

**DECLARATION
OF
CONDOMINIUM REGIME
FOR
LIVE OAK ON SPICEWOOD SPRINGS,
a Residential Condominium
TRAVIS COUNTY, TEXAS**

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ATTACHMENTS

- Appendix A - Declarant Rights, Reservations and Representations
- Appendix B - Maintenance Responsibility Chart
- Exhibit A - Legal Description of the Initial Property Subject to the Declaration
- Exhibit B - Plat and Plans of the Property Subject to the Declaration and Tax Certificate
- Exhibit C - Percentage of Ownership of Common Elements and Percentage Responsibility for Common Expenses
- Exhibit D - Restrictive Covenants, Easements and Encumbrances
- Exhibit E - Additional Land Subject to Annexation and Phasing Rights
- Attachment 1 - Bylaws of Live Oak/Spicewood Condominium Association, Inc.
- Attachment 2 - Community Policies and Rules for Live Oak on Spicewood Springs, a Residential Condominium

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INTRODUCTION

The Declarant, as the owner of all the Land, desires to subject the Land to the Condominium Regime and to later add to the Land being subjected to the Condominium Regime as desired by Declarant and based on time frames solely determined by Declarant in its sole discretion.

NOW, THEREFORE, it is hereby declared that the Land and the Property shall be encumbered, held, sold, conveyed, leased, occupied, used, insured and otherwise possessed in any way by this Declaration. The terms, covenants, conditions, easements, restrictions, uses, limitations, and obligations in this Declaration shall be deemed to run with the land and shall be binding upon any person acquiring or owning an interest in the Property or the Improvements located thereon, their grantees, successors, heirs, executors, administrators, devisees, and assigns. The Declaration and the Property subject to it shall be governed by the Act.

The Property is locally known as **“LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium.”** The Property initially consists of seven (7) residential condominium Units and various Common Elements. The Declarant shall have the right to annex additional property, construct additional residential condominium Units, up to, but not in excess of an additional eight (8) Units and Common Elements, and include same in the Condominium Regime hereby created, all based on the terms and conditions set forth in this Declaration.

The Declaration establishes a plan for individual ownership in fee simple of each Unit and an undivided interest in the Common Elements. Each Owner shall have exclusive ownership of, possessory interest in, and responsibility for the area or space contained within such Owner’s Unit, subject to the covenants, conditions, and restrictions contained in the Declaration.

**ARTICLE I.
DEFINITIONS AND TERMS AND SUBMISSION OF REAL PROPERTY**

1.1 DEFINITIONS AND TERMS. As used in this agreement, the following terms shall have the respective meanings set forth after them unless the context shall expressly provide otherwise:

(a) “Act” shall mean the Texas Uniform Condominium Act, appearing in Chapter 82 of the Texas Property Code, as it may be amended from time to time.

(b) "Assessment" shall refer to any kind of assessment authorized to be made by the Board or the Association, including, without limitation, Regular Common Assessments, Special Assessments and Individual Assessments.

(c) "Association" shall refer to the "LIVE OAK/SPICEWOOD CONDOMINIUM ASSOCIATION, INC."

(d) "Board" or "Board of Directors" shall refer to the Board of Directors of the Association.

(e) "Budget" or "Annual Budget" shall refer to the annual budget adopted by the Board for Common Expenses related to the Project.

(f) "Building" or "Buildings" shall refer to the building(s) identified on the Plat and Plans within which the Units are located.

(g) "Bylaws" shall mean the Bylaws of the Association.

(h) "Certificate" shall mean the Certificate of Formation for the Association.

(i) "Common Elements" means and includes all of the Land, and all of the Improvements and appurtenances thereto, except for the Units. Common Elements shall consist of the General Common Elements and the Limited Common Elements. The areas that include the General Common Elements may also be referred to herein as the "Common Areas."

(j) "Common Expenses" means and includes:

(1) all expenses incurred by the Association for promoting the health, safety, welfare, recreation, use and enjoyment of the Owners of the Units, including, without limitation, expenses for the administration and management, ownership, maintenance, operation, repair, replacement, or improvement of and addition to the Common Elements. Unless otherwise provided in the Declaration, payment of Common Expenses shall be the responsibility of all the Owners in an amount equal to their percentage share of responsibility for Common Expenses as set forth in **EXHIBIT "C"**; and

(2) expenses declared to be Common Expenses by provisions of this Declaration or the Bylaws.

(k) "Condominium Documents" mean the Declaration, Bylaws, Certificate, the Community Policies and Rules, and any other document related to the establishment or governance of the Condominium Regime, as they may be amended from time to time.

(l) "Condominium Regime" or "Regime" shall mean the condominium form of ownership and all governance authority and documentation created and applicable to the Property made subject to this Declaration.

(m) “Declarant” shall mean SYCAMORE COURT, LLC, a Texas limited liability company, or its successors or assigns, as the developer of the Project as a condominium under the Act.

(n) “Declarant Control Period” means that period during which Declarant is developing and constructing the Project and selling the Units, which period shall extend until one hundred twenty (120) days after the time that the Declarant transfers title to seventy-five percent (75%) of the Units that may be created, including any Units which may be annexed into the Project, unless earlier terminated by Declarant in its sole discretion.

(o) “Declaration” shall mean this “DECLARATION OF CONDOMINIUM REGIME FOR LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium” instrument.

(p) “Development Period” means the fifteen (15) year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to APPENDIX A hereto, including rights related to development, construction, expansion, and marketing of the Project. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by recording a notice of termination at any time prior to the date set forth herein, based on its sole and absolute discretion.

(q) “Director” or “Directors” shall mean a duly appointed or elected member of the Board.

(r) “First Mortgage” shall mean the holder of a purchase-money mortgagee or deed of trust lien voluntarily granted on any Unit in the Project, which has a first priority over all other voluntary liens encumbering such Unit.

(s) “General Common Elements” means Common Elements that are not Limited Common Elements. General Common Elements may be described as “GCE” on the Plat and Plans.

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

(u) “Land” means the land that is subjected to this Declaration. Initially, the Land shall consist of the land that is described in EXHIBIT “A” and may include any additional

land added to the Regime pursuant to the rights of Declarant as provided in Article X and **APPENDIX A.**

(v) "Landscape Services" means the following services to be provided by the Association or the Owner, as provided herein: (a) mowing and edging all turf areas at least once per week during the months of May through September of each year and on an as-needed basis during the months of October through April; (b) removing all organic debris (leaves, small downed branches, dead plants from all turf areas and flower beds and replacing the xeriscape material at least once per week primarily during the months of October through April and as-needed May through September; (c) removing small (under four inches (4") in diameter) dead branches and trimming bushes up to a maximum height of six feet (6') (those not requiring a ladder for access or a chain saw for cutting); (d) applying fertilizer and pre-emergent weed killer to the turf area at least once per year (normally in the spring); (e) manually and mechanically/chemically controlling weeds as required to maintain a reasonably manicured appearance; (f) controlling fire ants in the turf areas with applications of chemical control agents as necessary; and (g) the repair, replacement, maintenance or operation of a Unit's individual irrigation system. "Landscape Services" shall not include: (a) soil preparation of flower or garden beds or the planting of seasonal flowers or maintenance of yard area flower beds beyond limited weeding and removal of dead plants as indicated above; (b) the purchase, installation or replacement of new shrubs, trees or plants; or (c) trimming of bushes above a height of six feet (6') or removal of large limbs (over four inches (4") in diameter or higher than six feet (6') from base of tree) or dead or damaged bushes or trees (over six feet (6') in height). Notwithstanding the foregoing, the Board will have the right to modify the Landscape Services provided hereunder from time to time.

(w) "Limited Common Elements" and "LCE" mean and include those Common Elements which are reserved for the exclusive use of either an individual Owner of a Unit or a certain number (but less than all) of individual Owners of Units. Limited Common Elements may be described as "LCE" on the Plat and Plans and may be further described in Section 2.3.

(x) "Management Company" means the professional company, if any, hired by the Association to manage the affairs and business of the Association.

(y) "Majority" means more than 50%.

(z) "Occupant" means a person or collectively the persons in possession of a Unit at the relevant time, regardless of whether said person is an Owner, lessee, guest or otherwise.

(aa) "Officer" means an officer of the Association.

(bb) "Owner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, including, without limitation, the Declarant, who owns, of record, fee simple title to one or more Units in the Project. Each Owner shall also be a member of the Association, referred to herein as a "Member."

(cc) "Plat and Plans" means or includes the survey of the Land, locating thereon all of the Improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting part of, or all of, the Improvements, reduced copies of which are attached as **EXHIBIT "B."** The large, original Plat may be recorded in the Official Public Records of the county where the Property is located.

(dd) "President," "Secretary," "Treasurer," and "Vice President" mean, respectively, the president, secretary, treasurer, and vice president of the Association.

(ee) "Property" or "Project" means and includes, in the aggregate, the Land and all rights, title, interests and appurtenances thereto, the Buildings, the Units, the Common Elements, all rights, easements, appurtenances belonging to the foregoing, and all Improvements and structures located thereon made subject to this Declaration and including, without limitation, any real property, future Units or Common Elements added to the Condominium Regime through annexation or phasing.

(ff) "Unit" shall mean the areas or portions of the Property that are designated by this Declaration for ownership that is separate from the Common Elements. The ownership of a Unit shall include an undivided interest in the Common Elements as specified in **EXHIBIT "C."** The boundaries of the Units are as depicted on the Plat and Plans and as further described in Section 2.2. The actual physical boundaries of each Unit shall be conclusively presumed to be its proper boundaries, regardless of settling, rising or lateral movement of the Building in which such Unit is located and regardless of variances between boundaries shown on the Plat and Plans and the actual boundaries of such Unit.

ARTICLE II.
CONDOMINIUM UNIT AND LIMITED COMMON ELEMENT
DESIGNATIONS AND DESCRIPTIONS

2.1 **PLAT AND PLANS.** A reduced copy of the Plat and Plans for the Condominium are in **EXHIBIT "B."** The Plat and Plans may be amended by Declarant to add Units to the Regime in accordance with Declarant's rights set forth in Article X and **APPENDIX A.** Declarant may further amend the Plat and Plans, from time to time, to ensure that they conform with the actual location of any of the Improvements and to establish, vacate, and relocate easements, access road easements, and on-site parking areas.

The Plat and Plans contain:

- (a) the legal description of the surface of the Land;
- (b) the linear measurements and location, with reference to the exterior boundaries of the Land, of the Units and all other Improvements;
- (c) the footprint of the Units and Buildings constructed by the Declarant, showing the exterior boundaries and number of the Units, and other data necessary for the

identification of them, which information is depicted by Plat and Plans showing the respective numbers of the floors and the numbers of the Units therein;

(d) the location of Limited Common Elements and the identification of the Units to which the same relate; and

(e) all other items required to be shown on the "plats" and "plans" for a condominium as set forth in Section 82.059 of the Act.

2.2 DESIGNATION AND BOUNDARIES OF UNITS.

(a) *Unit Boundaries.* The boundaries of each Unit are shown on the Plat and Plans and are further described as follows. The Unit includes the spaces and Improvements within the described boundaries:

1. *Upper Boundary.* The upper boundary of a Unit shall be the outer-facing surface of the building material used to construct the interior ceiling of the top floor of the Unit. For example, if the ceiling of the Unit is constructed of sheetrock, then the Unit includes the sheetrock in its entirety. Upper boundaries of Units shall also include skylights in their entirety, if any.

2. *Lower Boundary.* The lower boundary shall be the surface of the slab or foundation on which the Unit is constructed but the Unit does not include the slab or foundation itself. The Unit shall include any floor coverings or floor finishes constructed as part of the Unit.

3. *Side Boundary.* The boundary of the sides of the Units shall be the outer-facing building material used to construct the inner walls of the Unit. For example, if the inner walls of the Unit are constructed of sheetrock, then the Unit includes the sheetrock in its entirety. The Unit shall also include the entirety of all windows (including framing) and doors (including hardware) constructed as part of the Unit.

4. *Garage.* Each Unit shall include the garage connected to such Unit, subject to the same boundary limitations set forth above, but including the garage door and any garage door opener equipment in their entirety.

5. *Balconies and Patios.* Any entryway, stoop, porch, patio, balcony, or deck that is attached to the living area of a Unit and which is accessed via the Unit's living area is part of the Unit. The boundaries of the such portion of a Unit are the inward facing construction materials of the walls, floors and ceilings (if any) such improved area.

6. *Other Components.* Except as such items may be specifically addressed elsewhere in this Declaration, the individual ownership of

each Unit shall further include the appliances, fixtures, and similar Improvements that are intended to serve exclusively the Unit, whether located inside or out of the boundaries described above, including: floor coverings and finishes; closets; cabinets; shelving; individual bathroom and kitchen fixtures, plumbing and appliances; individual lighting and electrical fixtures; chimneys, firebox and fireplace flue; water heaters; utility meters; fuse boxes; electrical switches; wiring; pipes; ducts; conduits; smoke detectors; security systems; television or media reception devices; partition walls contained within Unit boundaries and floor and ceiling materials located within Unit boundaries and separating stories of the Unit (including any framing, joists or other building components forming a structural separation between floors of the Unit); separate items of personal property connected to or forming part of the interior space of a Unit and otherwise capable of being treated without affecting any other Unit or the ownership, use or enjoyment thereof. The individual ownership of each Unit shall further include the Unit's air conditioning compressor, HVAC unit and individual heating and cooling system that serves the Unit, together with all pipes, ducts, electrical wiring, conduits, and any other equipment connected thereto.

(b) *Land Ownership Separate.* None of the land in the Project shall be separately owned, as all land in the Project shall constitute part of the Common Elements, owned in common by the Owners of the Units in this Project. Each Unit is identified by a number on the Plat and/or Plans and the Limited Common Elements associated with the Project are described in Section 2.3 below. The remaining portion of the Project, referred to as the General Common Elements, shall include the Land and shall be owned in common by the Owners. The Owners of each Unit shall own an undivided interest in the Common Elements, the percentage or fraction thereof being as shown on **EXHIBIT "C."** Notwithstanding the foregoing, the Ownership of a Unit or LCE provides the Owner the exclusive right to use and occupy the area encompassing the Unit or LCE, subject to the rights of the Association and the Declarant as described in this Declaration. For example, while the Owner of a Unit may not own the Land itself within the boundaries of his\her Unit, the Owner is entitled to use and possess the area within his\her Unit boundaries to the exclusion of any other Owner. **Pursuant to its rights in Article X and APPENDIX A, Declarant may add real property and Units to the Regime by converting Common Elements to Units or annexing or phasing in additional real property to the Regime.**

(c) *Exclusions.* Except for those items described in Sections 2.2(a) and 2.2(b) above, the Unit shall not include any property outside the Unit's boundaries. Furthermore, the Unit shall not include any chute, pipe, utility installation, duct, wire, or conduit within the Unit boundaries that services more than the Unit itself.

(d) ***UNIT DIMENSIONS. THE SQUARE FOOTAGE, SIZE, AND DIMENSIONS OF EACH UNIT AS SET OUT AND SHOWN IN THIS DECLARATION OR ON THE PLAT AND PLANS ARE APPROXIMATE AND ARE SHOWN FOR DESCRIPTIVE PURPOSES ONLY, AND THE DECLARANT DOES NOT WARRANT, REPRESENT, OR GUARANTEE THAT ANY UNIT ACTUALLY CONTAINS THE AREA, SQUARE FOOTAGE, OR DIMENSIONS SHOWN BY THE PLAT AND PLANS***

OR IN ANY MARKETING MATERIALS THEREOF. EACH OWNER WHO CONTRACTS FOR THE PURCHASE OF A UNIT SHOULD BE AWARE THAT THE PLAT AND PLANS ARE BASED ON PRE-CONSTRUCTION DRAWINGS AND THAT THE ACTUAL CONSTRUCTION OF THE UNIT AND COMMON ELEMENTS MAY DEVIATE FROM THAT WHICH IS SHOWN ON THE PLAT AND PLANS. FURTHER, EACH OWNER SHOULD CAREFULLY INSPECT HIS OR HER UNIT PRIOR TO CLOSING AND DETERMINE WHETHER THE SIZE, LOCATION AND CONFIGURATION OF THE UNIT IS SUFFICIENT TO SUIT THE OWNER'S PURPOSES, REGARDLESS OF THE DEPICTION OF THE UNIT ON THE PLAT AND PLANS. MARKETING MATERIALS INCLUDE SQUARE FOOTAGES THAT ARE OFTEN ESTIMATED AND BASED ON PRE-CONSTRUCTION DRAWINGS. FURTHERMORE, DIFFERENT METHODS ARE USED FOR DETERMINING A UNIT'S SIZE DEPENDING ON THE PURPOSE OF THE MEASUREMENT – FOR EXAMPLE, THE MEASUREMENT OF A UNIT'S SIZE FOR PURPOSES OF DETERMINING THE CONSTRUCTION FINISH-OUT OF A UNIT MAY BE DIFFERENT FROM THE MEASUREMENT OF A UNIT FOR MARKETING PURPOSES. A PURCHASER OF A UNIT SHALL HAVE NO CLAIM OR DEMAND AGAINST THE DECLARANT OR ANY OTHER PERSON BECAUSE OF ANY DIFFERENCE, SHORTAGE, OR DISCREPANCY BETWEEN THE UNIT AS ACTUALLY AND PHYSICALLY EXISTING AND AS IT IS SHOWN ON THE PLAT AND PLANS OR IN MARKETING MATERIALS. EACH PURCHASER SHOULD INDEPENDENTLY VERIFY THE SIZE AND DIMENSIONS OF THEIR UNIT PRIOR TO CLOSING. THE EXISTING PHYSICAL BOUNDARIES OF A UNIT OR OF ANY UNIT RECONSTRUCTED IN SUBSTANTIAL ACCORDANCE WITH THE ORIGINAL PLANS THEREOF SHALL BE CONCLUSIVELY PRESUMED TO BE IN THE BOUNDARIES, REGARDLESS OF SETTLING, ARISING, OR LATERAL MOVEMENT OF THE BUILDING AND REGARDLESS OF VARIANCE BETWEEN THE BOUNDARIES SHOWN ON THE PLAT AND PLANS OR IN ANY MARKETING MATERIALS AND THOSE OF THE UNITS. IN THE EVENT OF A CONFLICT IN THE DESCRIPTION OF UNIT BOUNDARIES BETWEEN THIS SECTION AND THE PLAT AND PLANS, THIS SECTION SHALL CONTROL.

2.3 DESIGNATION AND BOUNDARIES OF LIMITED COMMON ELEMENTS.

Portions of the Common Elements are set aside and reserved for the exclusive use of the individual Owners, such areas being Limited Common Elements. Limited Common Elements are allocated and assigned by the Declarant to the respective Units, as indicated herein and on the Plat and Plans. Such Limited Common Elements shall be used in connection with the particular Unit or Units, to the exclusion of the use thereof by the other Owners, except by invitation. The following items shall be considered Limited Common Elements:

(a) pipes, ducts, electrical, telephonic and electronic wiring and conduits (other than those which are part of the Unit) located either (i) entirely within a Unit or adjoining Units and serving more than one, but less than all the Units, or (ii) outside of a Unit but which serve one or more, but less than all the Units;

(b) designated driveways or parking spaces, and yard areas shown on the Plat and Plans and which serve exclusively a single Unit;

(c) dedicated parking spaces located in the Condominium Regime as depicted in the Plat and Plans or as otherwise allocated to a Unit by other means described in this Declaration; and

(d) areas or parcels of land designated on the attached Plat and Plans as a Limited Common Element with respect to a Unit.

2.4 INSEPARABLE UNITS. Each Unit and its corresponding pro-rata interest in and to the Common Elements appurtenant thereto shall be inseparable and may not be conveyed, leased, or encumbered separately, and shall at all times remain indivisible. Except as may be allowed by exercise of the rights of Declarant as set forth in this Declaration, any attempted conveyance of an interest in the Common Area or Common Elements shall be void unless it also conveys the Unit to which that interest is attached.

2.5 LEGAL DESCRIPTION OF UNIT. Every deed, lease, mortgage, trust deed, or other instrument may legally describe a Unit by its identifying Unit number, as shown on the Plat and Plans, followed by the words “**LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium**” and a reference to this recorded Declaration. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber, or otherwise affect the Unit and the undivided interest in the Common Elements appurtenant to such Unit.

2.6 ENCROACHMENTS. If any portion of the Common Elements encroaches upon a Unit or Units, a valid permanent easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion or portions of a Unit or Units encroach upon the Common Elements, a valid permanent easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist.

2.7 TAXES ON UNITS. The Declarant or the Association shall give written notice to the appraisal district of the county where the Property is located of the establishment of the Condominium Regime with respect to the Project, as is provided by law, so that each Unit and its percentage or fraction of undivided interest in the Common Elements shall be deemed a separate tax parcel and subject to separate assessment and taxation. If, at the time an Owner closes on his\her Unit, the Unit has not been separately assessed for property taxes and/or the actual taxes attributable to the Unit have not yet been determined by the Tax Assessor for the county where the Property is located, the Owner will be charged for a prorated portion of the current year’s estimated property taxes attributable to the Unit. Buyer and Seller agree to reconcile the difference between the estimated Unit tax proration and the actual tax statement for the Unit, for which Owner will be refunded any prorated overpayment and Owner will pay any prorated shortfall.

ARTICLE III.
RIGHTS, OBLIGATIONS AND RESTRICTIONS ON OWNERSHIP

3.1 NATURE OF UNIT OWNERSHIP. A Unit will be a fee simple estate and may be held and owned by any person, firm, corporation, or other entity singularly, as joint tenants, as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Texas. Each Unit Owner shall have an undivided interest in the Common Elements in accordance with **EXHIBIT "C."** By taking title to a Unit, each Owner acknowledges that the percentages stated in **EXHIBIT "C"** are subject to change as Declarant adds Units to the Condominium Regime as described in **APPENDIX A.** The formula used to arrive at the percentages shall be solely determined by the estimated square footage of each Unit as a pro-rata share of the total estimated square footage of all the Units included in the Project at each phase.

3.2 NO PARTITION. The Common Elements (both General and Limited) shall be owned in common by all of the Owners of the Units and shall remain undivided, and no Owner shall bring any action for partition or division of the Common Elements. Nothing in this Declaration shall be construed as limiting the right of partition of a Unit between the Owners thereof, but such partition shall not affect any other Unit.

3.3 RIGHTS OF OWNERSHIP. Each Owner (including the Declarant as it relates to unsold Units owned by Declarant) shall be entitled to exclusive ownership and possession of the Unit owned by such Owner, subject to the rights of the Association as set forth in the Condominium Documents. Each Owner may use the Common Elements in accordance with the purposes for which they are intended and without hindering or encroaching upon the lawful rights of the other Owners, subject to the terms and conditions of such use as set forth in the Condominium Documents. Each Owner shall have an unrestricted right of ingress and egress to the Owner's Unit, subject to reasonable routes of such vehicular and pedestrian access. No Owner shall have any interest or right to property owned by the Association.

3.4 MECHANIC'S AND MATERIALMAN'S LIENS. No labor performed or materials furnished and incorporated in a Unit, notwithstanding the consent or request of the Owners, his\her agent, contractor or subcontractor, shall be the basis for filing of a lien against the interest in the Common Elements owned by the other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of the other Owners or against their interest in the Common Elements for construction performed or for labor, materials, services, or other products incorporated in such Owner's Unit.

3.5 RIGHT OF ENTRY. The Association shall have the right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Elements or the protection of other Units from damage or harm, or at any time for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.

3.6 MAINTENANCE AND REPAIR OBLIGATIONS. Responsibility for repair and maintenance of Units and Common Elements is generally described as follows:

(a) *Owner and Association Responsibilities for Units and Common Elements.* The maintenance responsibilities between Owners and the Association as it relates to the Project is attached as **APPENDIX B**. To the extent of a conflict between this Section and **APPENDIX B**, the provisions of **APPENDIX B** shall control. **Each Owner is advised to review this Section and Appendix B carefully for a full and complete understanding of the Unit Owner's maintenance, repair and replacement responsibilities. It should be noted that the Unit Owner's repair, replacement and maintenance responsibilities include responsibility for certain Common Elements which are outside the Unit's boundaries.** Regardless of the responsibility between the Owner or the Association, the standard for maintenance, repair and replacement of all Improvements shall be in keeping with the original design and construction of the Improvements, ordinary and reasonable wear and tear excepted.

(1) *Association Maintenance and Repair Responsibilities.* Unless specifically allocated to a Unit Owner under this Declaration, the Association maintains, repairs and replaces, as a Common Expense, the portions of the Property listed below:

(i) all General Common Elements, including, without limitation, roof and roof systems, foundation, sealants and fillers, framing and studs and exterior wall materials;

(ii) except for routine cleaning, which is the Owner's responsibility, the Association is responsible for the maintenance, repair, and replacement of entryways, stoops, porches, patios, balconies, and decks (if any) which are part of a Unit;

(iii) all Limited Common Elements. The Association also maintains, as a Common Expense, any component of a Unit specially allocated to the Association by this Declaration. Notwithstanding the foregoing, if there is damage to the Common Elements which also results in damage to the Unit, the Association is not responsible for the damage to the Unit unless such damage was the fault of the Association; and

(iv) at the inception of the Project, the Board has elected to maintain each Unit's individual irrigation system in good working condition at all times and operate such irrigation system to ensure proper irrigation of each Unit's turf and landscaped areas.

(2) *Owner Maintenance and Repair Responsibilities.* Every Owner of a Unit has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

(i) To maintain, repair, and replace his Unit;

(ii) The routine cleaning and maintenance of the rain gutters that are adjacent to the Unit's boundaries.

(iii) The routine cleaning of any entryway, stoop, porch, patio, balcony, or deck (except not including windows and doors) assigned as the Unit's Limited Common Element. The Association is not responsible for any maintenance, repair, or upkeep of any special features or additions to such Limited Common Elements if such special features or additions are unique to the Unit in question and the Owner shall be responsible for such items. This provision is warranted by the possibility that balconies or similar improvements may be individualized with unusual or costly materials, by the manner in which they impede the Association's access to Common Elements, and by the difficulty of scheduling work in areas that are to be accessed through a Unit. Notwithstanding the foregoing, any such individualized improvements will require approval by the ACC, as defined in Section 3.14;

(iv) To keep the Limited Common Elements appurtenant to his/her Unit in a neat, clean, odorless, orderly, and attractive condition;

(v) To maintain, repair and replace the portions of the yard, landscaping and irrigation system associated with the Owner's Unit or designated as Limited Common Elements for the Unit that the Board does not elect to maintain by providing Landscape Services. At the inception of the Project, the Board has elected to provide Landscape Services to all landscaped areas associated with each Unit. For those areas of the Unit's yard and landscaping required to be maintained by the Owner, the Owner shall be required to maintain such areas at the same level as described in the Landscape Services, plus any other maintenance that are excluded from Landscape Services that are required to keep such areas in a neat and well-maintained condition; and

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

(3) *Special Provisions for Yard and Landscape Maintenance.*

(i) *Association to Provide Landscape Services.* The Association shall provide Landscape Services to all the landscaped areas associated with each Unit. Notwithstanding anything to the contrary stated in this Section 3.6, the Board may elect, in its sole and absolute discretion, to cause the Association to limit Landscape Services to the front yard only of the Units. The Association shall repair damage to any Improvements associated with the Unit or the Unit's Limited Common Elements directly resulting from the Association's maintenance responsibilities described in this Section. The Board shall determine the standard, frequency and level of the Landscape Services and may change such standards in

its sole and absolute discretion. The Association shall not be responsible for any special care or attention required for plantings within a Unit's Limited Common Elements that is beyond the typical landscaping and plantings that were originally installed in connection with the construction of the Project.

(ii) *Tree Protection Plan.* The Project was approved for construction pursuant to a Site Development Permit issued and approved by the City of Austin under COA Case No. SP-2016-0377C (the "SDP"). The Owners must abide by the terms and conditions of the SDP and any applicable City of Austin requirements at all times as it relates to trees protected by the SDP (including any tree protection requirements). The Association shall be responsible for trimming, pruning and otherwise dealing with the trees. The Owners are prohibited from harming or otherwise damaging any trees that are protected under the SDP.

