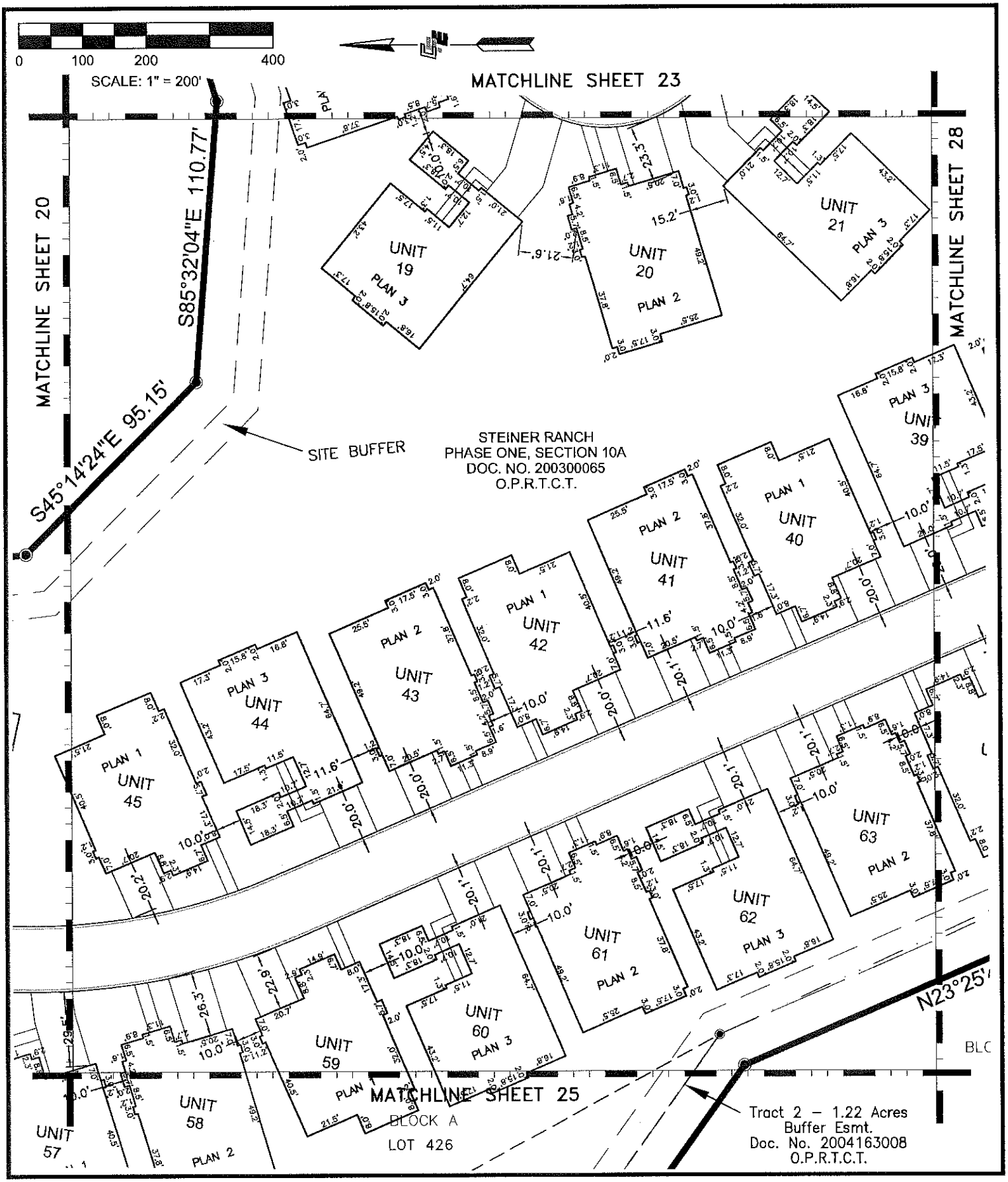

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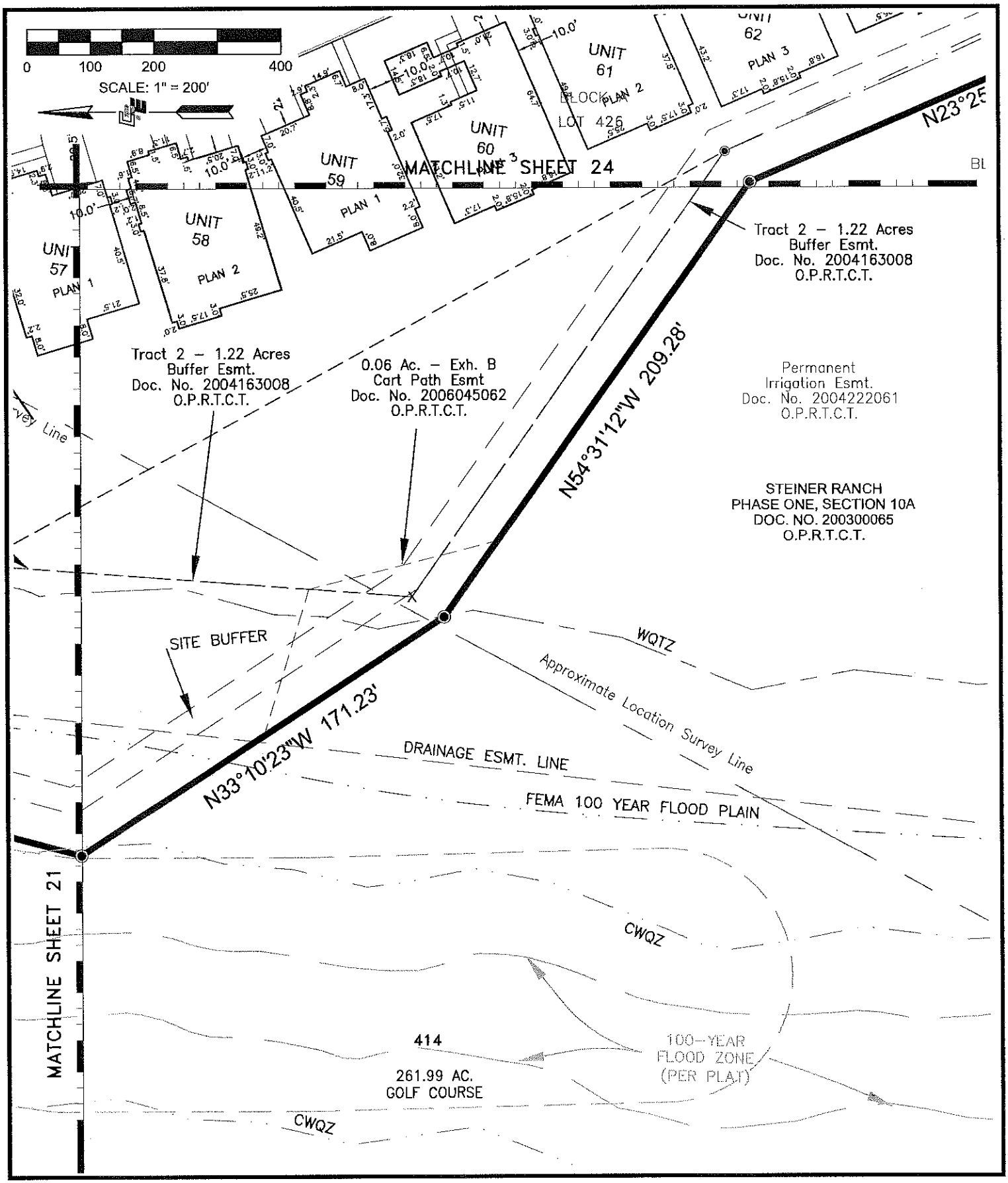

