

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR
WOOD GLEN

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WOOD GLEN**

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

THAT THIS DECLARATION is made on the date hereinafter set forth by 3406, Ltd., a Texas limited partnership (hereinafter referred to as "Declarant"), acting herein by and through its duly authorized general partner:

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property more fully described by metes and bounds in Exhibit "A" which is attached hereto and made a part hereof for all purposes (the "Initial Property"); and

WHEREAS, Declarant desires to hold, sell and convey said Initial Property subject to the following covenants, conditions, restrictions, reservations and easements, which are for the purpose of establishing a uniform plan for the development, improvement and sale of the Initial Property, together with portions of the Annexable Land (or other property) from time to time brought within the terms hereof pursuant hereto, and to insure the preservation of such uniform plan for the benefit of both present and future owners of the residential subdivision lots within said lands; and

WHEREAS, this Declaration grants Declarant the right and privilege with the consent of the owners of such property, to impose additional covenants, conditions and restrictions on any of the Annexable Land; and

NOW, THEREFORE, Declarant hereby adopts the following covenants, conditions, restrictions, reservations, easements and charges which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property (hereinafter defined) and which shall be applicable to all of the Property from time to time subject hereto, and shall run with the land and shall bind all parties having or acquiring any right, title, or interest therein or any part thereof, their heirs or successors in title and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Wood Glen Property Owners Association, a non-profit corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 2. The "Property" or the "Properties" shall mean and refer to the Initial Property described in the Recitals hereof, together with such portions of the Annexable Land (or other property) as may from time to time be made subject to this Declaration pursuant to the provisions hereof, but shall not include any part of the Annexable Land (or such other property) unless and until so annexed. All of the Property may sometimes be commonly known and referred to as phases or sections of "Wood Glen."

Section 3. "Lot" or "Building Plot" shall each mean and refer to each plot of land shown upon the recorded subdivision Plats from time to time within the boundaries of the Property and designated by lot and block number, and to the Living Unit and other improvements constructed or to be constructed thereon, but shall not mean or include any other portions of the Property. If building sites are created pursuant to Article XII, Sections 9 and 10 herein, the term "Lot" or "Building Plot" shall also thereafter mean and refer to any building site so created.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to the surface estate in any Lot or tract of land which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. "Occupant" shall mean any person legally entitled to occupy and use all or a portion of the Properties.

Section 5. "Common Properties" shall mean and refer to all those areas of land within the Properties except the platted Lots shown thereon, together with such other land as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Plats, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to the "Plats" shall mean and refer to all subdivision Plats from time to time filed of record in the Williamson County Plat Records with respect to Properties covered by The Declaration.

Section 6. "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the

Common Properties, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of improvements dedicated or under contract to the Association for the use and benefit of the Owners of the Lots in the Properties, and/or for the benefit of other owners outside the Property, constructed on portions of one or more Lots or on acreage owned by Declarant (or Declarant and others) which has not been brought within the scheme of The Declaration. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: structures for recreation; structures for storage or protection of equipment; swimming pools; hike and bike trails; tennis courts; golf course; fountains; statuary; sidewalks; common driveways; landscaping; guardhouses; esplanades; walls; and other similar and appurtenant improvements. References herein to "the Common Facilities" or any "Common Facility" shall mean and refer to Common Facilities as defined respectively in The Declaration and all Supplemental Declarations. The foregoing Common Facilities are permissive and not mandatory and the decision of the Board of Directors of the Association regarding the designation of Common Facilities shall be final so long as made in good faith and in accordance with the bylaws of the Association and any applicable governmental laws, rules and regulations.

Section 7. "Supplemental Declaration" shall mean and refer to (i) any declaration of supplemental restrictions filed of record by Declarant, its successors or assigns, imposing restrictions on or with respect to any of the Annexable Land, (ii) any supplemental declaration of annexation executed and filed of record by Declarant, its successors or assigns, bringing additional property within the scheme of The Declaration under the authority provided in the Declaration, and (iii) any supplemental declaration executed and filed of record by Declarant, its successors or assigns, purporting to do both of the foregoing. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declarations" shall be deemed to relate to the respective Properties covered by the relevant Supplemental Declaration.

Section 8. "Easements" shall mean and refer to the various utility or other easements of record, those shown on the map or Plats of the subdivisions within the Property and such other easements as are created or referred to in The Declaration.

Section 9. "The Declaration" shall mean and refer collectively to the covenants, conditions, restrictions, supplemental restrictions, reservations, easements, liens and charges imposed by or expressed in this Declaration of Covenants, Conditions and Restrictions, as supplemented and/or amended, including any and all Supplemental Declarations.

Section 10. "Board of Directors" and "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 11. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 12. "Conveyance" shall mean and refer to conveyance of a fee simple title to a Lot.

Section 13. "Declarant" shall mean and refer to the Declarant herein, and its successors and assigns if (i) such successors or assigns should acquire more than one Lot from Declarant, and (ii) such successors or assigns are designated in writing by Declarant, as a successor or assignee of all or part of the rights of Declarant hereunder.

Section 14. "Assessable Tract" shall mean and refer to any Lot or Building Plot from and after the date on which paved public street access, and water and sanitary sewer service have been extended thereto and are substantially completed and the plat including such lot or building plot has been filed for record in the Real Property Records of Williamson County, Texas.

Section 15. "Living Unit" shall mean and refer to any improvements on a Lot which are designed and intended for occupancy and use as a residence by one person, by a single family, or by persons maintaining a common household, excluding mobile homes or other non-permanent structures.

Section 16. "Base Annual Assessments" shall mean and refer to the uniform assessment made against Assessable Tracts pursuant to Sections 3 and 5 of Article III hereof.

Section 17. "Assessments" shall mean and refer to any or all of the Base Annual Assessments, Special Assessments (as defined below), contemplated or authorized herein or in any Supplemental Declaration from time to time filed of record.

Section 18. "New Construction Committee" shall mean and refer to the committee created by the Declarant to exercise exclusive jurisdiction over plans and specifications for all original construction of Living Units upon the Lots within the Properties as provided herein.

Section 19. "Modifications Committee" shall mean and refer to the committee created by the Board of Directors of the Association to exercise exclusive jurisdiction over the modifications, additions, or alterations made on or to existing Living Units or other improvements located on Lots as provided in Article IV hereof.

ARTICLE II
PROPERTY OWNER'S ASSOCIATION

Section 1. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for in The Declaration, and without limiting the generality hereof, the Association shall also discharge those functions necessary to the general maintenance of the Common Properties. The Board of Directors of the Association shall be empowered to oversee the activities of the Association and may take whatever lawful action that the Board, in its sole discretion, deems necessary to provide for the upkeep, development and aesthetic appearance of the Common Properties and Common Facilities and to enforce The Declaration for the common benefit of all within the Association. All rights of the Association herein and hereunder are vested in its Board of Directors unless specifically reserved to Declarant or a vote of the Members herein.

Section 2. Membership. Every person or entity who is a record Owner of any of the Properties which are subject to assessment by the Association (including Declarant, whether or not it is obligated to pay a full share of Assessments) shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land which is subject to assessment by the Association.

Other lands may hereafter be annexed into the jurisdiction of the Association in the manner herein described. If annexed, the Owners of Lots in each future section so annexed, as well as all Owners subject to the jurisdiction of the Association, shall be entitled to the use and benefit of all Common Properties that may become subject to the jurisdiction of the Association as a result of such annexation, and the Common Facilities thereon, and shall be entitled to the use and benefit of the maintenance fund hereinafter set forth, provided that each future section must be impressed with and subject to the Assessments imposed hereby, and further, such sections shall be made by recorded Supplemental Declaration subject to all of the terms of this initial Declaration (as then amended and/or modified as herein permitted or as modified by such Supplemental Declaration) and to the jurisdiction of the Association. Such additional stages of development may be annexed in accordance with the provisions of Article XI, Section 1, hereinbelow. Upon a merger or consolidation of the Association with another association, the properties, rights and obligations of the other association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association shall administer the covenants and restrictions established by The

Declaration, together with the covenants and restrictions applicable to the properties of the other merged association, as one scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the covenants and restrictions established by The Declaration.

Section 3. Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of Assessable Tracts with the exception of the Declarant (unless and until its Class B Membership converts to Class A Membership as contemplated below), and each such Class A Member shall be entitled to one vote for each Lot owned by such person or entity. When more than one person holds an interest in a single Lot, all such person shall be Members. The vote of such Lot shall be exercised as such co-owners among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot. If the co-owners of a single Lot do not vote unanimously and in unison, no vote for that Lot shall be counted.

Class B. Class B Members shall be the Declarant herein, who shall be entitled to nine (9) votes in the Association for each Lot owned by it. Class B Membership shall cease and be converted to Class A Membership (and Declarant may thereafter cast one Class A vote for each Lot owned by it, regardless of whether Declarant pays any or its full share of Assessments) on the happening of the earliest to occur of either of the following events (A or B):

- (A) The twentieth anniversary date of the recordation of this initial Declaration; or
- (B) When the Declarant terminates Class B votes by an instrument filed in the Official Public Records of Real Property of Williamson County, Texas or when it owns no lots and it has no other land to Annex.

At such time that additional Property is annexed into the Association, the Class B Membership of the Declarant, shall, if it had previously ceased due to one of the conditions listed above in (A) or (B), be reinstated and shall apply to all Lots owned by Declarant in the newly annexed portion of the Property as well as to all Lots owned by Declarant in all other areas of the Property.

Such reinstatement is subject to further cessation in accordance with the limitations set forth in the preceding paragraphs (A) or (B) of this Article, whichever occurs first. However, upon reinstatement due to annexation of additional Property, the period of time set forth in Section 3(A) of this Article shall be extended to the extent necessary such that in all circumstances it extends

for a period no shorter than ten (10) years from the date of each such recorded annexation (i.e., Supplemental Declaration).

Section 4. Non-Profit Corporation. Wood Glen Property Owner's Association, a non-profit corporation, has been organized, and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

Section 5. Bylaws. The Association may make whatever rules or bylaws it may choose to govern the organization, provided that same are not in conflict with the terms and provisions hereof.

Section 6. Members' Easements of Enjoyment. Subject to the provisions of Section 7 below, every Member shall have a non-exclusive common right and easement of enjoyment in the Common Properties and Common Facilities and such right and easement shall be appurtenant to and shall pass with the title to every Assessable Tract.

Section 7. Extent of Members' Easements. The rights and easements of enjoyment created hereby in favor of the Members shall be subject to the rights and easements now existing or hereafter created in favor of Declarant or others as referred to or provided for in The Declaration, and shall also be subject to the following provisions:

- (a) The Association shall have the right to borrow amounts not to exceed in the aggregate \$25,000.00 on an unsecured basis without Member approval; and, with the assent of Members present at called special meeting entitled to cast not less than a majority of the votes of all Members in the aggregate, to borrow more than \$25,000.00 and to mortgage the Common Properties and Common Facilities to secure such borrowings. The Association shall have the right to borrow from the Declarant on such basis as may be agreed upon with the assent of the Members as provided in this Section 7(a), so long as any such loan is to be repaid only out of the Base Annual Assessment and any special assessment approved by a majority of the Class A Members and the Declarant may not be given the right to require a special assessment for the purpose of repaying any loans made by the Declarant to the Association.
- (b) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Properties and Common Facilities against foreclosure of any such mortgage.
- (c) The Association shall have the right to suspend the rights of any Member to enjoyment and use of the Common Properties and Facilities: (1) for any period during which any Assessment or other amount owed by the Member

to the Association remains unpaid, and (2) as discipline in the event of violation of the behavioral rules of the Association concerning use of the Common Facilities and Common Properties.