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

(4) *Project Fencing.* The Project, as built, includes exterior fencing around the rear yard of each Unit and the side yards of certain Units with side yards. The Unit Owner shall be prohibited from removing or altering such fencing unless the Owner obtains approval from the ACC, as defined in Section 3.14, for such removal or alteration prior to such action. Any fencing that is located along the boundaries of the Project (i.e.: perimeter fencing) shall be maintained, repaired and replaced by the Association. Unless the Board elects to do so, all other fencing shall be maintained, repaired and replaced by the Individual Owner upon whose Limited Common Element boundary the fence is situated. If the fence or gate between Units is

located along a common boundary of Limited Common Elements of two Owners, the two Owners shall share the responsibility of maintenance, repair and replacement of such fencing and gate.

(5) *Concrete.* Minor cracks in poured concrete, including foundations, garage floors, sidewalks, driveways and patios, are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and settling of the building. Such minor cracking in poured concrete may not warrant repair. The Association's duty to maintain and repair foundations and other concrete or cementitious components of the building does not extend to minor or cosmetic cracking. Generally, the Association is responsible for repair of the following conditions and only with respect to concrete which is part of the General Common Elements: (i) leakage or seepage through walls or floors; (ii) cracks in concrete, masonry walls, or masonry veneer that exceed one-quarter inch in width; (iii) improper drainage of water from stoops; and (iv) pitting, scaling, or spalling of concrete work. Units may also contain concrete subflooring between floors of a Unit which is typically a non-reinforced "lightweight" concrete topping which may develop extensive cracks and disintegration as a result of normal wear and tear and the movement of the structures on which the lightweight concrete is applied. The concrete described in the preceding sentence is the Unit Owner's responsibility.

(6) *Balconies and Patios.* Except for routine cleaning, which is the Owner's responsibility, the Association is responsible for the maintenance, repair, and replacement of entryways, stoops, porches, patios, balconies, and decks (if any) which are part of a Unit. If the outside components of the Unit are most easily accessed through the Unit, the Owner will cooperate in providing access to the outside components for the Association's agents and contractors. If requested by the Association, the Owner will remove all personal property from the outside components of the Unit to facilitate the required maintenance, repair, or replacement. The Owner is liable to the Association for any additional expense incurred by the Association due to an Owner's failure or refusal to cooperate with reasonable requests for access or removal. This Section may not be construed to prevent an Owner at the Owner's sole expense, without right of reimbursement from the Association, from maintaining, repairing, and replacing components of the Unit's entryways, stoops, porches, patios, balconies, and decks provided the Owner otherwise complies with all other provisions of the Declaration.

(b) *Warranty Claims.* If the Owner is the beneficiary of a warranty against major structural defects of the Common Elements, the Owner irrevocably appoints the Association, acting through the Board, as his\her attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty that pertains to Common Elements. This Paragraph shall not constitute or create a warranty of any kind that is separate from any warranties that may apply.

(c) *Owner's Default in Maintenance.* If the Board determines that an Owner has failed to properly discharge his\her obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the

Association may do so at Owner's expense, which is an Individual Assessment against the Owner and his\her Unit. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property.

(d) *Owner's Responsibility for Negligence or Willful Misconduct.* An Owner will be responsible for his\her own negligence or willful misconduct and that of his\her family, guests, tenants, agents, or contractors and for the maintenance, repair or replacement of the Common Elements or property of another Owner that is necessitated by such negligence or willful misconduct, regardless of whether such items are the responsibility of the Association or the Owner. The cost of such maintenance, repair or replacement shall be Individual Assessment against the Owner and his\her Unit.

(e) *Water Leaks.* All water leaks, which are the maintenance responsibility of the Owner, shall be promptly repaired. Water leaks of any nature, whether the responsibility of the Owner or not, shall be immediately reported to the Association or its Management Company.

(f) *Discharge of Association Responsibilities.* The Association maintenance, repair and replacement obligations will be discharged when and how the Board deems appropriate.

3.7 RESTRICTION OF OWNERSHIP. As a restriction of the ownership provisions set forth in Articles I and II, an Owner of a Unit shall not be deemed to own the perimeter walls, foundation, ceilings, and roof surrounding his\her Unit, nor shall such Owner be deemed to own the utilities running through his\her Unit which are utilized for, or serve, more than one Unit, except as a tenant in common with the other Owners.

3.8 SUBJECT TO CONDOMINIUM DOCUMENTS. The Owner of each Unit (including unsold Units owned by Declarant) and the Association shall be subject to the provisions of the Condominium Documents, as they may be lawfully amended from time to time, and the decisions and resolutions of the Association adopted pursuant thereto. Failure to comply with any of the same shall be grounds for an action to recover damages or for injunctive relief, or both, maintainable by the Association on behalf of the Owners or, in proper cause, by an aggrieved Owner against another Owner or against the Association, including the right to judicially contest the decisions of the Board or the Association, all such causes being subject to the limitations on claims as set forth elsewhere in this Declaration.

3.9 REGULATION OF COMMON ELEMENTS. Portions of the Common Elements are intended as landscaped areas and may be altered only as authorized by sixty-seven percent (67%) of the votes in the Association. Rules governing the use of such areas by Owners and by their guests and invitees may be promulgated by the Declarant, or by the Board after it has been formed. Each Owner shall be responsible to the Association for compliance therewith by the members of their respective families, relatives, guests, invitees, tenants, and contractors, both minor and adult.

3.10 INTERFERENCE WITH COMMON ELEMENTS. The Common Elements are intended for use for the purposes of: affording vehicular and pedestrian movement within the Project; providing access to the Units; providing recreational use by the Owners and Occupants; and providing for the beautification, privacy and security of the Project through landscaping, entry features, gates and such other means as shall be deemed appropriate. No part of the Common Elements shall be obstructed or damaged so as to interfere with its intended use or for its maintenance and operations. Except for individually assigned Limited Common Element storage areas, if any, no part of the Common Elements shall be used by Unit Owners for general storage purposes, nor shall anything be done on the Common Elements in any manner which shall increase the rate for hazard and liability insurance covering said area and Improvements situated thereon.

3.11 NO INTERFERENCE WITH DECLARANT RIGHTS. By taking title to its Unit, each Owner agrees and acknowledges that Declarant has made the Project subject to certain rights, powers and authority of Declarant as set forth in APPENDIX A, Article X and elsewhere in this Declaration, such provisions being incorporated herein for all purposes. In order that Declarant may develop and sell the Project, each Unit Owner, whether individually or through the Association, covenants never to do anything to interfere with such rights, powers or authorities.

3.12 RESIDENTIAL PURPOSES. Subject to the other provisions of this Declaration, no part of the Project may be used for purposes other than housing and the related common residential purposes for which the Property was designed. Each Unit shall be used for residential purposes or such other uses permitted by this Declaration and for no other purposes. The foregoing restrictions as to use for residential purposes shall not, however, be construed in such manner as to prohibit a Unit Owner from the following activities with regard to his/her Unit:

- (a) maintaining his/her personal, professional library;
- (b) keeping his/her personal business or professional records or accounts;
- (c) handling his/her personal business or professional telephone calls or correspondence, which uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions;
- (d) renting or leasing his/her Unit in strict compliance with the Condominium Documents; or
- (e) any activity or enterprise that satisfies the definition of a home occupation and meets all the requirements of Section 25-2-900 of the Austin City Code, so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve door-to-door solicitation of Residents within the Property; (iv) the business does not, in the reasonable opinion of Declarant during the Development Period, and then the Board upon expiration or termination of the Development Period, generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Property which is noticeably greater than that which is typical of residences in which no business

activity is being conducted; and (v) the business activity is consistent with the character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents of the Property as may be determined in the sole discretion of the Board. The terms “business” and “trade,” as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider’s family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) such activity is engaged in full or part-time; (y) such activity is intended to or does generate a profit; or (z) a license is required.

3.13 RESTRICTIVE COVENANTS, EASEMENTS AND ENCUMBRANCES EXISTING PRIOR TO DEVELOPMENT. The Property is subject to certain covenants, restrictions, easements, encumbrances or encroachments of record, a list of which is attached hereto as **EXHIBIT “D”** of this Declaration. Each Owner is advised to thoroughly investigate all such obligations and commitments that arise from ownership of a Unit and each Owner agrees to comply with all such obligations and commitments, as applicable.

3.14 ARCHITECTURAL REVIEW AND APPROVAL. The Regime shall have an Architectural Control Committee (“ACC”) which shall have review and approval rights over any new construction or modification of Improvements within the Project as set forth in this Section.

(a) *Approval Required.* **Any proposed construction, alteration, or modification of any Improvement, Unit or Common Element within the Project shall not be commenced until submission to the ACC of complete plans and specifications showing the nature, kind, shape, size, materials, color, location, and any other information requested by the committee for all proposed work, and until the Committee has approved the plans in writing. The requirements of this Section 3.14(a) include without limitation any changes to grading and drainage improvements within the Common Elements. After the review of plans, the ACC may approve or deny the plans or request additional information from the party submitting the plans. The decisions of the ACC may be made in the sole and absolute discretion of the ACC. During the Development Period, the decision of the ACC may be based on any reason whatsoever, including the own self-interest of the Declarant. By taking title to its Unit, each Owner acknowledges that Declarant has a substantial investment in the Project and that the powers of Declarant as set forth in this Section are critical to the success of the Project for Declarant.**

(b) *Establishment of ACC.* Declarant or its designee shall serve as the ACC during the Development Period. During the Development Period, Declarant may, in writing, assign its rights in this Section or it may delegate all or a portion of its rights as the ACC to one or more individuals to serve in such capacity. Declarant may further revoke any such delegation or assignment during the Development Period. After the expiration of the Development Period, or sooner if determined by the Declarant in writing, authority of the ACC shall be transferred to the Board, which may transfer such authority to a separate individual or committee. Neither the Declarant nor an appointed ACC may waive the requirements of the Declaration and any approval must be in writing to be considered valid. The ACC must act on an application within sixty (60)

days of submittal or the application will be considered denied. No application may be deemed approved under any circumstances. An Owner may appeal any decision of the ACC in writing to the Board within thirty (30) days of notification of the ACC's decision. In case of appeal, the Board's decision shall be final.

(c) *No Liability.* Neither the ACC nor its members may be held liable for any of its actions or decisions it makes, provided that such decisions are made in good faith and are not arbitrary or capricious.

(d) *Owner Duties.* If a party's plans are approved by the ACC, then the party must obtain any and all permits required for completion of the Improvements and commence and complete the Improvements in accordance with the approved plans and in a timely manner after approval of the plans.

(e) *Declarant Exempt.* Declarant shall be exempt from any of the requirements of this Section in its construction or modification of any Improvement, Unit or Common Element. Approval by the ACC shall never be required of Declarant for such construction or modification at any time during or after the Development Period. **Declarant shall have the absolute right to build out the Units and Common Elements associated with the unbuilt portions of the Project without any necessity of approval by the ACC or any other party and to change design, layout, plans or other aspects of such unbuilt Units, as such powers are reserved to Declarant in APPENDIX A and elsewhere in this Declaration.**

(f) *Interior Unit Improvements Exempt.* Unit Owners shall be allowed to complete the cosmetic alteration or remodeling of the interior spaces of the Unit without the approval of the ACC, as long as such work does not impair the structural integrity of any Unit or any part of the Condominium Project and the Owner otherwise complies with all applicable laws and other provisions of the Condominium Documents.

3.15 DISCLOSURES. A few selective features of the Project which may not be obvious to potential Owners include the following:

(a) *Site Development Permit.* The Project was approved for construction pursuant to the SDP. The Owners must abide by the terms and conditions of the SDP and any applicable City of Austin requirements at all times. Each Owner, by taking title to his/her Unit, agrees and acknowledges that the SDP places limits on the areas of construction of Buildings, Units and Common Elements and the ability of Owners and the Association to construct new Improvements.

(b) *Parking.* A limited amount of parking exists within the Project. Parking spaces have been allocated to Units as provided herein and there are only four (4) parking spaces designated for general or visitor use. The Community Policies and Rules impose limitations with respect to parking and use of unassigned spaces. The Owner should review the Declaration and the Community Policies and Rules carefully to ascertain the parking that is available to the Owner's Unit, prior to closing and satisfy itself that there is ample parking for the Owner.

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

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

(e) *Sounds.* No representations are made that the Unit is or will be soundproof or that sound and/or vibrations may not be transmitted from one Unit to another or from the Common Elements to a Unit. Sound transmission and/or vibrations between Units and Common Elements is inherent in high-density residential construction and is not a construction defect. The plumbing and concrete, tile, and hardwood surfaces and other uncovered surfaces within a Unit may transmit noise, and such noise shall not constitute a use of a Unit that interferes with or causes disruption to the use and quiet enjoyment of another unit by its respective Owner and/or Resident.

(f) *Unit Systems.* No representations are made that the systems in the Unit, including, by way of example only, heating and air conditioning and electrical systems, will operate or perform at a level or standard greater than the minimum specifications of the manufacturer. In addition, the performance and methods and practices of operating heating and cooling systems can be directly affected by the orientation and location of a room or Unit in relation to the sun. Declarant has no obligation other than to install a heating and cooling system at the Unit which has been sized and designed based on industry standards for the type and size of Unit to be constructed.

ARTICLE IV.

MANAGEMENT AND ADMINISTRATION

4.1 **BOARD OF DIRECTORS.** The actions of the Association as referred to and authorized in this Declaration shall be carried out by the Board, unless expressly provided otherwise in the Declaration or the Act.

(a) *Composition of Board.* The Board shall consist of at least three (3) persons who are Members, spouses of Members, or in the event that a Unit is owned by a corporation or other business entity, an officer, director, or employee of such entity. The election of Directors and determination of the number of directors shall be conducted at such annual meeting of the

Association. After the Declarant Control Period, the Association may vote to change the number of the Board to five (5) or more Directors, as long as the number of Directors is an odd number.

(b) *Voting by Board Members.* Each Member shall be entitled to cast his\her total number of votes, as calculated in the manner provided in Section 4.4(b) of this Declaration. No Member shall cast for any one Board candidate more than the total number of votes that Member controls. The Board candidates receiving the highest number of votes up to the number of existing vacancies on the Board shall be deemed elected. All votes shall be cast by written ballot. Members shall not vote cumulatively for the election of Directors. The presence of a majority of Directors at a meeting of Directors shall constitute a quorum for the transaction of business. The action of a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board. A meeting of the Board shall be held each year promptly after the annual meeting of the Association, at the place of such annual meeting, for the election of officers and the consideration of any other business that may properly be brought before such meeting. Regular meetings of the Board shall be held at such times and places as the Board shall determine.

(c) *Length of Term.* The members of the Board shall serve for a term of one (1) year, commencing at the time of their election, or until their death, resignation, removal, or until they are no longer a Member, whichever is earlier. During the Declarant Control Period, the terms of initial members of the Board shall be two (2) years each and in accordance with the Certificate and Bylaws. Except during the Declarant Control Period, any member of the Board may be removed from membership on the Board, with or without cause, by the affirmative vote of sixty-seven percent (67%) of the votes represented at a quorum meeting of the Association called to consider such action or at an annual meeting of the Association.

(d) *Declarant Control Period.* Notwithstanding the other provisions of this Declaration following, the Declarant shall have the sole and absolute right to appoint all the members of the Board in the manner set forth in APPENDIX A.

(e) *Nonliability and Release of Officers and Directors.* **THE ASSOCIATION AND ITS OFFICERS, DIRECTORS OR COMMITTEE MEMBERS (COLLECTIVELY "OFFICERS") SHALL NOT BE LIABLE TO UNIT OWNERS, THEIR TENANTS, INVITEES OR GUESTS, FOR PROPERTY DAMAGE, PERSONAL INJURIES, OR HARM RESULTING AT ANY TIME FROM CONDUCT OF THE OFFICERS OR ASSOCIATION EMPLOYEES, OR AGENTS RELATING TO ENFORCEMENT OR NONENFORCEMENT OF THE CONDOMINIUM DOCUMENTS. THIS INCLUDES, BUT IS NOT LIMITED TO, DECLARATION PROVISIONS AND COMMUNITY POLICIES AND RULES REGARDING PET LEASH REQUIREMENTS, TRAFFIC INTERSECTION SIGHTLINES, TRAFFIC SIGNS, VEHICLE PARKING, COMMON AREA LIGHTING OR FENCING, COMMON AREA SECURITY, HAZARDOUS MATERIALS STORAGE, ELECTRICAL LINES, OR GAS LINE OR SANITARY SEWER SYSTEM FAILURES. BY ACCEPTANCE OF A DEED OR LEASE, OWNERS AND TENANTS, AS WELL AS THEIR INVITEES OR GUESTS, ARE DEEMED TO HAVE RELEASED THE ASSOCIATION AND THE OFFICERS FROM SUCH LIABILITY, TO THE EXTENT AUTHORIZED BY LAW. OFFICERS SHALL NOT BE**

LIABLE FOR A MISTAKE IN JUDGMENT. AN OFFICER SHALL BE LIABLE FOR ACTS OR OMISSIONS WHICH ARE (1) A BREACH OF THE OFFICER'S DUTY OF LOYALTY AND FIDUCIARY DUTY TO THE ASSOCIATION OR ITS MEMBERS, (2) ACTS OR OMISSIONS NOT IN GOOD FAITH OR INVOLVING INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW, (3) A TRANSACTION FROM WHICH AN OFFICER RECEIVES AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF THE OFFICER'S OFFICE, OR (4) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF THE OFFICER IS EXPRESSLY PROVIDED BY APPLICABLE LAW.

(f) *Indemnity of Officers and Directors.* The Association shall indemnify the Officers against any expenses, including, without limitation, attorney's fees, reasonably incurred or imposed on the Officer in connection with any claims, demands, actions, and proceedings to which the Officer is a party due to his/her position as an Officer, unless the Officer's conduct is of the nature for which the Officer is liable under the preceding paragraph. The cost of indemnifying Officers shall be a Common Expense and may be covered by Officers and Directors insurance as provided in Section 4.5(f). The Board is authorized and directed to modify the Association's Certificate to conform to this Section.

4.2 THE CONDOMINIUM DOCUMENTS. The administration of this Condominium Project shall be governed by the Condominium Documents, and the resolutions of and policies duly adopted by the Board. The Condominium Documents may be amended or changed only in accordance with the amendment procedures contained in the respective documents. An Owner of a Unit, upon becoming an Owner, shall be a Member and shall remain a Member for the period of his/her ownership of a Unit.

4.3 ENFORCEMENT OF THE CONDOMINIUM DOCUMENTS. Subject to the limitations on claims as set forth in this Declaration, the Association or any Owner may utilize any of the rights and remedies set forth below, for the implementation or enforcement of all restrictions, conditions, covenants, reservations, liens, charges, and liabilities imposed by the provisions of the Condominium Documents. Failure of the Association or any Owner to enforce any such items shall not be deemed a waiver of the right to do so thereafter.

(a) *Rule and Regulation Authority.* The Board may adopt Community Policies and Rules for governing the use and maintenance of the Property and obtaining compliance by Owners and their families, guests, and tenants with the Condominium Documents, provided that such rules and regulations are not prohibited by this Declaration or applicable law. The Community Policies and Rules may address any subject relating to: the Units; Common Elements; construction; repairs; unsightly objects; use of or billing for utilities, occupancy and leasing of Units; animals; vehicles; trash; pest control; relationships between Owners, tenants, and/or the Association; enforcement; and other subjects reasonably deemed by the Board to affect or concern the Project. The Community Policies and Rules must be consistent with and not in conflict with this Declaration. The Board may amend or adopt new Community Policies and Rules in any manner deemed appropriate by the Board, provided such amendment or new provisions do not

conflict with the Declaration. To the extent of a conflict between the Community Policies and Rules and this Declaration, the provision of the Declaration shall control.

(b) *Late Charges.* Provisions for late charges for the late payment by the Owners of monies owed to the Association are covered in the Community Policies and Rules. The Board may adopt new rules or policies for late charges, from time to time in its sole discretion.

(c) *Returned Check Charges.* The Board may assess returned check charges against an Owner, as set by the Board from time to time, for each returned check, plus late charges, until acceptable payment is received.

(d) *Nonassessment Items First.* All monies received from an Owner may be applied first to obligations of the Owner, such as fines, late charges, returned check charges, user fees, damages, etc., regardless of notations on checks and transmittal letters and then to other Assessment items, such as Regular Common Assessments or Special Assessments.

(e) *Suspension of Voting Rights and Use Rights.* The right to vote and the right to use Common Elements of any Owner who is more than thirty (30) days delinquent on any sum owed to the Association shall be automatically suspended without notice. Such suspension of rights shall extend to general or special membership meetings, mail ballots, committee meetings, board meetings, and all other meetings.

(f) *Fines.* The Board or the Management Company may assess fines against an Owner for violations by the Owner or his/her family, guests, agents, or tenants of standards of conduct contained in the Declaration and the Community Policies and Rules. Fines may also be assessed for violation of suspended Common Elements use rights. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owners. There must be notice of the alleged infraction and fine to the Owner no later than forty-five (45) days after the Board or Management Company becomes aware of the alleged infraction.

(g) *Remedies Against Tenants.* The Board shall have authority to evict tenants of Owners or other Occupants, after reasonable notice, for violations of the Condominium Documents. The Board shall have authority to enforce the provisions of the Condominium Documents against the Owner, Owner's tenants, or other Occupants including collection of fines for violations of the Condominium Documents by such parties.

(h) *Leasing.* The Board may adopt reasonable requirements for leasing a Unit, in addition to those contained in this Declaration or the Community Policies. Additionally, the Board may require (1) that tenant names, work phones, home phones, and emergency contact persons be registered with the Board or the Management Company, or (2) that a particular lease form be used, provided that Owners are free to modify or amend such lease form as they deem proper.

The Management Company managing the Association does not have authority to act for the Association in leasing or managing individual Units. A Unit Owner may contract with

the same Management Company that manages the Association to lease or manage a Unit owned by the Owner. Additionally, in such case, the Unit Owner shall inform the tenant that in leasing or managing the Owner's Unit, the Management Company is not acting on behalf of the Association.

(i) *Interest.* All sums due the Association by Owners shall bear interest from the due date at the highest lawful rate, compounded annually.

(j) *Lien of the Association.* The Association shall have a lien on an Owner's Unit, including any rentals and insurance proceeds relating to the Unit, to secure payment of all monies owed by the Owner to the Association. The lien and foreclosure of the lien is addressed further in Section 5.10.

(k) *Venue and Lawsuit Authority.* All obligations of owners, tenants, and the Association arising under the Condominium Documents shall be performed in the county where the Property is located, and venue for any lawsuits relating thereto shall be in the county where the Property is located. The Association shall have the right to file and defend a suit (including injunctions) and recover on behalf of the Owners in any cause of action based on damages to the Common Elements or based on liabilities of Owners and their families, guests, agents, tenants, or third parties accruing to Owners and/or the Association.

(l) *Attorney's Fees.* If delinquent accounts or other violations of the Condominium Documents are turned over to the Association's attorney, the offending Owner shall be liable for all attorney's fees and costs incurred by the Association in collections, filing liens, foreclosing liens, releasing liens, prosecuting lawsuits, and/or otherwise enforcing the Condominium Documents.

(m) *Association Entry.* The Association shall have the right to enter an Owner's Unit for purposes of (1) inspection for utility leaks and frozen pipes, (2) prevention of water pipe freezing (by turning on heat or dripping faucets), (3) protection of property rights and quiet enjoyment of other Owners, and (4) any other purposes necessary for the Association to carry out its responsibilities. The Association may request, but not require, Owners to furnish the Association with entry keys to Units for such purposes. If the Unit is unoccupied at the time such entry is needed for such purposes, only a locksmith may be used for gaining entry except in case of extreme emergency such as fire. Utility leaks for which the Owner is responsible under the Condominium Documents may be repaired by the Association at the Owner's expense with prior notice delivered to the Unit if the Owner fails to promptly repair them, except that emergency utility leaks within a Unit may be repaired by the Association at the Owner's expense without prior notice. If the Unit is vacant and for sale or lease, the Unit Owner shall furnish a key to the Unit in a sealed envelope to the Association until it is sold or leased, such key to be used only in the event of suspected utility leaks or emergency repairs. Except by court order, the Association may not unilaterally abate or alter structural improvements within a Unit (*i.e.*, walls, ceilings, built-in cabinetry) that are in violation of the Declaration.

(n) *Abandoned Unit.* If an Owner of a Unit has abandoned it, and if neither the Owner nor an Occupant is residing in the Unit, and if the Owner is more than sixty (60) days delinquent in payment of sums due the Association, the Association may enter the Unit and rent the Unit to third parties (subject to the right of any first lienholder) and apply all rents received to sums due the Association by the Owner and thereafter to the Owner's account and to any repairs to the Unit necessary for renting. Provided, however, such may be done only after ten (10) days' notice, sent via certified mail to the Owner's last known address and to the Owner's First Mortgagee, (if any), along with a copy of this Section of the Declaration; and provided further that such may not be done if the owner or First Mortgagee delivers written objection to the Association at any time after the alleged abandonment.

(o) *Notices to Multiple Owners, Tenants, and Mortgagees.* Notice to or from one of multiple Owners or tenants of a Unit shall be deemed as notice to or from all Owners or tenants of that Unit. If an Owner is more than sixty (60) days delinquent in the payment of any Assessment, the Association may send to the Owner's tenant a copy of any Association notices or communications with the Owner. The Association shall give such notice, upon written request, to a First Mortgagee or insurer.

(p) *Assignment of Revenues.* The Association shall have the power to convey a security interest in its revenues to a lender for purposes of obtaining loans necessary for the operation and/or improvement of the Project. No such security interest may be given without being approved by a vote of sixty-seven percent (67%) of the Members voting in person or by proxy at an Association meeting.

(q) *Other Powers.* The Association shall have all other powers necessary and proper for the government and operation of the Association, including but not limited to, those powers contained in the Act. Such powers include the right to grant permits, licenses, and easements over Common Elements for utilities, roads, and other purposes for the proper operation of the Property.

4.4 MEMBERSHIP IN THE ASSOCIATION AND VOTING.

(a) *Membership.* The Association shall have a single class of Members which shall include Unit Owners and Declarant. Membership in the Association shall be appurtenant to the legal, fee title to the Units, and upon the transfer of title to a Unit, the membership appurtenant thereto shall be deemed to be transferred to the grantee of such Unit, upon recordation of the deed or other conveyance thereof in the Real Property Records of the county where the Property is located. No membership in the Association may be separately conveyed or transferred in any other manner. When the title to a Unit in the Project is owned by more than one person, firm, corporation, or other entity, the membership in the Association appurtenant to such Unit shall be owned in the same manner and to the same extent as the Unit, with all the Owners of such Unit being collectively the Member in the Association.

(b) *Voting.* Ownership of each Unit in the Project entitles the Owner or Owners (collectively) of such Unit, including Declarant, thereof to one vote. If a Unit is owned by more

than one person, the Owners who own fractional interests in such Unit aggregating more than fifty percent (50%) of the whole ownership thereof shall appoint one Member who shall be entitled to exercise the votes pertaining to that Unit at any meeting of the Association. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board or upon the death or judicially declared incompetence of any one of the Owners of such Unit. If a Unit is owned by more than one person claiming to be entitled to exercise the voting right attributable to that Unit, then none of such Owners shall be allowed to exercise the voting rights attributable to such Unit unless they concur upon the manner in which such votes will be cast. Failure of such Owners to concur shall result in that Unit being excluded in all respects in determining whether a requisite number of votes has been cast with respect to the matter upon which such vote is being taken. All Members of the Association may be present at any meeting of the Association and may act at such meetings in person or by proxy (whether physically present or not). If at any time the Association shall hold legal title to one or more Units, the voting rights to which the Owner thereof otherwise would be entitled shall be exercised as directed by majority vote of the Owners in attendance at the meeting, in person or by proxy.

(c) *Completed and Uncompleted Units.* The membership and voting rights referred to above shall accrue to an Owner of a Unit, regardless of whether the Unit has been constructed or completed.