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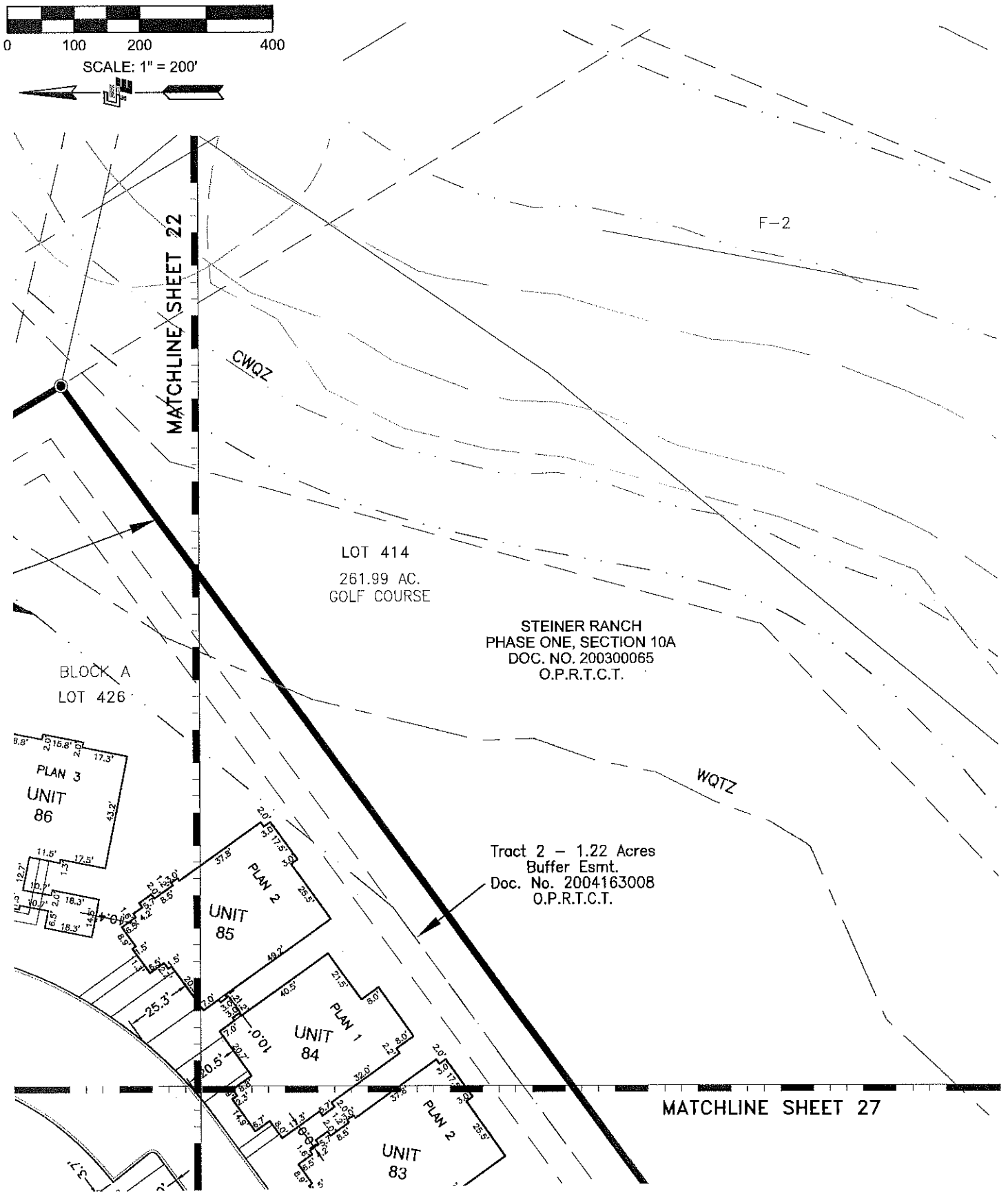

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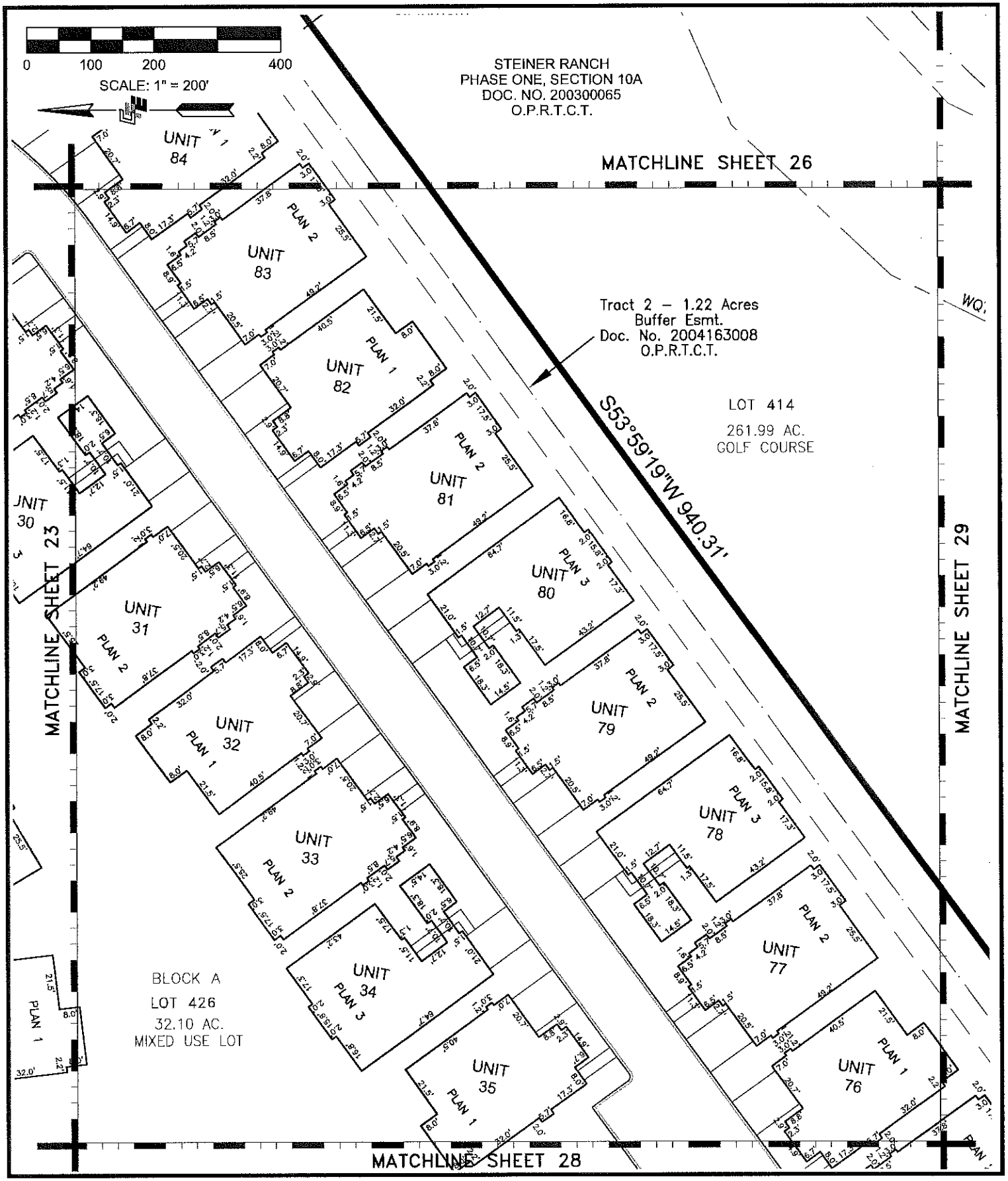
P.O. Box 1528
Austin, Texas 78767-1528
www.cfeamerica.com