- (d) The Association shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Common Properties and Facilities, and to suspend the enjoyment rights of any Member for any period not to exceed sixty (60) days for each and any infraction of such rules and regulations.
- (e) The Association shall have the right to assess and collect the Assessments provided for or contemplated herein and to charge reasonable admission and other fees for the use of any recreational facilities which are a part of the Common Properties or Facilities.
- (f) The Declarant may grant a right to use the Common Properties and Facilities to the resident owners or occupants of dwellings within any area of land from time to time owned by the Declarant in the vicinity of but not within the Property. Any such grant of rights must be in writing and must be on terms no more favorable to such users than then made available to the Members.
- (g) The Association shall have the right to dedicate, sell or convey all or any part of the Common Properties, or interests therein, to any public agency, authority, or utility, or to any third party whomsoever, for such purposes and subject to such conditions as may be agreed to by a vote of the Members as hereinbelow provided. No conveyance of Common Properties other than the granting of utility easements upon the Common Properties, shall be made without such vote. No such dedication or conveyance (except granting of utility easements) shall be effective unless approval by Members entitled to cast not less than two-thirds (2/3) of the votes of all Members in the aggregate.
- (h) The Association shall have the right to use, rent or lease any part of the Common Properties and/or Common Facilities for the operation (for profit or otherwise) of any service activity intended to serve a substantial number of residents in the Properties, as well as property owners outside the Properties, provided that any such lease or contract providing for use of Common Properties and Facilities by property owners outside the Property shall be approved, prior to being entered into, by Members entitled to cast no less than two-thirds (2/3) of the votes of all Members in the aggregate.

- (i) The Association shall have the rights, but not the obligation, to contract on behalf of all Assessable Tracts, for garbage and rubbish pickup, and to charge the Owner of each Assessable Tract for his pro rata share of the cost thereof, such pro rata share to be determined by dividing the number of Assessable Tracts being served into the total cost of providing such garbage and rubbish pickup. If the Association so elects, the charge to each Owner for garbage and rubbish pickup shall be in addition to or part of the Assessments described in Article III hereof. If the Association elects for such charges to be in addition to such Assessments, such charges shall not be subject to the limit on Base Annual Assessment contained in Article III hereof.
- (j) The Association shall have the right, but not the obligation, to contract on behalf of all Assessable Tracts, for security, and to charge the Owner of each Assessable Tract for his pro rata share of the cost thereof, such pro rata share to be determined by dividing the number of Assessable Tracts being served into the total cost of providing such security. If the Association so elects, the charge to each Owner for security shall be in addition to or part of the Assessments described in Article III hereof. If the Association elects for such charges to be in addition to such Assessments, such charges shall not be subject to the limit on Base Annual Assessment contained in Article III hereof.
- (k) Any action requiring approval by Members may be taken at a meeting duly called for the purpose of taking such action, by the requisite Members voting in person or by proxy or such an agreement may be entered into unilaterally by Declarant, without the requirement for a meeting, so long as Declarant controls a majority of the votes of all Members of the Association in the aggregate.
- (l) The Association may take other actions upon the approval of Members entitled to cast two-thirds (2/3) of the votes of all Members in the aggregate.

Section 8. Enforcement of Declaration. The Association shall have the power and authority to enforce the terms and provisions of The Declaration by legal action or other means provided for herein.

ARTICLE III

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Building Plot owned within the Properties, hereby covenants, and each Owner of any Building Plot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association: (1) Base Annual Assessments or charges, and (2) Special Assessments to be established and collected as hereinafter provided. The Base Annual and Special Assessments, together with interest, collection costs and reasonable attorney's fees, shall be a charge on the Lot and shall be secured by a continuing Vendor's Lien herein reserved and retained in favor of the Association upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, collection costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them, but shall be secured by the above-referenced continuing lien on the Lot so transferred as security for the delinquent obligation of the prior Owner, and may be enforced against such Lot notwithstanding any such Conveyance.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to improve, beautify, maintain, manage and operate the Common Properties and Common Facilities, and to pay taxes and insurance premiums thereon, and to promote the recreation, health, safety, convenience and welfare of the Members, such benefits to include, by way of illustration but not limitation: providing professional management services for the Common Facilities; providing patrol or watchman service; providing service contractors to manage and maintain recreational facilities; providing and maintaining lighting standards, fixtures and facilities; providing and maintaining all mechanical and electrical fixtures, plumbing equipment and drainage systems for the Common Properties and Facilities; fogging for insect control; providing garbage and rubbish pickup; maintaining the unpaved portion of, and any esplanades on, any street or right of way adjoining or serving the Property; maintaining landscaping and other improvements (including, without limitation walls, retaining walls, monuments, signage and irrigation systems) contained within esplanades and cul-de-sacs in any public streets located within or serving the Property, or in any landscape reserves; enforcing the provisions contained in The Declaration; employing, at the request of the Modifications Committee and/or New Construction Committee, one or more architects, engineers, attorneys, or other consultants, for the purpose of advising such Committees in carrying out their duties and authority as set forth herein or, at the option of the Board of Directors of the Association, for the maintenance and/or improvement of the Common Properties or Facilities or for the benefit of the Members; installation and maintenance of street light and other lighting systems; publishing a neighborhood

newsletter; providing animal control services; providing educational programs concerning environmental and endangered species laws and regulations. The foregoing uses and purposes are permissive and not mandatory, and the decisions of the Board of Directors of the Association shall be final as long as made in good faith and in accordance with the Bylaws of the Association and any applicable governmental laws, rules and regulations.

Section 3. Maximum Base Annual Assessment. The Base Annual Assessment for 1995 (the "Initial Base Annual Assessment") shall be \$240.00 per annum. Prior to conveyance of the first Lot to an Owner, the Association shall establish the amount of the Base Annual Assessment. Beginning on January 1 of the year immediately following the conveyance of the first Lot to an Owner, and as of each January 1 thereafter, the Board of Directors shall levy on each Assessable Tract and collect from the Owner thereof a Base Annual Assessment for each Building Plot, which shall be due and payable as provided hereinafter. Anything contained herein to the contrary or seemingly to the contrary notwithstanding, the Base Annual Assessments provided for herein shall be payable by the Owners of each of the Building Plots comprising Assessable Tracts within the boundaries of the Properties, in the manner hereinafter set forth.

- (a) From and after January 1, 1996, the maximum Base Annual Assessment which may be established by the Board of Directors without a vote of the Members in any year shall be the Initial Base Annual Assessment for 1995, increased by not more than eight percent (8%) per annum (compounded annually). Notwithstanding the foregoing, however, the Base Annual Assessment shall be increased by \$120.00 per annum upon completion of the swimming pool and related improvements and thereafter the maximum Base Annual Assessment shall be determined by using \$360.00 as the Initial Base Annual Assessment rather than \$240.00.
- (b) From and after January 1, 1996, the maximum Base Annual Assessment may be increased above the amount allowed in Section 3(a) above only by the vote or written assent of holders of a majority of the votes present at a quorum of all Members in the aggregate present and voting at a meeting duly called and held for such purpose.
- (c) The Board of Directors shall from time to time set, fix and levy the Base annual Assessment at an amount not in excess of the maximum permitted herein.

Section 4. Special Assessments for Capital Improvements. In addition to the Base Annual Assessments authorized by Section 3 hereinabove, the Association may levy against the Assessable Tracts in any calendar year one or more "Special Assessments" applicable

to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, purchase, acquisition, repair, or replacement of a capital improvement of the Association, including necessary fixtures and personal property related thereto, but any such special Assessment must be approved by Members entitled to cast not less than two-thirds (2/3) of the votes of all Members in the aggregate present and voting at a meeting thereof duly called and held for such purpose. The Special Assessment against every Assessable Tract shall be the same as the Special Assessment against every other Assessable Tract.

Section 5. Uniform Rate of Assessments. The Association, by action of its Board of Directors, shall levy Base Annual Assessments against the Assessable Tracts to obtain funds reasonably anticipated to be needed for purposes stated in Section 2 of this Article III, including reasonable reserves for contingencies and for capital improvements, replacements, and repairs; provided, the Base Annual Assessments shall be levied on a uniform basis as follows;

- (a) Building Plots owned by Declarant or its designated successors and assigns which are "Declarants" as defined herein25%
- (b) Building Plots conveyed by Declarant to builders for the purposes of constructing a residence thereon during the period of actual construction until substantially completed.100%
- (c) Building Plots with completed residences occupied by individual (including corporate or other entity) homebuyers.100%

Section 6. Declarant Assessment Liability. As long as there is a Class B Membership, Declarant shall be responsible only for any amount it has agreed in writing to pay to or on behalf of the Association. Declarant specifically disclaims any obligation to subsidize the Association generally or for any specific period of time except as expressly set forth herein. Notwithstanding the foregoing, Declarant hereby agrees that as long as Declarant owns any Building Plots, and to the extent that the funds available in any year from Base Annual Assessments, Special Assessments and any other charges provided for herein are not sufficient to meet the obligations of the Association for such year as set forth herein (the "Deficit") Declarant shall, at its election, either (a) fund such Deficit or (b) pay a full 100% Base Annual Assessment for such year on all Building Plots owned by Declarant. Any obligation of Declarant under this Section 6 of Article III to fund any Deficit shall cease upon the sale by the Declarant of the last Building Plot owned by Declarant. The Declarant may also make loans to the Association in

accordance with the provisions of Section 7(a) of Article II hereof.

Section 7. Commencement of Base Annual Assessments; Due Dates. Subject to the provisions of Section 5 of this Article, the Base Annual Assessments provided for herein shall commence on each Assessable Tract at such time as Lots on such Assessable Tract are finished and ready for home construction; provided, however, that the Base Annual Assessments shall not commence with respect to any Lot or Building Plot until such Lot or Building Plot becomes an Assessable Tract as defined herein. The Base Annual Assessment on each Assessable Tract for the first year of such Assessment shall be due and payable on the day a Lot or Building Plot becomes an Assessable Tract, and shall be pro rated for that year. After the first year, the Base Annual Assessment on such Assessable Tract for each such subsequent calendar year shall be due and payable on the first day of January in said year.

Section 8. Commencement of Special Assessments. The due date of any Special Assessment under Section 4 of this Article shall be fixed in the resolution of the members of the Association authorizing or approving such Special Assessment.

Section 9. Common Properties Exempt. All Common Properties as defined in Article I, Section 5, and all portions of the Property owned or otherwise dedicated to any political subdivision (excluding portions of public or private utility easements located upon or within the boundaries of Lots, which shall not be exempt), shall be exempt from the Assessments and liens created, reserved and/or contemplated herein.

Section 10. Duties of the Board of Directors. The Board of Directors of the Association shall determine the amount to be levied as the Base Annual Assessment against each Assessable Tract for each fiscal year, subject to the criteria and limitations set out in Sections 3, 5 and 6 of this Article. The Board of Directors of the Association shall cause to be prepared a roster of the Assessable Tracts showing the amount of each Assessment, which roster shall be kept in the office of Records of the Association and shall be open to inspection by any Owner during the Association's regular business hours. The Association shall upon demand at any time furnish to any Owner a certificate in writing signed by an officer or agent of the Association setting forth whether or not there are any unpaid Assessments against said Owner's Lot or Lots. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid, as to any third party who in good faith relies thereon to his economic detriment.

Section 11. Effect of Non-Payment of Assessments; Remedies of the Association; Liens Securing Assessments. Any Base Annual Assessment or Special Assessment not paid within thirty (30) days after the due date shall bear interest at the lesser of 18% per annum or the maximum per annum ceiling rate allowed by applicable

usury laws from the due date until paid. The Association may bring an action at law against the Owner personally obligated to pay the same, foreclose the lien against the Building Plot, or pursue both such remedies to the extent not mutually exclusive. Interest, court and other collection costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such Assessment or charge. Each such Owner, by his acceptance of a deed to a Building Plot, hereby expressly vests in the Association, or its agents, the right and power (i) to bring all actions against such Owner personally for the collection of such charges as a debt, and (ii) to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Section 51.002, Tex. Prop. Code Ann. or its statutory successor provisions, and such Owner hereby expressly grants to the Association a private power of sale in connection with said lien. The lien provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all Building Plot Owners. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Properties or abandonment of his Building Plot.