4.5 INSURANCE.

(a) *Property Insurance.* To the extent reasonably available, the Association shall obtain and maintain at all times blanket all-risk insurance (the "Property Insurance") on the Project (including, without limitation, the Common Elements and Buildings) of the type and kind required by this Declaration and as is customary with respect to condominium projects, similar in construction, design and use. The Property Insurance policy shall include coverage for loss or damage by fire, vandalism, malicious mischief, and such other hazards as are covered under a typical blanket all-risk policy or deemed advisable by the Board. The Property Insurance policy shall be in an amount equal to one hundred percent (100%) of the current replacement cost of the Project exclusive of Land, foundation, excavation and other items normally excluded from coverage. The Property Insurance shall have the following characteristics, to the extent such coverage is reasonably available and based on the Board's discretion considering insurance policies that are customarily utilized on condominium projects of a similar size and nature:

(1) the Property Insurance shall include coverage for the General Common Elements, Limited Common Elements and all property that is owned by the Association, such as office furniture, supplies, fixtures and similar items;

(2) the Property Insurance shall include coverage for the Common Elements as originally constructed, if not covered under another insurance policy maintained by the Association. The Property Insurance shall not cover the individual Units for improvements and betterments, the personal property of the Unit Owner or the Unit Owner's personal liability for injuries or accidents occurring inside the Unit or the Limited Common Elements assigned

solely to a single Unit and the Owner shall be responsible for obtaining such insurance at its own expense as described below; and

(3) the Property Insurance shall include endorsements that are required by an underwriting lender or which are required for underwriting purposes of FNMA, FHA, or VA loans if any of the Units are funded under those loan types.

(b) *Liability Insurance.* The Association shall maintain a policy of commercial general liability insurance and property damage insurance against claims for personal injury or death, or property damage suffered by the public, or any Owner or Occupant, family, agent, employee, or invitee of an Owner or Occupant, occurring in, or about the Common Elements (but excluding the Limited Common Elements assigned solely to a single Unit), and legal liability arising out of lawsuits related to employment contracts of the Association, which liability and property damage insurance shall afford protection to such limits and extent as the Association deems desirable, provided that the policy limit not be less than an amount approved at the Association annual membership meeting covering all claims for personal injury and/or property damage arising out of a single occurrence. The amount of such insurance policy shall be that which is customary for projects of this size and nature, as determined by the Board, but in no event shall the liability policy amount be less than \$1,000,000.00 per occurrence. Such liability and property damage insurance policy shall also contain a cross-liability endorsement wherein the rights of a named insured under the policy or policies shall not prejudice his, her, or their action or actions against another named insured. This liability coverage does not insure the individual Unit Owner for liability or damages arising out of the use of his/her individual Unit or the Limited Common Elements assigned solely to the Unit as distinguished from the General Common Elements of the Project. The liability coverage shall include coverage for medical payments.

(c) *Condominium Unit Owners Insurance.* **The insurance policies maintained by the Association do not cover all aspects of the Project and the Association's policies will leave gaps in coverage as it relates to the individual Units and the Limited Common Elements solely assigned to the Unit.** The individual Unit Owner's policies referred to below shall be obtained at the Unit Owner's expense. However, the Association may, but shall not be required to, obtain the following described or other insurance on individual Units and collect the cost of such policies from individual Owners through Assessments. The individual Unit Owner's policy requirements for the Project are as follows:

(1) *Units.* The insurance maintained by the Association does not insure the Unit or the Limited Common Elements solely assigned to the Unit for the following: (i) the Unit itself; (ii) personal property, clothing, and furniture and furnishings of the Unit Owner; (iii) the Unit Owner's personal liability for occurrences inside the Unit; or (iv) improvements or betterments to the Unit completed in addition to the original construction of the Unit. Each Owner of a Unit, except Declarant, shall be required to obtain an individual insurance policy covering the Unit Owner and the Unit and the Limited Common Elements solely assigned to the Unit for the items listed in (i), (ii), (iii) and (iv) above, if applicable.

EACH UNIT OWNER SHOULD CAREFULLY READ AND UNDERSTAND THIS ARTICLE DEALING WITH INSURANCE AND CONSULT WITH AN INSURANCE PROFESSIONAL TO DETERMINE THE ADDITIONAL COVERAGE NEEDED BY THE UNIT OWNER TO PROPERLY INSURE HIMSELF AND HIS\HER UNIT AGAINST ANY AND ALL LOSSES OR CLAIMS WHICH MAY NOT BE COVERED BY THE ASSOCIATION'S INSURANCE POLICIES.

(d) *Fidelity Bond.* The Association shall maintain or cause to be maintained an adequate blanket fidelity bond covering all officers, directors, employees of the Association, and all other persons handling or responsible for funds administered by the Association, and such bond shall be of a kind and in an amount not less than the estimated maximum of funds, including Reserves, in the custody of the Association at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate Regular Common Assessments on all Units, plus Reserves. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to the Association and First Mortgagees.

(e) *Workmen's Compensation Insurance.* If the Association has employees entitled to file workmen's compensation claims, the Association may maintain or cause to be maintained workmen's compensation insurance.

(f) *Directors and Officers Coverage.* If it deems such coverage to be necessary, the Board may obtain directors and officer's liability insurance for any persons serving on or acting on behalf of the Board.

(g) *Flood Insurance.* If the condominium is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards of for which flood insurance has been made available under the National Flood Insurance Program (NFIP), the Association must obtain and pay the premiums upon, as a Common Expense, a blanket policy of flood insurance adequate to insure such areas. The flood insurance shall be in an amount deemed appropriate by the Association, but not less than the following: (a) the maximum coverage available under the NFIP for all buildings and other insurable property within the condominium to the extent that such property is within an area having special flood hazards; or (b) one hundred percent (100%) of the current replacement costs of all such property within such area.

(h) *Other Insurance.* The Association may maintain other policies of insurance it determines, in its sole discretion, to be reasonably necessary to adequately insure the Project.

(i) *Association as Trustee and Attorney-in-Fact.* The Association, or its designated representative acting on behalf of the Association, shall be named as an insured on each insurance policy maintained by the Association. Each Owner irrevocably designates the

Association as its attorney-in-fact, to obtain and purchase any insurance referred to in this Article and to administer, negotiate and distribute claims and the proceeds of any such insurance policies. The proceeds from an insurance policy maintained by the Association shall be payable to an insurance trustee designated by the Association for that purpose, if deemed necessary by the Board, or otherwise to the Association itself, and not to any Unit Owner or holder of a lien on a Unit. The Association shall be required to hold any proceeds of insurance in trust for Unit Owners and their First Mortgagee.

(j) *Waiver of Right of Subrogation.* Any insurance policy obtained by the Association or a Unit Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Unit Owners, Association and their respective servants, agents, or guests.

(k) *General Standards for Insurance Policies.* The cost of any insurance policy or bond referred to in this Article and maintained by the Association is a Common Expense. The Association shall be required to use generally acceptable insurance carriers authorized to do business in the State of Texas to issue any policies of insurance referred to in this Article. All insurance policies described in this Article shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under such policy, as to the interests of all other insured Owners not guilty of any act or omission, shall not be invalidated or suspended and shall remain in full force and effect. Each insurance policy maintained by the Association shall contain the standard language naming either the First Mortgagee or its servicer followed by "its successors and assigns." Each insurance policy shall provide that it cannot be canceled or substantially modified by either the insured or the insurance company until after ten (10) days prior written notice to the Association and each First Mortgagee, to the extent allowed by law. The Board shall, upon request of the mortgagee, furnish to any First Mortgagee a certified copy of each insurance policy maintained by the Association and a separate certificate identifying the interest of the mortgagor. Each insurance policy maintained by the Association shall name the Association, the Owners and all First Mortgagees of Units as the insureds, as applicable and customary. In addition, each policy or policies shall identify the interest of each Unit Owner and shall provide for a standard, noncontributory mortgage clause in favor of each First Mortgagee.

(l) *Liability of Board for Inadequate Coverage.* The Association, its Board, officers, directors, and Management Company shall not be liable for failure to obtain the insurance coverage required by this Article or for any loss or damage resulting from such failure if due to the unavailability of the required coverage by acceptable insurance carriers or due to unavailability of the required coverage because of cost that the Board determines, in its sole discretion, to be unreasonable or impractical.

(m) *Responsibility for Deductibles.* An insurance policy maintained by the Association will likely have a deductible amount associated with claims made under the policy. If there is a claim made under an insurance policy maintained by the Association and a deductible applies, then the payment of the deductible shall be a Common Expense. Notwithstanding the foregoing, if the loss for which the claim is made is due to the negligence or willful misconduct of an Owner, Occupant or their guests, or invitees, then the Board may reasonably determine that all or part of the deductible shall be the responsibility of such Owner.

4.6 ACCOUNTING/INSPECTION OF RECORDS. The Board shall keep or cause to be kept books of detailed account of the receipts and expenditures affecting the Project and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Project or the Association. A financial statement for the preceding fiscal year shall be prepared by the Association within sixty (60) days of the Association's fiscal year-end. The Condominium Documents, books of accounts and all vouchers supporting the entries made therein and financial statements shall be available for examination at the office of the Association by all Owners and First Mortgagees at convenient hours on working days and the Board shall cause to be established and announced for general knowledge the days and hours within which such books shall be available for inspection. All such books and records shall be kept in accordance with generally accepted accounting principles, consistently applied. The fiscal year of the Association shall be the calendar year unless another period is established by resolution of the Board.

4.7 SECURITY POLICIES.

(a) Neither Declarant nor the Association promises, warrants, or guarantees the safety or security of Owners, Occupants, family, tenants, guests, or their agents or contractors or their personal property against the criminal actions of others. Each Owner and other person in the Project have the responsibility to protect themselves and to maintain insurance to protect his/her personal belongings.

(b) No security system, patrol, access gate, or electronic security device, if any, can provide protection against crime at every location at every moment of the day or night. Even elaborate security systems are subject to mechanical malfunction, tampering, human error, or personnel absenteeism, and can be defeated or avoided by clever criminals. Therefore, Owners and all other persons in the Project should not rely on such systems, if any, and should always protect themselves and their property as if no security systems exist. Owners and all other persons in the Project should make no other assumptions regarding security. The best safety measures are those precautions that can be performed as a matter of common sense and habit.

(c) If security systems, security devices, access gates, guard house, or walk-through/drive-through services are utilized in the Project, no representation is made by Declarant or the Association that such systems, devices, or services will prevent injury, theft or vandalism. Any companies or individuals walking or driving through the community on behalf of Owner may not carry weapons and have no greater authority under the law to restrain or arrest criminals or to prevent crime than the ordinary citizen. Neither Declarant nor the Association promises, warrants,

or guarantees that any such systems, devices, or services do in fact discourage or prevent breaches of security, intrusions, thefts, or incidents of violent crime. Declarant and the Association reserve the right to reduce, modify, or eliminate any security system, security devices, or services (other than any that are statutorily required) at any time, and such action shall not be a breach of any obligation or warranty on the part of Declarant or the Association. "Neighborhood Crime Watch" signs, if any, do not imply safety or security.

(d) If controlled access gates or intrusion alarms are provided, Owners will be furnished written operating instructions, and it is the responsibility of Owners and their tenants to read them and bring any questions to the attention of the Association or its Management Company. Further, it is the responsibility of Owners and their tenants to promptly notify the Association in writing of any known problem, defect, malfunction, or failure of door locks, window latches, lighting, controlled-access gates, intrusion alarms, and other security-related devices in the Common Area. Each Owner and tenant must report to the Association any crime that he or she is aware of and that occurs in the Owner's Unit or in Common Areas. If an Owner's Unit is equipped with an intrusion alarm, the Owner is responsible for all fines and other charges resulting from or attributable to the alarm, including false-alarm charges – even if caused by Owner's tenant, family, guests, or contractors. The Association has the right to enter a Unit for purposes of cutting off a security system in which the intrusion alarm is disturbing other Owners or their tenants.

(e) Protecting Owners, their families, Occupants, guests, and invitees from crime is the sole responsibility of the respective Owners, Occupants, and law enforcement agencies. Owners, tenants, and other Occupants should call the police or 911 first if a crime occurs or is suspected. Owners, tenants, and other Occupants should promptly report to the Association or the Management Company in writing any Common Area locks, latches, lighting, overgrown shrubbery, fences, gates, intrusion alarms, and other security-related devices that they believe are in need of repair or improvement.

(f) Declarant and the Association expressly disclaim any duties of security. Declarant and the Association shall not be responsible for damage or injury resulting from improper use or malfunction of access gates.

ARTICLE V. ASSESSMENTS

5.1 ASSESSMENTS GENERALLY. Owners shall be obligated to pay all Assessments imposed by the Association and assessed against the Owner or the Owner's Unit. If an Owner fails to pay the Assessment applicable to his\her Unit by the tenth (10th) day after such Assessment is due, the Board shall have the right to impose and assess a late charge in such amount (not to exceed any applicable usury limit) as may be established by the Board from time to time. Declarant shall be required to pay Assessments in accordance with **APPENDIX A**.

5.2 REGULAR COMMON ASSESSMENTS. Monthly, pre-determined Assessments shall be referred to herein as "Regular Common Assessments." Regular Common Assessments shall be due monthly in advance on or before the first (1st) day of each calendar month. By

resolution of the Board, the frequency of collection of Regular Common Assessments may be altered. Regular Common Assessments for the respective Units shall commence on the date each Unit is sold by Declarant. The Regular Common Assessments levied by the Association shall be used for the purposes of promoting the health, safety, welfare, recreation, use and enjoyment of the Owners of the Units including, without limitation, costs for the administration and management, ownership, maintenance, operation, repair, replacement, or improvement of and addition to the Common Elements. Examples of expenses that will be taken into account in determining Regular Common Assessments include, without limitation, insurance, taxes, governmental assessments, landscaping and grounds care, maintenance repair and replacement, if necessary, of any Common Elements, Common Area lighting, repairs and renovation, pest control, garbage collections, wages, utilities charges, legal and accounting fees, insurance, management costs and fees, expenses for legal, accounting, consulting, audit or other professional services, expenses and liabilities incurred by the Association or Management Company under or by reason of this Declaration, Management Company expenses, expenses incurred in the operation and maintenance of recreation and administrative facilities, and payment of any deficit remaining from a previous period. The Reserve Fund shall also be funded through Regular Common Assessments.

5.3 DETERMINATION OF REGULAR COMMON ASSESSMENTS. The Regular Common Assessments shall be determined by the Board based upon the Budget and the cash requirements necessary to provide for the payment of all Common Expenses. The omission or failure of the Board to fix the Regular Common Assessment for any period shall not be deemed a waiver, modification, or release of the Owners from the obligation to pay Regular Common Assessments. If the Regular Common Assessments for a given year is not changed by the Board, then the prior year's amount will continue to be paid by the Owners until adjusted by the Board.

5.4 UTILITIES ASSESSMENTS. At the inception of the Project, electric, cable and natural gas utilities to each Unit are separately metered by the provider. Water is on a master meter from the provider for the entire Project and shall be sub-metered and billed to the Owner by the Association or its designated representative. Any utilities not separately metered shall be part of the Common Expenses and each Unit Owner shall pay his\her pro rata share thereof as in the case of other Common Expenses.

5.5 OWNER OBLIGATIONS FOR REGULAR COMMON ASSESSMENTS AND MID-YEAR ALTERATIONS OF REGULAR COMMON ASSESSMENTS.

(a) *Owner's Obligation and Percentage Responsibility.* All Owners shall be personally obligated to pay the Regular Common Assessments imposed with respect to his\her Unit by the Association to meet the Common Expenses. The Regular Common Assessments shall be imposed based upon each Owner's percentage responsibility for Common Expenses as reflected in **EXHIBIT "C."** By taking title to a Unit, each Owner acknowledges that the percentages stated in **EXHIBIT "C"** are subject to change as Declarant adds Units to the Condominium Regime as described in **APPENDIX A.** The formula used to arrive at the percentages shall be solely determined by the estimated square footage of each Unit as a pro-rata share of the total estimated square footage of all the Units included in the Project at each phase.

(b) *Mid-Year Alteration.* If the Board determines at any time during the calendar year that an increase or decrease in the amount of the Regular Common Assessment is required to adequately perform the duties and responsibilities of the Association and pay all expenses thereof, then the amount of the Regular Common Assessment for the remainder of such year may be altered in the amount deemed necessary by the Board. The new Regular Common Assessment shall remain in effect until a new amount is established either as part of a new annual Budget or under this Article 5.

5.6 SPECIAL ASSESSMENTS. In addition to the Regular Common Assessments authorized by this Declaration, the Board may levy in any calendar year a special Assessment or Assessments (“Special Assessment” or “Special Assessments”) applicable to that calendar year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction or unexpected major repair or replacement of a capital improvement constituting or to constitute part of the Common Elements or for any other unforeseen expense of the Association. Special Assessments may be assessed as the Board may consider appropriate for the needs or common benefit of the Project or the Owners and may be for the same or different purposes as Regular Common Assessments. Special Assessments shall be imposed upon the Owners in the same manner as set forth in Section 5.5(a) above for Regular Common Assessments unless the Board reasonably determines that the Special Assessments shall be made in a different manner such as being assessed against a limited number of Unit Owners due to the nature of the expense. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by a Majority of the votes in the Association: (a) acquisition of real property; and (b) construction of additional Improvements within the Regime, but not including the repair or replacement of existing Improvements within the Regime or additional Improvements built by Declarant.

5.7 INDIVIDUAL ASSESSMENTS. In addition to Regular Common Assessments and Special Assessments, the Board may make assessments against individual Unit Owners (“Individual Assessments”) for any of the charges or responsibilities that are set forth in this Declaration as being attributable to an individual Unit Owner. The Association’s powers to enforce and collect Individual Assessments shall be the same as for any other type of Assessment.

5.8 COMMENCEMENT OF REGULAR COMMON ASSESSMENTS. The Regular Common Assessments shall be due on the first (1st) day of each calendar month. The Regular Common Assessments shall be prorated if the ownership of a Unit commences on a day other than the first (1st) day of a calendar month. The Board shall fix the amount of the Regular Common Assessments applicable to the Units at least thirty (30) days prior to January 1st of each year. The Association may, by a majority of the votes in the Association, change the frequency of Regular Common Assessments to quarterly rather than monthly.

5.9 NO EXEMPTION. No Owner may exempt himself from liability for his\her contribution towards any Assessment by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his\her Unit.

5.10 LIEN FOR ASSESSMENTS.

(a) *Superiority of Lien.* All sums due and unpaid by a Unit Owner for Assessments or otherwise due under the Condominium Documents shall be secured by an express contractual lien in favor of the Association (which is hereby created, granted, and reserved) on such Unit and any insurance proceeds and rents relating to such Unit, which lien shall be superior and prior to all other liens and encumbrances, except only for:

(1) assessments, liens, and charges in favor of the State of Texas or a political subdivision thereof for taxes on the Unit; and

(2) all liens securing sums due or to become due under any duly recorded and valid purchase-money first lien mortgage, or initial construction mortgage, including all unpaid obligatory sums as may be provided by such encumbrance and including additional advances made thereon if the mortgage was recorded before the delinquency accrued.

(b) *Notice and Enforcement of Lien.* To evidence the amounts from time to time secured by such contractual lien the Board may, but shall not be required to, prepare written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Unit and a description of the Unit. Such notice shall be signed by a Board member or the Association's attorney or Management Company and may be recorded in the Office of the County Clerk of the county where the Property is located. Such contractual liens may be enforced by the Association, at its sole option, through judicial foreclosure or nonjudicial foreclosure on the defaulting Owner's Unit. Any such foreclosure sale is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust, as set forth in the Texas Property Code, or in any other manner permitted by law. Each Owner, by accepting a deed to his\her Unit, shall be deemed to have expressly granted to the Association a power of sale upon his\her Unit to secure payment of the Assessments thereafter imposed upon the Owner. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Association shall have the right to bid on the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey same, if it is the highest bidder at such foreclosure sale. Without formality other than executing an instrument in writing, the Association shall have the right to appoint a successor or substitute trustee to exercise the power of sale.

(c) *Suit to Recover Judgment.* Suit to recover a money judgment against the Owner for unpaid sums shall be maintainable without foreclosing or waiving the Association's lien securing same.

(d) *Lienholder Payoff of Assessment Lien.* Any lienholder on a Unit may pay any unpaid sums due with respect to such Unit, and upon such payment, lienholder shall have a lien on such Unit for the amount paid of the same rank as the lien of its encumbrance.

(e) *Sale of Unit.* A lien for any Assessment will not be affected by the sale or transfer of the Unit, unless a foreclosure of a first lien mortgage is involved, in which case the

foreclosure will extinguish the lien for any Assessments that were payable before the foreclosure sale but after recording of the deed of trust for such lien. Foreclosure will not relieve any subsequent Unit Owner from paying further Assessments.

5.11 SUBORDINATION OF THE LIEN TO MORTGAGES. The contractual lien securing monies owed to the Association shall be subordinate to the lien of a First Mortgagee or initial construction mortgage voluntarily granted or created by the Owner on his/her Unit to the extent same is recorded with the Clerk of the county where the Property is located prior to the due date of the amount(s) owed to the Association. Sale or transfer of any Unit pursuant to a foreclosure or a deed in lieu of foreclosure shall not affect said contractual lien as to the amounts secured thereby which became due and payable prior to the recording of the mortgage being foreclosed; provided, however that the sale or transfer of any Unit pursuant to a foreclosure pursuant to a superior lien shall not extinguish the Association's contractual lien on amounts becoming due and payable after such foreclosure. No such foreclosure shall relieve such Unit, or the Owners thereof, from liability for monies owed by the Owner to the Association.

5.12 STATEMENT OF ASSESSMENTS. Upon payment to the Association of a reasonable fee calculated to reimburse the Association for the cost of providing same, and upon the written request of any Owner or any lienholder, or prospective purchaser or lienholder of a Unit, the Association, by its Board or the Management Company, shall issue a written statement setting forth the unpaid Assessments and other sums due, if any, with respect to the subject Unit, the amount of the current Regular Common Assessments, and the date the next of such Regular Common Assessments becomes due and payable, such statement being considered binding upon the Association in favor of the addressee of such statement.

5.13 PAYMENT OF ASSESSMENTS BY DECLARANT. As provided in Section 82.112 of the Act, Declarant shall be responsible for Assessments in accordance with **APPENDIX A**.

5.14 PERSONAL LIABILITY FOR ASSESSMENTS. Assessments and other sums due shall be the personal obligation of the Owner of the Unit at the time the sum accrued and such obligation shall be continuing and uninterrupted. An Owner shall be responsible for the payment of all Assessments made by the Association regardless of any pending dispute between the Owner and the Association or any right of setoff, whether legitimate or not. Subsequent Owners shall not be personally liable for amounts accruing prior to their ownership but their Units shall nonetheless be subject to a lien for payment of same as set forth in Section 5.11. Successor Unit Owners may agree to assume such liability, however.

5.15 BOARD'S DETERMINATION OF ASSESSMENTS. The Board shall have the authority, in its sole discretion, to determine the amount of any Assessment. Provided that the Board has acted in good faith in determining the amount of any Assessment, the Board's determination of same shall not be subject to review or overturned.

5.16 ESTABLISHMENT OF RESERVE FUND. The Association shall establish adequate reserve funds for replacement, repair and maintenance of Common Elements, payments

for unforeseen expenditures or other purposes set forth in this Section or elsewhere in this Declaration and such fund shall be referred to herein as the "Reserve Fund." At the sale of each Unit by Declarant to a third party, the Declarant shall deposit an amount equal to four months Regular Common Assessments into the Reserve Fund. The Association shall then further fund the Reserve Fund through Regular Common Assessments. The purpose of the Reserve Fund is to pay for replacement, repair and maintenance of Common Elements, payments for unforeseen expenditures of any kind, to hold for future capital expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board. The Reserve Fund shall be held in the name of the Association at all times, in a segregated fund under the control of the Association. The Reserve Fund may not be used by the Declarant to defray any of Declarant's expenses, reserve contributions, or construction costs or to make up Budget deficits during the Declarant Control Period. Except for the initial deposit into the Reserve Fund made by the Declarant, Declarant shall not be required to make further contributions to the Reserve Fund that are separate from Declarant's responsibility for payment of Assessments as set forth in APPENDIX A. Except as provided herein, any deficits to the Reserve Fund shall be funded out of Regular Common Assessments.

ARTICLE VI.
RECONSTRUCTION OF THE PROJECT AFTER DAMAGE OR DESTRUCTION

6.1 **SUBJECT TO PROVISIONS OF THE ACT.** In the event of damage or destruction of part of the Project, the provisions of Section 82.111(i) and 82.111(f) of the Act shall govern the manner in which the damage or destruction is repaired or restored. Notwithstanding the foregoing, the remaining provisions set forth in this Article VI shall apply if not in conflict with the provisions of the Act.

6.2 **STANDARD OF RECONSTRUCTION OR REPAIR.** Repair, reconstruction or replacement of a Unit, or Common Elements, as used in this Article VI, means restoring the Unit or Common Elements to substantially the same condition as they existed prior to the damage, with each Unit and the Common Elements having the same vertical and horizontal boundaries as prior to such damage and destruction. Repair or replacement of those portions of the Units situated within the unfinished perimeter walls, floors, and ceilings of a Unit are not included.

6.3 **EXCESS FUNDS RESULTING FROM A LOSS.** If a loss to the Project results in excess funds being held by the Association due to the collection of insurance proceeds, Individual Assessments or other Assessments against Owners, condemnation awards, or other funds received on account of the loss to the Project, then, after payment to correct all damages to the Project, the Association will disburse the excess funds as follows: (a) if the payment of Assessments by Owners contributed to the excess funds, then each Owner who paid such Assessment shall be disbursed a portion of the excess funds in proportion to their contributions toward the Assessments paid, provided that no Owner shall be entitled to receive an amount greater than the Owner actually contributed and such Owner's share of the excess funds shall be reduced by the amount of any outstanding sums owed by the Owner for any Assessment or other obligation; and (b) any excess funds remaining after the disbursement in part (a) above shall be held by the Association and used at the Board's discretion for other Common Expenses.

6.4 OWNER'S DUTY TO REPAIR OR REPLACE HIS\HER UNIT. In the event of damage to or destruction of a Unit, the Owner of such Unit shall be required to commence the repair or restoration of his\her Unit within sixty (60) days of such damage or destruction and diligently pursue the completion of such repairs or restoration of the Unit thereafter, subject to the requirement of the Owner to obtain prior approval of such work by the ACC as provided in this Declaration. Unless approved by the ACC, the repair and restoration of the Unit shall be substantially in accordance with its original construction. The Association shall have the right to repair or restore the Unit at its own expense if not completed by the Owner in accordance with this Section and to collect the cost of doing so as an Assessment against the Owner.

6.5 ASSOCIATION AS ATTORNEY-IN-FACT. The Association shall be and, by taking title to its Unit, each Owner appoints the Association as, attorney-in-fact to represent the Unit Owner in: (1) negotiations, settlement, and litigation involving any insurance claims under any insurance policies maintained by the Association; (2) condemnation proceedings for Common Elements; (3) matters involving termination of the Regime; and (4) litigation involving Common Elements. The Association shall further be authorized to do the following on behalf of the Owners: (a) deal with the Project in the event of any loss, damage or destruction, condemnation, obsolescence, or termination of all or part of the Project; (b) serve as a trustee to administer and handle funds related to such incidents described in part (a) above; and (c) to enter into and execute documents or instruments necessary to effectuate the powers authorized by this Section.

ARTICLE VII.
TERMINATION OF THE CONDOMINIUM

7.1 TERMINATION. The provisions of Section 82.068 shall govern the termination of this Declaration and the Regime. Notwithstanding the foregoing, the remaining provisions set forth in this Article VII shall apply if not in conflict with the provisions of the Act. An amendment to the Declaration terminating the Declaration and Regime may be executed by the Board without the vote of the Owners or First Mortgagees in the event of a condemnation of the entire Project. Any termination of the Project or Declaration for reasons other than condemnation of the entire Project may occur only upon approval of: (a) the Owners representing at least eighty percent (80%) of the votes in the Association; (b) the Declarant during the Development Period; and; (c) at least sixty-seven percent (67%) of the First Mortgagees of the Units.

ARTICLE VIII.
CONDEMNATION

8.1 SUBJECT TO THE PROVISIONS OF THE ACT. The provisions of Section 82.007 of the Act shall govern the manner in which a condemnation of any portion of the Project is handled and the Association's responsibilities related thereto. Notwithstanding the foregoing, the remaining provisions set forth in this Article VIII shall apply if not in conflict with the provisions of the Act.

8.2 PARTICIPATION AND NOTICE. If all or part of the Project is taken or threatened to be taken through condemnation, the Association and each Owner whose Unit is

affected shall be entitled to participate in proceedings incident thereto. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all First Mortgagees known to the Association to have an interest in any Unit affected by the condemnation. The expense of participation in such proceedings by the Association shall be a Common Expense.