TRAVIS COUNTY, TEXAS	
DATE:	FEBRUARY, 2007
SURVEYOR:	PAUL C. SAUVE, JR., RPLS No.2518
TECHNICIAN:	JSA
FIELDBOOK:	N/A
JOB NUMBER:	2086.001
DESCRIPTION:	N/A
DRAWING:	J:\TWC\Steiner\Ph1Sec10\accd \Lot 426\Condo Plat\Lot 426.dwg

FAIRWAYS AT STEINER RANCH CONDOMINIUMS
LOT 426, BLOCK A
STEINER RANCH PHASE 1, SECTION 10A
DOC. # 200300065 / O.P.R.T.C.T.

EXHIBIT



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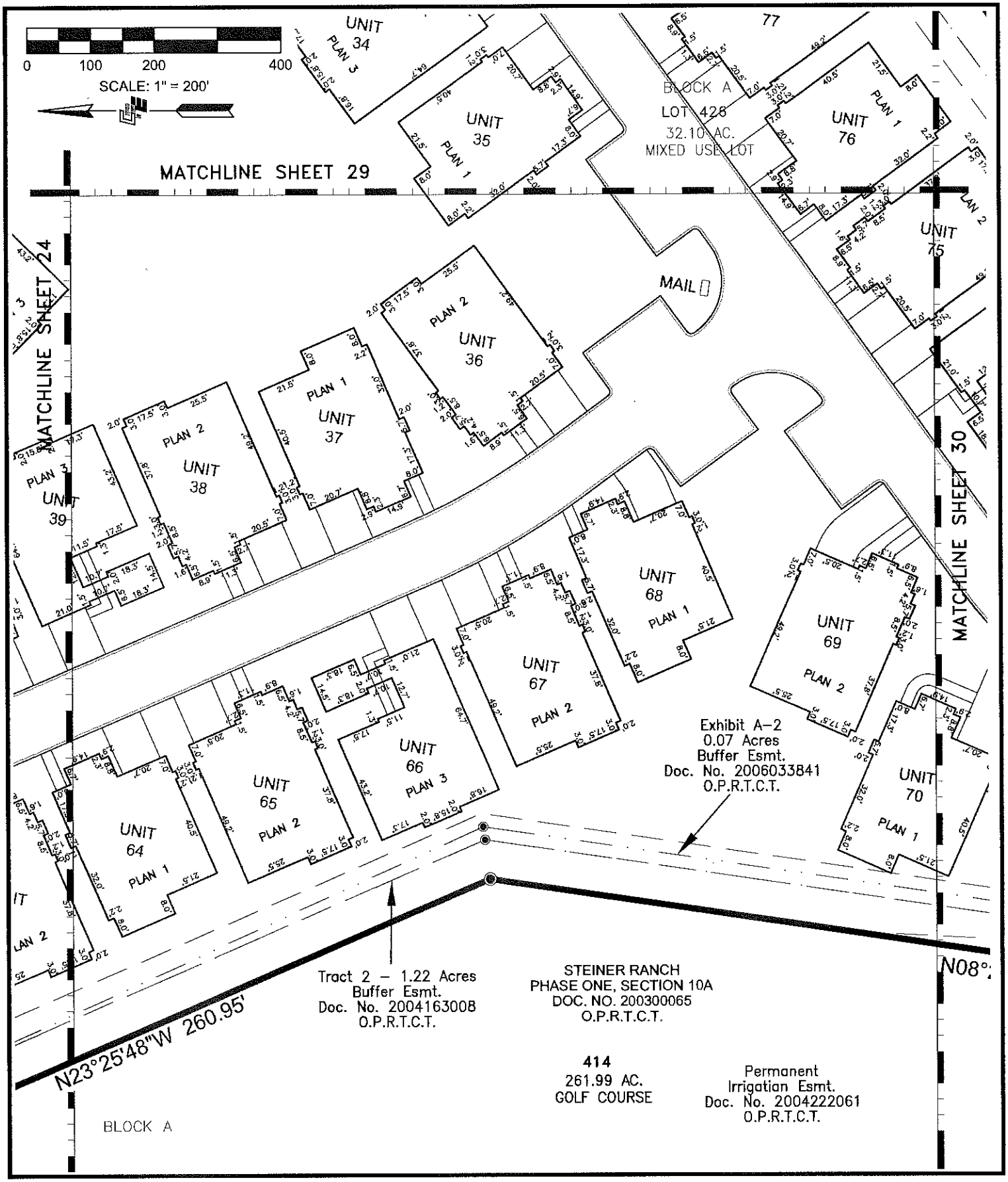