Section 12. Subordination of the Lien to Mortgages. The lien securing any Assessment provided for herein shall be subordinate to the lien of any mortgage(s) now or hereafter placed upon the Building Plot subject to the Assessment for the purpose of securing indebtedness incurred to purchase or improve such Building Plot; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale or transfer of such Building Plot pursuant to a decree of foreclosure or a foreclosure by trustee's sale under a deed of trust. Such sale or transfer shall not relieve such Building Plot from liability for any Assessment thereafter becoming due, nor from the lien securing any such subsequent Assessment. In addition to the automatic subordination provided for above, the Association, in the discretion of its Board of Directors, may voluntarily subordinate the lien securing any Assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determine. No such voluntary subordination shall be effective unless given in writing by the Association upon a vote of the Board of Directors.

Section 13. Exempt Property. The Assessments and liens created in this Article III shall apply only to Assessable Tracts. The remainder of the Properties shall not be subject thereto nor shall the Owners thereof (except Declarant) be entitled to the rights granted to Members in the Association.

ARTICLE IV

NEW CONSTRUCTION COMMITTEE AND MODIFICATIONS COMMITTEE

Section 1. New Construction Committee; Tenure. The Declarant shall initially appoint a New Construction Committee, consisting of not less than three (3) members, who need not be Members of the Association. The persons serving on the New Construction Committee, or their successors, shall serve until such time as all Lots subject to the jurisdiction of the Association shall have completed Living Units constructed thereon, and until Declarant declares that it has no additional property to annex at which time the New Construction Committee shall resign and thereafter its duties shall be fulfilled and its powers exercised by the Board of Directors of the Association. In the event undeveloped land is annexed into the Association, after resignation of the original New Construction Committee, the Declarant may appointment a replacement New Construction Committee to act with the authority and purpose of the original New Construction Committee with respect to new construction, for such a term as the Board may designate, and subject to the Board's continuing right to remove members thereof and fill vacancies in such Committee. In the event of the death or resignation of any person serving on the New Construction Committee (or in the event that Declarant should remove a member of such Committee, which Declarant reserves the power to do with or without cause), the remaining person(s) serving on the Committee shall designate a successor, or successors (unless the same occurs during the Declarant control period specified in Section 2 hereof, in which event Declarant shall make such appointment), who shall have all of the authority and power of his or their predecessor(s). A majority of the New Construction Committee may from time to time designate someone serving on the Committee to act for it as the designated representative. No person serving on the Committee shall be entitled to compensation for services performed pursuant to this Article IV. However, the Committee may employ one or more architects, engineers, attorneys, or other consultants to assist the Committee in carrying out its duties hereunder, and the Association shall pay such consultants for such services as they render to such Committee.

Section 2. Rights of the New Construction Committee. The Declarant reserves the right to control and direct the New Construction Committee (including the making of all appointments thereto and removing any member thereof) for a period of fifteen (15) years from the date of the recording of this initial Declaration. At the time when future properties are annexed into The Declaration and the jurisdiction of the Association, if ever, the term of the members of the New Construction Committee will extend no less than ten (10) years from the date of the recordation of the annexation document (i.e., the Supplemental Declaration),

and Declarant's control of the New Construction Committee shall continue throughout that extended term.

Should the Declarant decide to relinquish control of the New Construction Committee prior to the expiration of the control period stated above, it may do so by causing all its members to resign with a minimum of thirty (30) days' prior written notice to the Board of Directors of the Association.

The New Construction Committee shall reserve the right to develop, adopt and from time to time revise Architectural Control Guidelines for use in the review and approval of construction and improvement projects.

Section 3. Modification Committee. The Board of Directors is authorized to establish a Modifications Committee whose responsibility it will be to set standards, review and act upon all proposed modifications or improvements to those Lots where the Living Units have been constructed and sold and are owned by someone other than the Declarant, its successors or assigns, or a Builder (hereinafter defined). This Committee will be comprised of no less than three (3) members with at least two (2) members required to be Members of the Association. The Modifications Committee will be governed by the Board of Directors and shall adhere to all the provisions set forth in this Declaration.

The Modifications Committee shall promulgate standards and procedures governing its area of responsibility and practice. In addition thereto, the following requirements shall be adhered to: plans and specifications showing the nature, kind, shape, color, size, materials and location of such modifications, additions or alterations, shall be submitted to the Modifications Committee for approval as to quality of workmanship and design and harmony of external design with existing structures and as to location in relation to surrounding structures, topography and finished grade elevation. Nothing contained herein shall be construed to limit the right of the Owner to remodel the interior of a Living Unit or to paint the interior of a Living Unit any color desired unless such interior area will be visible from a public street.

Section 4. General. All Property which is now or may hereafter be subjected to The Declaration is subject to architectural and environmental review. No Living Unit or other improvements (including, without limitation, garages, swimming pools, streets, driveways, sidewalks, drainage facilities, landscaping, fences, walks, fountains, statuary and flagpoles, but excluding improvements interior to a Living Unit unless such interior improvements will be visible from a public street) shall be constructed nor shall any such Living Unit or other improvements be modified or altered, without the prior written approval of the New Construction Committee or Modifications Committee, as appropriate. This review shall be in accordance with this initial

Declaration (as amended), any relevant Supplemental Declaration(s) (as amended), and such standards as may be promulgated by the Board, the New Construction Committee, or the Modifications Committee (subject to review by the Board), and such review and standards shall or may include, without limitation: general aesthetic character of improvements to be constructed; placement, orientation and location of improvements on a Lot; landscaping species, location and arrangement; architectural style; elevations; grading plan; color, quality, style and composition of exterior materials, including (without limitation) roofs, walls, patios, sidewalks and driveways; location, style, composition and extent of fencing; roof line and orientation; and appropriateness of permitting any proposed structures or improvements other than a Living Unit and garage, such as fountains, flagpoles, statuary, outdoor lighting, or others, neither Committee being obligated under any circumstances to approve any such other improvements if they determine that same would detract from the overall aesthetic quality of the area. Any obligation of Declarant to enforce provisions relating to historic preservation shall become the responsibility of the Association and the Committees created in this Article shall ensure compliance therewith. The Board of Directors shall have the right and power on behalf of the Association to enforce in courts of competent jurisdiction decisions of either Committee.

Section 5. Submissions to New Construction Committee. To secure the approval (the "Final Approval") of the New Construction Committee, an Owner shall deliver to the Committee in form and substance reasonably satisfactory to the Committee the number of complete sets hereinafter set forth of:

- (a) The Design Development Plan which shall include:
 - (i) a site plan showing the location, dimensions, orientation to boundary lines and the set-back lines, of proposed buildings, garages, other structures, driveways, sidewalks, fencing and all other improvements;
 - (ii) design elevation of, and a floor plan for, and description of the foundation, height and size of each structure, including the living area square footage of each structure; and
 - (iii) A description and sample of the exterior materials concept for each structure.
- (b) Drawings and details of all exterior surfaces, including the roof, showing elevations, and including the color, quality and type of exterior construction materials (collectively, the "Exterior Plan");

- (c) A landscaping plan, which will include species, layout, location, size and configuration of all proposed landscaping and landscaping materials, detailing the proposed use and treatment of all portions of the Lot that are not to be covered by sod, structures, or sidewalk or driveway paving (the "Landscaping Plan");
- (d) All such other information as may be reasonably required which will enable the New Construction Committee to determine the location, scale, design, character, style and appearance of such Owner's intended improvements.

All of the foregoing (collectively, as originally submitted and as revised and resubmitted, the "Plans") shall conform to the applicable provisions of the Declaration. The Owner shall supply as many sets, not to exceed three (3), as deemed appropriate by the Committee.

Where an Owner has neglected to submit a site plan and/or a schematic plan for approval, failure of the New Construction Committee to exercise the powers granted by this Article IV shall never be deemed a waiver of the right to do so either before or after a building or other improvement in the Properties, or any exterior addition to or alteration therein, has been completed.

Where not otherwise specified herein or in an applicable Supplemental Declaration, the New Construction Committee also shall have the right to specify requirements for each Building Plot as follows: minimum setbacks; driveway access to adjacent street; the location, materials, height and extent of fences, walls or other screening devices; garage access; and the orientation and placement of structures with respect to streets, walks and structures on adjacent property. There shall be no chain link fencing except as may be utilized by builders with the approval of the New Construction Committee for temporary storage of building materials and supplies during the construction phase. All roofing materials shall meet standards prescribed by the New Construction Committee and/or the Modification Committee, as the case may be. The surface materials used in the construction of driveways and front sidewalks will consist solely of concrete and/or bricks unless otherwise approved by the New Construction Committee and/or the Modifications Committee, as the case may be. The New Construction Committee shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed (or imposed in any applicable Supplemental Declaration) or meet its minimum construction requirements or architectural design requirements or that might not be compatible, in its judgment, with the overall character and aesthetics of the Properties.

The New Construction Committee has the full authority to enforce additional restrictions as they are created against any Building Plots within any of the Annexable Land (or any other property made subject to this Declaration), as imposed pursuant to any Supplemental Declaration. Such restrictions will be more clearly defined in Supplemental Declarations filed by Declarant in the Real Property Records of Williamson County, Texas, annexing the Annexable Land.

Section 6. Time for Review of Plans. Upon submission by the Owner to the New Construction Committee or the Modifications Committee of a written request for Final Approval and the submission to the New Construction Committee of the Design Development Plan or the Plans (as applicable, and in either case, the "Submitted Plans"), or other plans to the Modifications Committee, each Committee shall review same within thirty (30) days from receipt of plans and notify Owner in writing whether the Submitted Plans are approved or disapproved. Committees, as required, shall approve the plans if such plans do not violate The Declaration (including the requirements of any applicable Supplemental Declaration, if any) or the guidelines and criteria from time to time existing and established by the Committees, and are consistent with their judgment on aesthetic compatibility of the proposed improvements with other portions of the Properties and/or improvements thereon. Any such disapproval shall set forth the specific reason or reasons for such disapproval. In the event the New Construction Committee or the Modifications Committee fails to either (i) approve or disapprove submitted Plans, or (ii) request additional information reasonably required, within thirty (30) days after submission, the Submitted Plans shall be deemed approved. No construction of the improvements provided for in the Submitted Plans (including those resubmitted under Section 7 of this Article) shall be commenced until the Submitted Plans have been approved as provided herein.

Section 7. Review of Revised Plans. If the New Construction Committee shall disapprove any part of the Submitted Plans, the Owner may revise the Submitted Plans to incorporate such change requested by the New Construction Committee and may deliver the required number of complete sets of revised Submitted Plans to the New Construction Committee and the New Construction Committee shall endeavor to review such revised Submitted Plans within thirty (30) days to determine Owner's compliance with the New Construction Committee's requested changes.

Section 8. Changes in Approved Plans. An Owner shall secure the written approval of the New Construction Committee to any material change or revisions in approved Plans in the manner provided in this Article for the approval of Plans.

Section 9. Variances. The New Construction Committee may authorize variances from compliance with any of the architectural provisions of The Declaration, including restrictions upon height, size, placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations or any other reasonable item may, in the Committee's judgment and discretion, require. The Committee's decision on a requested variance shall be final, conclusive and binding. Such variances must be evidenced in writing, must be signed by at least one member of the New Construction Committee or its representative designated in writing, and shall become effective upon their execution. If such variances are granted, no violation of the covenants, conditions and restrictions contained in The Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of The Declaration for any purpose except as to the particular provision hereof covered by the variance, and only for the particular Lot in question, nor shall it affect in any way the Owner's Obligation to comply with all governmental laws and regulations.

Upon the recommendation of the Modifications Committee, the Board of Directors may authorize variances, as stated above. Such Modifications Committee's variances must be evidenced by a written instrument signed by a majority of the Board of Directors and a majority of the Modifications Committee.

Section 10. Fee for Review. The Board may establish and charge a reasonable fee for review by the New Construction Committee or the Modification Committee of the plans for any improvements. Payment of such fee shall be a condition to approval of any plans submitted.