8.3 ADMINISTRATION OF CONDEMNATION CASES. The Association is specifically authorized to obtain and pay for assistance from attorneys, appraisers, land planners, architects, engineers, expert witnesses, and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to a condemnation of part of the Project. If a condemnation action is brought to condemn a portion of the Common Elements, then, as it relates to the Common Elements, the Association, in addition to the general powers set out in this Declaration, shall have the sole authority to determine whether to defend or contest any such proceeding, to make any settlement with respect thereto, or to convey the Property to be condemned to the condemning authority in lieu of such condemnation proceedings.

ARTICLE IX.
PROTECTION OF MORTGAGEES

9.1 MORTGAGE OF UNITS BY OWNERS. Any Owner shall have the right from time to time to mortgage or encumber his\her Unit by deed of trust, mortgage, or other security instrument.

9.2 NOTICE OF FIRST MORTGAGEE INFORMATION TO ASSOCIATION. An Owner who mortgages his\her Unit shall notify the Association, giving the name and address of his\her mortgagee, including the loan number for the mortgage and any other information related to the mortgage reasonably requested by the Association. The Board shall maintain such information in its records.

9.3 NOTICE OF CERTAIN ITEMS TO MORTGAGEES. The Association shall use its best efforts to timely notify a First Mortgagee in writing of any of the following:

(a) any default by the Owner of such Unit in performing such Owner's obligations, as set forth in the Condominium Documents, where such delinquency has continued for a period of sixty (60) days after written notice of the default has been given to the Owner;

(b) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(c) prior notice of all meetings of the Association and the First Mortgagee shall be permitted the designation of a representative of such First Mortgagee to attend such meetings;

(d) any substantial damage to or partial destruction of any Unit on which such First Mortgagee holds the mortgage or the Common Elements;

(e) the institution of condemnation proceedings on a First Mortgagee's Unit or condemnation proceedings which affect a material portion of the Project;

(f) any proposed action which requires the consent of a specified percentage of mortgagees, including, without limitation, a Material Amendment, as defined in Section 12.2 of this Declaration;

(g) any proposed amendment to the Declaration affecting a change in the First Mortgagee's Unit in the nature of any of the following: (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto, (iii) the number of votes in the Association appertaining to any Unit, or (iv) the purpose to which any Unit or the Common Elements are restricted; and

(h) any proposed termination of the Declaration and Regime.

9.4 EXAMINATION OF BOOKS. Upon request, the Association shall permit Unit Owners and their First Mortgagees to examine current copies of the Condominium Documents, and the books and records of the Association during normal business hours.

9.5 ANNUAL FINANCIALS. Upon written request, the Association shall furnish each First Mortgagee an annual financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association upon payment of reasonable copy charges. A First Mortgagee may have an audited financial statement prepared at its own expense.

9.6 MANAGEMENT AGREEMENTS. The Association shall be professionally managed. A management certificate, in compliance with the requirements of the Act, shall be provided to all Owners. Terms related to management agreements entered into by Declarant are governed by **APPENDIX A**. No management agreement entered into with a Management Company for management of the Project may require more than ninety (90) days' notice for termination of the agreement or payment of a termination fee.

9.7 ALTERATION AND DESTRUCTION OF UNITS. The Association may not alter or destroy a Unit or a Limited Common Element without the consent of all Owners affected and the First Mortgagees of all affected Owners.

9.8 RIGHT OF FIRST REFUSAL. The Association shall not be entitled to a right of first refusal or similar right related to the transfer or conveyance of a Unit and if such right does exist, it shall not be applicable to the sale, lease or transfer of a Unit by a First Mortgagee including, without limitation, the sale or transfer of the Unit under foreclosure proceedings or a deed in lieu of foreclosure.

9.9 NOTICE DEEMED DELIVERED/IMPLIED APPROVAL. If the consent of a First Mortgagee is required by this Declaration and the First Mortgagee does not respond within sixty (60) days of the delivery of notice requesting such consent then the consent shall be deemed

given by the non-responding First Mortgagee, provided that the notice was delivered to the First Mortgagee by certified mail, return receipt requested, at the address for the First Mortgagee that was provided to the Association by the Unit Owner.

ARTICLE X.
CREATION OF ADDITIONAL UNITS AND ADDITIONAL PHASES
AND RESERVATION OF EASEMENTS AND OTHER RIGHTS

10.1 RESERVATION OF RIGHT TO CREATE ADDITIONAL UNITS. During the Development Period and in accordance with **APPENDIX A**, Declarant has reserved the right to create a total of fifteen (15) Units within the Project. To add Units to the Regime, Declarant shall follow the procedures set forth in **APPENDIX A**.

10.2 RIGHT OF MERGER AND ANNEXATION. During the Development Period and in accordance with **APPENDIX A**, the Declarant reserves the right, authority and power to annex additional real property into the Project and the Regime, including, without limitation, all or a portion of the real property described in **EXHIBIT "E,"** and to subject such real property to the terms and conditions of the Declaration. To annex real property into the Regime, Declarant shall follow the procedures set forth in **APPENDIX A**.

10.3 RIGHT OF RESUBDIVISION. During the Development Period, Declarant reserves the right, at any time and from time to time, without requesting or receiving the assent of any Owner or any First Mortgagee, to resubdivide the Property, amend the subdivision plat covering the Property, modify, alter, or otherwise change the legal or other status or configuration of the Property to grant easements and to otherwise take such action as may be deemed necessary by the Declarant to satisfactorily expand the Project or to reduce the size of the Project subject to the Regime and to separate any portion thereof to be owned, held and/or developed separate and apart from the Project or as a different condominium regime.

10.4 RESERVATION OF EASEMENT TO DECLARANT. Declarant expressly reserves, for the benefit of itself and its successors and assigns an easement over, across and through the Common Elements, for the purpose of ingress and egress, and for the installation, inspection, maintenance, repair, and replacement of utilities or any other purpose necessary to develop, construct, market and sell any portion of the Project that may be withdrawn from or developed separately from the Regime and to further use and enjoy such separated or withdrawn portions after they are built.

10.5 RESERVATION OF EASEMENTS TO DECLARANT AND THE ASSOCIATION. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, hereby grants to Declarant and the Association an easement over the Project, including, without limitation, all Common Elements and the Owner's Unit, for the purpose of ingress and egress, and the installation, inspection, maintenance, repair, and replacement of utilities necessary to develop, construct, market or sell any portion of the Project provided that such easements will not unreasonably interfere with the use of any Unit for residential purposes. Any use of such easement must restore the Units as close to the original

condition as reasonably possible. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, natural gas, telephone, cable television and security.

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

An easement is hereby created anywhere there are existing utilities within the Project, such easement extending ten feet (10') centered over, in or above the ground over such existing utilities. However, no such easement shall be allowed under the slab of any Unit.

10.6 APPOINTMENT OF DECLARANT AND ASSOCIATION AS ATTORNEY-IN-FACT. By taking title to its Unit, each Owner hereby appoints Declarant and the Association as its attorney-in-fact for the purpose of effecting the provisions of this Article X by executing and recording any documents or other written instruments and the power hereby granted to the Declarant or the Association shall be, and is, a power coupled with an interest in the Property and is irrevocable. The easements reserved in this Article X are appurtenant and perpetual unless provided otherwise.

10.7 RESERVATION OF OTHER RIGHTS. Declarant has reserved other rights as more specifically set forth in APPENDIX A.

ARTICLE XI. DISPUTE RESOLUTION

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

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

(1) claims relating to the rights and/or duties of Declarant, or its permitted assigns under the Condominium Documents;

(2) claims relating to the design or construction of the Property; and

(3) claims arising out of or relating to the interpretation, application or enforcement of the Condominium Documents.

(b) “Claimant” means any party having a Claim against any other party.

(c) “Exempt Claims” means the following claims or actions, which are exempt from this Article:

(1) the Association’s claim for Assessments and any action by the Association to collect Assessments;

(2) any action by a party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the party’s ability to enforce the provisions of this Declaration;

(3) enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration; provided, however, that any enforcement action brought by the Association against the Declarant, or vice versa, is not an Exempt Claim hereunder; and

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

(d) “Respondent” means any party against which a Claim has been asserted by Claimant.

11.2 MANDATORY PROCEDURES. Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article.

11.3 NOTICE. Claimant must notify Respondent in writing of the Claim (the “Notice”), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent’s role in the Claim; (2) the basis of the Claim (i.e., the provision of the Condominium Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in this Article is equivalent to the sixty (60) day period under Section 27.004 of the

Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with this Article, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. This Article does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with Section 27.004 could affect a Claim if the Claim is subject to Chapter 27 of the Texas Property Code.

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

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

11.6 ENFORCEMENT OF RESOLUTION. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of the agreement, then the other party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the party taking action to enforce the agreement is entitled to recover from the non-complying party all costs incurred in enforcing the agreement, including, without limitation, attorney's fees and court costs.

11.7 TERMINATION OF MEDIATION. If the parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate and permitted by this Article.

11.8 BINDING ARBITRATION CLAIMS. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings, bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section 11.8. This

Section may not be amended without the prior written approval of Declarant, the Association (acting through a Majority of the Board), and Owners holding at least one hundred percent (100%) of the votes of the Association.

(a) *Governing Rules.* If a Claim has not been resolved after mediation as required in this Article, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 11.8 and the rules and procedures of the American Arbitration Association (“AAA”) or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Travis County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA’s Construction Industry Dispute Resolution Procedures and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any claim, if the AAA has, by the time of the Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section, this Section will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

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

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

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

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

(c) *Statute of Limitations.* All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding hereunder.

(d) *Scope of Award; Modification or Vacation of Award.* The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope hereof; provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. The arbitrator may also grant such ancillary relief as is necessary to make effective the award. In all arbitration proceedings in which the amount in controversy exceeds \$50,000.00, in the aggregate, the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on an incorrect or erroneous ruling of law by appeal to an appropriate court having jurisdiction; provided, however, that any such application for vacation or modification of an award based on an incorrect ruling of law must be filed in a court having jurisdiction over the Claim within fifteen (15) days from the date the award is rendered. The arbitrator's findings of fact shall be binding on all parties and shall not be subject to further review except as otherwise allowed by applicable law. In no event may an arbitrator award speculative, consequential, or punitive damages for any claim.

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

11.9 ALLOCATION OF COSTS. Except as otherwise provided in this Article, each party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Binding Arbitration Claims sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

11.10 GENERAL PROVISIONS. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release a Respondent from liability to persons who are not party to Claimant's Claim. A party having an Exempt Claim may submit it to the procedures of this Article.

11.11 PERIOD OF LIMITATION.

(a) *For Actions by an Owner or Resident of a Unit.* The exclusive period of limitation for any of the parties to bring any Claim of any nature against Declarant, or its contractors, including, but not limited to, a Claim of construction defect or defective design of a Unit, shall be the earliest of (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Claim, provided, however, that in no event shall the limitation period exceed four (4) years and one (1) day from the date Declarant conveyed the Unit to the original Owner unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; or (ii) for Claims other than those alleging construction defect or defective design, two (2) years and one (1) day after the date Declarant conveyed the Unit to the original Owner or such other shorter period specified in any written agreement between Declarant and the Owner to whom Declarant initially conveyed the Unit, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the applicable law governing the limitation period and period of repose shall apply to the Claim.

(b) *For Actions by the Association.* The exclusive period of limitation for the Association to bring any Claim of any nature against Declarant or its contractors, including, but not limited to, a Claim of construction defect or defective design of the Common Elements, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date the Association or its agents discovered or reasonably should have discovered evidence of the Claim, provided, however, that in no event shall the limitation period exceed four (4) years from the date Declarant substantially completed the Common Elements unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; or (ii) for Claims other than those alleging construction defect or defective design of the Common Elements, two (2) years and one (1) day after the Declarant Control Period, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the applicable law governing the limitation period and period of repose shall apply to the Claim. Any claim regarding defects in the Common Elements must be instituted and maintained solely by the Association, on behalf of the Owners and such claims may not be made separately by individual Owners or a group of Owners.

11.12 APPROVAL AND SETTLEMENT. Notwithstanding any provision in this Article to the contrary, the initiation of binding arbitration as required by this Article is subject to the following conditions:

(a) *Owner Acceptance.* Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this Article.

(b) *Owner Approval.* The Association may not initiate binding arbitration or any judicial proceeding without the prior approval of Owners holding at least sixty-seven percent

(67%) of the votes in the Association, as further described below, except that no such approval is required for the initiation of arbitration or litigation to resolve any Exempt Claim.

The requirements related to Owner approval set forth in this Section 11.12(b) are intended to ensure that the Association and the Owners approve and are fully informed of the financial arrangements between the Association and a law firm or attorney engaged by the Association to prosecute a Claim relating to the design or construction of the Common Elements. The engagement agreement between the Association and the law firm or attorney may include requirements that the Association pay costs, fees, and expenses to the law firm or attorney which will be paid through Assessments levied against Owners. The financial agreement between the Association and the law firm or attorney may also include obligations related to payment, and the conditions and circumstances when the payment obligations arise, if the relationship between the Association and the law firm or attorney is terminated or if the Association agrees to settle the Claim. In addition, the financial arrangement between the Association and the law firm or attorney may include additional costs, expenses, and interest charges. This financial obligation can be significant. The Board may not engage a law firm or attorney to prosecute a Claim relating to the design or construction of the Common Elements or execute a written agreement between the Association and a law firm or attorney for the purpose of prosecuting a Claim relating to the design or construction of Common Elements unless the law firm or attorney and the financial arrangements between the Association and the law firm or attorney are approved by the Owners in accordance with this Section 11.12(b).

Unless otherwise approved by Members holding sixty-seven percent (67%) of the votes in the Association, the Association, acting through its Board, shall in no event have the authority to engage a law firm or attorney to prosecute a Claim relating to the design or construction of the Common Elements if the agreement between the Association and law firm or attorney includes any provision or requirement that would obligate the Association to pay any costs, expenses, fees, or other charges to the law firm or attorney, including but not limited to, costs, expenses, fees, or other charges payable by the Association: (i) if the Association terminates the engagement with the law firm or attorney or engages another firm or third-party to assist with the Claim; (ii) if the Association agrees to settle the Claim for a cash payment or in exchange for repairs or remediation performed by the Respondent or any other third-party; (iii) if the Association agrees to pay interest on any costs or expenses incurred by the law firm or attorney; and/or (iv) for consultants, expert witnesses, and/or general contractors hired by the law firm or attorney. For avoidance of doubt, it is intended that Members holding sixty-seven percent (67%) of the votes in the Association must approve the law firm and attorney who will prosecute the Claim and the written agreement between the Association and the law firm and/or attorney.

The approval of the Members required under this Section 11.12(b) must be obtained at a meeting of Members called in accordance with the Bylaws. The notice of Member meeting will be provided pursuant to the Bylaws but the notice must also include: (a) the name of the law firm and attorney; (b) a copy of the proposed written agreement between the Association and the law firm and/or attorney; (c) a narrative summary of the types of costs, expenses, fees, or other charges that may be required to be paid by the Association; (d) the conditions upon which such types of costs, expenses, fees, or other charges are required to be paid by the Association; (e) an estimate

of the costs, expenses, fees, or other charges that may be required to be paid by the Association if the conditions for payment occur, which estimate shall be expressed as a range for each type of cost, expense, fee, or other charge; and (f) a description of the process the law firm and/or attorney will use to evaluate the Claim and whether destructive testing will be required (i.e., the removal of all or portions of the Building, Common Elements, Units, or Improvements). If destructive testing will be required or is likely to occur, the notice shall include a description of the destructive testing, likely locations of the destructive testing, whether the Owner's use of their Units or the Common Elements will be affected by such testing, and if the destructive testing occurs the means or method the Association will use to repair the Building, Common Elements, Units, or Improvements affected by such testing and the estimated costs thereof. The notice required by this paragraph must be prepared and signed by a person other than the law firm or attorney who is a party to the proposed agreement being approved by the Members. In the event Members holding sixty-seven percent (67%) of the votes in the Association approve the law firm and/or attorney who will prosecute the Claim and the written agreement between the Association and the law firm and/or attorney, the Board shall have the authority to engage the law firm and/or attorney and enter into the written agreement approved by the Members.

(c) *Funding Arbitration and Litigation.* Except for Exempt Claims, the Association must levy a Special Assessment to fund the estimated costs of arbitration conducted pursuant to this Article or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

11.13 BOARD AUTHORIZATION. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate, mediate, arbitrate, settle, and or litigate any dispute to which the Association is a party, and may execute any document related thereto, such as settlement agreements and waiver or release of claims.

11.14 RIGHTS OF ACTION. The Association and any aggrieved Owner shall be granted a right of action against Unit Owners for failure to comply with the provisions of the Condominium Documents, or with decisions of the Association which are made pursuant to authority granted the Association in such documents.

11.15 ADDITIONAL REQUIREMENTS FOR CONSTRUCTION DEFECT CLAIMS. In addition to all other requirements in this Article regarding dispute resolution, any Claimant pursuing a Claim that involves the construction or design of a Unit or the Common Elements, must meet the requirements of the Act pertaining to such Claims including, without limitation, Section 82.119 of the Act. A Claimant must meet the requirements of Section 82.119 of the Act prior to initiating a Claim under this Article.

ARTICLE XII.
AMENDMENTS TO THE DECLARATION

12.1 **REQUIRED VOTE.** Except as provided in **APPENDIX A** and Sections 12.5, 12.6 and 12.7 below, the consent of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated is required to amend this Declaration, subject to the limitations set forth in this Article XII.

12.2 **MATERIAL AMENDMENTS.** Except as otherwise provided herein, no amendments to the Declaration may be made that materially and adversely affect the interest of any Owner, Declarant, or First Mortgagee of a Unit (“Material Amendments”), unless such amendment is made with the consent of sixty-seven percent (67%) of the votes in the Association and by the approval of at least fifty-one percent (51%) of the First Mortgagees. **THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS OR CHANGES TO THE DECLARATION OR THE REGIME THAT ARE MADE AS A RESULT OF THE EXERCISE OF ANY OF DECLARANTS RIGHTS AS SET FORTH IN THIS DECLARATION OR APPENDIX A.** Material Amendments include provisions which establish, provide for, govern or regulate any of the following:

- (a) voting rights;
- (b) assessment liens or the priority of assessment liens;
- (c) insurance or fidelity bonds;
- (d) reductions in reserves for maintenance, repair, and replacement of Common Elements;
- (e) responsibility for maintenance and repairs;
- (f) reallocation of interests in the General or Limited Common Elements, or rights to their use, except for reallocation by Declarant pursuant to its rights in **APPENDIX A** or by agreement between Owners, which only requires the consent of such Owners;
- (g) redefinition of any Unit boundaries, except when the redefinition is between adjoining Units, which only requires the consent of the Owners and First Mortgagees of the adjoining Units;
- (h) convertibility of Units into Common Elements or vice versa, except for the conversion of Common Elements to Units pursuant to Declarant’s right to add Units to the Regime as set forth in **APPENDIX A**;
- (i) expansion or contraction of the Project, or the addition, annexation or withdrawal of Property to or from the Project, except for the expansion, contraction, addition, annexation or withdrawal pursuant to Declarant’s rights in this Declaration or **APPENDIX A**;

(j) imposition of any right of first refusal or similar restrictions on a Unit Owner's right to sell or transfer his\her or her Unit;

(k) restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration;

(l) procedures for amendment or termination of the Declaration;

(m) imposition of any restrictions on the leasing of Units; and

(n) any provisions that expressly benefit mortgage holders, insurers, or guarantors.

12.3 NO INTERFERENCE WITH DECLARANT RIGHTS. No amendment may be made which modifies, deletes, impairs or adversely affects: (a) any rights, powers, privileges, protections or defenses reserved to or in favor of Declarant as set forth in this Declaration including, without limitation, those rights reserved in **APPENDIX A**, Article X or elsewhere in this Declaration; (b) any easement, license or contractual right retained in favor of Declarant; or (c) rights of Owners or the Association in relationship to Declarant, without the consent of Declarant.

12.4 NO INTERFERENCE WITH PERMISSIBLE USE OF UNITS. No amendment may be made which modifies, deletes, impairs or adversely affects the permissible use of a Unit without the consent of the Owner whose Unit is affected.

12.5 COMPLIANCE WITH UNDERWRITING LENDER REQUIREMENTS. The Declarant, during the Development Period, or the Board thereafter, may at any time amend the Declaration without the consent of any other Owners or First Mortgagees for the sole purpose of having the Declaration comply with financing eligibility requirements of any underwriting lender, including, without limitation, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration, Federal Housing Administration, or comparable federal or state agencies.

12.6 DECLARANT APPENDIX A AMENDMENTS. Notwithstanding anything to the contrary contained herein, the Declarant may amend this Declaration without the consent of any other Owners or First Mortgagees for the purposes described in **APPENDIX A**.

12.7 OTHER AMENDMENTS. The Association, acting by and through its Board, may amend this Declaration without the consent of any other Owners or First Mortgagees for the following purposes:

(a) to reallocate percentage ownership in the Common Elements or percentage share of responsibility for the Common Expenses due to the condemnation of part of the Common Elements or Units; or

(b) to reallocate a Limited Common Element or Unit boundaries if such amendment is executed and agreed to by the Unit Owners between or among whose Units the reallocation is made.

12.8 PROCEDURE FOR ADOPTING AMENDMENTS. To be effective, any Amendment to the Declaration must meet the following requirements:

(a) the amendment must be in writing and recorded in the Real Property Records of the county in which the Project is located;

(b) the amendment must reference the name of the Condominium and any recording information for the Declaration and any amendments thereto; and

(c) the amendment must be signed and acknowledged by an authorized representative of the Association certifying the required number of votes of Owners and First Mortgagees, if applicable, however, this subsection (c) shall not be required for amendments to the Declaration that are authorized without the consent of Owners and/or First Mortgagees, including, without limitation, amendments adopted by the Declarant as authorized in **APPENDIX A**. An amendment may be presented for approval to the Owners and First Mortgagees by the following methods:

(1) by written ballot that states the exact wording or substance of the amendment and that specifies the date by which a ballot must be received to be counted;

(2) at a meeting of the Association after written notice of the meeting has been delivered to an Owner or each Unit stating that a purpose of the meeting is to consider an amendment to the Declaration;

(3) by online voting, provided that the ballot for which states the exact wording or substance of the amendment and specifies the date by which a ballot must be received to be counted; or

(4) by any other method approved by the Board.

ARTICLE XIII.
GENERAL PROVISIONS

13.1 NOTICES. All notices, demands or other communications intended to be served upon an Owner may be sent by ordinary or certified mail, postage prepaid, or by personal delivery, or by reputable overnight courier, in any event addressed in the name of such Owner in care of the Unit number of such Owner. All notices, demands or other notices intended to be served upon the Board of the Association or the Association, may be sent by ordinary or certified mail, postage prepaid, or by personal delivery, in any event to the Management Company for the Association or, if no Management Company, to its designated address, until such address is changed by a notice

of address change duly recorded in the Real Property Records of the county where the Property is located.

13.2 CONFLICT BETWEEN DECLARATION AND OTHER DOCUMENTS. Whenever the application of a provision of this Declaration conflicts with the application of any provision of any other of the Condominium Documents, the provisions or application of this Declaration shall prevail.

13.3 INVALIDATION OF PARTS. If any of the provisions of this Declaration or any section, sentence, clause, phrase, or word or the application thereof in any circumstances is invalidated or declared unenforceable, such invalidity shall not affect the validity of enforceability of the remainder of this Declaration and the application of any provision, section, sentence, clause, phrase, or word in any other circumstance shall not be affected thereby.

13.4 OMISSIONS. In the event of the omission from this Declaration of any word, sentence, clause, provision, or stipulation which shall be necessary for the accomplishment of the intent and purposes of this Declaration, then such omitted matter shall be supplied by inference and/or by reference to the Act.

13.5 CONSENT OF MORTGAGEE. The financial institution holding a first lien on the Property at the time of recordation of this Declaration consents to the creation of the Declaration, as set forth in the Consent of Mortgagee included herein.

13.6 LIBERAL CONSTRUCTION. The provisions of the Condominium Documents shall be liberally construed in favor of the orderly governance of the Project as a condominium community and the construction and development of the un-built portions of the Project by Declarant.

13.7 DECLARANT AS ATTORNEY-IN-FACT AND PROXY. To secure and facilitate Declarant's exercise of the rights reserved by Declarant pursuant to APPENDIX A and elsewhere in this Declaration, each Owner, by accepting a deed to a Unit and each mortgagee, by accepting the benefits of a mortgage against a Unit within the Project, and any other person, by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Unit in the Project, shall thereby be deemed to have appointed Declarant as such Owner's, mortgagee's and person's irrevocable attorney-in-fact, with full power of substitution, to do and perform, each and every act permitted or required to be performed by Declarant pursuant to APPENDIX A or elsewhere in this Declaration. The power thereby vested in Declarant as attorney-in-fact for each Owner, mortgagee, and/or person, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency, and death of an Owner, mortgagee, and/or person and shall be binding upon the legal representatives, administrators, executors, successors, heirs, and assigns of each such party. In addition, each Owner, by accepting a deed to a Unit, and each mortgagee, by accepting the benefits of a mortgage against a Unit in the Project, and any person, by accepting the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien, and/or other security interest

against any Unit in the Regime, shall thereby appoint Declarant the proxy of such Owner, mortgagee, or Person, with full power of substitution in the premises, to do and perform each and every act permitted or required pursuant to **APPENDIX A** or elsewhere in this Declaration, and which may otherwise be reasonably necessary in connection therewith, including without limitation, to cast a vote for such Owner, mortgagee, or person at any meeting of the Members for the purpose of approving or consenting to any amendment to this Declaration in order to affect and perfect any such act permitted or required by Declarant pursuant to **APPENDIX A** or elsewhere in this Declaration and to execute and record amendments on their behalf to such effect; and the power hereby reposed in Declarant, as the attorney-in-fact for each such Owner, mortgagee, or person includes, without limitation, the authority to execute a proxy as the act and deed of any Owner, Mortgagee, or person and, upon termination or revocation of any Owner's proxy as permitted by the Texas Business Organizations Code, the authority to execute successive proxies as the act and deed of any Owner, mortgagee, or person authorizing Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. Furthermore, each Owner, mortgagee, and person upon request by Declarant, will execute and deliver a written proxy pursuant to Section 82.110(b) of the Act, including a successive written proxy upon the termination or revocation as permitted by the Act of any earlier proxy, authorizing Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. All such appointments and successive proxies shall expire as to power reserved by Declarant pursuant to **APPENDIX A** or elsewhere in this Declaration on the date Declarant no longer has the right to exercise such rights. All such proxies shall be non-revocable for the maximum lawful time and upon the expiration of non-revocable period, new proxies shall again be executed for the maximum non-revocable time until Declarant's rights to require such successive proxies expires.

[Signature pages to follow]

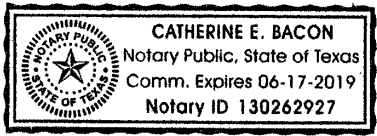
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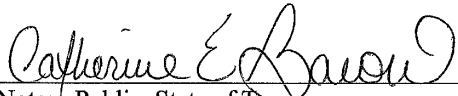
LIVE OAK/SPICEWOOD
CONDOMINIUM ASSOCIATION, INC.,
a Texas nonprofit corporation

By: 
Wesley Peoples, President

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 21st day of May, 2018, by Wesley Peoples, as President of LIVE OAK/SPICEWOOD CONDOMINIUM ASSOCIATION, INC., a Texas nonprofit corporation, on behalf of said corporation.




Notary Public, State of Texas

APPENDIX A

DECLARANT RIGHTS, RESERVATIONS AND REPRESENTATIONS

LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium

A.1 GENERAL PROVISIONS.

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

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

A.1.3 Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Project, which is ultimately for the benefit and protection of Owners and First Mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days' notice.

A.2 DECLARANT CONTROL PERIOD RESERVATIONS AND LIMITATIONS. For the benefit and protection of Owners and First Mortgagees, and for the purpose of ensuring a complete and orderly buildout and sellout of the Project, Declarant will retain control of the Association, subject to the following:

A.2.1 Duration. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of (a) within one hundred twenty (120) days after the conveyance of seventy-five percent (75%) of the Units that may be created (including property subject to annexation) to Owners other than Declarant; or (b) when, in the sole opinion of Declarant, the Association is viable, self-supporting, and operational.

A.2.2 Officers and Directors. During the Declarant Control Period, the Board may consist of three (3) persons. Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association, subject to the following limitation. Within one hundred twenty (120) days after the conveyance of fifty percent (50%) of the Units that may be created (including property subject to annexation, if any) to Owners other than Declarant, at least one-third (1/3) of the Board must be elected by Owners other than Declarant.