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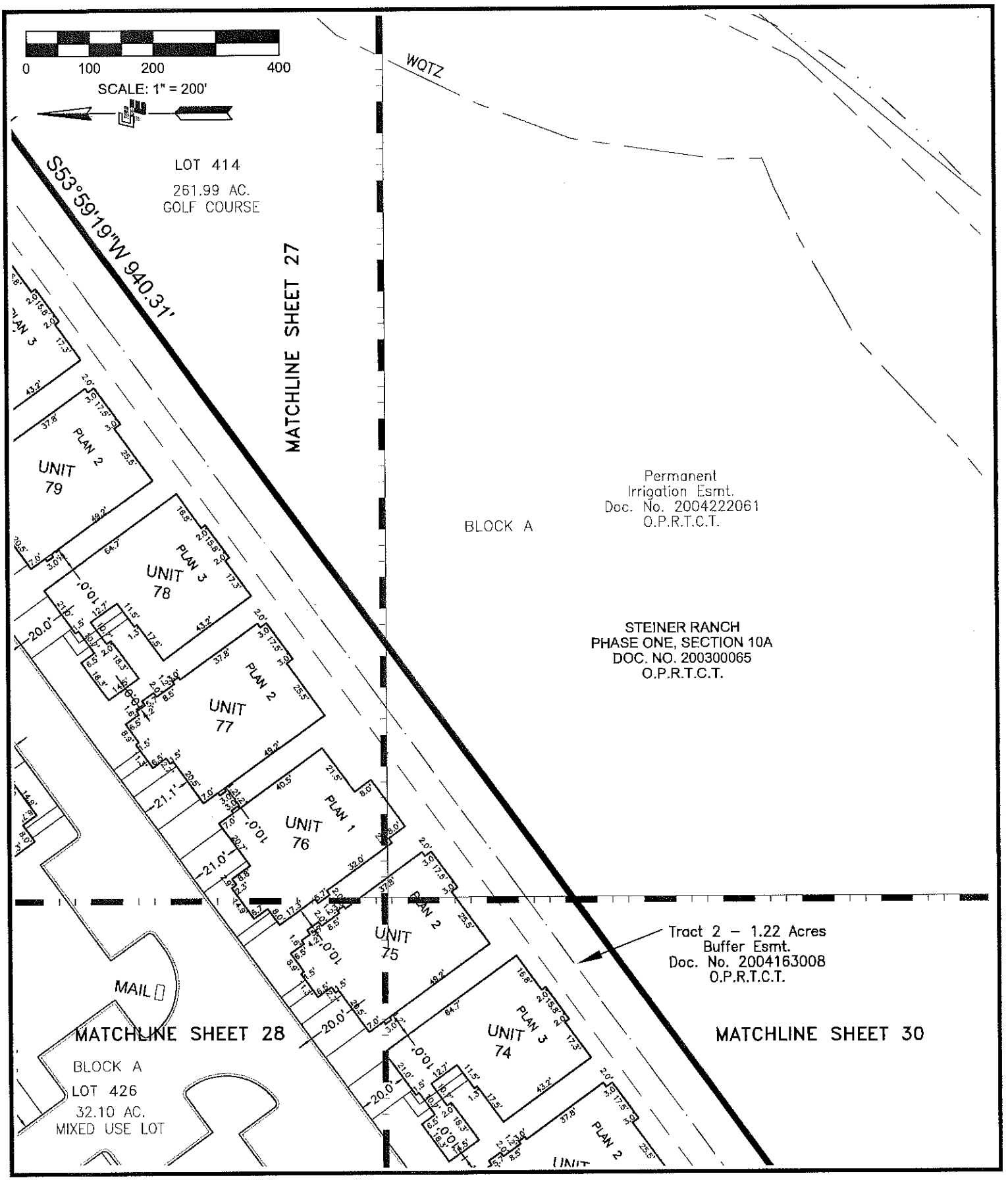

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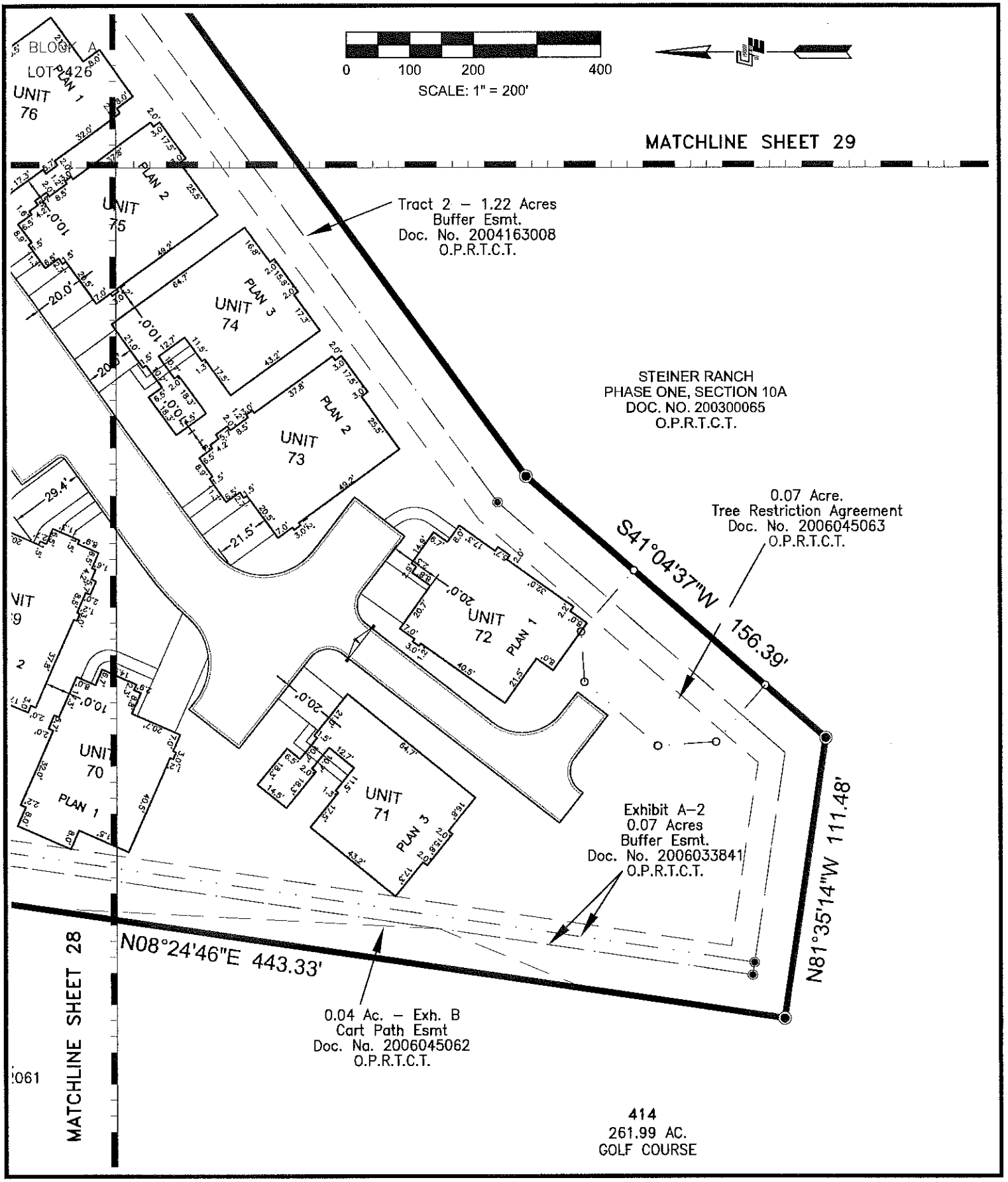

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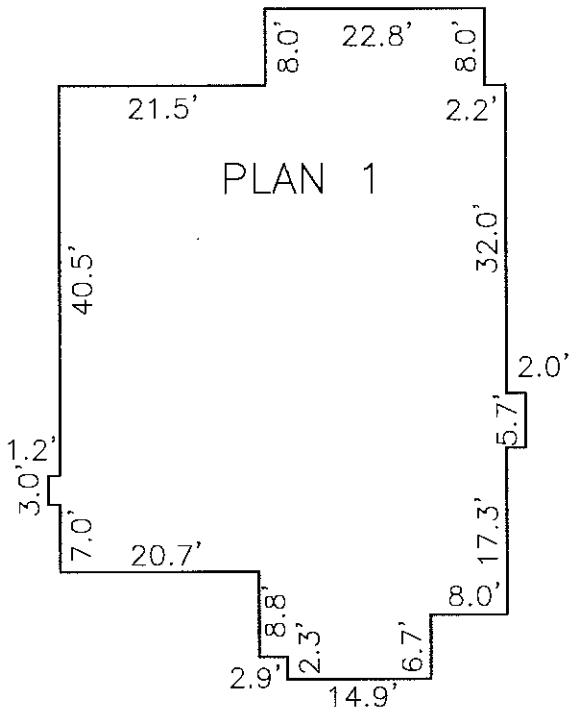