Section 11. No Liability. Neither Declarant, the Association, Board of Directors, the New Construction Committee or Modifications Committee or the members thereof shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner of a Building Plot affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications, including specifically, but without limitation, consequences of any defect in any plans or specifications. The approval of plans shall not be deemed or construed to be an opinion, warranty, representation or statement that the plans are technically sound or that the improvements described will be habitable or safe. Every person who submits plans or specifications to the New Construction Committee or Modifications Committee for approval agrees, by submission of such plans and specifications, and every Owner agrees, that he will not bring action or suit against Declarant,

the Association, the Board of Directors, the Committees, or any of the members thereof to recover any such damages.

Section 12. Rules and Regulations. The New Construction Committee may from time to time, in its sole discretion, adopt, amend and repeal rules and regulations interpreting and implementing the provisions hereof.

ARTICLE V

EASEMENTS

Section 1. General. The rights and duties of the Owners of Lots within the Property with respect to sanitary sewer, water, electricity, gas, telephone, and cable television lines and drainage facilities shall be governed by the following:

- (a) Wherever sanitary sewer and/or water house connections or electricity, gas or telephone and cable television lines or drainage facilities are installed within the Property, which connection lines or facilities or any portion thereof, lie in or upon Lots owned by any party other than the Owner of a Lot served by said connections, lines or facilities, such Owners of Lots served shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots within the Property in or upon which said connections, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.
- (b) Wherever sanitary sewer and/or water house connections or electricity, gas, telephone or cable television lines or drainage facilities are installed within the Property, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections which service his Lot.

Section 2. Reservation of Easements. Easements over the Lots and Common Properties for the installation and maintenance of electric, telephone, cable television, water, gas and sanitary sewer lines and drainage facilities are hereby reserved by Declarant, together with the right to grant and transfer same.

Section 3. Surface Areas of Utility Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded Plat(s). With the exception of certain Lots located on the perimeter of the Property, underground electric, gas and telephone service shall be available to the Lots. For so long as such underground service is maintained, the electric service to each Lot shall be uniform and exclusively of the type known as single-phase, 120/240 volt, three-wire, 60-cycle, alternating current. Easements for the underground services may be crossed by driveways, walkways, patios, brick walls and fences, provided the Owner or the homebuilder makes any required or necessary arrangements with the utility companies furnishing electric, gas and telephone service and provides and installs any necessary conduit of approved type and size under such driveways,

walkways, patios, brick walls or fences prior to construction thereof. Such easements for the underground service shall be kept clear of all other improvements, and neither the grantor of the easements nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees servants, to shrubbery, trees, flowers or other improvements (other than crossing driveways, walkways, patios, brick walls or fences, providing conduit has been installed as outlined above) of the Owner located on the land covered by said easements.

Section 4. Public Streets. All Lots within the Property shall abut and have access to a public street. Public street rights-of-way are or shall be shown on the Plat(s).

Section 5. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles and other service vehicles to enter upon the Common Properties, including, but not limited to, private streets, in the performance of their duties and further, an easement is hereby granted to the Association, its officers, agents, employees, and management personnel to enter the Common Properties to render any service or perform any function contemplated herein.

Section 6. Universal Easement. Each Lot Owner grants a perpetual easement to the Association for any encroachment of Common Facilities onto such Owner's Lot caused by Declarant or the Association prior to such Lot Owner's purchase of said Lot. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of The Declaration and shall be appurtenant to or a burden upon the Lot being serviced and shall pass with each conveyance of said Lot.

Section 7. Audio and Video. In the event that audio and video communication services and utilities are made available to any said Lots by means of an underground coaxial cable system, the company furnishing such services and facilities shall have a two foot (2') wide easement along and centered on the underground wire or cable when and as installed by said company from the utility easement nearest to the point of connection on the permanent improvement or structure constructed, or to be constructed upon said Lot, and in a direct line from said nearest utility easement to said point of connection.

Section 8. Electric Distribution System. An electric distribution system will be installed within the boundaries of the Properties pursuant to one or more agreements for electric service to be executed and recorded by Declarant and the relevant utility. This electrical distribution system shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three-phase, as well as underground primary and secondary

circuits, pad mounted or other types of transformers, junction boxes and such other appurtenances as shall be necessary to make electrical service available. The Owner of each Lot containing a Living Unit shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of the local governing authorities and the National or Local Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service (the "Company") shall make the necessary connections at said point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service (the "Company") shall make the necessary connections at said point of attachment and at the meter. Declarant has granted or will grant either by designation on the Plat(s) or by separate instrument, necessary easements to the Company providing for the installation, maintenance and operation of its electric distribution system and has also granted or will grant to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various Owners to permit installation, repair and maintenance of each Owner's owned and installed service wires. In addition, the Owner of each Lot containing a Living Unit shall, at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the Company) for the location and installation of the meter of such Company for each Living Unit involved. The electric service to each Living Unit shall be uniform in character and exclusively of the type known as single-phase, 120/240 volt, three-wire, 60-cycle, alternating current, and all portions thereof located on Lots shall be underground.

Section 9. Easement Across Specific Lots. An easement is hereby granted to the Association across the following specific lots:

- (a) An easement is granted across the rear portion of each of Lots 2 through 13, Block A, Wood Glen, Section I, Phase I-A, a subdivision in Williamson County, Texas, according to the map or plat thereof which is recorded in Cabinet M, Slides 210-212 of the Real Property Records of Williamson County, Texas ("Phase I-A"), for the purpose of allowing landscaping and the construction of fences and/or walls thereon by the Association. Said easement shall be five feet (5') in width as to Lots 2 through 13, and additionally as shown on Exhibit "C" attached hereto as to Lot 2. The ownership of such fences and/or walls

may, at the election of the Association, be retained by the Association.

- (b) An easement is granted to the Association along the property line of Block A, Lots 1 and 25, Block B, and Lot 43, Block A, of Lot 2, Phase I-A, adjacent to Plantation Drive, for the purpose of allowing the construction of a fence or wall along such property line by the Association. The ownership of such fences and/or walls may, at the election of the Association, be retained by the Association.
- (c) In addition, an easement is hereby granted to the Association to enter upon the remainder of the foregoing Lots to the extent necessary to maintain or repair any walls or fences constructed within the easements granted herein.

ARTICLE VI

UTILITY BILLS, TAXES AND INSURANCE

Section 1. Obligation of the Owners. Owners' utility bills, taxes and insurance shall be governed by the following:

- (a) Each Owner shall have his separate electric, gas (unless total electric dwelling) and waste meter and shall directly pay at his own cost and expense for all electricity, gas, water, sanitary sewer service, telephone service, cable television and other utilities used or consumed by him on his Lot.
- (b) Each Owner shall directly render for taxation his own Lot and improvements thereon, and shall at his own cost and expense directly pay all taxes levied or assessed against or upon his Lot and his improvements and property thereon.
- (c) Each Owner shall be responsible at his own cost and expense for his own property insurance on the building and contents of his own Living Unit, and his additions and improvements thereto, including decoration, furnishings, and personal property therein; and also for his personal liability not covered by liability insurance for all Owners which may be obtained by the Association as part of the common expense in connection with Common Properties or Common Facilities.

Section 2. Obligation of the Association. The Association shall have the following responsibilities regarding utility bills, taxes and insurance for the Common Properties and Facilities:

- (a) The Association shall pay as a common expense of all Owners, for all water, gas, electricity and other utilities used in connection with the enjoyment and operation of the Common Properties or any part thereof.
- (b) The Association shall render for taxation and, as part of the common expenses of all Owners, shall pay all taxes levied or assessed against or upon the Common Properties and the improvements and the property appertaining thereto.
- (c) The Association shall have authority to obtain and continue in effect as a common expense of all Owners, a blanket property insurance policy or policies to insure the structures and facilities, if any, located in the Common Properties and the contents thereof and the Association against the risks of loss or damage by fire and other hazards as are covered under standard extended or all-risk coverage provisions, in such limits as the Association deems proper, and said insurance may include coverage against vandalism and such other coverage as the Association may deem desirable. The Association shall also have the authority to obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Common Facilities, the Association, the Board of Directors, and/or the Association's Members, agents and employees, from and against liability in connection with Common Properties and Common Facilities.

Director and officer liability insurance and fidelity bonds are also allowable coverages that may be obtained by the Association.

- (d) All costs, charges and premiums for all utility bills, taxes and any insurance to be paid by the Association as hereinabove provided shall be paid out of the maintenance fund as a common expense of all Owners and shall be a part of the Base Annual Assessment.
- (e) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:
 - (i) A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners and their respective tenants, servants, agents, and guests.

- (ii) A waiver by the insurer of its right to repair and reconstruct instead of paying cash;
- (iii) That no policy may be canceled, invalidated, or suspended on account of any act or omission of any one or more individual Owners or Occupants of Lots;
- (iv) That no policy may be canceled, invalidated or suspended on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner or Mortgagee; and
- (v) That any "other insurance" clause in any policy exclude individual Owners' policies from consideration.

Section 3. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction, as hereinafter provided.

Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Properties or Common Facilities, or (in the event no repair or reconstruction is made) after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s), as their interests may appear, if any Living Unit is involved, shall be retained by and for the benefit of the Association.

If it is determined, as provided for in Section 5 of this Article, that the damage or destruction to the Common Properties or Facilities for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds herein.

Section 4. Damage and Destruction. Immediately after the damage or destruction by fire or other casualty to all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph,

means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the fire or other casualty.

Any damage or destruction to the Common Properties or Facilities shall be repaired or reconstructed unless at least seventy five percent (75%) of all votes in the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extensions shall not exceed an aggregate of sixty (60) days. No Mortgagee of a Lot shall have the right to participate in the determination of whether the Common Properties or Facilities damaged or destroyed shall be repaired or reconstructed.

In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Properties or Facilities shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Properties by the Association in a neat and attractive condition.

Section 5. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's Members, levy a Special Assessment against all Class A Owners in proportion to the number of Lots. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the cost of repair, such excess shall be deposited to the benefit of the Association.

ARTICLE VII

CONDEMNATION

In the event that all or any part of the Common Properties shall be taken by any authority having the power of condemnation or eminent domain, no Owner shall be entitled to notice thereof nor be entitled to participate in the proceedings incident thereto. Any decision by the Board of Directors to convey Common Properties in lieu of and under threat of condemnation, or to accept an agreed award as compensation for such taking, shall require approval by a

vote of fifty-one percent (51%) of a quorum of the members of the Association present and voting at a special meeting called for such purpose. The award made for such taking shall be payable to the Association, as trustee for all Owners, to be disbursed as follows:

If the taking involves a portion of the Common Properties on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy five percent (75%) of the total number of votes in the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Properties, to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article VI hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. The taking does not involve any improvements on the Common Properties, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such aware or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE VIII

MAINTENANCE AND REPAIRS

Section 1. By the Owners. It shall be the duty, responsibility and obligation of each Owner at his own cost and expense to care for, maintain and repair the exterior and interior of his Living Unit and all other improvements on his Lot and the fixtures, appliances, equipment and other appurtenances thereto and also including the private driveway appurtenant to his Living Unit, sidewalks, fences and any storage sheds or other outbuildings which are appurtenant to and situated on his Lot. The Association shall have no duty or obligation to any Owner in this regard. The Association shall have the right to enforce this restriction to the fullest extent permitted in The Declaration. If any improvement on a Lot is damaged or destroyed, the Owner shall diligently proceed to restore such improvement to the condition existing prior to such damage or destruction or, in the alternative, raze or remove such improvement and landscape the Lot pursuant to a "Removal Plan" approved by the Modifications Committee. If any improvements commenced on a Lot are abandoned prior to completion of construction for more than a period of ninety (90) days, or are not completed within twelve (12) months after commencement of construction, the Owner shall raze or remove such improvements and landscape the Lot pursuant to a "Removal Plan" approved by the Modifications Committee.