A.2.3 Organizational Meeting. Before the end of the Declarant Control Period or within one hundred twenty (120) days after the conveyance of seventy-five percent (75%) of the Units that may be created (including property subject to annexation) to Owners other than Declarant, the Owners will elect directors to the Board at an organizational meeting of the Association. Declarant or the Association will give written notice of the organizational meeting to an Owner of each Unit at least ten (10) days before the meeting. For the organizational meeting, Owners of ten percent (10%) of the Units constitute a quorum. The Board elected at the organizational meeting will elect the officers of the Association not later than thirty (30) days after the end of the Declarant Control Period.

A.2.4 Obligation for Regular Common Assessments. Until the Association first levies Assessments, Declarant must pay all the expenses of the Property as they accrue. After the commencement of Assessments, Declarant shall be responsible for all Assessments in the same manner as other Owners, except for Regular Common Assessments, which shall be treated as described below. After the initial levy of Regular Common Assessments, the Declarant has the following two (2) options with regard to payment of Regular Common Assessments until the earlier of (1) the end of the Declarant Control Period, or (2) three (3) years after the date on which Declarant first conveys a Unit:

- (a) For each Unit owned by Declarant, Declarant is liable for Regular Common Assessments in the same manner as any Owner; or
- (b) alternatively, Declarant will pay an amount equal to all operational expenses of the Association, less the operational expense portion of the Regular Common Assessments paid by Unit Owners other than the Declarant.

A.2.5 Expenses of Declarant. Expenses related to the completion and marketing of the Project will be paid by Declarant and are not expenses of the Association.

A.2.6 Budget Control. During the Declarant Control Period, the right of Owners to veto Special Assessments or increases in Regular Common Assessments is not effective and may not be exercised.

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

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

A.3 DEVELOPMENT PERIOD RIGHTS, REPRESENTATIONS AND RESERVATIONS. Declarant makes the following representations and reservations regarding Declarant's development of the Property:

A.3.1 Annexation. During the Development Period, the Property and number of Units to be included in the Regime is subject to expansion by annexing additional real property and Units and Common Elements into the Regime. During such period, Declarant may annex to the Property any real property, including, without limitation, the real property described in EXHIBIT "E" and subject it to this Declaration and the jurisdiction of the Association by recording a Supplemental Declaration or Declaration of Annexation and Merger, executed by Declarant, and recorded in the Real Property Records of the county where the Property is located. The annexation instrument must include a legal description of the additional real property or a reference to the recorded plat that describes the additional real property and a revised schedule of allocated interests if Units are annexed. Annexation and phasing may occur in multiple phases.

The Declaration, including, but not limited to, this APPENDIX A, does not presently create any interest in or with respect to the real property described in EXHIBIT "E," and the Declaration shall not affect in any manner all or any part of same unless and until a Supplemental Declaration or Declaration of Annexation and Merger is filed thereto in accordance with this APPENDIX A. Declarant is under no obligation to annex the real property described in EXHIBIT "E." In the event Declarant elects not to build such additional Units, Declarant, at its option, may annex the real property described in EXHIBIT "E," without such construction of additional Units, by filing a Declaration of Annexation and Merger in accordance with the terms hereof, whereupon the real property described in EXHIBIT "E" annexed shall become part of the Common Elements of the Project. By taking title to a Unit, each Owner acknowledges that the percentages stated in EXHIBIT "C" are subject to change as Declarant adds Units to the Condominium Regime. The formula used to arrive at the percentages shall be solely determined by the estimated square footage of each Unit as a pro-rata share of the total estimated square footage of all the Units included in the Project at each phase.

A.3.2 Creation of Additional Units. When created, the Property contains seven (7) Units. During the Development Period, Declarant reserves the right to create up to fifteen (15) Units total. The additional Units will be created by converting Common Elements to Units or by adding real property to the Regime by annexation and phasing as described in the preceding Section. This Section does not require Declarant to expand the Property. Declarant's right to annex land does not require that Declarant own a Unit in the Property.

A.3.3 Withdrawal. During the Development Period, Declarant may withdraw portions of the Land from the Regime.

A.3.4 Leasehold. No part of the Property is a leasehold condominium, as defined by the Act.

A.3.5 Conversion. None of the Improvements in the Property are conversion buildings as defined by the Act.

A.3.6 Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modification may include, without limitation, changes in the sizes, styles, configurations, materials, and appearances of Units, Buildings, and Common Elements.

A.3.7 Transfer Fees. During the Development Period, Declarant may not be required to pay transfer-related and resale certificate fees.

A.3.8 Statutory Development Rights. As permitted by the Act, Declarant reserves the following Development Rights which may be exercised during the Development Period in addition to all other rights otherwise reserved in this Appendix: (1) to add real property to the Property; (2) to create Units, General Common Elements, and Limited Common Elements within the Property; (3) to change the numbers, sizes, types and phasing of the Units, including the right to combine and subdivide Units or convert Units into Common Elements, provided such Units are owned by Declarant; (4) to withdraw from the Property any portion of the real property marked on the Plat and Plans as “Development Rights Reserved,” provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

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

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

- (a) to meet the requirements, standards, or recommended guidelines of any underwriting lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Units;
- (b) to correct any defects in the execution of this Declaration or in any of the other Condominium Documents;

- (c) to add real property to the Property, in the exercise of statutory Development Rights;
- (d) to create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights;
- (e) to subdivide or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights;
- (f) to withdraw from the Property any portion of the real property marked on the Plat and Plans as “Development Rights Reserved,” in the exercise of statutory Development Rights;
- (g) to resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in any of the documents forming the Condominium;
- (h) to change the name or entity of Declarant; or
- (i) for any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

A.3.11 Architectural Control. During the Development Period, Declarant has the absolute right of architectural control. In such capacity, the Declarant may pre-approve any plans or specifications for un-built Units prior to their completion and neither the Board nor any committee shall be able to revoke or modify such approvals without the Declarant’s consent. Notwithstanding the foregoing, during the Development Period and after termination of the Declarant Control Period, or earlier if Declarant permits, the Board may appoint or serve as a “modifications committee” to respond exclusively to modifications of completed Units that are owned by persons other than Declarant. A modifications committee may not involve itself with the approval of new Units or Common Elements.

A.3.12 Fines and Penalties. During the Development Period, neither Declarant nor Units owned by Declarant are liable to the Association for late fees, fines, administrative charges, or any other charge that may be considered a penalty.

A.3.13 Marketing and Use of Condominium Name. During the Development Period, Declarant shall have the exclusive right to use the name of the Condominium or to publish or circulate material or information through websites or otherwise regarding the Project or the Association.

A.3.14 Contribution of Reserve Fees. Declarant shall not be required to make contributions to the Reserve Fund except through the payment of Regular Common Assessments or alternative payments toward the Common Expenses as set forth in Section A.2.4.

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

- (a) The right to complete or make Improvements indicated on the Plat and Plans.
- (b) The right to exercise any Development Right permitted by the Act and this Declaration.
- (c) The right to make the Property part of a larger condominium or planned community.
- (d) The right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property.
- (e) For purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including times and locations that are prohibited to other Owners and residents. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property.
- (f) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned by or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.
- (g) The right to appoint or remove any Declarant-appointed officer or director of the Association during the Declarant Control Period consistent with the Act.
- (h) The exclusive right, but not the duty to, amend the Plat and Plans and to vary the size, shape, physical layout, or location of any unsold or newly created Unit or Units. If Declarant makes any significant variances in Unit sizes, Declarant shall have a right and a duty to correspondingly adjust the percentages or fractions of ownership of the Common Elements set forth in **EXHIBIT "C"** for such Units remaining unsold. Adjustments in the percentages or fractions of ownership of the Common Elements made pursuant to this Section will only affect those Units owned by the Declarant and will not change or affect the percentage or fraction of ownership of any other Unit. The reservation made by Declarant under this Section

shall not work to readjust or reallocate any vested interests in the Common Elements appurtenant to any Units after the sale thereof by Declarant. The method of such adjustment shall be based on the same formula as set forth in Section 5.5(a).

- (i) The right to do what is reasonably necessary or advisable in connection with the completion of any work in the Project, including the right to use easements through the Common Elements as necessary to complete work on the Project.
- (j) The sole right to approve or reject any plans and specifications submitted by a Unit Owner for approval while in control of the ACC.
- (k) The right to modify the landscaping.
- (l) The right to create Units, Common Elements or Limited Common Elements within the Condominium.
- (m) The right to combine and/or subdivide Units or convert Units into Common Elements.
- (n) With respect to Units owned by Declarant:
 - (i) Declarant may make improvements or alterations to the Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium, but such changes may not change the appearance of the Common Elements or the exterior appearance of the Unit or any other portion of the Condominium; and
 - (ii) Removal of partitions or creation of partitions under this Section A.4 is not an alteration of boundaries.
- (o) The right to assign any and all parking spaces in the Project to any Owner as Limited Common Elements and/or to change any and all parking spaces to Limited Common Elements, if any are not already assigned as Limited Common Elements.

A.5 ADDITIONAL RIGHTS. Declarant reserves the following easements rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

- (a) An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.
- (b) The right to sell or lease any Unit owed by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained elsewhere in this Declaration or the other Documents.

- (c) The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being created or Common Elements. Requests for entry must be made in advance for a time reasonable convenient for the Owner who may not unreasonably withhold consent.
- (d) An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at Declarant's sole expense, will restore altered Common Elements and Units to conform to the architectural standards of the Property. The restoration will be done within one hundred twenty (120) days after termination of the Development Period.
- (e) The right to provide a reasonable means of access and parking for the homebuying public in connection with the active marketing of Units by Declarant, including the right to require the gates be kept open during certain hours or on certain days.
- (f) The right, at any time and from time to time, without requesting or receiving the assent of any Owner or any First Mortgagee, to resubdivide the Property, amend the subdivision plat covering the Property, modify, alter, or otherwise change the legal or other status or configuration of the Property to grant easements and to otherwise take such action as may be deemed necessary by the Declarant to satisfactorily expand the Project or to reduce the size of the Project subject to the Regime and to separate any portion thereof to be owned, held and/or developed separate and apart from the Project or as a different condominium regime.
- (g) An easement over, across and through the Common Elements, for the purpose of ingress and egress, utilities or any other purpose necessary to develop, construct, market and sell any portion of the Project that may be withdrawn from or developed separately from the Regime and to further use and enjoy such separated or withdrawn portions after they are built.

A.6 SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of the county where the Property is located. Declarant (or Successor Declarant) may subject the Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

APPENDIX B

MAINTENANCE RESPONSIBILITY CHART

LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium

“all aspects” includes maintenance, repair, and replacement, as needed

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
Driveways or parking areas outside the LCEs of any Unit	All aspects	None
Mailboxes and exterior address numbers	All aspects if not attached to the Unit Building	All aspects if such items exclusively serve the Unit and are individualized such as being attached to the Unit Building
Sidewalks, driveways, parking areas located within the LCEs of any Unit	All aspects of repair and replacement	Routine maintenance, cleaning and repair
Roofs, shingles, and gutters beyond the boundaries of the Unit	All aspects of repair and replacement	Routine cleaning and maintenance of gutters
Exterior vertical walls of the Units, other exterior features of Units not specifically listed in chart	All aspects (including painting and caulking) except as noted for the Owner	Routine cleaning and maintenance
Wall framing and studs	All aspects	None
Yard and landscaping within the Unit’s Limited Common Elements or associated with a Unit	Landscape Services (as defined in the Declaration) to all landscaped areas associated with each Unit	All aspects not covered by the Board under Landscape Services

Entryways, stoops, porches, patios, balconies, and decks (except not including windows and doors) or similar Improvements allocated to Unit as LCEs	All aspects of repair and replacements	Routine cleaning and maintenance
Exterior light fixtures on Units	Only those served by the Association's electrical meter	All aspects other than those served by Association's electrical meter
Street lights	All aspects	None
Common Area landscaping and similar General Common Element amenities	All aspects	None
Building Foundations	All Aspects	None
Insulation and weather-stripping	All aspects of such Improvements located outside the Unit boundaries	All aspects within the Unit boundaries
Units	None	All aspects
Sheetrock in Unit (walls and ceilings) and treatments on walls	None	All aspects
Floor covering or finishes in Unit	None	All aspects
Unit Owner improvements or special additions in private balconies, patios or similar areas	None	All aspects
Exterior doors of Units	None	All aspects, subject to Association right to elect to repair, replace, and maintain all aspects, including paint, door frame, door, glass panes, weather-stripping, threshold, hardware, locks, peepholes

Windows of Units	Exterior caulking in connection with exterior painting and routine maintenance	All aspects, except those noted for Association. Includes window frames, screens, window locks, glass panes
Water, sewer, electrical lines and systems	All aspects of lines, pipes, fixtures, appliances and systems that serve all Units	All aspects of lines, pipes, fixtures, appliances and systems serving only that Unit. Costs for those shared by two (2) Units is shared by the adjoining Unit Owners
Heating and cooling systems and water heaters	None	All aspects
Intrusion alarms on doors/windows, smoke/heat detectors, monitoring equipment	None	All aspects
Antennas and satellite dishes	None	All aspects
Utility meters	All aspects of those meters that are not associated with individual Units	All aspects of the meters serving only the Owner's Unit
Chimneys, firebox and flues	None	All aspects
Pest defense systems	None	All aspects
Garage door and mechanical equipment	None	All aspects
Individual irrigation systems associated with the Unit	All aspects	None
Irrigation system serving the Common Elements	All aspects	None

Fences	All aspects of perimeter fences only. None for all other fences.	All aspects of all fences not maintained by the Association. Costs of fencing or gate creating a boundary between LCEs of Units (i.e., the partition fence separating the back yards (LCE) of Units) shared by adjoining Unit Owners
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EXHIBIT "A"

**LEGAL DESCRIPTION OF THE INITIAL PROPERTY
SUBJECT TO THE DECLARATION**

FIELD NOTES

BEING 1.599 ACRES OF LAND, MORE OR LESS, BEING A PORTION OF LOT 2, AMENDED PLAT OF LOT 2, BRIGHTON GARDENS SUBDIVISION, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT AS RECORDED IN DOC. NO. 201500067, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, SAME BEING ALL OF THAT CERTAIN TRACT AS CONVEYED TO SYCAMORE COURT, LLC, A TEXAS LIMITED LIABILITY COMPANY, BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN AS RECORDED IN DOC. NO. 2017140541, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a cotton spindle found in the east line of that certain tract of land conveyed to CWS Caprock Bridge LP, by deed as recorded in Doc. No. 2000002696, Official Public Records, Travis County, Texas, as further described in Vol. 11782, Pg. 1148, Real Property Records, Travis County, Texas, for the Southwest corner of Lot 1, Brighton Gardens Subdivision, a subdivision in Travis County, Texas, according to the map or plat as recorded in Vol. 90, Pg. 83, Plat Records, Travis County, Texas, same being the most Westerly Northwest corner of said Lot 2, for the most Westerly Northwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE: along the common dividing north line of said Lot 1 and Lot 2, the following three (3) courses:

- 1) S62°07'28"E 305.43 feet to a 1/2" iron rod set capped 'ATS-Engineers' for the Southeast corner of said Lot 1, and an ELL corner of said Lot 2;
- 2) N28°10'49"E 136.45 feet to a 1/2" iron rod set capped 'ATS-Engineers';
- 3) N29°51'10"E 374.89 feet to a 1/2" iron rod found in the curving southwest right-of-way line of Spicewood Springs Road, a variable width right-of-way, for the Northeast corner of said Lot 1, and the most Northerly Northwest corner of said Lot 2, for the most Northerly Northwest corner of the herein described tract;

THENCE: along the curving southwest right-of-way line of Spicewood Springs Road and the northeast line of said Lot 2, along a curve to the left, the radius of which is 760.00 feet, the arc distance of which is 46.32 feet, and the chord of which bears S30°00'33"E 46.31 feet to a 1/2" iron rod found in the west line of Lot 1, Safeway Addition No. 2, a subdivision in Travis County, Texas, according to the map or plat as recorded in Vol. 58, Pg. 24, Plat Records, Travis County, Texas, same being the Northeast corner of said Lot 2, for the Northeast corner of the herein described tract;

THENCE: S29°51'29"W 351.04 feet along the east line of said Lot 2, and the west line of said Lot 1, Safeway Addition No. 2, to a 1/2" iron rod found for the Southwest corner of said Lot 1, Safeway Addition No. 2, same being at the Northwest corner of Lot 1B, Mesa Plaza Addition, according to the map or plat as recorded in Vol. 65, Pg. 42, Plat Records, Travis County, Texas, for an angle point in said Lot 2, for an angle point in the herein described tract;

THENCE: S28°09'39"W 330.04 feet along the east line of said Lot 2, and the west line of said Lot 1B, to a 1/2" iron rod found in the north line of The Trails Phase 1B, a subdivision in Travis County, Texas, according to the map or plat as recorded in Vol. 75, Pg. 235, Plat Records, Travis County, Texas, for the Southwest corner of said Lot 1B, and the Southeast corner of said Lot 2, for the Southeast corner of the herein described tract;

THENCE: N62°09'05"W 108.95 feet, along the north line of The Trails Phase 1B, same being the south line of said Lot 2, to a calculated point for a corner of the herein described tract;

THENCE: over and across said Lot 2, the following three (3) courses:

- 1) N17°55'50"E 80.85 feet to a calculated point;
- 2) N62°34'18"W 111.30 feet to a calculated point;
- 3) S26°48'41"W 78.84 feet to a calculated point in the north line of The Trails Phase 1B, same being the south line of said Lot 2, for a corner of the herein described tract;

THENCE: N62°09'05"W 112.65 feet, along the north line of The Trails Phase 1B, same being the south line of said Lot 2, to a Mag Nail found in the east line of the said CWS Caprock Bridge tract, same being at the Northwest corner of The Trails Phase 1B, same being at the Southwest corner of said Lot 2, for the Southwest corner of the herein described tract;

THENCE: N28°07'55"E 40.58 feet along the east line of said CWS Caprock Bridge tract, same being the west line of said Lot 2, to a calculated point for a corner of the herein described tract;

THENCE: over and across said Lot 2, the following three (3) courses:

- 1) S61°57'17"E 74.12 feet to a calculated point;
- 2) N27°25'42"E 111.93 feet to a calculated point;
- 3) N63°11'19"W 72.76 feet to a calculated point in the east line of said CWS Caprock Bridge tract, same being the west line of said Lot 2, to a calculated point for a corner of the herein described tract;

THENCE: N28°07'55"E 43.59 feet along the east line of said CWS Caprock Bridge tract, same being the west line of said Lot 2, to the **POINT OF BEGINNING**, containing 1.599 Acres of land, more or less.

Bearings cited hereon are based on AMENDED PLAT OF LOT 2, BRIGHTON GARDENS SUBDIVISION, according to the map or plat as recorded as Doc. No. 201500067, Official Public Records, Travis County, Texas.


Paul Utterback
Registered Professional Land Surveyor No. 5738
May 16, 2018

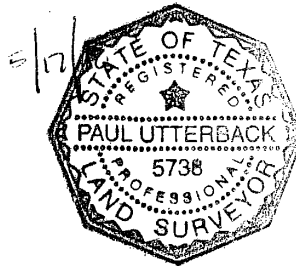


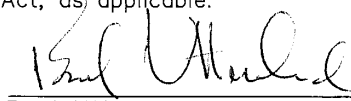
EXHIBIT "B"

**PLAT AND PLANS OF THE PROPERTY
SUBJECT TO THE DECLARATION AND TAX CERTIFICATE**

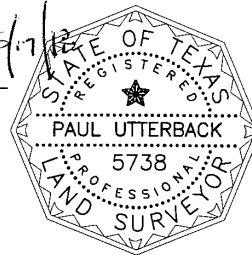
LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

A CONDOMINIUM REGIME IN TRAVIS COUNTY, TEXAS ESTABLISHED UPON 1.599 ACRES OF LAND, MORE OR LESS, BEING A PORTION OF LOT 2, AMENDED PLAT OF LOT 2, BRIGHTON GARDENS SUBDIVISION, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT AS RECORDED IN DOC. NO. 201500067, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, SAME BEING ALL OF THAT CERTAIN TRACT AS CONVEYED TO SYCAMORE COURT, LLC, A TEXAS LIMITED LIABILITY COMPANY, BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN AS RECORDED IN DOC. NO. 2017140541, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS.

The plats and plans attached hereto contain the information required by Sections 82.052 and 82.059 of the Texas Uniform Condominium Act, as applicable.



Paul Utterback
Registered Professional
Land Surveyor No. 5738



SHEET 1 OF 13

ATS Job # 18031253s
Client: Wes Peoples Homes
Date of Field Work: 4/5/18, 4/6/18 & 4/9/18
Field: MAlfaro
Tech: MBolton
Date Drawn: 5/11/18
Path: Projects\BULK\S-Z\SpicewoodSpringsRd4323\Production\Dwgs\CONDO_Master_LiveOakOnSpicewoodSpgs_180507.dwg

 eileen merritt's
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Inspectors
& Surveyors
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FAX: (512) 328-6996

LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

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GENERAL NOTES:

- 1) All improvements and land reflected on the plat are designated as General Common Elements, save and except portions of the regime designated as Limited Common Elements or Units (a) in the Declaration of Condominium Regime for LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium (the "Declaration"); or (b) on the plat and plans of the regime.
- 2) Ownership and use of condominium Units is subject to the rights and restrictions contained in the Declaration.
- 3) During the Development Period (as defined in the Declaration), Sycamore Court, LLC, a Texas limited liability company (the "Declarant"), has the absolute right of architectural control. In such capacity, the Declarant may pre-approve any plans or specifications for un-built Units prior to their completion and neither the Board nor any committee shall be able to revoke or modify such approvals without the Declarant's consent. Declarant may also modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modification may include, without limitation, changes in the sizes, styles, configurations, materials, and appearances of Units, Buildings, and Common Elements.
- 4) As permitted by the Texas Uniform Condominium Act (the "Act"), Declarant reserves the following Statutory Development Rights, which may be exercised during the Development Period in addition to all other rights otherwise reserved in Appendix "A" to the Declaration: (a) to add real property to the Property (as defined in the Declaration); (b) to create Units, General Common Elements, and Limited Common Elements within the Property; (c) to change the numbers, sizes, types and phasing of the Units, including the right to combine and subdivide Units or convert Units into Common Elements, provided such Units are owned by Declarant; (d) to withdraw from the Property any portion of the real property marked on the plat and plans as "Development Rights Reserved," provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.
- 5) Each Unit, Building, Limited Common Element, and General Common Element is subject to special rights reserved by the Declarant as provided in the Declaration. Such rights include: (a) the right to complete or make Improvements indicated on the plat and plans; (b) the right to exercise any development right permitted by the Act and the Declaration; (c) the right to make the Property (as defined in the Declaration) part of a larger condominium or planned community; (d) the right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property; (e) for purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including times and locations that are prohibited to other Owners and residents, and Declarant further reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property; (f) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned by or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and the Declaration; (g) the right to appoint or remove any Declarant-appointed officer or director of the Association during the Declarant Control Period consistent with the Act; (h) the exclusive right, but not the duty to, amend the plat and plans and to vary the size, shape, physical layout, or location of any unsold or newly created Unit or Units, and, if Declarant makes any significant variances in Unit sizes, Declarant shall have a right and a duty to correspondingly adjust the percentages or fractions of ownership of the Common Elements; (i) the right to do what is reasonably necessary or advisable in connection with the completion of any work in the Project (as defined in the Declaration), including the right to use easements through the Common Elements as necessary to complete work on the Project; (j) the sole right to approve or reject any plans and specifications submitted by a Unit Owner for approval while in control of the Architectural Control Committee (as defined in the Declaration); (k) the right to modify the landscaping; (l) the right to create Units, Common Elements

(Continued on Sheet 3 of 13)

SHEET 2 OF 13
CONDOMINIUM PLAT NOTES

 **eileen merritt's**
ATS **Engineers**
Inspectors
& Surveyors
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LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

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GENERAL NOTES (Continued from Sheet 2 of 13):

5) (continued) or Limited Common Elements within the Condominium; (m) the right to combine and/or subdivide Units or convert Units into Common Elements; (n) with respect to Units owned by Declarant: (i) Declarant may make improvements or alterations to the Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium, but such changes may not change the appearance of the Common Elements or the exterior appearance of the Unit or any other portion of the Condominium; and (ii) removal of partitions or creation of partitions under Section A.4 of the Declaration is not an alteration of boundaries; (o) the right to assign any and all parking spaces in the Project to any Owner as Limited Common Elements and/or to change any and all parking spaces to Limited Common Elements, if any are not already assigned as Limited Common Elements.

6) Declarant reserves the following easements rights, exercisable at Declarant's sole discretion, for the duration of the Development Period: (a) an easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property; (b) the right to sell or lease any Unit owned by Declarant; (c) the right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being created or Common Elements; (d) an easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein; (e) the right to provide a reasonable means of access and parking for the homebuying public in connection with the active marketing of Units by Declarant, including the right to require the gates be kept open during certain hours or on certain days; (f) the right, at any time and from time to time, without requesting or receiving the assent of any Owner or any First Mortgagee, to resubdivide the Property, amend the subdivision plat covering the Property, modify, alter, or otherwise change the legal or other status or configuration of the Property to grant easements and to otherwise take such action as may be deemed necessary by the Declarant to satisfactorily expand the Project or to reduce the size of the Project subject to the Regime and to separate any portion thereof to be owned, held and/or developed separate and apart from the Project or as a different condominium regime; (g) an easement over, across and through the Common Elements, for the purpose of ingress and egress, utilities or any other purpose necessary to develop, construct, market and sell any portion of the Project or to those portions which may be withdrawn from or developed separately from the Regime and to further use and enjoy such separated or withdrawn portions after they are built; (h) an easement over the Project, including, without limitation, all Common Elements and the Owner's Unit, for the purpose of ingress and egress, and the inspection, maintenance, repair, and replacement of utilities necessary to develop, construct, market or sell any portion of the Project provided that such easement will not unreasonably interfere with the use of any Unit for residential purposes; (i) the right to grant additional permits, licenses, and easements over and across the Units and Common Elements to the extent necessary or required to provide utilities to Units or for other purposes reasonably necessary for the operation of the Project; provided, however, that such easements will not unreasonably interfere with the use of any Unit for residential purposes; and (j) an easement is hereby created anywhere there are existing utilities within the Project, such easement extending ten feet (10') centered over, in or above the ground over such existing utilities (however, no such easement shall be allowed under the slab of any Unit).

7) Prepared from survey of subject property April 6, 2018 and Site Plans provided April 19, 2018.

8) The Notes on this page are paraphrased from the actual language of the Declaration. The Buyer of any Unit should thoroughly review the Declaration for the exact language of each of the reserved rights, easements, privileges or reservations in order to fully understand the powers and authority reserved to Declarant and the Association and the impact it may have on individual Owners, Occupants and Units. This plat does not create easements. Refer to the actual wording of the Declaration to determine the easements that are created by the Declaration. In the event of a conflict between these notes and the wording of the Declaration, the wording of the Declaration shall control.

SHEET 3 OF 13
CONDOMINIUM PLAT NOTES

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& Surveyors
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FAX: (512) 328-6998

LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

Surveyor's Note:
Bearings shown hereon are based on AMENDED PLAT OF
LOT 2, BRIGHTON GARDENS SUBDIVISION, as recorded in
Doc. No. 201500067, Official Public Records, Travis
County, Texas.