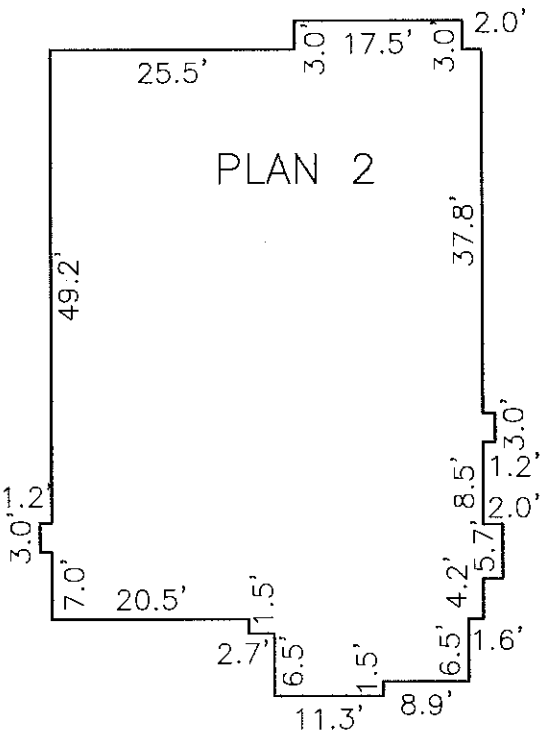

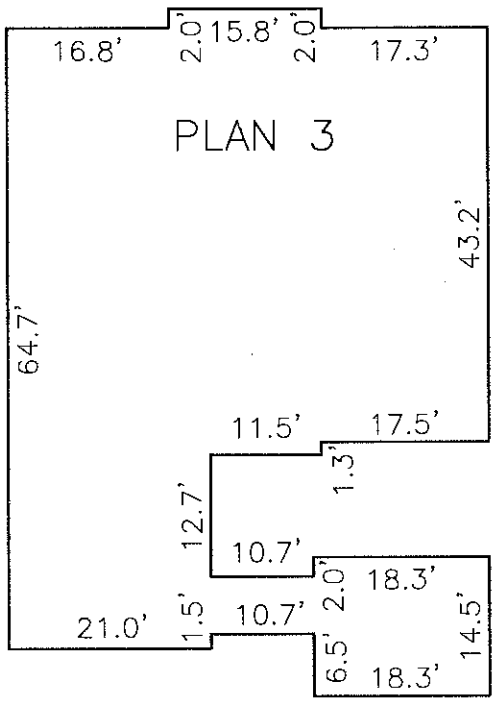

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EXHIBIT

EXHIBIT "B"

[ENCUMBRANCES]

1. Golf Course Buffer Easement and Restrictive Covenant, recorded as Document No. 2004163008 in the Official Public Records of Travis County, Texas.

2. Golf Course Buffer Easement and Restrictive Covenant, recorded as Document No. 2006033841 in the Official Public Records of Travis County, Texas.

3. Cart Path Easement and Setback Agreement, recorded as Document No. 2006045062 in the Official Public Records of Travis County, Texas.

4. Tree Restriction Agreement, recorded as Document No. 2006045063 in the Official Public Records of Travis County, Texas.

5. Entryway Monument and Landscaping Easement Agreement, recorded as Document No. 2006045064 in the Official Public Records of Travis County, Texas.

6. Development and Easement Agreement, recorded as Document No. 2006200626 in the Official Public Records of Travis County, Texas.

7. Restrictive Covenants recorded in/under 13008/756, as amended and/or modified by 13036/559, 20009813, 20009817, 2000143255, 2002057508, 2004036580, 2004027474, 2004092278, 2004092279, 2005091740, 2005163691, 2005231870, 2006019332, 2006068992 and 2006244529; and in/under 2003066188, 2003066191, 2004163008, 2006033841, 2006045063, 2006205126, 2006205127 and 2007001143 of the Real Property Records of Travis County, Texas.

8. Restrictive Covenants recorded in/under 2003057159, as amended and/or modified by 2003163351, 2004009707, 2004009708, 2004014509 and 2005212511 of the Real Property Records of Travis County, Texas.

9. Restrictive Covenants recorded in/under 2001083771, as amended and/or modified by 2004144318, 2004168190, and 2005070861;and in/under 2004141192 and 2005233454 of the Real Property Records of Travis County, Texas.

10. Restrictive Covenants recorded in/under 200300065 of the Plat Records of Travis County, Texas.

11. Easement for electric transmission and/or distribution lines executed by W. T. Caswell, to Lower Colorado River Authority, dated April 25, 1940, recorded in/under 649/ 326 of the Real Property Records of Travis County, Texas.

12. Easement for electric utilities executed by Quinlan Investments, Ltd., a Texas limited partnership, to City of Austin, dated May 12, 1999, recorded in/under 1999049232 of the Real Property Records of Travis County, Texas.

13. Easement for lateral support executed by T.H.L. Ranch, Ltd., a Texas limited partnership, 521 Development, Ltd., a Texas limited partnership, Quinlan Investments, Ltd., a Texas limited

partnership, and Steiner Ranch Residential Owners Association, Inc., to Travis County, dated September 23, 1999, recorded in/under 1999118443 of the Real Property Records of Travis County, Texas.

14. Easement for water and wastewater executed by Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited partnership, to Travis County Water Control and Improvement District No. 17, dated August 8, 2001, recorded in/under 2001134830 of the Real Property Records of Travis County, Texas.

15. Easement for retaining wall access and maintenance executed by Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership, to Travis County, Texas, dated August 15, 2002, recorded in/under 2002161097 of the Real Property Records of Travis County, Texas.

16. Easement for electric utilities executed by Taylor Woodrow Communities/ Steiner Ranch Ltd., a Texas limited partnership and Steiner Ranch Golf Club, Ltd., a Texas limited partnership, to The City of Austin, dated March 10, 2003, recorded in/under 2003057537 of the Real Property Records of Travis County, Texas.

17. Easement for gas utilities executed by Taylor Woodrow Communities/ Steiner Ranch Lt.,, a Texas limited partnership, to Texas Gas Service, dated March 29, 2004, recorded in/under 2004167195 of the Real Property Records of Travis County, Texas.

18. Terms, conditions and stipulations contained in Joint Use Access Easement Agreement executed by and between Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership, and The University of Texas Golf Club, Ltd., a Texas limited partnership, dated December 1, 2004, recorded in/under 2004224387 of the Real Property Records of Travis County, Texas.

19. Terms, conditions and stipulations contained in Access Easement Agreement executed by and between Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership and the Varsity Golf Club, Ltd., a Texas limited partnership, and Travis County Water Control and Improvement District No. 17, dated March 21, 2005, recorded in/under 2005054242 of the Real Property Records of Travis County, Texas.