Section 2. By the Association. The Association, as a common expense of all Owners, shall perpetually care for, maintain and keep in good repair the Common Property, Common Facilities and all parts thereof, including but not limited to, landscaped lawns, fences, esplanades, parking areas and improvements and facilities owned by the Association, except that it shall be the obligation of each Owner, and not the obligation of the Association, to pay for the cost of repair and maintenance of any private driveway, sidewalk, and fence or fences which are appurtenant to such Owner's Lot or Living Unit. The Board of the Association has the additional right, but not the obligation, to have the grass or vegetation cut and maintained, in a neat and sanitary manner, on the land that is owned by or dedicated to the City of Round Rock, Williamson County if the appropriate city county or the Texas Department of Transportation maintenance standards are not acceptable to the Board of the Association. The Association shall also have the additional right, but not the obligation, to maintain all walls or fences along Plantation Drive and F.M. 3406.

ARTICLE IX

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. The Common Properties. The Association, subject to the rights of the Owners set forth in The Declaration, shall be responsible for the exclusive management and control of the Common Properties and all improvements thereon (including furnishings and equipment related thereto), and shall keep it in good, clean, attractive, and sanitary condition, order and repair, pursuant to the terms and conditions hereof. All landscape reserves shall be utilized and maintained as Common Properties for the Association and for no other purpose.

The Board of Directors shall be authorized to contract with outside associations (such as homeowner's associations, community associations, or the like) or with developers of areas outside the Properties to share usage of the recreational Common Facilities of this Association. Such contract shall set forth usage privileges and obligations and monetary payment for such privileges to the Association. All arrangements, fee schedules and contracts will be on terms no more favorable to such users than made available to the Members, but otherwise will be developed and approved at the total discretion of the Board of Directors of the Association.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Platted Property, conveyed to it by the Declarant. Notwithstanding anything contained in this

Declaration to the contrary, Declarant, and the Association upon its succeeding to Declarant's rights, shall have the right, power and authority to dedicate to any public or quasi-public authority water lines, sanitary sewer systems, storm water facilities, streets and esplanades situated in the Common Properties and to terminate or modify these restrictive covenants with respect to such dedicated Property. Such dedication and acceptance thereof shall not prohibit the Association from maintaining the land and facilities located within dedicated areas, nor relieve the Owners of the obligation to participate in the payment of the cost of such maintenance.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this initial Declaration and any subsequent Supplemental Declarations. Sanctions may include reasonable monetary fines which shall constitute a lien upon the Owner's Lot (and improvements located thereon), and suspension of the right to vote, and the right to use the Common Properties and Facilities and to receive services contracted for through the Association. In addition, the Board shall have the power (but not the obligation) to seek relief in any court for violations or to abate unreasonable disturbance.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein necessary to effectuate any such right or privilege.

ARTICLE X

RESTRICTIONS ON USE; RESTRICTIONS ON IMPROVEMENTS

Section 1. Single-Family Residence.

(a) All buildings, structures, and other improvements erected, altered, or placed in the Property shall be of new construction, and each Lot (and all Property that is subject to The Declaration, whether or not subdivided, except Common Properties) shall be used only for the construction of Living Units (i.e., detached single-family residential structures), each for use only as a residence for a single family of individuals related by blood or marriage, or maintaining a common household as husband and wife, or by co-owners (excluding cooperative type ownership if being used to avoid the intent of this restriction). No structure of a temporary character, trailer, mobile home, tent, shack, barn, or outbuilding shall be permanently or temporarily erected,

maintained, or installed on any Lot at any time except as may be approved by the New Improvements Committee, but in no event shall any such approved non-Living Unit structure be used as a residence, either temporarily or permanently. No part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other non-residential purposes, or for any commercial use of a residential nature (e.g., as a boarding house, day-care facility, half-way house, nursing home, rehabilitation or therapy facility, etc.).

(b) Unless the New Construction Committee otherwise agrees in writing, the exterior finish or construction of a Living Unit shall be at least seventy-five (75%) percent brick, stone, or other masonry on the first floor; in computing such percentages, windows, doors, gables and roof areas shall be excluded, but garages, porches, and other structures constituting part of the Living Unit proper shall be included. All exterior wood products shall require the written approval of the New Construction Committee. No building shall be erected, altered or permitted to remain on any single Lot, other than one single-family residential dwelling and a private garage for not less than two (2) full size cars nor more than three (3) cars. No carports shall be permitted on any Lot within the Properties, except that porte cochere type structures that are attached and architecturally integrated into a Living Unit may be approved by the Committees on a case-by-case basis. The maximum allowable height of any residential structure shall not exceed two and one half (2 1/2) stories. For purposes hereof, any one-half (1/2) story of a house must be contained within the peaked roof line of a one or two story home, as the case may be.

(c) Unless The New Construction Committee otherwise agrees in writing, the exterior finish or construction of a living unit located on a corner lot (at the intersection of two streets) shall be at least 75% stone, brick or other masonry on the two sides which face the adjacent streets.

Section 2. Reasonable Enjoyment. No nuisance shall ever be erected, placed, or suffered to remain upon any Lot in the Property and no Owner or Occupant of any Lot in the Property shall use the same so as to endanger the health or disturb the reasonable enjoyment of any other Owner or Occupant. The Association's Board of Directors is hereby authorized to determine what constitutes a violation of this restriction.

Section 3. Animal Husbandry. No sheep, goats, horses, cattle, swine, poultry, dangerous animals (the determination as to what is a dangerous animal shall be in the sole discretion of the

Association's Board of Directors), snakes or livestock of any kind shall ever be kept in or upon any part of the Property except that no more than two (2) dogs, and not more than two (2) cats or other common household pets may be kept by the Owner or Occupant of any Living Unit, provided they are not kept for any commercial purpose.

Any allowable pet that is kept in a household must be confined to its Owner's Lot either by constraints of a backyard fence, a leash or within the Living Unit. No animal shall be permitted to run freely away from its Owner's Lot and must be controlled by a leash.

All applicable leash and licensing laws in effect in the City of Round Rock and Williamson County, to the extent more restrictive than this provision, shall also apply to this animal husbandry provision and shall be complied with by all Owners and Occupants of Lots.

Section 4. Trash and Rubbish Removal. No trash, rubbish, garbage, manure, or debris of any kind shall be kept or allowed to remain on any Lot. The Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense, and prior to such removal all such prohibited matter shall be placed in sanitary refuse containers with tight fitting lids in an area adequately screened by planting or fencing so as not to be seen from neighboring Lots or public or private streets. Reasonable amounts of construction materials and equipment may be stored upon a Lot for reasonable periods of time during the construction of improvements thereon.

Section 5. Oil and Mining Operations. No oil or natural gas drilling, oil or natural gas development, or oil refining, quarrying, or mining operations of any kind, no oil, natural gas or water wells, tanks, tunnels, mineral excavations or shafts, and no derricks or other structures for use in boring for oil, natural gas, minerals or water shall be erected, maintained or permitted in the Properties.

Section 6. Prohibited Use. Industrial use of the Properties is prohibited. No use shall be permitted which is offensive by reason of odor, fumes, dust, smoke, noise or pollution, or which is hazardous by reason of excessive danger of fire or explosion. No activity or use shall be permitted on or with respect to the Property which is determined by the Board to be obnoxious to or out of harmony with a distinctive residential community, including, but not limited to, any trailer houses and parks, junk or scrap metal yard, waste material business, any dumping, disposal, incineration or reduction of garbage or refuse, and any fire, bankruptcy or auction sale or operation. No excavations shall be made and no sand, gravel or soil shall be removed from the Properties except in connection with a grading and/or building plan approved as provided by the New Construction Committee. No burning of rubbish or trash shall be permitted at any time. No storage area shall be permitted between any building and the front Property line of such Property.

No activity, whether for profit or not, which is not related to single-family residential purposes, shall be carried on upon any Lot, except on those Lots which may be designated by Declarant for use as sales offices, construction offices, and storage facilities for a period of time commensurate with home construction and sales within the Property. Except for this temporary use of selected Lots, no noxious or offensive activity of any sort shall be permitted, nor shall anything be done, on any portion of the Properties which may be or become an annoyance or nuisance to the neighborhood.

Section 7. Septic Tanks. No privy, cesspool or septic tank shall be placed or maintained in the Property.

Section 8. Declarant's Rights During Development Period. During that period of time while any parcels of land, Lots or Living Units located within the Property are being developed and marketed (the "Development Period"), the Declarant, with the right of assignment, shall have and hereby reserves the right to reasonable use of the Common Properties and land owned by the Declarant within the Property in connection with the promotion and marketing of land within the boundaries of the Properties. Without limiting the generality of the foregoing, Declarant may erect and maintain such marketing or directional signs, temporary buildings, model homes and other structures as Declarant may reasonably deem necessary on property with the promotion, development, and marketing of land within the Property during the Development Period.

Section 9. Builder Rights. During the Development Period, the Declarant shall have the right to allow any one or more approved homebuilders (a "Builder") the right to erect and maintain such signs, model homes, and other structures Declarant may reasonably deem necessary or proper in connection with such Builders' promotion, development, and marketing of Lots and residential improvements located within the Property. The approvals granted by the Declarant as described above are discretionary and may be revoked in the manner specified in an agreement between Declarant and the Builders or, if there is no agreement, a Builder shall be given at least ten (10) days' notice to comply with any revocation of approval by the Declarant.

Section 10. Storage of Boats, Trailers and Other Vehicles and Equipment. No boat, trailer, golf cart, golf cart trailer, recreational vehicle, camping unit, bus, commercial use truck, or self-propelled or towable equipment or machinery of any sort or any item deemed offensive by Declarant or the Association shall be stored on any street in the Property or on any Lot except in an enclosed structure or behind a solid fence, the design of which has been approved by The New Construction Committee or the Modification Committee, except that during the construction of improvements on a

Lot, necessary construction vehicles may be parked thereon from and during the time of necessity therefor. A fence enclosing a boat, trailer, recreational vehicle or the like shall be a solid wood fence at least six feet (6') tall and the side of such fence exposed to public view shall be the smooth side. This restriction shall not apply to automobiles or small non-commercial passenger trucks in good repair, attractive condition and having current registration status, provided that any such vehicles are parked on an improved driveway which has been approved by the New Construction Committee. Storage of approved vehicles on the driveway or street right-of-ways is defined as parking without movement for a period or forty eight (48) hours or more during a period of seven (7) consecutive days. No vehicle shall ever be permitted to be stored on the front or side lawn within view of the public. Removal of a boat, trailer, camper, recreational vehicle or other item restricted by this paragraph for short periods, so as to avoid the intent of this provision, shall not affect the running of the time periods set out herein.

No vehicle shall ever be permitted to park on a driveway at a point where the vehicle obstructs pedestrians from use of a sidewalk.

Section 11. Clothes Lines. Clothing or other materials shall not be aired or dried within the boundaries of the Property except in back or side yards behind fences or buildings so as not to be visible to public view from adjacent streets.

Section 12. Construction Work. Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, outside construction work or noisy interior construction work on new construction of a Living Unit, shall be permitted only after 7:00 A.M. and before sundown, and for modification or alteration work subsequent to original construction, only after 8:00 A.M. and before 6:00 P.M.

Section 13. Television and Radio Antennas and Satellite Dishes.

- (a) Without the prior written authorization of the New Construction Committee or the Modifications Committee, as the case may require, no television, radio or other antenna of any sort shall be placed, allowed or maintained outside a Living Unit or on the exterior of any permitted building or other improvement located on a Lot within the Property.
- (b) The New Construction Committee or Modifications Committee may (but is not required to) authorize the installation of one (1) satellite dish or other device intended to send or receive electronic signals on a Lot within the

Property provided (without limitation) the size, style, color, placement, location, height, screening and street visibility requirements as provided in the New Construction Committee Architectural Control Guidelines and Modifications Committee standards (as the case may be) are adhered to, or in the absence of any such guideline or standard such Committee approves same as being in architectural and aesthetic harmony with the balance of the Property. Under no circumstances shall a satellite dish be permitted (at any point in its rotation or angle) to be closer than ten (10) feet from a property line of any Lot, nor shall the diameter of any permitted dish exceed eight (8) feet in width. No satellite dish (at any point in its rotation or angle) shall exceed eight (8) feet in height on a slab elevation at the rear of the main residential structure. The New Construction Committee and the Modifications Committee reserve the right to on-premises monitoring and inspection during installation to ensure compliance and to seek injunctive relief, if necessary, to ensure compliance with the applicable Restrictions, guidelines and standards.