LEGEND	
●	½" (IRF) IRON ROD FOUND (unless noted)
⊙	MAG NAIL FOUND
⊕	COTTON SPINDLE FOUND
△	CALCULATED POINT
()	RECORD INFORMATION
R.O.W.	RIGHT OF WAY
P.U.E.	PUBLIC UTILITY EASEMENT
E.E.	ELECTRIC EASEMENT
D.E.	DRAINAGE EASEMENT
O.P.R.T.C.T.	OFFICIAL PUBLIC RECORDS TRAVIS COUNTY TEXAS
R.P.R.T.C.T.	REAL PROPERTY RECORDS TRAVIS COUNTY TEXAS
P.R.T.C.T.	PLAT RECORDS TRAVIS COUNTY TEXAS
D.R.T.C.T.	DEED RECORDS TRAVIS COUNTY TEXAS
GCE	GENERAL COMMON ELEMENT
GCE*	GENERAL COMMON ELEMENT SUBJECT TO DEVELOPMENT RIGHTS
LCE	LIMITED COMMON ELEMENT
[ET]	ELECTRIC TRANSFORMER
(CO)	WASTEWATER CLEANOUT
(GS)	GAS STUBOUT / MARKER
(WS)	WATER METER STUB OUT
(WM)	WATER METER
(WV)	WATER VALVE
(FH)	FIRE HYDRANT
(MH)	MANHOLE (30" ELECTRIC)
(UT)	UNDERGROUND TELEPHONE VAULT
⊕	POWER POLE AND GUY WIRE
—OE—	OVERHEAD ELECTRIC LINE
MBB	MUST BE BUILT

CURVE DATA TABLE				
CURVE	RADIUS	CHORD DIRECTION	CHORD LENGTH	ARC LENGTH
C1	760.00'	S30°00'33"E	46.31'	46.32'
(C1)	(760.00')	(S29°57'56E)	(46.33')	(46.34')

LINE DATA TABLE		
LINE	BEARING	DISTANCE
L1	N62°09'05"W	108.95'
L2	N17°55'50"E	80.85'
L3	N62°34'18"W	111.30'
L4	S26°48'41"W	78.84'
L5	N62°09'05"W	112.65'
L6	N28°07'55"E	40.58'
L7	S61°57'17"E	74.12'
L8	N27°25'42"E	111.93'
L9	N63°11'19"W	72.76'
L10	N28°07'55"E	43.59'

SHEET 4 OF 13

LEGEND
LINE & CURVE TABLES



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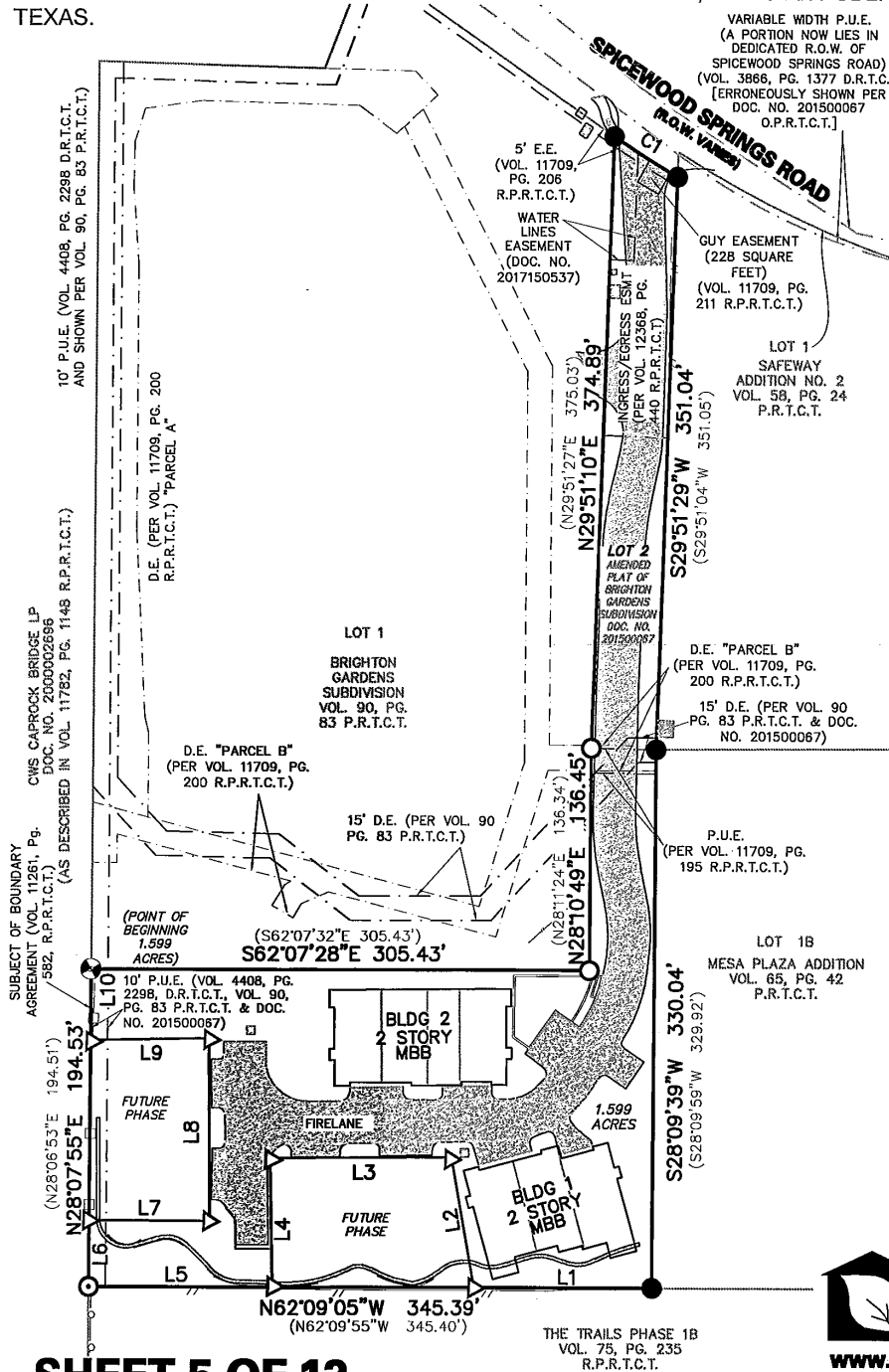
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**Engineers
Inspectors
& Surveyors**

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FAX: (512) 328-6996

LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

A CONDOMINIUM REGIME IN TRAVIS COUNTY, TEXAS ESTABLISHED UPON 1.599 ACRES OF LAND, MORE OR LESS, BEING A PORTION OF LOT 2, AMENDED PLAT OF LOT 2, BRIGHTON GARDENS SUBDIVISION, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT AS RECORDED IN DOC. NO. 201500067, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, SAME BEING ALL OF THAT CERTAIN TRACT AS CONVEYED TO SYCAMORE COURT, LLC, A TEXAS LIMITED LIABILITY COMPANY, BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN AS RECORDED IN DOC. NO. 2017140541, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS.



SCALE: 1"=100'

- Notes:
- 1) All easements, of which I have knowledge and those recorded easements furnished by Stewart Title Guaranty Company according to Title Commitment GF No. 171288, effective date February 6, 2018, DO AFFECT the subject property (Lot 2). Other than visible easements, no unrecorded or unwritten easements are shown hereon.
 - 2) Restrictive covenants and easements rights as recorded in Vol. 4333, Pg. 3, Deed Records, Vol. 90, Pg. 83, Plat Records, Vol. 12368, Pg. 440, Real Property Records, and Doc. No. 201500067, Official Public Records, Travis County, Texas.
 - 3) Subject to easements as recorded in Vol. 90, Pg. 83, Plat Records, Vol. 4408, Pg. 2298, Deed Records, Vol. 11709, Pg. 195, Vol. 11709, Pg. 200, Vol. 11709, Pg. 206, Vol. 11709, Pg. 211, Vol. 12368, Pg. 440, Real Property Records, Doc. No. 2017150537, and Doc. No. 201500067 (Plat), Official Public Records, Travis County, Texas.
 - 4) Subject to terms, conditions and provisions of Boundary Agreement as recorded in Vol. 11261, Pg. 582, Real Property Records, Travis County, Texas.
 - 5) Easements as recorded in Vol. 594, Pg. 115, Vol. 5827, Pg. 2352, Vol. 763, Pg. 346, Vol. 939, Pg. 502, Vol. 3866, Pg. 1377, Pg. 4718, Pg. 2369, Pg. 3385, Pg. 1066, Deed Records, Travis County, Texas, DO NOT AFFECT the subject tract shown hereon.

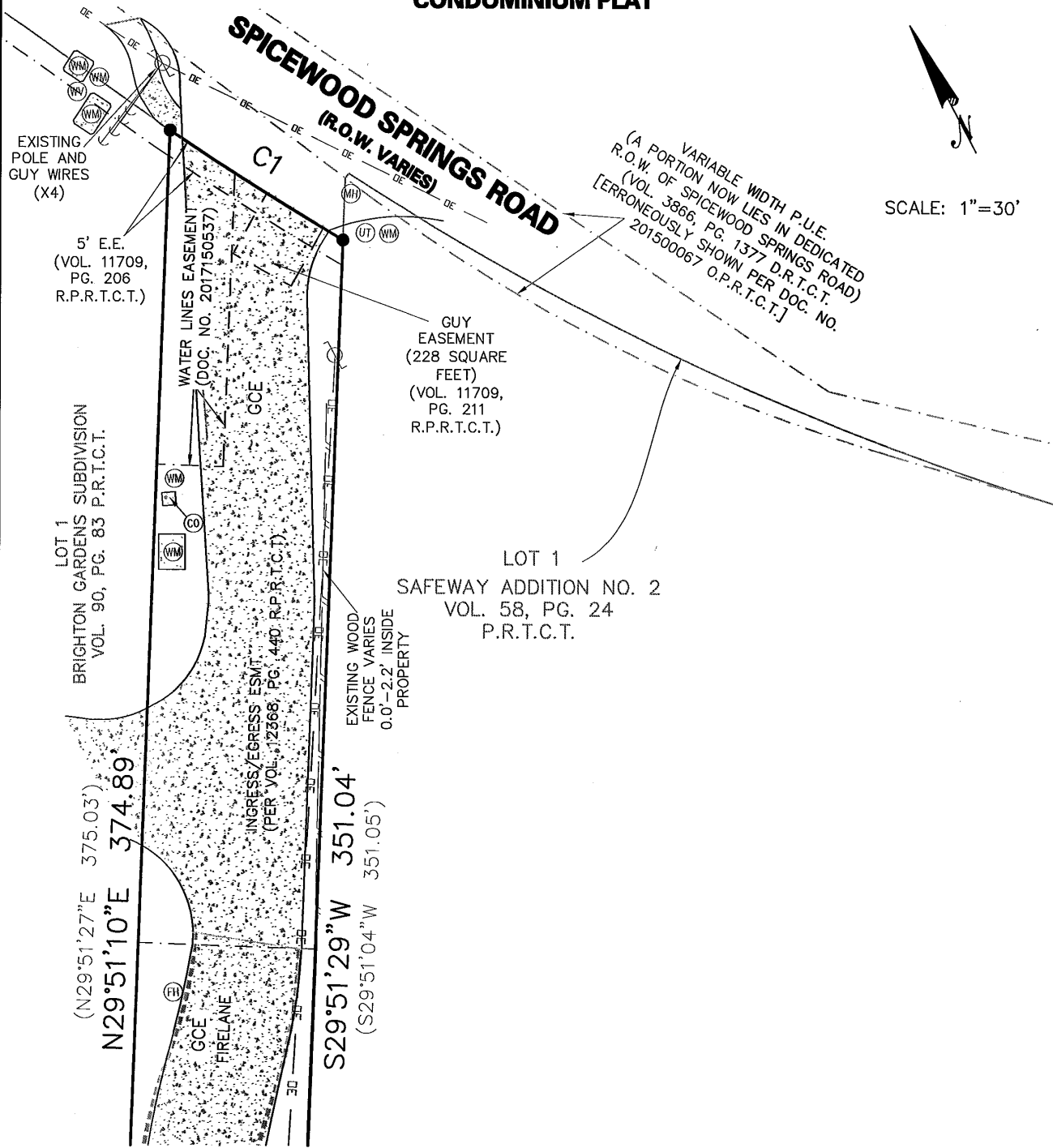
Surveyor's Note:
Bearings shown hereon are based on AMENDED PLAT OF LOT 2, BRIGHTON GARDENS SUBDIVISION, as recorded in Doc. No. 201500067, Official Public Records, Travis County, Texas.

SHEET 5 OF 13

SITE OVERVIEW
SHEET INDEX

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FAX: (512) 328-8996

**LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium
CONDOMINIUM PLAT**



SCALE: 1"=30'

SHEET 6 OF 13
UNIT DETAILS
SEE SHEET 4 FOR LEGEND,
LINE & CURVE TABLES

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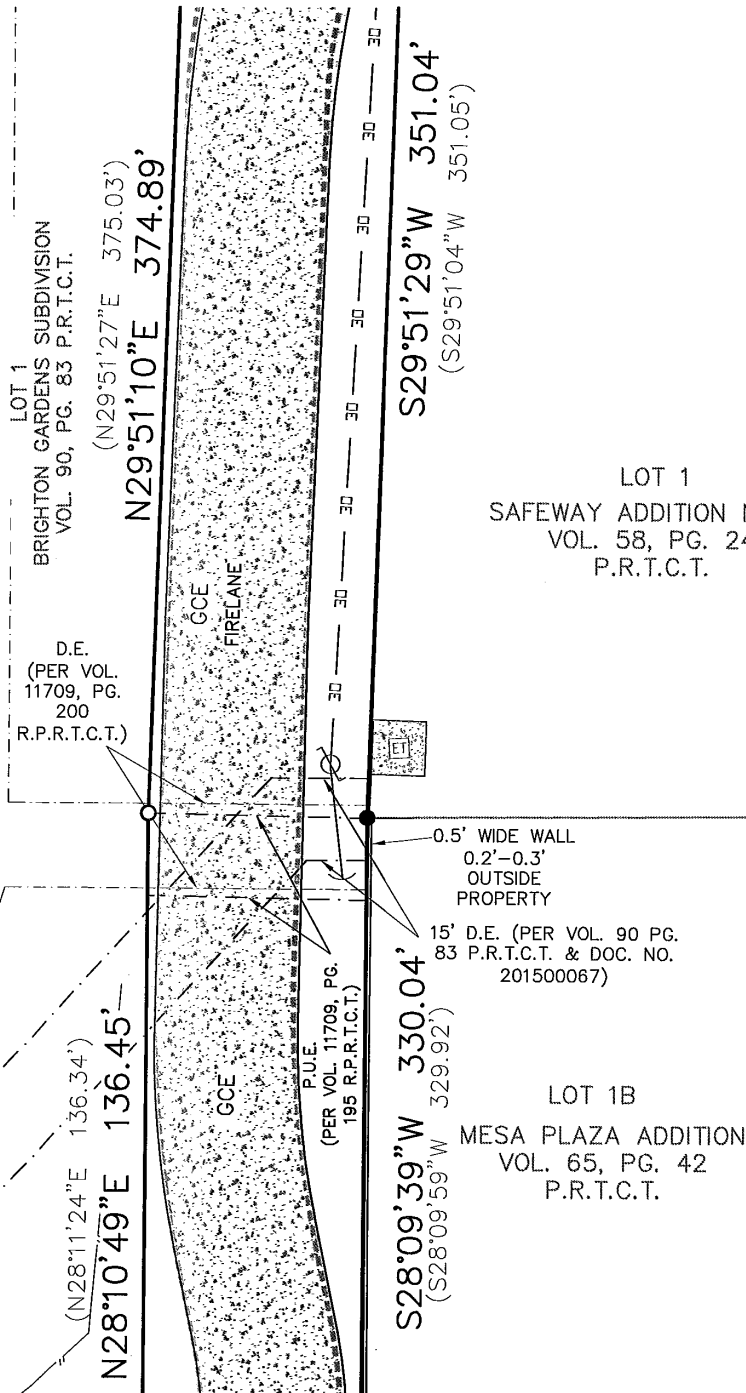
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**LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium
CONDOMINIUM PLAT**



SCALE: 1"=30'



SHEET 7 OF 13

UNIT DETAILS
SEE SHEET 4 FOR LEGEND,
LINE & CURVE TABLES



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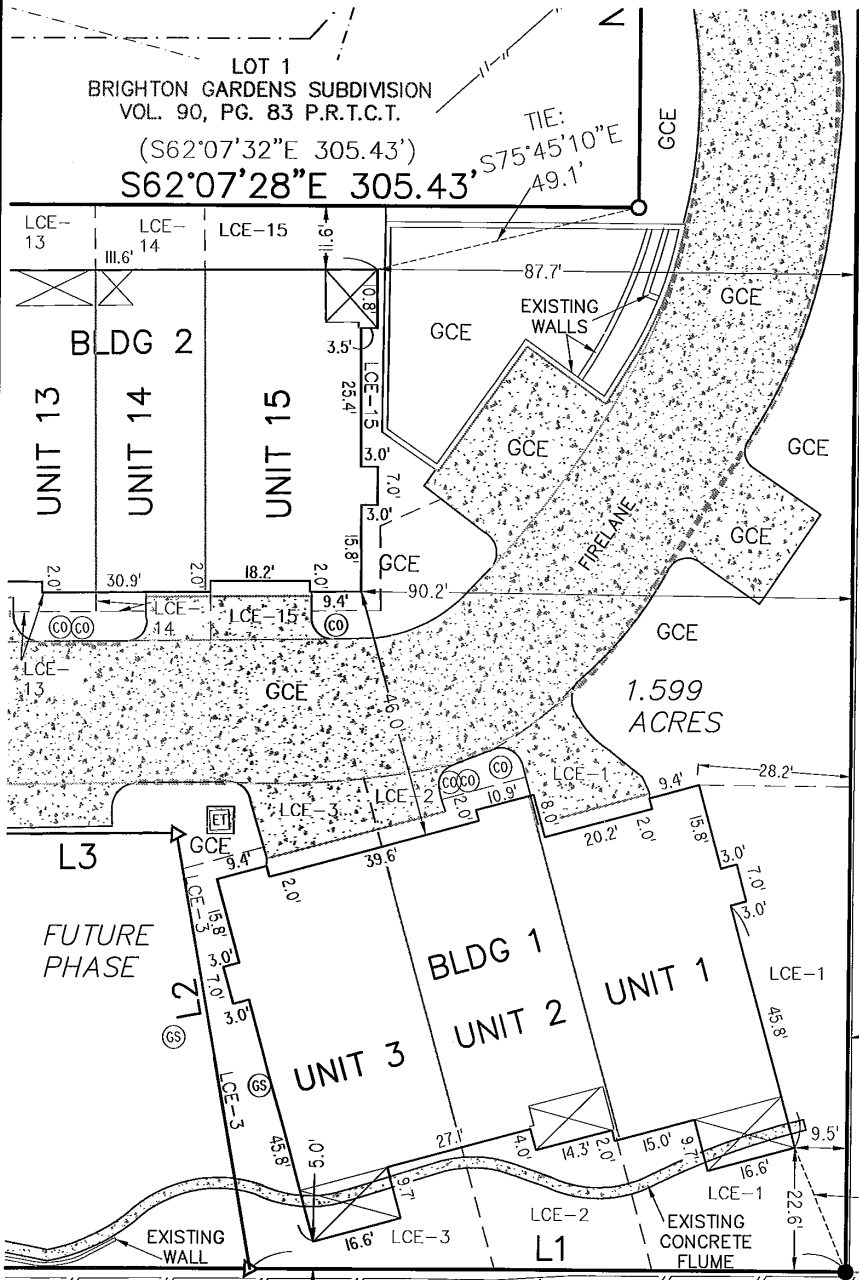
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LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT



SCALE: 1"=30'



LOT 1
BRIGHTON GARDENS SUBDIVISION
VOL. 90, PG. 83 P.R.T.C.T.

(S62°07'32"E 305.43')
S62°07'28"E 305.43' TIE:
S75°45'10"E 49.1'

S28°09'39"W 330.04'
(S28°09'59"W 329.92')

1.599
ACRES

LOT 1B
MESA PLAZA ADDITION
VOL. 65, PG. 42
P.R.T.C.T.

0.5' WIDE WALL
0.2'-0.3'
OUTSIDE
PROPERTY

N62°09'05"W 345.39'
(N62°09'55"W 345.40')

THE TRAILS PHASE 1B
EXISTING WOOD VOL. 75, PG. 235
FENCE VARIES
0.0'-1.9' OUTSIDE
PROPERTY R.P.R.T.C.T.

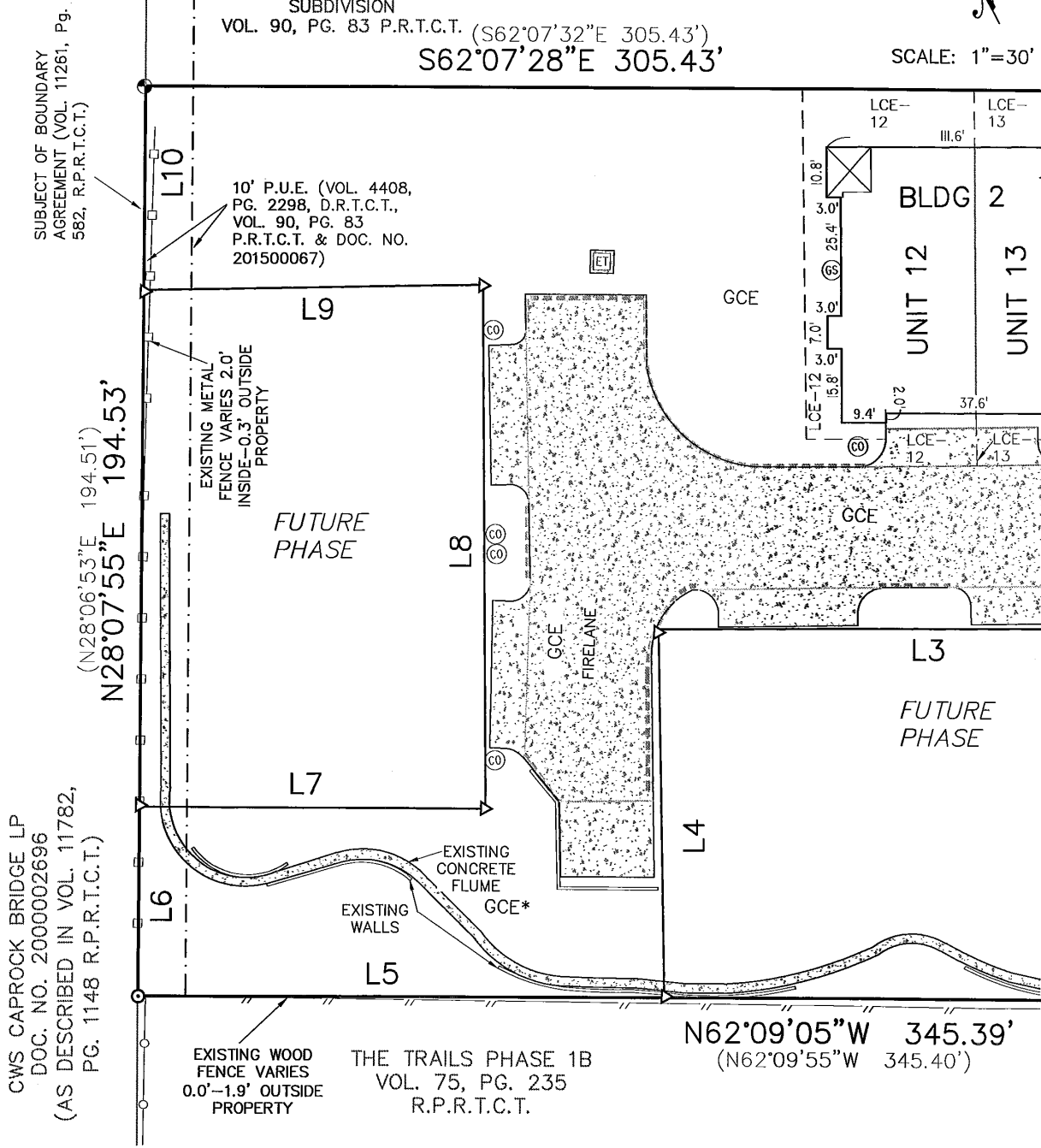
SHEET 8 OF 13
UNIT DETAILS
SEE SHEET 4 FOR LEGEND,
LINE & CURVE TABLES

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LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

LOT 1
BRIGHTON GARDENS
SUBDIVISION
VOL. 90, PG. 83 P.R.T.C.T. (S62°07'32"E 305.43')
S62°07'28"E 305.43'

SCALE: 1"=30'

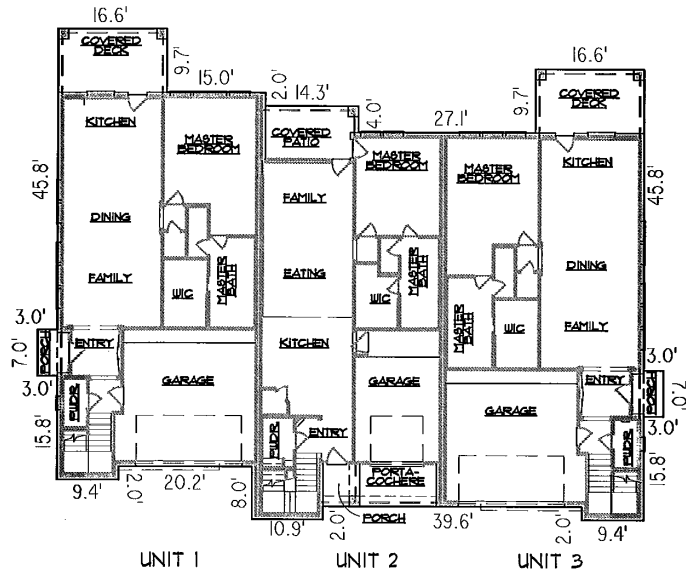


SHEET 9 OF 13
UNIT DETAILS
SEE SHEET 4 FOR LEGEND,
LINE & CURVE TABLES

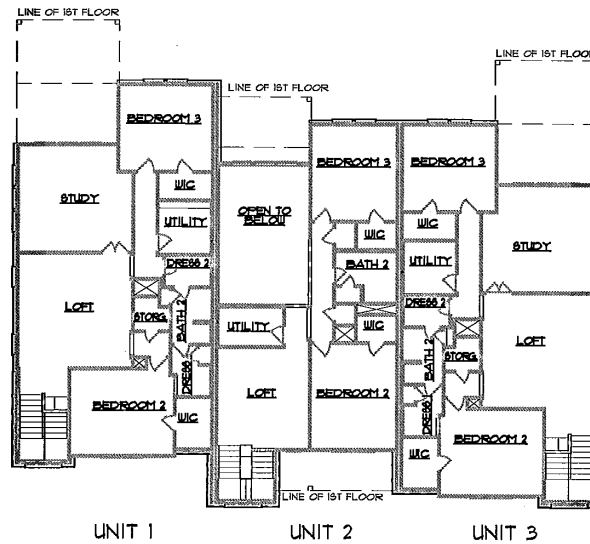
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LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

MEASUREMENTS SHOWN
IN DECIMAL FEET



FIRST FLOOR



SECOND FLOOR

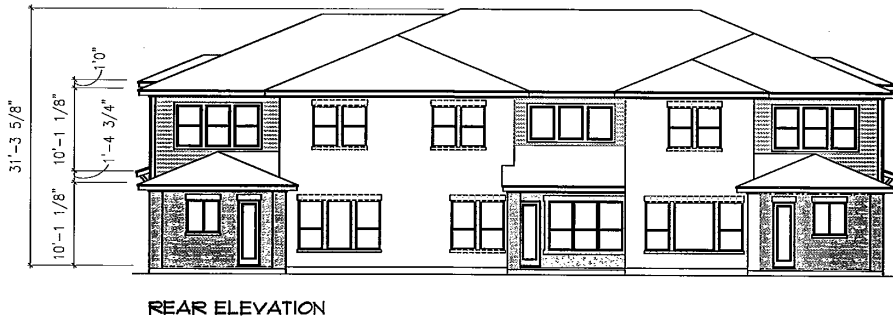
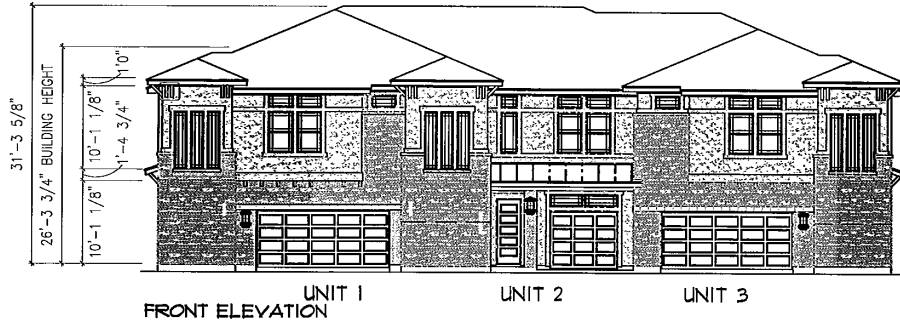
SHEET 10 OF 13

BUILDING 1: UNITS 1, 2 & 3


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LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