20. Terms, conditions and stipulations contained in Common Area Agreement executed by and between Steiner Ranch Master Association, Inc., a Texas nonprofit corporation, and Steiner Ranch Residential Owners Association, Inc., a Texas non-profit corporation, dated December 30, 1997, recorded in/under 13093/ 6 of the Real Property Records of Travis County, Texas. Said Agreement further affected by instrument recorded in/under 13317/ 121 of the Real Property Records of Travis County, Texas.

21. Terms, conditions and stipulations contained in Steiner Ranch Master Roadway Phasing Agreement executed by and between T.H.L. Ranch, Ltd., a Texas Limited Partnership, 521 Development, Ltd., and Travis County, Texas, dated April 22, 1998, recorded in/under 13172/ 955 of the Real Property Records of Travis County, Texas. Said Agreement further affected by instrument recorded in/under 13324/ 666, 13326/ 41, 13311/ 95, 1999132420, and 2002211067 of the Real Property Records of Travis County, Texas.

22. Terms, conditions and stipulations contained in Development Agreement executed by and between City of Austin, T.H.L. Ranch, Ltd., a Texas limited partnership, Taylor Woodrow

Communities/ Steiner Ranch, Ltd., a Texas limited partnership, 239 Rio Vista, Ltd., a Texas limited partnership, and Gerald Kucera dated October 26, 2000, recorded in/under 2001180705 of the Real Property Records of Travis County, Texas.

23. Terms, conditions and stipulations contained in Conservation Easement Agreement executed by and between T.H.L. Ranch, Ltd., a Texas limited partnership, Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership, Steiner Ranch Master Association, a Texas non-profit corporation, and Travis County, dated January 18, 2001, recorded in/under 2001009450 of the Real Property Records of Travis County, Texas.

24. Terms, conditions and stipulations contained in Conservation Easement to Restrict Impervious Cover executed by and between City of Austin, and T. H. L. Ranch, Ltd., a Texas limited partnership, Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership, 239 Rio Vista, Ltd., a Texas limited partnership, and Gerald Kucera, dated October 23, 2001, recorded in/under 2001180704 of the Real Property Records of Travis County, Texas.

25. Terms, conditions and stipulations contained in Subdivision Construction Agreement executed by and between Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership, and City of Austin, dated February 20, 2003, recorded in/under 2003066186 of the Real Property Records of Travis County, Texas.

26. Terms, conditions and stipulations contained in Golf Course Buffer Easement and Restrictive Covenant executed by and between Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership, and University of Texas Golf Club, Ltd., a Texas limited partnership, dated August 17, 2004, recorded in/under 2004163008 of the Real Property Records of Travis County, Texas.

27. Terms, conditions and stipulations contained in Notice of Home Buyers in Steiner Ranch Agreement executed by Newmark Homes, L.P., a Texas limited partnership, dated January 21, 2005, recorded in/under 2005042989 of the Real Property Records of Travis County, Texas.

28. Terms, conditions and stipulations contained in Third Amended and Restated Notice to Purchasers of Certain Property Within Steiner Ranch Agreement executed by Taylor Woodrow Communities Steiner Ranch, Ltd., a Texas limited partnership, dated March 21, 2005, recorded in/under 2005057004 of the Real Property Records of Travis County, Texas, and further affected by instrument recorded in/under 2006068992 of the Real Property Records of Travis County, Texas.

29. Covenants, conditions, obligations, restrictions, easements, charges and liens as set forth in that certain Declaration recorded in/under 13008/ 756, 2002057508, 2003066188, and 2004036580 of the Real Property Records of Travis County, Texas.

30. Covenants, conditions, obligations, restrictions, easements, charges and liens as set forth in that certain Declaration recorded in/under 2001083771 and 2005070861 of the Real Property Records of Travis County, Texas.

31. Easement Rights as set forth in instrument recorded in/under 2003057159 of the Real Property Records of Travis County, Texas.

32. Easement Rights as set forth in instrument recorded in/under 2004141192 of the Real Property Records of Travis County, Texas.

33. Subject to the "water rights" referred in that certain "Certificate of Adjudication 14-5368" issued by the Texas Water Commission on August 26, 1988, as disclosed by instrument recorded in/under 2000009809 of the Real Property Records of Travis County, Texas.

34. This property is located within Travis County Water Control and Improvement District No. 17 and is subject to all rights under the law accorded to such a District, as disclosed by instrument recorded in/under 2006045060 of the Real Property Records of Travis County, Texas.

35. Terms, conditions and stipulations contained in Steiner Ranch Agreement Regarding Participation Rights and Conservation Easement dated August 3, 1995, recorded in/under 2005233939 of the Real Property Records of Travis County, Texas.

36. L.C.R.A. electric and telephone easement recorded in 649/ 123, Real Property Records of Travis County, Texas.

37. Multi use easement as recorded in Document No. 2003066184, Real Property Records of Travis County, Texas.

38. Golf Course Easement and Restrictive Covenant executed by Taylor Woodrow Communities/ Steiner Ranch, Ltd., a Texas limited partnership, to The Varsity Golf Club, Ltd., a Texas limited partnership, dated January 17, 2006, recorded in/under 2006033841 of the Real Property Records of Travis County, Texas.

39. Terms, conditions and stipulations contained in Resale Restriction and Repurchase Option Agreement executed by and between Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited partnership, and S & P Villas, LP, a Texas limited partnership, dated March 10, 2006, recorded in/under 2006045061 of the Real Property Records of Travis County, Texas.

40. Terms, conditions and stipulations contained in Cart Path Easement and Setback Agreement executed by and between Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited partnership, and S & P Villas, LP, a Texas limited partnership, dated March 10, 2006, recorded in/under 2006045062 of the Real Property Records of Travis County, Texas.

41. Terms, conditions and stipulations contained in Tree Restriction Agreement executed by and between Taylor Woodrow Communities/ Steiner Ranch, LTD., a Texas limited partnership, and S & P Villas, LP, a Texas limited partnership, dated March 10, 2006, recorded in/under 2006045063 of the Real Property Records of Travis County, Texas.

42. Terms, conditions and stipulations contained in Entryway Monument and Landscaping Easement Agreement executed by and between Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited partnership, S & P Villas, LP, a Texas limited partnership, and Steiner Ranch Master Association, INC., a Texas non-profit corporation, dated March 10, 2006, recorded in/under 2006045064 of the Real Property Records of Travis County, Texas.

43. Terms, conditions and stipulations contained in Memorandum of Post Closing Agreement executed by and between Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited

partnership, and S & P Villas, LP, a Texas limited partnership, dated March 10, 2006, recorded in/under 2006045065 of the Real Property Records of Travis County, Texas.

44. Terms, conditions and stipulations contained in Utility Conveyance Agreement executed by and between Travis County Water Control and Improvement District No. 17, and Taylor Woodrow Communities Steiner Ranch, Ltd., a Texas limited partnership, dated June 15, 2006, recorded in/under 2006139099 of the Real Property Records of Travis County, Texas.

45. Terms, conditions and stipulations contained in Development and Easement Agreement executed by and between The Varsity Golf Club, Ltd., a Texas limited partnership, and S & P Villas, LP, a Texas limited partnership, dated October 15, 2006, recorded in/under 2006200626 of the Real Property Records of Travis County, Texas.