Section 14. Electrical, Telephone and Other Utility Lines. Except as may be permitted in writing by the New Construction Committee or as permitted by a Supplemental Declaration for any of the Annexable Land, all electrical, telephone and other utility lines and facilities which (i) are located on a Lot, (ii) are not within or part of any building, and (iii) are not owned by a governmental entity, a public utility company, or the Association, shall be installed in underground conduits or other underground facilities. Landscaping and security lighting fixtures may be installed above ground only after the design and installation thereof has been approved in writing by the New Construction Committee or Modification Committee.

Section 15. House Numbers and Mail Boxes. House numbers, mail boxes and similar matter used in the Property must be harmonious with the overall character and aesthetics of the community and be continually maintained in an attractive manner.

Section 16. Signs, Advertisements, Billboards. No sign, advertisement, billboard, or advertising structure of any kind shall be displayed to public view on any Lot except for one (1) sign on each Lot, which sign may not exceed six (6) square feet, for the purpose of advertising the Property for sale or rent, except signs used by Declarant, or its successors or assigns, for a period of time commensurate with its home construction/sales program. No sign shall be permitted that shall advertise that a Property has been or will be foreclosed or sold at forced sale. Declarant, the New Construction Committee and the Modification Committee shall have the right to remove any sign. Except as

provided to the contrary herein, in no event shall the use of flags or banners be permitted in the promotion or sale of any Lot or Living Unit in the Property, except those owned by Declarant or a Builder. Any use of said items by Declarant or any Builder is subject to the prior approval of the New Construction Committee.

Section 17. Lot Maintenance and Environmental Concerns. The Owner of each Lot shall maintain the same and adjacent street right-of-way, and the improvements, sod, trees, hedges, fences and plantings thereon, in a neat and attractive condition. Such maintenance shall include regular mowing, edging or turf areas, weeding of plant beds, fertilizing, weed control and watering of the turf and landscape areas on each Lot. Diseased or dead plants or trees must be removed and replaced within a reasonable time. On front laws and wherever visible from any street, there shall be no decorative appurtenances placed, such as sculptures, birdbaths, birdhouses, fountains or other decorative embellishments unless such specific item(s) have been approved in writing by the New Construction Committee or the Modifications Committee. The Association or Declarant shall have the right, after ten (10) days' notice to the Owner of any Lot, setting forth the action intended to be taken by the Association or Declarant, provided at the end of such time such action has not already been taken by such Owner (i) to mow or edge the grass thereon, (ii) to remove any debris therefrom, (iii) to trim or prune any tree, hedge, or planting that, in the opinion of the Association or Declarant, by reason of its location or height, or the manner in which it has been permitted to grow, is detrimental to the enjoyment of adjoining Property or is unattractive in appearance, (iv) to repair or stain/paint any fence thereon that is out of repair or not in harmony, with respect to color, with fencing on adjacent Property, and (v) to do any and all things necessary or desirable in the opinion of the Association or Declarant to place such Property in a neat and attractive condition consistent with the intention of The Declaration. The person who is the Owner of such Property at the time such work is performed by the Association shall be personally obligated to reimburse the Association (or Declarant, as the case may be) for the cost of such work within ten (10) days after it is performed by the Association or Declarant, and if such amount is not paid within said period of time, such Owner shall be obligated thereafter to pay interest thereon at the maximum rate allowable by law, and to pay attorney's fees and court costs incurred by the Association in collecting said obligation, and all of the same to the extent performed by the Association shall be secured by a lien on such Owner's Lot, subject to liens then existing thereon. Such lien shall be enforceable as any other Assessment lien as provided in The Declaration.

The use or misuse of household chemicals, lawn fertilizers, herbicides, pesticides and other chemicals in and around the building improvements which are constructed on the Property may

have an adverse effect on water quality within the Property, under the Property, and downstream from the Property. It is the desire of the developer that the Property be owned and operated in an environmentally friendly and environmentally conscious manner by Declarant, homebuilders, and homeowners who reside on the Property after construction of homes. Accordingly, the following restrictive covenants are hereby imposed upon all Property annexed into the jurisdiction of these deed restrictions for the term of these deed restrictions:

a) In connection with the construction of homes or other improvements within the Property, no builder shall release onto the ground or into the water, any environmentally hazardous material or waste in violation of appropriate environmental laws, rules and regulations. Without limiting the generality of the foregoing provision, homebuilders and their workers, suppliers and subcontractors shall not dispose of oil residues, paint residues or similar substances by pouring them on the ground or otherwise disposing of them on the Property, whether or not enclosed within containers. Any such oil or paint residue shall be disposed of off site, in accordance with the provisions of applicable laws and regulations.

b) Property Owners shall apply herbicides and pesticides in their yards only in compliance with appropriate governmental laws and regulations. It shall be the policy of the Association that the exterior use of herbicides, fertilizers and pesticides will be minimized. The Association is authorized to expend Association funds to educate the residents of the property in ways to minimize the use of fertilizers, herbicides and pesticides including, for example, use of native plants which are disease and insect resistant, use of non-native plants which have disease and insect resistance so as to minimize the need to use herbicides, pesticides and fertilizers, and lawn maintenance techniques which minimize the need for use of herbicides, pesticides and fertilizers, while maintaining attractive yards.

Section 18. Removal of Dirt and Trees. The digging or removal of dirt from any land is expressly prohibited except as necessary in conjunction with the initial construction and subsequent landscaping or improvements. No trees shall be removed without the prior written approval of Declarant or New Construction Committee, as applicable, except to remove the dead or diseased trees, to provide room for permanent improvements, or to permit construction of drainage swales.

Section 19. Roof Ventilators or Projections. All roof ventilators (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure, so as not to be visible from any public street. Declarant and the New

Construction Committee may approve exceptions to this restriction when energy conservation and heating/cooling efficiency require ventilators that, because of a particular roof design, cannot be hidden from view as described above.

No projections of any type shall be placed or permitted to remain above the roof of any residential building with the exception of one (1) or more chimneys and one (1) or more vent stacks without the written permission of the New Construction Committee.

Section 20. Window Coolers. No window or wall type air conditioners or water coolers shall be permitted to be used, erected, placed or maintained on or in any residential building on any part of the Property.

Section 21. Driveways. The Owner of each Lot shall construct and maintain at his expense a concrete or brick driveway of not less than ten feet (10') in width (unless such minimum width has been increased as to any of the Annexable Land by Supplemental Declaration) from his garage to an abutting street, including the portion in the street easement, and he shall repair at his expense any damage to the street occasioned by connecting his driveway thereto.

The New Construction Committee reserves the right to restrict the location of any driveway on any Lot. Such restriction will be so stated in the Supplemental Restrictions recorded for any Annexable Land.

Section 22. Sidewalks. Prior to the completion of construction of a Living Unit on any Lot, the Owner thereof shall construct (and at all times thereafter shall maintain) a sidewalk four feet (4') in width that shall (except in special circumstances approved in writing in the sole judgment and discretion of the New Construction Committee) extend from the front door of the Living Unit to the driveway serving the garage at such Living Unit or to the curb of the street at the front Lot boundary, to be composed of materials and in a configuration approved by the New Construction Committee.

Section 23. Chimneys. All exterior chimneys and all interior chimney chases (i.e., protruding through the roof of a Living Unit) must be of real brick or lap siding (not plywood sheet or exposed metal) unless some other style and materials are approved in writing by the New Construction Committee or the Modifications Committee, as the case may be.

Section 24. Sod and Irrigation System. The Owner of each Lot, as a minimum, shall solid sod the front and side yards of his Lot with grass, and shall at all times maintain such grass in a neat,

clean and attractive condition, periodically resodding damaged areas of the lawn as they occur. The grass shall be of a type and within standards prescribed by the New Construction Committee. The Owner of each Lot shall also construct and maintain and operate in good working condition an automatic irrigation system in the front yard of his Lot.

Section 25. Trees. Prior to the occupancy of the Living Unit on each Lot, and on or before the time each Lot is planted with grass or shrubbery, if there is not located on the Lot at least two native trees of two inch (2") diameter or more measured 3' above the ground level in the front yard (three such trees in the case of a corner lot) and one tree of such diameter in the back yard, then the Owner of each Lot shall plant live trees of such number and size. Such trees shall be of a type and in a location approved by the New Construction Committee on a Lot-by-Lot basis. Elms, oaks and native fruit trees shall be permitted and use of such trees is encouraged. Planting of ash, tallow and cottonwood trees is discouraged and such trees shall not fulfill the foregoing requirement. If coniferous trees are planted, group planting may be required. This requirement (as supplemented by specific restrictions contained in Supplemental Declarations for any of the Annexable Land) includes each Lot or partial Lot upon which no dwelling or structure is erected but which is conveyed at any time to the Owner of an adjoining Lot upon which a Living Unit or other permitted structure has been erected. Trees which are planted in satisfaction of the requirements of this paragraph and which tree or trees subsequently die or are uprooted for any reason, must be replaced within sixty (60) days. Enforcement of this paragraph may be in accordance with the provisions of Section 17 hereinabove.

Section 26. Outbuildings. No treehouse or children's playhouse, outbuilding or structure shall be permitted on any Lot in the Property without prior written approval of the New Construction Committee or the Modifications Committee, as the case may require. Outbuildings or other structures, temporary or permanent, other than the main residence or garage shall be limited to ten feet (10') in height and each outbuilding may not exceed 120 square feet of floor area. The roof lines of any such outbuildings or structures shall have slope, color and materials similar to those of the main dwelling on the Lot. Temporary structures may be used as building offices and other related purposes by Declarant or a Builder. Metal storage buildings shall not be permitted. The New Construction Committee or the Modifications Committee shall be entitled to review and approve or disapprove, without limitation, all outbuildings, playstructures (including basketball backboards and hoops), and storage structures. Any such outbuilding will be required to be constructed with material and design that is determined by the New Construction Committee or Modifications Committee to be architecturally and aesthetically compatible with the design of the Living Unit thereon and other structures in

nearby Property. All playground and recreational equipment pertaining to a Lot must be placed at the rear of such Lot. No basketball hoop and/or backboard shall be installed closer to the front or side Lot lines facing on any adjacent street than the applicable building set-back line along such street. No outbuilding or play structure will be permitted to (a) be placed on an easement; or (b) be located nearer to a Lot boundary than the applicable building set-back established by Plat or Supplemental Declaration. The Modification Committee is hereby authorized to determine what constitutes a violation of this restriction.

Section 27. Lot Drainage. All drainage of water from any Lot and the improvements thereon shall drain or flow as set forth below:

(a) Any such water shall drain or flow from the rear Lot line to the front Lot line into adjacent streets and shall not be allowed to drain or flow upon adjoining Lots or Common Properties unless an easement for such purpose is granted. The Owner shall provide drains or swales to effect such drainage upon construction of the dwelling unit of the Lot.

(b) All slopes or terraces on any Lot shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining Property.

(c) No structure, planting or other materials shall be placed or permitted to remain or other activities undertaken within the Property or any portion thereof by any Owner which might damage or interfere with established slope ratios or interfere with established drainage functions or facilities.

Section 28. Building Height; Minimum Square Footage. No building or Living Unit in the Property shall exceed two and one-half (2½) stories in height. Furnished attics and/or basements shall not be considered for the purposes of this Section 26 to be separate stories. No Living Unit in the Initial Area shall contain less than 1,600 square feet of living area, if a single-story unit, or less than 1,800 square feet of living area if more than one-story in height. No Living Unit in any of the Annexable Land shall contain less than the minimum per square foot living area provided for in any relevant Supplemental Declaration for such area, unless the New Construction Committee agrees to the contrary in writing. All computations of living area shall be exclusive of attics, basements, open or screened porches, terraces, patios, driveways, and garages. Measurements shall be to the faces of the outside walls of the living area.