MEASUREMENTS SHOWN IN
ARCHITECTURAL FEET AND INCHES

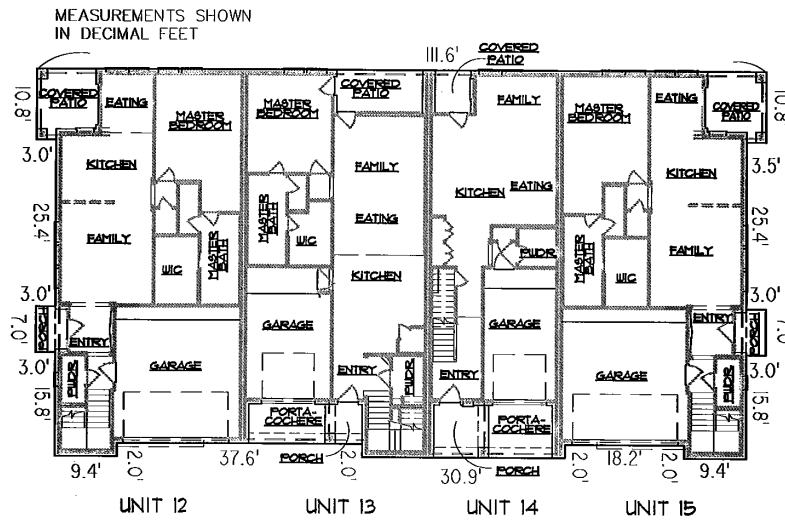


SCALE: 1"=20'

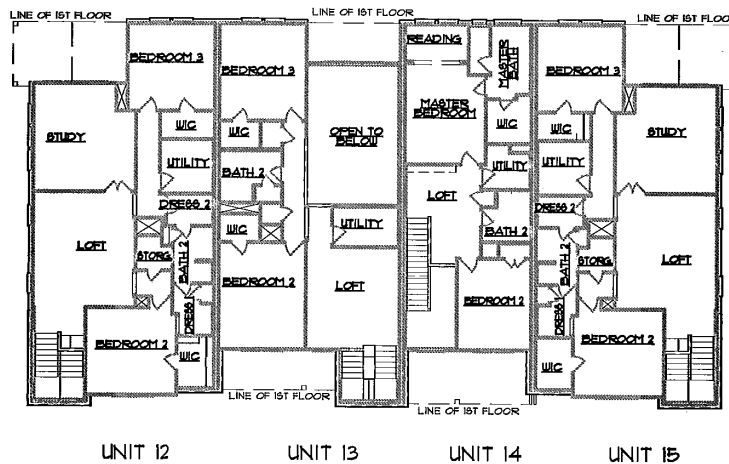
SHEET 11 OF 13
BUILDING 1: UNITS 1, 2 & 3

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LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT



FIRST FLOOR



SECOND FLOOR

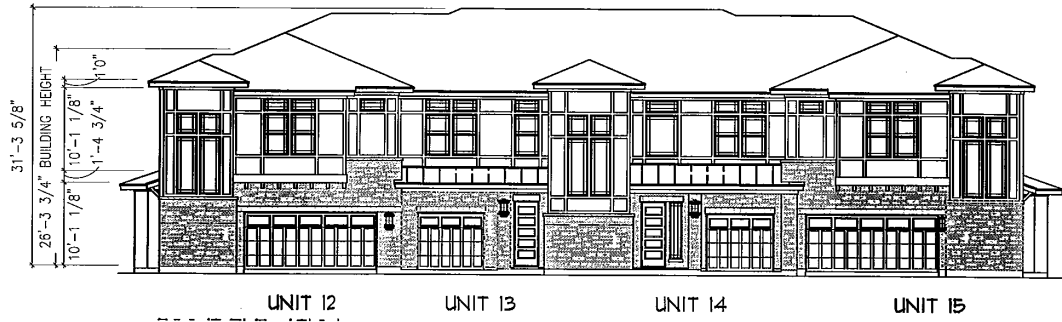
SHEET 12 OF 13

BUILDING 2: UNITS 12, 13, 14 & 15


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LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium CONDOMINIUM PLAT

MEASUREMENTS SHOWN IN
ARCHITECTURAL FEET AND INCHES



RIGHT SIDE ELEVATION



LEFT SIDE ELEVATION

SCALE: 1"=20'

SHEET 13 OF 13
BUILDING 2: UNITS 12, 13, 14 & 15

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TAX CERTIFICATE
Bruce Elfant
Travis County Tax Assessor-Collector
P.O. Box 1748
Austin, Texas 78767
(512) 854-9473

NO 2265393

ACCOUNT NUMBER: 01-4503-0907-0000

PROPERTY OWNER:

SYCAMORE COURT LLC
11130 JOLLYVILLE RD STE 302
AUSTIN, TX 78759-4819

PROPERTY DESCRIPTION:

LOT 2 BRIGHTON GARDENS SUBD AMD PL
AT OF LOT 2

ACRES 1.9900 MIN% .000000000000 TYPE

SITUS INFORMATION: 4323 SPICEWOOD SPRINGS RD

This is to certify that after a careful check of tax records of this office, the following taxes, delinquent taxes, penalties and interests are due on the described property of the following tax unit(s):

YEAR	ENTITY	TOTAL
2017	AUSTIN ISD	*ALL PAID*
	CITY OF AUSTIN (TRAV)	*ALL PAID*
	TRAVIS COUNTY	*ALL PAID*
	TRAVIS CENTRAL HEALTH	*ALL PAID*
	ACC (TRAVIS)	*ALL PAID*

TOTAL SEQUENCE 0

ALL PAID

TOTAL TAX:	*ALL PAID*
UNPAID FEES:	* NONE *
INTEREST ON FEES:	* NONE *
COMMISSION:	* NONE *
TOTAL DUE ==>	*ALL PAID*

TAXES PAID FOR YEAR 2017 \$8,060.54

ALL TAXES PAID IN FULL PRIOR TO AND INCLUDING THE YEAR 2017 EXCEPT FOR UNPAID YEARS LISTED ABOVE.

The above described property may be subject to special valuation based on its use, and additional rollback taxes may become due. (Section 23.55, State Property Tax Code).

Pursuant to Section 31.08 of the State Property Tax Code, there is a fee of \$10.00 for all Tax Certificates.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS DATE OF 05/01/2018

Fee Paid: \$10.00

Bruce Elfant
Tax Assessor-Collector

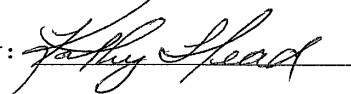
By: 

EXHIBIT "C"

**PERCENTAGE OF OWNERSHIP OF COMMON ELEMENTS
AND PERCENTAGE RESPONSIBILITY FOR COMMON EXPENSES**

The Percentages shown on this **EXHIBIT "C"** shall always be based on the estimated square footage of each Unit as a pro-rata share of the total estimated square footage of all the Units included in the Project at each phase.

The following allocations are presented for purposes of determining each Owner's share of ownership and expenses in the Common Elements. These percentages are based on estimates of the square footage of the Units. **Nothing herein shall be construed as a warranty or representation of the amount of actual square footage of any Unit. Each Unit Owner shall independently verify the actual square footage of its Unit prior to Closing.** Each Owner releases Declarant, its successors and assigns, and the Association from any claims or liabilities resulting from the difference in the actual square footage of a Unit and the square footage or percentages stated herein.

UNIT	SHARE OF COMMON ELEMENT OWNERSHIP	SHARE OF COMMON EXPENSE LIABILITY
1	16.2019%	16.2019%
2	14.5042%	14.5042%
3	16.1570%	16.1570%
12	14.7684%	14.7684%
13	14.2624%	14.2624%
14	9.3378%	9.3378%
15	14.7684%	14.7684%
7 UNITS	100%	100%

EXHIBIT "D"

RESTRICTIVE COVENANTS, EASEMENTS AND ENCUMBRANCES

[existing prior to development of the property and still applicable to the property]

1. Those restrictive covenants of record in Volume 4333, Page 3, of the Deed Records of Travis County, Texas, and Volume 90, Page 83, of the Plat Records of Travis County, Texas; Volume 12368, Page 440, Real Property Records of Travis County, Texas; and under Document Number 201500067, Official Public Records of Travis County, Texas.
2. A 10' electrical and telephone line easement located along the westerly property line, granted to the City of Austin, described in Volume 4408, Page 2298, of the Deed Records of Travis County, Texas, and additionally shown as a public utility easement on the plat of record in Volume 90, Page 83, of the Plat Records of Travis County, Texas, and under Document Number 201500067, Official Public Records of Travis County, Texas.
3. A 15' drainage easement traversing the subject property, as shown on the plat of record in Volume 90, Page 83, of the Plat Records of Travis County, Texas, and under Document Number 201500067, Official Public Records of Travis County, Texas.
4. A 15' wide public utility easement granted to the City of Austin, as described in Volume 11709, Page 195, of the Real Property Records of Travis County, Texas.
5. A portion of a 13,131 square foot drainage easement granted to the City of Austin, as described in Volume 11709, Page 200, of the Real Property Records of Travis County, Texas.
6. A 5' electric easement located along the most northerly property line, the same having Spicewood Springs Road frontage granted to the City of Austin, as described in Volume 11709, Page 206, of the Real Property Records of Travis County, Texas.
7. A guy easement located across the most northerly portion of the property, granted to the City of Austin, as described in Volume 11709, Page 211, of the Real Property Records of Travis County, Texas.
8. An ingress and egress easement granted to Care Institute, Inc. - Texas, as described in Volume 12368, Page 440, of the Real Property Records of Travis County, Texas, together with all terms, provisions and conditions of said instrument, and as shown on plat recorded under Document Number 201500067, Official Public Records of Travis County, Texas.
9. Electric and telephone easement granted to the City of Austin by instrument recorded in Volume 4408, Page 2298, Deed Records of Travis County, Texas.

10. All terms, conditions, and provisions of that certain Boundary Agreement dated August 16, 1990 of record in Volume 11261, Page 582, of the Real Property Records of Travis County, Texas.
11. All terms, conditions, and provisions of that certain Notice Concerning Construction of Subdivision Improvements, filed November 6, 1991, of record in Volume 11559, Page 1, of the Real Property Records of Travis County, Texas.
12. All terms, conditions, and provisions of that certain Agreement Regarding Removal of Fence, dated April 30, 1997, of record in Volume 12947, Page 1, of the Real Property Records of Travis County, Texas.
13. Water lines easement granted to the City of Austin by instrument recorded under Document Number 2017150537, Official Public Records of Travis County, Texas. (Lot specific)

EXHIBIT "E"

ADDITIONAL LAND SUBJECT TO ANNEXATION AND PHASING RIGHTS

Lot 2, AMENDED PLAT OF LOT 2, BRIGHTON GARDENS SUBDIVISION, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded under Document No. 201500067 of the Official Public Records of Travis County, Texas, SAVE AND EXCEPT Phase I of LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium, as described in **EXHIBIT "A"** to this Declaration.

ATTACHMENT 1

**BYLAWS OF
LIVE OAK/SPICEWOOD CONDOMINIUM ASSOCIATION, INC.**

BYLAWS

OF THE

LIVE OAK/SPICEWOOD
CONDOMINIUM ASSOCIATION, INC.

(A Texas Nonprofit Corporation)

Prepared by:

William P. McLean
McLean & Howard, L.L.P.
901 S. Mopac Expressway
Building 2, Suite 225
Austin, Texas 78746
Telephone: (512) 328-2008
Telecopier: (512) 328-2409

**BYLAWS OF THE
LIVE OAK/SPICEWOOD CONDOMINIUM ASSOCIATION, INC.**

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**BYLAWS
OF THE
LIVE OAK/SPICEWOOD CONDOMINIUM ASSOCIATION, INC.**
(A Texas Nonprofit Corporation)

**ARTICLE 1
INTRODUCTION**

1.1. PURPOSE OF BYLAWS. These Bylaws provide for the governance of the condominium known as Live Oak on Spicewood Springs, a Residential Condominium, located in Travis County, Texas, subject to and more fully described in the Declaration.

1.2. PARTIES TO BYLAWS. All present or future Owners and all other persons who use or occupy the Project in any manner are subject to these Bylaws and the other Condominium Documents. The mere acquisition or occupancy of a Unit will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. DEFINITIONS. Words and phrases defined in the Declaration shall have the same meanings when used in these Bylaws. Unless defined otherwise in the Declaration or in these Bylaws, words and phrases defined in Section 82.003 of the Texas Uniform Condominium Act (“TUCA”) shall have the same meaning when used in these Bylaws.

1.4. NONPROFIT PURPOSE. The Association is not organized for profit.

1.5. COMPENSATION. A Director, Officer, Member, or Occupant shall not be entitled to receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a Director, Officer, Member, or Occupant; provided, however:

- a. That reasonable compensation may be paid to a Director, Officer, Member, or Occupant for services rendered to the Association;
- b. That a Director, Officer, Member, or Occupant may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the Board; and
- c. That this provision does not apply to distributions to Owners permitted or required by the Declaration or TUCA.

1.6. GENERAL POWERS AND DUTIES. The Association, acting through the Board, shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Project as may be required or permitted by the Condominium Documents and state law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interest of its Members,

subject only to the limitations upon the exercise of such powers as are expressly set forth in the Condominium Documents.

ARTICLE 2
BOARD OF DIRECTORS

2.1. NUMBER AND TERM OF OFFICE. During the Declarant Control Period, Section A.2.2 of the Declaration shall govern the number, qualification, and appointment of Directors. The initial Directors shall be appointed by Declarant and need not be Owners or Residents. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. During the Declarant Control Period, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee. The Board shall consist of three (3) persons. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but shall not be less than three (3).

2.2. QUALIFICATION. No person shall be eligible for election or appointment to the Board unless such person is a Member, a Member's spouse or unless such person is the Declarant or the Declarant's appointee.

2.2.1. Entity Member. If a Unit is owned by a legal entity, such as a partnership or corporation, any officer, partner, or employee of that entity member shall be eligible to serve as a Director and shall be deemed to be a Member for the purposes of this Section. If the relationship between the entity member and the Director representing it terminates, that Directorship shall be deemed vacant.

2.2.2. Co-Owners. Co-Owners of a single Unit may not serve on the Board at the same time. Co-Owners of more than one Unit may serve on the Board at the same time, provided the number of co-Owners serving at one time does not exceed the number of Units they co-own.

2.2.3. Delinquency. No Member may be elected or appointed as a Director if any Assessment against the Member or his Unit is delinquent at the time of election or appointment. No Member may continue to serve as a Director if any Assessment against the Member or his Unit is more than sixty (60) days delinquent.

2.3. ELECTION. Directors shall be elected by the Members. The election of Directors shall be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, e-mail, facsimile transmission, or a combination of any of such delivery methods.

2.4. VACANCIES. Vacancies on the Board caused by any reason, except the removal of a Director by a vote of the Association, shall be filled by a vote of the majority of the remaining Directors, even if less than a quorum, at any meeting of the Board. Each Director so elected shall serve out the remaining term of his predecessor.

2.5. REMOVAL OF DIRECTORS. At any annual meeting or special meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing at least two-thirds (2/3) of the votes present in person or by proxy at such meeting, and a successor shall then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

2.6. MEETINGS OF THE BOARD.

2.6.1. Organizational Meeting of the Board. Within ten (10) days after the annual meeting, the Directors shall convene an organizational meeting for the purpose of electing Officers. The time and place of such meeting shall be fixed by the Board and announced to the Directors.

2.6.2. Regular Meetings of the Board. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by the Board, but at least one such meeting shall be held each year. Notice of regular meetings of the Board shall be given to each Director, personally or by telephone, e-mail or written communication, at least three (3) days prior to the date of such meeting.

2.6.3. Special Meetings of the Board. Special meetings of the Board may be called by the president or, if he is absent or refuses to act, the secretary, or by any two (2) Directors. At least three (3) days' notice shall be given to each Director, personally or by telephone, e-mail or written communication, which notice shall state the place, time, and purpose of such meeting.

2.6.4. Conduct of Meetings. The president shall preside over all meetings of the Board and the secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Condominium Documents, the then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board.

2.6.5. Quorum. At all meetings of the Board, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If less than a quorum is present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

2.6.6. Open Meetings. Regular and special meetings of the Board shall be open to Members; provided that Members who are not Directors may not participate in any deliberations or discussions unless the Board expressly so authorizes at the meeting. The Board may adjourn any meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved,

and orders of business of a similar or sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

2.6.7. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.6.8. Action Without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all of the Directors individually or collectively consent in writing to such action. The written consent shall be filed with the minutes of the Board. Action by written consent shall have the same force and effect as a unanimous vote.

2.7 LIABILITIES AND STANDARD OF CARE. In performing their duties, the Directors are required to exercise certain standards of care and are subject to certain liabilities, including but not limited to the following provisions of state law: Sections 82.103(a) and (f) of TUCA, and Sections 22.221, 22.224, 22.226, 22.228, 22.230, and 22.235 of the Texas Business Organizations Code (“TBOC”).

2.8. POWERS AND DUTIES. The Board shall have all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Condominium Regime. The Board may do all such acts and things except those which by law or the Condominium Documents are reserved to the Members and may not be delegated to the Board. Without prejudice to the general and specific powers and duties set forth in laws or the Condominium Documents, or such powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board shall include, but shall not be limited to, the following:

2.8.1. Appointment of Committees. The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution shall establish the purposes and powers of each committee created, provide for the appointment of its members, as well as a chairman, and shall provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees shall be appointed from among the Owners and Occupants.

2.8.2. Management Company. The Board may employ a Management Company for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

2.8.3. Fines. The Board may levy fines for each day or occurrence that a violation of the Condominium Documents persists after notice and hearing, provided the amount of

the fine does not exceed the amount necessary to ensure compliance with the Condominium Documents.

2.8.4. Delinquent Accounts. The Board may establish, levy, and collect reasonable late charges for Members' delinquent accounts. The Board may also establish a rate of interest to be charged on Members' delinquent accounts, provided the rate of interest does not exceed eighteen percent (18%) or the maximum rate permitted by state law, whichever is smaller.

2.8.5. Fidelity Bonds. The Board may, at its option, require that all Officers, agents, and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds may be a common expense of the Association.

2.8.6. Ex-Officio Directors. The Board may, from time to time, designate one or more persons as ex-officio members of the Board, pursuant to Section 22.210 of the Texas Business Organizations Code.

ARTICLE 3 **OFFICERS**

3.1. DESIGNATION. The principal Officers of the Association shall be the president, the secretary, and the treasurer. The Board may appoint one or more vice presidents and such other Officers and assistant Officers as it deems necessary. The president and secretary shall be Directors. Other Officers may, but need not, be Members or Directors. Any two (2) offices may be held by the same person, except the offices of president and secretary. If an Officer is absent or unable to act, the Board may appoint a Director to perform the duties of that Officer and to act in place of that Officer, on an interim basis.

3.2. ELECTION OF OFFICERS. The Officers shall be elected no less than annually by the Directors at the organizational meeting of the Board and shall hold office at the pleasure of the Board. Except for resignation or removal, Officers shall hold office until their respective successors have been designated by the Board.

3.3. REMOVAL AND RESIGNATION OF OFFICERS. A majority of Directors may remove any Officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An Officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an Officer who is also a Director does not constitute resignation or removal from the Board.

3.4. STANDARD OF CARE. In performing their duties, the Officers are required to exercise the standards of care provided by Sections 82.103(a) and (f) of TUCA and by Section 22.221 of the Texas Business Organizations Code.

3.5. DESCRIPTION OF PRINCIPAL OFFICES.

3.5.1. **President.** As the chief executive officer of the Association, the president shall: (i) preside at all meetings of the Association and of the Board; (ii) have all the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) see that all orders and resolutions of the Board are carried into effect.

3.5.2. **Secretary.** The secretary shall: (i) keep the minutes of all meetings of the Board and of the Association; (ii) have charge of such books, papers, and records as the Board may direct; (iii) maintain a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, perform all duties incident to the office of secretary.

3.5.3. **Treasurer.** The treasurer shall: (i) be responsible for Association funds; (ii) keep full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepare all required financial data and tax returns; (iv) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board; (v) prepare the annual and supplemental budgets of the Association; (vi) review the accounts of the Management Company on a monthly basis in the event such Management Company is responsible for collecting and disbursing Association funds; and (vii) perform all the duties incident to the office of treasurer.

3.6. AUTHORIZED AGENTS. Except when the Condominium Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association. In the absence of Board designation, the president and the secretary shall be the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4 **MEETINGS OF THE ASSOCIATION**

4.1. ANNUAL MEETING. An annual meeting of the Association shall be held during the month of January of each year. At annual meetings, the Members shall elect Directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

4.2. SPECIAL MEETINGS. It shall be the duty of the president to call a special meeting of the Association if directed to do so by a majority of the Board or by a petition signed by Members representing at least thirty-three percent (33%) of the votes in the Association. Such meeting shall be held within thirty (30) days after the Board resolution or receipt of petition. The notice of any special meeting shall state the time, place, and purpose of such meeting. No business, except the purpose stated in the notice of the meeting, shall be transacted at a special meeting.

4.3. PLACE OF MEETINGS. Meetings of the Association shall be held at the Project or at a suitable place convenient to the Members, as determined by the Board.

4.4. NOTICE OF MEETINGS. At the direction of the Board, written or e-mail notice of meetings of the Association shall be given to an Owner of each Unit entitled to vote at least ten (10) days, but not more than sixty (60) days, prior to such meeting. Notices of meetings shall state the date, time, and place such meeting is to be held. Notices shall identify the type of meeting as annual or special, and shall state the particular purpose of a special meeting. Notices may be waived by written document signed and dated by the Member waiving notice. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. INELIGIBILITY. The Board may determine that a Member be denied the following rights if the Member's financial account with the Association is in arrears on the record dates provided below, provided each ineligible Member shall be given notice of the arrearage and an opportunity to become eligible: (i) the right to receive notice of meetings of the Association, (ii) the right to vote at meetings of the Association, or (iii) the right to be elected to serve as a Director. The Board may specify the manner, place, and time for payment for purposes of restoring eligibility.

4.6. RECORD DATES.

4.6.1. Determining Notice Eligibility. The Board shall fix a date as the record date for determining the Members entitled to notice of a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

4.6.2. Determining Voting Eligibility. The Board shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

4.6.3. Determining Rights Eligibility. The Board shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding two (2) paragraphs. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as nomination to the Board.

4.6.4. Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining Members entitled to notice of the original meeting.

4.7. VOTING MEMBERS LIST. The Board shall prepare and make available a list of the Association's voting Members in accordance with Section 22.158 of the Texas Business Organizations Code.

4.8. QUORUM. At any meeting of the Association, the presence in person or by proxy of Members entitled to cast at least fifty percent (50%) of the votes that may be cast for election of the Board shall constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

4.9. VOTES. The votes of Members representing at least a Majority of the votes cast at any meeting at which a quorum is present shall be binding upon all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. There shall be no cumulative voting.

4.9.1. Co-Owned Units. If a Unit is owned by more than one Member, the vote appurtenant to that Unit shall be cast in accordance with Section 82.110(a) of TUCA.

4.9.2. Corporation-Owned Units. If a Unit is owned by a corporation, the vote appurtenant to that Unit may be cast by any Officer of the corporation in the absence of express notice of the designation of a specific person by the Board of Directors or Bylaws of the owning corporation. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

4.9.3. Association-Owned Units. Votes allocated to a Unit owned by the Association may be made by the president of the Association.

4.10. PROXIES. Votes may be cast in person or by written proxy. To be valid, each proxy shall (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Unit to which the vote is appurtenant; (iii) name the person in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary or to the person presiding over the Association meeting for which the proxy is designated. Unless the proxy specifies a shorter or longer time, it shall terminate one year after its date. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled shall be valid when such meeting reconvenes.

4.11. CONDUCT OF MEETINGS. The president, or any person designated by the Board, shall preside over meetings of the Association. The secretary shall keep, or cause to be kept, the minutes of the meeting which shall record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person

presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Condominium Documents. Votes shall be tallied by tellers appointed by the person presiding over the meeting.

4.12. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, the order of business at meetings of the Association shall be as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Reading and approval of minutes of preceding meeting
- Reports
- Election of Directors (when required)
- Unfinished or old business
- New business

4.13. ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

4.14. ACTION WITHOUT MEETING. Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by ballots delivered by hand, mail, facsimile transmission, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Condominium Documents, shall constitute approval by written consent. This paragraph may not be used to avoid the requirement of an annual meeting. This paragraph shall not apply to the election of Directors unless expressly permitted in Section 2.3.

4.15. TELEPHONE MEETINGS. Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE 5

RULES

5.1. RULES. The Board shall have the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and the Condominium Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Project; and (iii) the health, comfort, and general welfare of the Occupants; provided, however, that such rules may not be in conflict with law or the Condominium Documents. The Board shall, at all times, maintain the then current and complete rules in a written

form which can be copied and distributed to the Members. Rules must be recorded in the county's real property records.

5.2. ADOPTION AND AMENDMENT. Any rule may be adopted, amended, or terminated by the Board, provided that the rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. NOTICE AND COMMENT. The Board shall give written notice to an Owner of each Unit of any amendment, termination, or adoption of a rule, or shall publish same in a newsletter or similar publication which is circulated to the Members, at least ten (10) days before the rule's effective date. The Board may, but shall not be required, to give similar notice to Occupants who are not Members. Any Member or Occupant so notified shall have the right to comment orally or in writing to the Board on the proposed action.

5.4. DISTRIBUTION. Upon request from any Member or Occupant, the Board shall provide a current and complete copy of rules. Additionally, the Board shall, from time to time, distribute copies of the current and complete rules to an Owner of each Unit and, if the Board so chooses, to non-Member Occupants.

ARTICLE 6 **ENFORCEMENT**

The violation of any provision of the Condominium Documents shall give the Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in the Condominium Documents:

- a. To enter the Unit or Limited Common Elements in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Condominium Documents. The Board shall not be deemed liable for any manner of trespass by this action; or
- b. To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE 7 **OBLIGATIONS OF THE OWNERS**

7.1. NOTICE OF SALE. Any Owner intending to sell his Unit or any interest therein shall give written notice to the Board of such intention, together with (i) the address or legal description of the Unit being conveyed, (ii) the name and address of the intended purchaser, (iii) the name, address, and phone number of the title company or attorney designated to close such transaction, (iv) the names and phone numbers of real estate agents, if any, representing seller or purchaser, and (v) the scheduled date of closing. An Owner shall furnish this information to the

Board no less than ten (10) working days before the date of conveyance of the Unit or any interest therein.

7.2. PROOF OF OWNERSHIP. Except for those Owners who initially purchase a Unit from Declarant, any person, on becoming an Owner of a Unit, shall furnish to the Board evidence of ownership in the Unit, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor be entitled to vote at any annual or special meeting of the Association unless this requirement is first met. This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at the time of conveyance of the Unit or any interest therein.

7.3. OWNER'S ADDRESS. The Owner or the several co-Owners of a Unit shall register and maintain one mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications. The Owner shall keep the Association informed of the Member's current mailing address. If an Owner fails to maintain a current mailing address with the Association, the address of that Owner's Unit shall be deemed to be his mailing address.

7.4. REGISTRATION OF MORTGAGEES. An Owner who mortgages his Unit shall furnish the Board with the name and mailing address of his mortgagee.

7.5. ASSESSMENTS. All Owners shall be obligated to pay Assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. A Member shall be deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the Assessments made or levied against him and his Unit.

7.6. COMPLIANCE WITH DOCUMENTS. Each Owner shall comply with the provisions and terms of the Condominium Documents, and any amendments thereto. Further, each Owner shall always endeavor to observe and promote the cooperative purposes for which the Project was established.

ARTICLE 8 **ASSOCIATION RECORDS**

8.1. RECORDS. The Association shall use its best efforts to keep the following records:

- a. Minutes or a similar record of the proceedings of meetings of the Association. A recitation in the minutes that notice of the meeting was properly given shall be sufficient evidence that such notice was given.
- b. Minutes or a similar record of the proceedings of meetings of the Board.
- c. Names and mailing addresses of the Members, the currency and accuracy of the information being the responsibility of the Members.
- d. Names and mailing addresses of the mortgagees, the currency and accuracy of the information being the responsibility of the Members and their mortgagees.