46. Easement for water and wastewater executed by S & P Villas, Ltd., a Texas limited partnership, to Travis County Water Control and Improvement District No. 17, dated October 26, 2006, recorded in/under 2006215005 of the Real Property Records of Travis County, Texas.

47. Collateral Assignment of Developer Agreements by and between S & P Villas, LP, a Texas limited partnership, Assignor, Vista Bank, Texas, a Texas banking association, Assignee, dated December 8, 2006, filed December 12, 2006, recorded in/under 2006237434 of the Real Property Records of Travis County, Texas.

48. Terms, conditions and stipulations contained in Agreement Regarding City of Austin Agreements executed by and between Taylor Woodrow Communities/Steiner Ranch, Ltd., a Texas limited partnership, and S & P Villas, LP, a Texas limited partnership, dated December 8, 2006, recorded in/under 2006237432 of the Real Property Records of Travis County, Texas.

49. Terms, conditions and stipulations contained in Declaration of Easements and Restrictive Covenants Regarding the maintenance of Drainage Facilities executed S & P Villas, LP, a Texas limited partnership, dated December 21, 2006, recorded in/under 2007001143 of the Real Property Records of Travis County, Texas.

50. Easement for electric utilities executed by S & P Villas, LP, a Texas limited partnership, to The City of Austin, dated February 22, 2007, recorded in/under 2007032177 of the Real Property Records of Travis County, Texas.

EXHIBIT "C"

COMMON INTEREST ALLOCATION

The Common Interest Allocation attributable to each Unit shall be a percentage computed according to the following formula:

1/[total number of Units in the Regime] X 100.

As there are currently 88 Units in the Regime, the Common Interest Allocation attributable to each Unit is currently 1.13636%.

Any obligation or rights, including Assessment charges or credits, calculated or determined based on a Common Interest Allocation which are not allocable to a particular Unit due to a rounding error will be equally apportioned among all Units.

EXHIBIT "D"

GUIDE TO THE ASSOCIATION'S EXAMINATION OF COMMON ELEMENTS

This Guide provides information to assist the Board in conducting an annual examination of the Common Elements for the purpose maintaining replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the General Common Elements maintained by the Association. The annual examination is required pursuant to *Section 9.3* of the Declaration and is a necessary prerequisite to establishing sufficient reserves as required by *Section 6.12* of the Declaration. Additional information on conducting the examination may be obtained from the Community Associations Institute and their publication, *The National Reserve Study Standards of the Community Associations Institute.* See www.caionline.org. In addition, the Community Associations Institute provides certification for qualified preparers of reserve studies, known as a "Reserve Professionals Designation" (R.S.). Neither this Declaration or current law requires that the Board engage an individual holding a Reserve Professional Designation for the purpose of conducting the annual examination of the Common Elements. Because laws and practices change over time, the Board should not use this Guide without taking into account applicable changes in law and practice.

Developing a Plan

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

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

account cash balance necessary to discharge anticipated expenditures at or near 100 percent; or

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

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

Finding Common Element Component Replacement Information

Common Element component replacement information may be obtained from contractors, suppliers, technical specialists (IT, cable, fiber optics, etc), a "Reserve Study" specialist or from using tables in technical manuals on useful lives of various components. As provided in *Section 9.3* of the Declaration, the Board must reevaluate its funding level each year based upon changes to the Common Elements as well as changes to replacement costs and component conditions. The specific components of Common Elements include, but are not limited to, recreational facilities and furniture and equipment owned or maintained by the Association. Components covered by maintenance contracts may be excluded if the contracts include maintenance and replacement of the components. The Board must also include within their overall budget a deferred maintenance account for those components requiring periodic maintenance which does not occur annually. Typically, the deferred maintenance account would include such components as painting, staining, and caulking.

EXHIBIT "E"

GUIDE TO ASSOCIATION'S MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS

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

MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS	Performed by Association officers or directors	Delegated to Association employee or agent
FINANCIAL MANAGEMENT To adopt annual budget and levy assessments, per Declaration. Prepare annual operating budget, periodic operating statements, and year-end statement. Identify components of the property the Association is required to maintain. Estimate remaining useful life of each component. Estimate costs and schedule of major repairs and replacements, and develop replacement reserve schedule. Annually update same. Collect assessments and maintain Association accounts. Pay Association's expenses and taxes. Obtain annual audit and income tax filing. Maintain fidelity bond on whomever handles Association funds. Report annually to members on financial status of Association.		
PHYSICAL MANAGEMENT Inspect, maintain, repair, and replace, as needed, all		

MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS	Performed by Association officers or directors	Delegated to Association employee or agent
components of the property for which the Association has maintenance responsibility. Contract for services, as needed to operate or maintain the property. Prepare specifications and call for bids for major projects. Coordinate and supervise work on the property, as warranted.		
ADMINISTRATIVE MANAGEMENT Receive and respond to correspondence from owners, and assist in resolving owners' problems related to the Association. Conduct hearings with owners to resolve disputes or to enforce the governing documents. Obtain and supervise personnel and/or contracts needed to fulfill Association's functions. Schedule Association meetings and give owners timely notice of same. Schedule board meetings and give directors timely notice of same. Enforce the governing documents. Maintain insurance and bonds as required by the governing documents or state law, or as customary for similar types of property in the same geographic area. Maintain Association books, records, and files. Maintain Association's corporate charter and registered agent & address.		

MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS	Performed by Association officers or directors	Delegated to Association employee or agent
OVERALL FUNCTIONS Promote harmonious relationships within the community. Protect and enhance property values in the community. Encourage compliance with governing documents and applicable laws and ordinances. Act as liaison between the community of owners and governmental, taxing, or regulatory bodies. Protect the Association and the property from loss and damage by lawsuit or otherwise.		

APPENDIX "A"

DECLARANT RESERVATIONS AND REPRESENTATIONS

A.1. General Provisions.

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

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

A.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and Declarant Control Period to ensure a complete and orderly sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. The "**Development Period**", as specifically defined in the *Section 1.17* of the Declaration, means the fifteen (15) year period beginning on the date this Declaration is recorded, unless such period is earlier terminated by Declarant's recordation of a notice of termination. Declarant Control Period is defined in *Section 1.14* of the Declaration. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days' written notice.

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

A.2.1. Association Budget. During the Declarant Control Period, the Declarant-appointed Board will establish a projected budget for the Property as a fully developed, fully constructed, and fully occupied residential community with a level of services and

maintenance that is typical for similar types of developments in the general area of the Property, using cost estimates that are current for the period in which the budget is prepared. The Association budget may not include enhancements voluntarily provided by Declarant to facilitate the marketing of new homes in the Property.

A.2.2. Officers and Directors. During Declarant Control Period, the Board may consist of three (3) persons. Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader," subject to the following limitation: within one hundred and twenty (120) days after 50 percent of the maximum number of Units that may be created have been conveyed to Owners other than Declarant, at least one-third of the Board must be elected by Owners other than Declarant.