Section 29. Building Requirements. As to each Lot in the Property, the following building requirements shall apply unless

the New Construction Committee agrees to the contrary in writing, to-wit:

(a) No improvement (other than committee-approved landscaping) may be constructed on any lot closer than eight feet (8') from the rear property line of any lot, or closer than five feet (5') from the side property lines of any lot, except that the building setback along any side lot line or any corner lot line that is the common boundary with a street right-of-way shall be as provided on the Plat.

(b) No building (i) shall be placed or built on any Lot nearer to the front Lot line or nearer to a side Lot line than the building lines therefor shown on the relevant subdivision Plat, or (ii) shall encroach on any easement shown on the relevant subdivision Plat unless (A) approved in writing by the New Construction Committee as having resulted from settling or shifting of improvements, and (B) permitted by applicable law and governmental authorities having jurisdiction.

(c) Before the Living Unit constructed on the Lot is completed, the builder thereof shall construct an improved sidewalk parallel to the adjacent street or streets, which sidewalk shall be of a size, nature, type and configuration to be approved by the New Construction Committee.

(d) Each Living Unit located on a corner Lot shall face the public street having the lesser frontage, unless otherwise approved by the New Construction Committee or otherwise provided in an applicable Supplemental Declaration.

(e) Orientation of each garage entrance to the public street on which the Living Unit fronts, and other aspects of garage location, type, configuration and construction materials shall be as approved by the New Construction Committee or in any applicable Supplemental Declarations filed (now or hereafter) in the Real Property Records of Williamson County, Texas, with respect to the particular Lot in question.

Section 30. Walls and Fences. No walls or fences shall be erected or maintained nearer to the front Lot line than the front building line on such Lot, nor on corner Lots nearer to the side Lot line than the building setback line parallel to the side street, except in special circumstances necessitated by the geography and platting of a particular property, and specifically permitted by the Supplemental Declaration(s) affecting such property. No fence or wall shall be taller than specifically allowed by the Modification Committee or New Construction Committee, as appropriate, unless otherwise permitted in a Supplemental Declaration. No chain link fence type construction

will be permitted on any Lot except, however, Declarant is exempt from this prohibition as long as it owns portions of the Property.

Except as otherwise provided herein, any wall or fence erected on a Lot by Declarant, or its assigns, shall pass ownership with title to the Lot and it shall be Owner's responsibility to maintain said wall or fence thereafter; subject, however, to the rights of the Association as set forth in Section 2 of Article VIII hereof. Approval of the New Construction Committee shall be obtained prior to the erection of any wall or fence on any Lot and the smooth side of all solid fences shall face the adjacent streets.

All walls and fencing shall be made of wood, ornamental metal or brick except as set forth herein or in any applicable Supplemental Declaration filed by Declarant, or as otherwise permitted in the discretion of the New Construction Committee or Modifications Committee, as the case may be. The use of chain link fencing is prohibited on all Lots, except for tennis courts and other special applications, and then only with prior written permission from the New Construction Committee or Modifications Committee, as the case may be.

Section 31. Roofs. The roof of each Living Unit shall be covered with asphalt or composition type shingles of a weight and color approved by the New Construction Committee. The decision with regard to shingle weight and color shall rest exclusively with the New Construction Committee or the Modifications Committee, as the case may be, and their respective decisions regarding same shall be final and binding. Any other type roofing material may be permitted only at the sole discretion of the New Construction Committee, upon written request. All roof stacks and flashings must be painted to match the approved roof color.

Section 32. Garages. All garages to be constructed must be approved in writing by the New Construction Committee. All detached garages within the Initial Area shall be no more than one (1) story in height, and attached garages may be up to two (2) stories in height. All overhead garage doors must be constructed of real wood or metal approved as to style and appearance by the New Construction Committee or Modifications Committee, as the case may be. No Masonite, plywood or glass shall be permitted in overhead garage doors. No attached garage shall have more than one (1) story of habitable space above the first story and the first story shall be reserved and utilized solely for parking of motor vehicles. All garages shall be maintained to allow the requisite number of usable enclosed parking spaces shown in the approved plans therefor at all times. No portion of a parking area of a garage shall be converted to living area or storage area, for more than a period of thirty (30) days, unless substitute enclosed parking areas are constructed pursuant to plans approved by the Modifications Committee.

Section 33. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which will obstruct sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from intersection of the property lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitation shall apply on any lot within 10 feet from an intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 34. Burglar Bars and Window Treatment. No external burglar bars shall be permitted on the windows or doors of Living Units without the prior written approval of the New Construction Committee or Modifications Committee, and notice is hereby given that it shall be the policy of such Committees to give such approval only in rare and unusual circumstances. Interior burglar bars shall be screened by drapes or other window coverings so that they are not visible from the street adjacent to any Living Unit. No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors of any Living Unit in such a manner that such foil, film or similar treatment is visible from the street adjacent to such Living Unit.

ARTICLE XI

ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Annexation Without Approval of Membership.

(a) As the Owner thereof, or if not the Owner, with the consent of the Owner thereof, Declarant, its successors or assigns, shall have the unilateral right, privilege, and option, from time to time at any time until twenty (20) years from the date this initial Declaration is recorded in the Office of the County Clerk of Williamson County, Texas, to annex and subject to the provisions of The Declaration and the jurisdiction of the Association all or any portion of the two tracts of real property more particularly described in Exhibit "B" attached hereto and made a part hereof or any other adjoining property now or hereafter owned by Declarant (collectively, the "Annexable Land"), whether in fee simple or leasehold, by filing in the Williamson County Real Property Records a Supplemental Declaration annexing such property as more fully described below. Such Supplemental Declaration shall not require the vote of Members of the Association or approval by the Association or any person. Any such annexation shall be effective upon the filing of such Supplemental

Declaration in the Williamson County Real Property Records, unless otherwise provided therein.

Declarant shall have the unilateral right to transfer to any other person its right, privilege, and option to annex herein portions of the Annexable Land and/or additional Property, provided that such transferee or assignee shall be the developer of at least a portion of the Annexable Land and shall be expressly designated by Declarant in writing to be successor to all or any part of Declarant's rights hereunder.

Any such annexation or addition shall be accomplished by the execution and filing for record by Declarant (or the other Owner of the Property being added or annexed, to the extent such Owner has received a written assignment from Declarant of the right to annex), of an instrument to be called "SUPPLEMENTAL DECLARATION." Each Supplemental Declaration of annexation must set out and provide for the following:

- (i) the name of the Owner of the Property being added or annexed who shall be called the "Declarant" for purposes of that Supplemental Declaration;
- (ii) the legally sufficient perimeter (or recorded subdivision) description of the Property being added or annexed, separately describing all portions of the annexed Property that are dedicated and/or conveyed to the public or any governmental or quasi-governmental authority for street right-of-way or utility facility purposes, those portions that are to comprise Lots for construction of Living Units and related improvements and those portions that comprise Common Property (those being the only three permitted uses for annexed Property);
- (iii) a mutual grant and reservation of rights and easements of the Owners in and to the existing and annexed Common Property and Facilities;
- (iv) that the Property is being added or annexed in accordance with and subject to the provisions of this initial Declaration, as theretofore amended or as modified with respect to the Property being annexed, and that the Property being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of this Declaration as theretofore and thereafter amended or as modified with respect to the Property being annexed;
- (v) that all of the provisions of this Declaration, as theretofore amended or as modified with respect to the Property being annexed, shall apply to the Property being added or annexed with the same force and effect

as if said Property were originally included in this Declaration as part of the Initial Property; and

- (vi) that a vendor's lien is therein reserved in favor of the Association, in the same manner as herein provided, to secure collection of the Assessments provided for, authorized or contemplated herein or in the Supplemental Declaration of annexation.

Notwithstanding anything herein to the contrary, each such "Supplemental Declaration" may contain other provisions and restrictions applicable only to the Property being annexed (which restrictions may be different from and more or less restrictive than the restrictions contained herein with respect to the Initial Property), and may provide for additional assessments on and for the benefit of the property being annexed.

At such time as any "Supplemental Declaration" (of annexation) is filed for record as hereinabove provided, the annexation shall be deemed accomplished and the annexed area shall be a part of the Properties and subject to each and all of the provisions of this initial Declaration (as therefore amended or as modified with respect to the Property being annexed), and to the jurisdiction of the Association, in the same manner and with the same force and effect as is such annexed Property had been originally included in this initial Declaration or as modified with respect to the Property being annexed as part of the Initial Property.

After additions or annexations are made, all Assessments (but excluding any additional assessments imposed only on and for the benefit of an annexed area) collected by the Association from the owners in the annexed areas shall be commingled with the Assessments collected from all other Owners, and there shall be a common maintenance fund for the Properties. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional Property to this residential development.

Section 2. Annexation With Approval of Membership. Subject to the written consent of the owner thereof, upon the written consent by affirmative vote of two-thirds (2/3) of all Members of the Association in the aggregate present or represented by proxy at a meeting duly called for such purpose, the Association may annex or permit the annexation of real property other than the Annexable Land to the provisions of The Declaration and the jurisdiction of the Association by filing, or having the party owning such property file, a Supplemental Declaration in respect to the Property being annexed in the Williamson County Real Property Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and any such annexation shall be effective upon recording the Williamson County Real Property Records unless otherwise provided therein. The timing of and manner in which notice

of any such meeting of the Members of the Association, called for the purpose of determining whether additional Property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the By-Laws of the Association for regular or special meetings, as the case may be.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The terms and provisions of this Declaration shall run with and bind the land included in the Property, and shall inure to the benefit of and be enforceable by Declarant, the Association, or the Owner of any Lot, and by their respective legal representatives, heirs, successors and assigns. The Declaration may be enforced in any proceeding at law or in equity against any person or entity violating or threatening to violate any term or provision hereof, to enjoin or restrain violation or to recover damages, and against the Property to enforce any lien created by The Declaration, and failure of Declarant, the Association, or any Owner to enforce any term or provision of The Declaration shall never be deemed a waiver of the right to so thereafter.

Section 2. Incorporation. The terms and provisions of The Declaration shall be construed as being adopted in each and every contract, deed, or conveyance hereafter executed by Declarant conveying all or any part of the land in the Property, whether or not referred of title contained shall be subject to the terms and provisions of The Declaration.

Section 3. Covenants Running With Title. The covenants and restrictions of The Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Property subject to The Declaration, their respective legal representatives, heirs, successors and assigns.

Section 4. Amendments. The Declaration may be amended in whole or in part by an instrument executed by the Declarant or the President of the Association where approved by Members entitled to cast not less than seventy-four percent (74)% of the votes of all Members of the Association in the aggregate, regardless of whether such Members are or are not present at a meeting of the Members called for that purpose. Following any such amendment, every reference herein to The Declaration shall be held and construed to be a reference to The Declaration as so amended. All amendments shall be recorded in the Real Property Records of Williamson County, Texas.

Nothing herein or in any Supplemental Declaration shall permit or be construed to permit the Owners of Lots within a portion of the Property annexed by Supplemental Declaration to alone decide to de-annex all or any part of such annexed Property from The Declaration of the jurisdiction of the Association, or to amend any particular restriction, requirement or provision herein, except upon a vote of

seventy-four percent (74%) of all Members in the entire Association in the aggregate, including (but not requiring any particular percentage vote of) those Owners who were Members of the Association prior to the annexation of the annexed area in question. No such group of Owners or Members shall have such right to secede from the Association or amend such restrictions except on an Association-wide vote as above contemplated.

Section 5. Amendments by Declarant.

(a) Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend The Declaration by any instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general place and scheme of development as evidenced by The Declaration, and shall not impair or affect the vested property or other rights of any Owner or such Owner's mortgagee.