A.2.3. Obligation for Assessments. For each Unit owned by Declarant, Declarant is liable for Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments in the same manner as any Owner. Regarding Regular Assessments, during the Declarant Control Period only, Declarant at Declarant's option may support the Association's budget by either of the following methods: (i) Declarant will pay Regular Assessments on each Declarant owned Unit in the same manner as any Owner; or (ii) Declarant will assume responsibility for the difference between the Association's actual common expenses as they are paid and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On the earlier to occur of three (3) years after the first conveyance of a Unit by the Declarant or termination of the Declarant Control Period, Declarant must begin paying Assessments on each Declarant owned Unit according to the Unit's allocated Interest for Assessments.

A.2.4. Obligation for Reserves. During the Declarant Control Period, neither the Association nor Declarant may use the Association working capital or reserve funds to pay operational expenses of the Association.

A.2.5. Enhancements. During the Declarant Control and Development Periods, Declarant – solely at Declarant's discretion – may voluntarily provide enhancements for the Property, such as higher levels of maintenance, management, insurance, and seasonal color in landscaping. Such enhancements are not included in the Association's annual operating budget or, alternatively, if included are identified as Declarant enhancements.

A.2.6. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

A.2.7. Management Contract. If Declarant enters into a professional management contract on behalf of the Association during Declarant Control Period, the Association has the right to terminate the contract without cause or penalty, but with at least 30 days written notice to the manager, at any time after a Board elected by the Owners other than Declarant takes office.

A.2.8. Common Elements. At or prior to termination of Declarant Control Period, if title or ownership to any Common Element is capable of being transferred, Declarant will convey title or ownership to the Association. At the time of conveyance, the Common Element will be free of encumbrance except for the property taxes, if any, accruing for the year of conveyance. Declarant's conveyance of title or ownership is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

A.3. Development Period Rights. Declarant makes the following representations and reservations regarding Declarant's development of the Property:

A.3.1. Annexation. The Property is subject to expansion for up to fifteen (15) years from the date this Declaration is recorded. During the Development Period, Declarant may annex additional property into the Regime, and subject such property to this Declaration and the jurisdiction of the Association by recording an amendment or supplement of this Declaration, executed by Declarant, in the Official Public Records of Travis County, Texas.

A.3.2. Changes in Development Plan. During the Development Period, Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, the subdivision or combination of Units, changes in the sizes, styles, configurations, materials, and appearances of Units, and Common Elements.

A.3.3. Architectural Control. During the Development Period, Declarant has the absolute right of architectural control. Notwithstanding the foregoing, during the Development Period and after termination of Declarant Control, or earlier if Declarant permits, the Board may appoint or serve as a "modifications committee" to respond exclusively to modifications of completed Units that are owned by persons other than Declarant. A modifications committee may not involve itself with the approval of new Units or Common Elements.

A.3.4. Transfer Fees. During the Development Period, neither Declarant nor a Builder will pay transfer-related and resale certificate fees.

A.3.5. Website & Property Name. During the Development Period, Declarant has the unilateral right to approve or disapprove uses of any website purporting to serve

the Property or the Association, all information available on or through the Property website, if any, and all uses of the property name by the Association.

A.3.6. Fines and Penalties. During the Development Period, neither Declarant nor Units owned by Declarant are liable to the Association for late fees, fines, administrative charges, or any other charge that may be considered a penalty.

A.3.7. Statutory Development Rights. As permitted by the Act, Declarant reserves the following Development Rights which may be exercised during the Development Period: (i) to add real property to the Property; (ii) to create Units, General Common Elements, and Limited Common Elements within the Property, including the reallocation of portions of the Property currently designated a General Common Element to be a Limited Common Element for the exclusive use and benefit of one or more Owners; (iii) to subdivide Units or convert Units into Common Elements; and (iv) to withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

A.3.8. Development Rights Reserved. Regarding portions of the real property shown on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," if any, Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed, or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

A.3.9. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any mortgagee, for the following limited purposes:

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

(ii) To correct any defects in the execution of this Declaration or the other Documents.

(iii) To add real property to the Property, in the exercise of statutory Development Rights.

(iv) To create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights.

(v) To subdivide, combine, or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights.

(vi) To withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or 'Subject to Development Rights" in the exercise of statutory Development Rights.

(vii) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.

(viii) To change the name or entity of Declarant.

(ix) For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

A.4. **Special Declarant Rights**. As permitted by the Act, Declarant reserves the below described Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Property during the Development Period. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant so long as Declarant holds a Development Right to create additional Units or Common Elements or Declarant owns a Unit, whichever ceases last. Earlier termination of certain rights may occur by statute.

(i) The right to complete or make Improvements indicated on the Plat and Plans.

(ii) The right to exercise any Development Right permitted by the Act and this Declaration.

(iii) The right to make the Property part of a larger condominium or planned community.

(iv) The right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property.

(v) For purposes of promoting, identifying, and marketing the Property, Declarant reserves for itself and each Builder, an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property in conjunction with the sale and marketing of Units, including items and locations that are prohibited to other Owners and Occupants. Declarant reserves for itself and each Builder an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also

reserves the right for itself and each Builder to sponsor marketing events – such as open houses, MLS tours, and brokers parties – at the Property to promote the sale of Units.

(vi) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.

(vii) The right to appoint or remove any Declarant-appointed officer or director of the Association during Declarant Control Period consistent with the Act.

(viii) The right to construct a gate across a portion of the Property, which may serve less than all of the Units. In the event Declarant elects to construct or install a gate that serves less than all of the Units, Declarant shall have the right during the Development Period to designate the gate and entrance improvements, any walls and landscaping associated therewith, and roadways and landscaping posterior to the gate as Limited Common Element assigned to certain Units designated by the Declarant.

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

(i) An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.

(ii) The right to sell or lease any Unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained elsewhere in this Declaration or the other Documents.

(iii) The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or Common Elements. Requests for entry must be made in advance for a time reasonably convenient for the Owner who may not unreasonably withhold consent.

(iv) An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at

Declarant's sole expense, will restore altered Common Elements and Units to conform to the architectural standards of the Property. The restoration will be done within one hundred and twenty (120) days after termination of the Development Period.

(v) An easement over the entire Property, including the Units, to inspect the Common Elements and all Improvements thereon and related thereto to evaluate the maintenance and condition of the Common Element Improvements.

(vi) The right to provide a reasonable means of access for the home-buying public through the gated entrance in connection with the active marketing of Units by Declarant, including the right to require that the gates be kept open during certain hours or on certain days.

A.6. Marketing Other Locations. This Declaration grants to Declarant a number of significant rights to market the Property. Declarant hereby reserves for itself and its affiliates the right to use each and every such right and privilege for the additional purposes of promoting, identifying, and marketing off-site developments of Declarant or its affiliates for the duration of the Development Period, even though Declarant may have completed the marketing of Units in the Property. Additionally, Declarant – at Declarant's sole option and discretion – may extend the effect of this Section for up to twelve (12) months after the end of the Development Period by paying the Association $1,000.

A.7. Common Elements. Because the Common Elements are owned by the owners, collectively and in undivided interest, the Common Elements are not capable of being separately conveyed. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of the ownership of the Common Elements. Because ownership of the Common Elements is not conveyed by Declarant to the Association, there is no basis for the popular misconception that Owners may "accept" or "refuse" the Common Elements.

A.8. Successor Declarant. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Official Public Records of Travis County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2007 Feb 28 10:33 AM 2007034995

ESPINOZAC $524.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.