(b) Particularly reserved to Declarant is the right and privilege of Declarant to designate, by Supplemental Declaration, additional and/or more specific restrictions applicable to any portion of the Properties within The Declaration so long as Declarant owns at least ninety percent (90%) of the number of Lots within the portion(s) of the Property to be so affected. Such additional restriction may be done by Declarant without the consent or joinder of the other ten percent (10%) of Lot owners in such affected area. No such designation of additional or more specific requirements or restrictions, or subsequent change of requirements or restrictions, as provided for herein, shall be deemed to adversely affect any substantial right of any existing Owner.

Section 6. Books and Records. The books and records of the Association shall, during reasonable business hours, be subject to reasonable inspection by any Member. The Board of Directors may, by resolution, establish rules and regulations governing the frequency of inspection and other matters to the end that inspection of the books and records by any Member or Members will not become burdensome to nor constitute harassment of the Association. The Declaration and the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 7. Indemnification and Hold Harmless.

(a) By the Association. The Association shall indemnify every officer and director against any and all expenses, including fees of legal counsel, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reasons of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless from and against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association may, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

(b) By an Owner. Each Owner shall be liable to the Association for any damage to the Common Properties and/or Facilities of any type or to any equipment thereon which may be sustained by reason of the negligence of said Owner, his tenants, employees, agents, customers, guests or invitees, to the extent that any such damage shall not be covered by insurance. Further, it is specifically understood that neither the Declarant, the Association, the Board of Directors, or any Owner shall be liable to any person for injury or damage sustained by such person occasioned by the use of any portion of the recreational facilities or other Common Properties or Facilities within the Properties. Every Owner does hereby agree to defend, indemnify and hold harmless the Declarant, the Association, the Board of Directors and other Owners from and against any such claim or damage as referenced in the immediately preceding sentence hereof, including, without limitation, legal fees and court costs.

Section 8. Rights of Mortgages and Lienholders. No violations of any of these restrictions, covenants or conditions shall affect or impair the rights of any mortgagee or lienholder under any mortgages or deed of trust, or the rights of any assignee of any mortgagee or lienholder under any such mortgage or deed of trust.

Section 9. Right to Subdivide or Resubdivide. Prior to the time Declarant parts with title thereto, Declarant shall have the

right (but shall never be obligated) to subdivide or resubdivide into Lots, by recorded Plat or in any other lawful manner, all or any part of the land included within the Property.

Section 10. Building Sites. With the written approval of the New Construction Committee, the Owner(s) of a group of Lots, each of which is adjacent to one or more of the other Lots in the group, may designate a part of a Lot, or any combination of Lots or portions of Lots, to be a building site or building sites. The front, rear and side lines of the platted Lots affected by any such action, as such lines are designated on the subdivision Plat, shall be adjusted to conform to the front, rear and side lines of the new building sites for building and other purposes. Improvements, limited to the improvements permitted in The Declaration or subsequent Supplemental Declarations, may be constructed on any such building site in accordance with the new front, rear and side lines thereof. Each such building site, upon being designated as such by the Owner(s) thereof with the written approval of the New Construction Committee, shall thereafter be a Lot for all purposes of this Declaration, except that all future assessments payable by the Owner of a building site comprised of several Lots combined into one building site in accordance with this Section 10 will be based upon on Assessment for each of the originally Platted Lots so combined.

Section 11. No Obligation as to Adjacent Property. The Property is a part of a larger tract or block of land owned by Declarant. While Declarant may subdivide other portions of its property now or hereafter acquired, or may subject the same to a declaration similar to or dissimilar from this Declaration, Declarant shall have no obligation to do so, and if Declarant elects to do so, any subdivision plat or declaration executed by Declarant with respect to any of its other property may be the same as or as similar to or dissimilar from any subdivision Plat, The Declaration or Supplemental Declaration covering the Property, or any part thereof, as Declarant may desire and determine in its sole and exclusive discretion. Some of the tracts shown as "Acreage" on the Initial Property Plats are or may be a part of the other property of Declarant referred to in this Section 11.

Section 12. Renting or Leasing. Improvements on Lots may be rented or leased only by written leases and subject to the following restrictions:

All tenants shall be subject to the terms and conditions of The Declaration, the By-Laws, the Articles of Incorporation, and the rules and regulations promulgated thereunder as though such tenant were an Owner.

Each Owner agrees to cause his lessee, Occupant, or persons living with such Owner to comply with The Declaration,

By-Laws, and the rules and regulations promulgated thereunder, and is responsible for all violations and losses caused by such tenants or Occupants, notwithstanding the fact that such Occupants of the Living Unit are fully liable for any violation of the documents and regulations; failure to comply shall, at the Board's option, be considered a default under the Occupant's lease.

In the event that a lessee, Occupant or person living with the lessee violates a provision of The Declaration, By-Laws or rules and regulations adopted pursuant to thereto, the Board shall have the power to bring an action or suit against the lessee or other Occupant and/or Owner (in the Association's sole discretion) to recover sums due for damages or injunctive relief, or for any other remedy available at law or equity, including, but not limited to, all remedies available to a landlord upon the breach or default of the lease agreement by the lessee.

The Board of Directors shall also have the power to impose reasonable fines upon the lessee, other Occupant and/or the Owner for any violation by the lessee, Occupant, or person living with the lessee of any duty imposed under The Declaration, the Association By-Laws, or rules and regulations adopted pursuant thereto, and to suspend the right of the Owner, lessee, Occupant or person living with the lessee to use the Common Properties and Facilities. The Board shall have authority and standing to enforce any lease restrictions contained in or promulgated in accordance with any recorded instrument causing any part of the Property to become subject to The Declaration and/or any Supplemental Declaration.

Section 13. Notice. Any notice required or desired to be given under The Declaration shall be in writing and shall be deemed to have been properly served when (i) delivered in person and receipted for, or (ii) three (3) days after deposit in the United States Mail, certified, return receipt requested, postage prepaid, addressed, if to an owner, to the Owner's last known address as shown on the records of the Association at the time of such mailing or, if the Association, to its President, Secretary or registered agent. The initial address for the Association and Declarant shall be:

Association: Wood Glen Property Owners Association
P.O. Box 702
2722 S. Medford
Lufkin, Texas 75901
Attn: David A. Hill

Declarant: 3406, Ltd.
P.O. Box 702

2722 S. Medford
Lufkin, Texas 75901
Attn: David A. Hill

And such address for the Association and Declarant shall be effective unless and until a supplement to this Declaration shall be made and filed in the Real Property Records of Williamson County, Texas, specifying a different address for the party filling such supplement (in which event such address specified in such supplement shall be the address, for the purposes of this Section 13, for the addressee named in such supplement).

Section 14. Enforcement. The covenants, conditions, restrictions, easements, uses, privileges, Assessments and liens of The Declaration shall run with the land and be binding upon and inure to the benefit of Declarant, the Association, and each Owner of the Properties or any part thereof, their respective heirs, legal representatives, successor and assigns. The enforcement of the provisions of The Declaration shall be vested in the Association and the Declarant. In the event the Association or the Declarant fails or refuses to enforce a provision of The Declaration for a period of thirty (30) days after written notice from Declarant or any Owner, as the case may be, any Owner shall have the right, but not the obligation, to enforce such provisions.

A breach of any of the provisions of this Declaration shall give to the party entitled to enforce such provision the right to bring a proceeding at law or in equity against the party or parties breaching or attempting to breach The Declaration and to enjoin such party or parties from so doing or to cause such breach to be remedied or to recover damages resulting from such breach. A breach of The Declaration by an Owner relating to the use or maintenance of any portion of the Properties or part thereof is hereby declared to be and constitute a nuisance and ever public or private remedy allowed by law or equity for the abatement of a public or private nuisance shall be available to remedy such breach. In any legal or equitable proceedings for the enforcement of The Declaration or to restrain a breach thereof, the party or parties against whom judgment is entered shall pay the attorney's fees and costs of the party or parties for whom judgment is entered in such amount as may be fixed by the court in such proceedings. All remedies provided under The Declaration, including those at law or in equity, shall be cumulative and not exclusive. No party having the right to enforce The Declaration shall be liable for failure to enforce The Declaration.

Section 15. Good Faith Lender's Clause. No violation of The Declaration shall affect any lien or deed of trust of record upon any Property subject to Assessment or any part of the Property, when held in good faith. These liens may be enforced in due course, subject to the provisions of The Declaration.

Section 16. Mergers. If the Association shall merge or consolidate with another association as provide in the articles of incorporation, then the Association's properties, assets, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights and obligations of another association may be transferred to the Association as a surviving corporation. The surviving or consolidated association shall administer any restrictions, together with any declarations of covenants, conditions, and restrictions governing these and any other properties, under one administration. No merger or consolidation shall cause any revocation, change, or addition to this Declaration.

Section 17. Conflict with Deeds of Conveyance; Declarant's Rights. If any part of The Declaration shall be in conflict with any term of a previously recorded deed of conveyance to any portion of the Property, the term of the prior deed of conveyance shall govern, but only to the extent of such conflict. Where rights are reserved to Declarant by the restrictions of this Declaration, Declarant reserves the right to modify such restrictions as necessary in subsequent deed of conveyance, in which case the terms of the deeds of conveyance shall prevail.

Section 18. Duration. The Declaration shall remain in full force and effect for a term of thirty (30) years from the date The Declaration is recorded in the Office of the County Clerk of Williamson County, Texas, after which time The Declaration shall be extended automatically for successive periods of ten (10) years each unless and until an instrument signed by the Members entitled to cast not less than seventy-four percent (74%) of the votes of all of the Members in the aggregate has been filed for record in the Office of the County Clerk of Williamson County, Texas, agreeing to terminate this Declaration. Such an instrument so filed for record shall become effective on the date stated therein or one (1) year after it is so filed for record, whichever is the later date. No particular area annexed herein by Supplemental Declaration, nor the Owners thereof, shall be entitled to elect not to renew the term hereof, as it pertains to such annexed Property, except upon a vote of the requisite percentage (set forth above) of all Members of the entire Association, including those Members owning Lots within and those owning Lots outside of the annexed area that desires non-renewal.

Section 19. Severability. Invalidation of any term or provision of The Declaration by judgment or otherwise shall not affect any other term or provision of this Declaration, and this Declaration shall remain in full force and effect except as to any terms and provisions which are invalidated.

Section 20. Gender and Grammar. The singular wherever used herein shall be construed to mean or include the plural when

applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all case be assumed as though in each case fully expressed.

Section 21. Titles. The titles of The Declaration and of Articles and Sections contained herein are for convenience only and shall not be used to construe, interpret, or limit the meaning of any terms or provisions contained in this Declaration.

Section 22. Successors in Title. The terms and provisions of this Declaration shall apply to, be binding up, and inure to the benefit of Declarant and the Association, and their respective successors and assigns.

IN WITNESS WHEREOF, this Declaration is executed this the _____ day of _____, A.D., 1995.

DECLARANT:

3406, LTD., a Texas limited partnership

By:

Name:

Title:

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 1996, by _____ of 3406, Ltd., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

CONSENT OF MORTGAGEE

Bank One, Texas, N.A., as owner and holder of liens against the Property, joins in the execution of this Declaration for the purpose of evidencing its consent to this Declaration. Bank One, Texas, N.A., hereby subordinates its liens against the Property to the terms of this Declaration.

BANK ONE TEXAS, N.A.

By:
Brian J. Tuerff
Assistant Vice President

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the _____ day of January, 1996, by Brian J. Tuerff, Assistant Vice President of Bank One, Texas, N.A., a national association, on behalf of said association.

Notary Public, State of Texas

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EXHIBIT "A"

Initial Property

All of Wood Glen, Section I, Phase I-A, a subdivision in Williamson County, Texas, according to the map or plat thereof which is recorded in Cabinet M, Slides 210-212 of the Real Property Records of Williamson County, Texas.

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EXHIBIT "B"

Annexable Land

Being 66.33 acres of land as described on Schedule B-1 attached hereto and 157.836 acres of land as described on Schedule B-2 attached hereto.

SAVE AND EXCEPT

All of Wood Glen, Section I, Phase I-A, a subdivision in Williamson County, Texas, according to the map or plat thereof which is recorded in Cabinet M, Slides 210-212 of the Real Property Records of Williamson County, Texas.

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