- e. Financial records and books of account for the Association, kept in a manner consistent with generally accepted accounting principles.
- f. A copy of the plans and specifications used to construct the Project.
- g. A copy of the plans and specifications acquired by the Association over time for improvements to the Project.
- h. Copies of income tax returns prepared for the Internal Revenue Service.
- i. Copies of the Condominium Documents and all amendments to any of these. Also, for at least four (4) years, a record of all votes or written consents by which amendments to the Condominium Documents were approved.

8.2. INSPECTION OF BOOKS AND RECORDS. Books and records of the Association shall be made available for inspection and copying pursuant to Section 82.114(b) of TUCA and Section 22.351 of the Texas Business Organizations Code.

8.3. RESALE CERTIFICATES. Any Officer or agent of the Association may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of TUCA. The Association may charge a reasonable fee for preparing resale certificates. The Association may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Unit for which the certificate is furnished.

ARTICLE 9 **NOTICES**

9.1. CO-OWNERS. If a Unit is owned by more than one person, notice to one co-Owner shall be deemed notice to all co-Owners.

9.2. DELIVERY OF NOTICES. Any written notice required or permitted by these Bylaws may be given personally, by mail, e-mail or by facsimile transmission. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by facsimile, the notice is deemed delivered on successful transmission of the facsimile.

9.3. WAIVER OF NOTICE. Whenever any notice is required to be given to an Owner, Member, or Director, a written waiver of the notice, signed by the person entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, shall constitute a waiver of notice by such Member or Director of the time, place, and purpose of such meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice shall be required and any business may be transacted at such meeting.

ARTICLE 10
DECLARANT PROVISIONS

10.1. CONFLICT. The provisions of this Article 10 shall control over any provision to the contrary elsewhere in these Bylaws.

10.2. BOARD OF DIRECTORS. During the Declarant Control Period, Sections 4.1(d) and A.2.2 of the Declaration shall govern the number, qualification, and appointment of Directors. The initial Directors shall be appointed by Declarant and need not be Owners or Occupants. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any Directorship vacated by a Declarant appointee.

10.3. ORGANIZATIONAL MEETING. Within sixty (60) days of the end of the Declarant Control Period, or sooner at Declarant's option, Declarant shall call an organizational meeting of the Members for the purpose of electing Directors, by ballot of Members. Notice of the organizational meeting shall be given as if it were notice of an annual meeting.

ARTICLE 11
AMENDMENTS TO BYLAWS

11.1. PROPOSALS. These Bylaws may be amended by the Members according to the terms of this article. The Association shall provide an Owner of each Unit with a detailed description, if not exact wording, of any proposed amendment. Such description shall be included in the notice of any annual or special meeting of the Association if such proposed amendment is to be considered at said meeting.

11.2. CONSENTS. An amendment shall be adopted by the vote, in person or by proxy, or written consents of Members representing at least a majority of the votes cast or present at a meeting for which a quorum is obtained.

11.3. EFFECTIVE. To be effective, each amendment must be in writing, reference the names of the Condominium Regime and the Association, be signed by at least two (2) Officers acknowledging the requisite approval of Members, and be delivered to an Owner of each Unit at least ten (10) days before the amendment's effective date. Further, if these Bylaws are publicly recorded, the amendment must recite the recording data for the Bylaws, be in a form suitable for recording as a real property record, and be delivered to the county clerk for recordation.

11.4. DECLARANT PROTECTION. As long as the Declarant owns a Unit in the Project, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this section and Article 10 may not be amended without prior written approval of the Declarant. The Declarant's written consent shall be part of the amendment instrument.

ARTICLE 12
GENERAL PROVISIONS

12.1. CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaw provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Certificate of Formation of the Association and these Bylaws, the Certificate of Formation shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

12.2. SEVERABILITY. Invalidation of any provision of these Bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

12.3. FISCAL YEAR. The fiscal year of the Association shall be set by resolution of the Board, and is subject to change from time to time as the Board shall determine. In the absence of a resolution by the Board, the fiscal year shall be the calendar year.

12.4. WAIVER. No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

[Signature page to follow]

ATTACHMENT 2

**COMMUNITY POLICIES AND RULES FOR
LIVE OAK ON SPICEWOOD SPRINGS, a Residential Condominium**

COMMUNITY POLICIES AND RULES

FOR

**LIVE OAK ON SPICEWOOD SPRINGS,
a Residential Condominium**

(applicable to all Owners, Occupants, and guests)

Prepared by:

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**COMMUNITY POLICIES AND RULES FOR
LIVE OAK ON SPICEWOOD SPRINGS,
a Residential Condominium**

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**COMMUNITY POLICIES AND RULES
FOR
LIVE OAK ON SPICEWOOD SPRINGS,
a Residential Condominium**

(applicable to all Owners, Occupants, and guests)

POLICIES IN GENERAL

These initial Community Policies and Rules for Live Oak on Spicewood Springs, a Residential Condominium, are established by SYCAMORE COURT, LLC, a Texas limited liability company (“Declarant”), for the benefit of the Live Oak/Spicewood Condominium Association, Inc., a Texas nonprofit corporation (the “Association”). The Community Policies and Rules (which may also be referred to as the “Rules”) have been adopted to help maximize enjoyment, maintain values, and assure the continued aesthetic beauty of the Live Oak on Spicewood Springs, a Residential Condominium. The Rules apply to all Owners and their families, tenants, and guests. The Rules automatically apply to any tenants under a lease of a Unit (even if they are not attached), and each Owner is responsible for making sure his or her tenants have a copy of the Rules and follow them. Each Owner is encouraged to ask his or her neighbors to follow the Rules.

Each Owner, Occupant or guest must also comply with the Rules, signs posted on the Property by the Association, or notices or temporary Rules enacted by the Association. Posted rules, notices, and temporary Rules are incorporated in these Community Policies and Rules by reference.

Any capitalized term appearing in these Rules shall have the meaning for such term as defined in the Declaration of Condominium Regime for Live Oak on Spicewood Springs, a Residential Condominium, recorded in the Official Public Records of Travis County, Texas and as amended, (the “Declaration”) unless such term is specifically defined in these Community Policies and Rules.

ENFORCEMENT AND ADMINISTRATION

Because the Association is not staffed to monitor the Project for Rules violations, the Association relies on residents to identify and report violations of these Rules. The Association also relies on residents to help keep other residents informed about the Rules. The Association will work with residents to enforce the Rules.

1. *Filing Complaints.*

Complaints must be in writing and signed by a resident or Owner who is willing to be identified as the complainant. The Association may refuse to enforce a violation (i) that cannot be easily and independently verified, (ii) for which it did not receive a signed written complaint, (iii) for which the complainant will not cooperate with monitoring the violation and compliance, or (iv) for which the Board does not consider to be significant or community wide. Please direct any complaints or rule violations to:

Goodwin Management, Inc.
Attn: Matt Gibson
11149 Research Boulevard, Suite 100
Austin, Texas 78759-5227
Phone: 512-502-7026
Fax: 512-502-7049
Email: Matt.Gibson@goodwintx.com

2. *Limits.*

These Community Policies and Rules represent standards of conduct and maintenance in a densely populated community. It is understood that individuals may have different interpretations of and tolerances for these Rules. On lifestyle-related Rules, the Association may refrain from acting on a perceived violation unless the Board determines the violation to be a significant or community-wide problem. The Association may not be compelled by one resident to enforce these Rules against another resident. Residents are expected to deal directly and peaceably with each other.

3. *Waivers and Variances.*

Certain circumstances may warrant a waiver or variance of these Community Policies and Rules. To obtain a waiver or variance, an Owner must make a written application to the Board, which may grant waivers and variances. The Board's approval of a waiver or variance must be in writing and may be conditional. Failure to enforce any of these Rules is not a waiver of the Association's right to do so.

4. *Reimbursement for Enforcement and/or Damage.*

If the Rules are violated by any Owner, Occupant or guest of the Owner's Unit, the Owner will be responsible for corrective action, damages, and fines resulting from the violation. An Owner must promptly reimburse the Association for any expense incurred by the Association to enforce the Rules against the Owner, the Owner's Unit, or the Owner's Occupants or guests.

5. *Delegation of Board's Authority.*

The Board may delegate any of its authority or duties as listed in these Community Policies and Rules to the ACC, as deemed appropriate by the Board in its sole discretion.

[Note to new Owners: The following policies are partly from the Declaration and partly adopted by action of the Board. All Declaration provisions apply—even if not set forth below. Except for provisions of these policies that come from the Declaration, the policies may be changed or added to by the Board.]

UNIT-RELATED RESTRICTIONS

6. *Storage of Property on Private Patios, Balconies, or Yard Areas.*

The only items which may be stored temporarily or permanently on patios, balconies, or yard areas which can be viewed from Common Areas are the following: lounges and lawn chairs; exterior tables; live plants in hanging baskets or pots; and barbecue grills, if space allows and not prohibited by applicable law. Items visible from Common Areas must not appear to be in disrepair.

All other property must be kept inside the Unit (or screened from the Common Areas such as in an enclosed fenced yard, inside exterior closets or storage rooms), including towels, bathing suits, mops, brooms, barbecue briquettes, fuel, wood, tools, carpeting, boxes, plastic bags, beverages, furniture, automobile equipment, etc. The Association has the right and the responsibility to control the visual attractiveness of the Property, including the right to require removal of objects which are visible from the Common Areas and which detract from the Property's appearance. All property stored in violation of this Rule may be removed and disposed of without prior notice by any Board member or Management Company representative.

7. *No Items on Railings/Clothes Drying Outside Units.*

No clothes, towels or other items may be hung anywhere outside, i.e., on patios or balcony railings or in yard areas. Clothes or other items must be dried inside the Units. Items being dried outside in violation of this rule may be removed and disposed of without prior notice by any Board member or Management Company representative.

8. *Window Coverings.*

No foil or other materials objectionable in the reasonable judgment of the Board shall be placed in or next to any window or sliding glass door. Burglar bars may not be installed. Any window coverings that are visible from any public or private streets or driveways serving the Project must be neutral in color, which shall include beige, white or cream. Blinds and drapes must be in good repair, hung properly, and comply with the Rules regarding color and materials.

9. *Entry Areas and/or Sidewalks.*

Entry areas, stoops, walkways, sidewalks and landings at the front or side of Units shall be kept clean and neat by the Owner of the Unit to which such items are assigned as Limited Common Elements.

10. *Barbecue Grills and Outdoor Fires.*

Residents may keep and use barbecue grills that comply with all applicable regulatory requirements, including any applicable City of Austin regulations, subject to the limitations contained in this Section. The Board reserves the right to prohibit or restrict the existence and/or use of all or certain outdoor cooking grills if, in the Board's discretion, a grill constitutes a fire hazard or is unattractive or oversized for the area in which it is kept. With respect to permitted

grills, (i) open fires must be supervised at all times; (ii) propane gas tanks must be properly used and maintained; (iii) a grill may not be used near combustible materials; and (iv) grills and open fires shall be limited to the rear yard, LCE area of a Unit. Outdoor fire pits, chimneys or similar outdoor fireplaces are allowed in the Unit's rear yard, provided that such devices comply with all applicable rules and laws, including any applicable City of Austin regulations, and, in the sole discretion of the Board, do not represent a fire hazard. The Board may prohibit or condition the use of such devices by an Owner if the Board determines that such Owner's use of the device represents a fire hazard or an unsafe condition.

11. *Lighting.*

No exterior lighting in addition to that installed with the original construction of the Unit Building may be installed outside the boundaries of a Unit without approval of the Board.

12. *Utilities and Leaks.*

Each Owner shall be responsible for promptly fixing leaks in such Owner's Unit, including all plumbing lines, plumbing fixtures, lavatories, sinks, tubs, and shower stalls. A Unit Owner will be strictly liable, regardless of fault, for any damages anywhere by water leaks from the Owner's Unit and responsible for paying for damages and repairs necessitated by water leaks from his Unit to adjacent Units. If the Association deems it necessary to repair any of these items inside an Owner's Unit, the Owner shall reimburse the Association for the cost of repair. Unit Owners shall promptly report water leaks to the Association.

It is the duty of every Owner to protect the water lines serving his or her Unit from freezing during winter months. Failure by the owner to take appropriate precautions, such as allowing water lines to drip during periods of anticipated below freezing temperatures, may be deemed negligence.

13. *Fences.*

Fences that are in addition to those that are built in connection with the original construction of the Unit may not be erected by any Owner unless approved by the Board or ACC.

14. *Private Pools and other Recreational Improvements.*

No private swimming pool, hot tub or similar improvement may be constructed by an Owner without ACC approval, which may be granted or denied in the sole discretion of the ACC. In the event a Unit Owner obtains approval and installs a swimming pool in its private yard area, such yard must be enclosed and child-proofed as well as comply with applicable legal requirements. Any installed swimming pool must not alter drainage of the surrounding yard areas, and certification of such requirement must be presented to the ACC upon completion of installation of the pool. Private playscapes, basketball goals, and trampolines may only be installed with ACC approval. Above-ground swimming pools may not be installed by an Owner under any circumstances. Each Owner acknowledges that the Project has limited space and impervious cover

available for construction of additional improvements and it is unlikely that Improvements in addition those constituting the original Project will be permissible.

15. *Pest Control.*

Each Owner shall have the responsibility to keep their Unit free of pests, rodents and insects. The Association shall have the right to enter and exterminate an Owner's Unit, at the Owner's expense, if the Owner's failure to control pests inside his Unit is adversely affecting other Units.

16. *Smoke Detectors.*

Each Owner is required to have and maintain battery or A/C electric smoke detector(s) in his Unit in accordance with state law. The Occupants must keep any batteries associated with smoke detectors in working condition at all times.

COMMON AREA RELATED USE AND MAINTENANCE

17. *Persons Who May Use Common Areas.*

Common Areas may only be used by Declarant (including during construction of Units), Unit Owners, and their tenants, family, and guests.

18. *Storage of Property in Common Areas.*

No property may be stored temporarily or permanently on Common Area sidewalks, Common Area drives, Common Area parking areas, or other Common Areas. Management Company employees and service personnel, Board members and persons designated by them may remove and throw away any property stored in violation of this rule.

19. *Common Area Modifications.*

Except for normal and customary maintenance and upkeep of the yard and flower beds associated with a Unit, no Owner may construct, alter, modify, landscape, trim, or otherwise perform any work whatever upon any of the Common Elements, Limited or General, without the prior written approval of the plans by ACC. No exterior awning, shades, or railings may be installed outside the Unit's boundaries without ACC approval.

20. *Common Area Repairs.*

If the Common Area is in need of repair or maintenance, Owners are requested to inform the Board's duly appointed representative or the Management Company, if any, about the items needing to be addressed. This is especially important if exterior lighting or sprinklers are malfunctioning.

OCCUPANT OBLIGATIONS

21. *Children.*

Each Owner is responsible for the conduct of their children and the children who are tenants or guests in his Unit. Except in the Unit's rear yard area, no children's toys, bicycles or sporting equipment may be left outside or in the Common Areas for an extended period of time.

22. *Pets.*

Dogs, cats, fish, birds and other animals may be kept in Units. Except for birds and fish, no more than three (3) animals may be kept in a Unit and no dangerous breeds of animals, as determined in the sole judgment of the Board, are allowed in the Project. Animals may not make excessive noise (in the sole judgment of the Board). Animals may not be bred for commercial purposes. Animals except cats must be kept on a leash when outside a Unit. Leashes may not be tied to objects and must be held by a person who can control the animal at all times. Animals may not be left alone outside of the Building of a Unit, except in the rear yard of a Unit and only if such yard is completely enclosed in a manner than can contain the pet. The Board may, from time to time, designate specific areas for pet defecation to the extent pets are allowed and otherwise establish Rules regarding pets. Owners of Units where an animal is housed have the responsibility to immediately clean up after such animal has defecated.

Used cat litter must be disposed of only in trash dumpsters or individual trash receptacles. It may not be dumped in flower beds because the ammonia will kill the vegetation. Owners must keep their Units in a sanitary condition and free from fleas, pet parasites and noxious odors. Unit Owners shall be liable for damage caused to Common Elements by pets of the Owner or the Owner's tenants or guests. Pet feeding bowls may not be left outside, except in the rear yard of the Unit. The Board may require permanent removal of any pet when the pet or its Owner has repeatedly violated these Rules or the pet has become objectionable or dangerous in the reasonable opinion of the Board.

The Unit Owner and the owner of a pet, who is a Unit Owner's family, guest, tenant or invitee, are both jointly liable to all other Unit Owners and their respective families, guests, tenants and invitees for injury and all damage caused by any animals brought or kept on the Project – with or without permission of the Board. Unit Owners agree, for themselves, and their respective families, guests, tenants, and invitees, that neither the Board nor the Association shall have any liability for any injury or damage caused by any animal brought or kept on the Project, with or without the permission of the Board, by a Unit Owner or members of his family, his tenants or his guests.

23. *Trash.*

Garbage, rubbish, debris or cuttings shall not be left or deposited, even temporarily, on any Common Areas, yard areas, balconies or patios, except in trash receptacles that cannot be seen from the Common Areas or another Unit. A Unit Owner is responsible for taking his trash to the appropriate area for pickup or to refuse containers, if in use. Individual trash containers shall be

kept out of view from the Common Areas or other Units except on designated refuse collection days.

24. *Care During Construction.*

An Owner who is having a Unit or other structure worked on, repaired, or remodeled shall take reasonable and necessary precautions to prevent damage to the Common Area (including any streets) caused by construction companies, workmen, suppliers, or service companies working on or delivering materials to or removing materials from the work site on the Owner's Unit. Such Owner shall be liable to the Association for any damages to the Common Area and for costs of cleaning up or replacing property in the Common Area destroyed or damaged by such construction companies, workmen, suppliers, or service companies. Such Owner shall be liable to the respective Unit Owners for any damage to another Owner's Unit and for any costs of cleaning up or replacing property which may be destroyed or damaged by such construction companies, workmen, suppliers, or service companies and the Association shall have the right to repair such damage at the Association's expense, in which event the cost of repair shall be owed to the Association by the Unit Owner who caused the damage or whose construction company, workmen, suppliers, or service company caused the damage

USE RESTRICTIONS

25. *Signs.*

"For sale" signs are allowed to be placed in the Unit's front yard provided the sign is a standard industry sign and does not interfere with traffic or sightlines within the Project. The Board may impose other conditions or restrictions on such signs in its reasonable discretion. "For rent" and other sale or rent signs are prohibited and may not be exhibited anywhere in the Project, including from the interiors of the Units, except in areas as approved by the Board. Board members and Management Company representatives may enter, without prior notice, and remove and throw away signs installed in violation of this rule. The policy regarding signs is subject to exceptions for the Declarant (developer) under the Declaration and **APPENDIX A** to the Declaration.

26. *Antennas.*

No exposed exterior television or radio antennas or satellite dishes, except digital satellite dishes not exceeding the normal and customary size for modern satellite equipment, may be installed anywhere on the Property. The installation of any satellite or antenna equipment must be in strict accordance with Rules and be located in designated areas for installations promulgated by the Board. Any installation of such items shall be conducted at the Owner's or Resident's sole expense. Any leaks resulting from such installation should be the Unit Owner's responsibility. Notwithstanding the foregoing, if this provision is in conflict with applicable law, then the portion of the provision that is violative of such applicable law shall no longer remain in effect.

27. *Mailboxes.*

The Board has the exclusive right to designate the type, size and location, and signage on mailboxes. Names on the outside of mailboxes are not allowed and may be removed by the Board or Management Company without prior notice because publicly identifying names with a particular Unit increases the risk of crime for Occupants of the Unit. As originally built, the Project will be equipped with a central mail kiosk. The Association is not responsible for any mailbox keys and does not keep a copy of the keys to the mailbox.

28. *No Temporary Structures.*

No structure of temporary character, trailer, tent, shack, garage, barn, or other outbuilding is permitted on the Project, temporarily or permanently, except with the prior written consent of the ACC. Notwithstanding the foregoing, temporary structures used in connection with the construction, repair, or rebuilding of any Unit or Common Elements may be approved by the ACC in connection with the permitting of such work on a Unit.

29. *Garage Sales/Estate Sales.*

Without the Board's prior written permission, no person may conduct a garage sale, estate sale, or similar activity.

30. *Noise.*

Unit Owners and Occupants shall refrain from playing radios, televisions, stereos, and other electrical or mechanical devices so loudly that they may be heard outside their Unit or rear yards. Use of such items in the rear yard of a Unit should be kept at a reasonable level such that it is not objectionable or able to be heard by adjacent Unit Owners from within their Unit. Doors and windows must be shut when playing televisions, stereos and similar sound equipment at levels that are audible outside of the Unit. Excessive yelling or loud talking outside is prohibited.

31. *Nuisances.*

No unsafe, noxious, offensive, odorous or illegal activity is permitted within the Project. No activity shall be conducted on the Property which in the judgment of the Board might reasonably be considered as annoying to neighbors or ordinary sensibilities, or might be reasonably calculated to reduce the desirability of the Property for quality of living. No exterior loudspeakers or flashing lights shall be allowed, except for built-in, exterior speakers in a Unit subject to Board approval. No person may do anything that will increase insurance rates for the Project without the prior written consent of the Board or which may cause such improvements to be uninsurable or which may cause any policy to be canceled, suspended or materially modified by the issuing company.

32. *Criminal Activity.*

While on the Project, no person may violate any criminal laws, health codes or other applicable laws. No tampering with water, lighting, sprinklers, or other Common Elements is allowed.

33. *No Weapons.*

No weapons of any kind are permitted on any portion of the Common Elements except that the legal transport of firearms to and from Units should be permitted. The discharge of firearms, pellet guns, bows and arrows, slingshots and other hazardous items is prohibited.

34. *No Drilling.*

No drilling, digging, quarrying, or mining operation of any sort shall be permitted on the Project.

35. *Solar Device Policy.*

As provided in the Declaration, no portion of the Common Elements may be altered without the approval of the Board. Consequently, no solar device may be installed on any portion of the Common Elements without the advance written approval of the Board.

36. *Energy Efficient Roofing Policy.*

As provided in the Declaration, no portion of the Common Elements may be altered without the approval of the Board. Consequently, no energy efficient roofing facilities may be installed on any portion of the Common Elements without the advance written approval of the Board.

37. *Rainwater Harvesting System Policy.*

As provided in the Declaration, no portion of the Common Elements may be altered without the approval of the Board. Consequently, no rainwater harvesting system (e.g., rain barrels) may be installed on any portion of the Common Elements without the advance written approval of the Board.

38. *Flag Display and Flagpole Installation Policy.*

As provided in the Declaration, no portion of the Common Elements may be altered without the approval of the Board. Consequently, no flagpole may be installed on any portion of the Common Elements without the advance written approval of the Board.

39. *Display of Certain Religious Items Policy.*

a. Display of Certain Religious Items Permitted. An Owner or resident is permitted to display or affix to the entry door or doorframe of the Owner's Unit one or more religious items, which may not extend beyond the outer edge of the doorframe and the display of which is motivated by the Owner's or resident's sincere religious belief. This policy outlines the standards which shall apply with respect to the display or affixing of certain religious items on the entry door or doorframe of the Owner's Unit.

b. General Guidelines. Religious items may be displayed or affixed to the entry door or doorframe of an Owner's Unit; provided, however, that individually or in combination with each other, the total size of the display is no greater than twenty-five (25) square inches (5" x 5" = 25 square inches).

c. Prohibitions. No religious item may be displayed or affixed to the entry door or doorframe of an Owner's Unit if said religious item: (i) threatens the public health or safety; (ii) violates applicable law; or (iii) contains language, graphics or any display that is patently offensive. No religious item may be displayed or affixed in any location other than the entry door or doorframe of an Owner's Unit and may not extend beyond the outer edge of the doorframe. Nothing in this policy may be construed in any manner to authorize an Owner or resident to use a material or color for the entry door or doorframe of the Owner's Unit or to make an alteration to the entry door or doorframe that is not otherwise permitted pursuant to the Condominium Documents.

d. Removal. The Association may remove any item which is in violation of the terms and provisions of this policy.

e. Covenants in Conflict with Statutes. To the extent that any provisions of the Condominium Documents restrict or prohibit an Owner or resident from displaying or affixing a religious item in violation of the controlling provisions of Section 202.018 of the Texas Property Code, the Association shall have no authority to enforce such provisions and the provisions of these Community Policies and Rules shall hereafter control.

40. *Standby Electric Generators.*

a. Definition. A standby electric generator ("Generator") is a device that converts mechanical energy to electrical energy and is: (1) powered by natural gas, liquefied petroleum gas, diesel fuel, biodiesel fuel, or hydrogen; (2) fully enclosed in an integral manufacturer-supplied sound attenuating enclosure; (3) connected to the main electrical panel of the Unit by a manual or automatic transfer switch; and (4) rated for a generating capacity of not less than seven kilowatts.

b. General Guidelines for Operation and Installation. Any Generator should be installed and maintained by the Owner in compliance with the following:

- (1) the manufacturer's specifications;

(2) applicable governmental health, safety, electrical, and building codes;

(3) all electrical, plumbing, and fuel line connections must be installed only by licensed contractors;

(4) all electrical connections must be installed in accordance with applicable governmental health, safety, electrical, and building codes;

(5) all natural gas, diesel fuel, biodiesel fuel, or hydrogen fuel line connections must be installed in accordance with applicable governmental health, safety, electrical, and building codes;

(6) all liquefied petroleum gas fuel line connections must be installed in accordance with rules and standards promulgated and adopted by the Railroad Commission of Texas and other applicable governmental health, safety, electrical, and building codes;

(7) non-integral Generator fuel tanks must be installed and maintained to comply with applicable municipal zoning ordinances and governmental health, safety, electrical, and building codes;

(8) the Generator and its electrical lines and fuel lines must be maintained in good condition;

(9) the Owner shall repair, replace, or remove any deteriorated or unsafe component of a Generator, including electrical or fuel lines;

(10) the Generator must be screened from view if the Generator meets any of the following descriptions in A, B or C below. If screening is required pursuant to this Section, the screening must be approved by the ACC in advance:

(A) the Generator is visible from the street fronting the Unit;

(B) the Generator is located in an unfenced side or rear yard of the Unit and is visible either from an adjoining Unit or from the Common Elements; or

(C) the Generator is located in a side or rear yard of a Unit and is visible through the fence either from an adjoining Unit or from the Common Elements; and

(11) periodic testing of a Generator should be conducted at reasonable times, consistent with the manufacturer's recommendations;

c. Prohibitions.

(1) A Generator is not permitted to be used to generate all or substantially all of the electrical power to a Unit, except when utility-generated electrical power to

the Unit is not available or is intermittent due to causes other than nonpayment for utility service to the Unit.

(2) An Owner is not permitted to install a Generator anywhere within the General Common Elements. If located outside the Unit, the Generator may only be installed in the rear yard of the Unit and only if the requirements of this Section applicable to such installation are met.

VEHICLE RESTRICTIONS

41. *Vehicle Repair.*

Except in an emergency when a vehicle is inoperable, no vehicle may be worked on at the Property. Vehicles must be serviced or repaired off the Property. Vehicles that have expired license plates, expired inspection stickers, flat tires or which are obviously inoperable are prohibited and shall be removed from the Property at the Owner's expense. Such vehicles must be removed from the Property immediately upon notice from any Board member or Management Company representative.

42. *Parking.*

a. Parking of vehicles, motorcycles and bicycles outside of the Unit's designated parking spaces or bike racks is prohibited. Owners and Occupants shall park vehicles in their garage, driveway or assigned parking spaces (if any) at all times. No Unit Owner or Occupant shall park, store, operate or keep within or adjoining the Project any commercial-type vehicle, truck, van, recreational vehicle (e.g., camper unit, motor home, trailer, boat, mobile home, or golf cart), or other similar vehicle within the Project, unless such vehicle can be parked in the Unit's garage or designated parking area or space without displacing another of the Unit Owners' vehicles. No Unit Owner or Occupant shall park, store, operate or keep within or adjoining the Project any vehicle over nineteen feet (19') long.

b. No vehicles may be parked or unattended in such a manner as to block the passage of other vehicles on the streets, in the fire lanes, or driveway servicing the Project. No vehicle shall be left parked and unattended, in the street or driveways, along the curb, or in driveway areas in such a manner as to prevent the ingress and/or egress of emergency vehicles (i.e., fire, EMS) or service vehicles (i.e., refuse trucks).

c. Owners and Occupants may not park more vehicles than fit in the Unit Owner's garage, driveway or parking space(s) assigned to the Unit.

d. Motorcycles and scooters may not be parked or stored on terraces, balconies, patios or similar areas. Bicycles must be stored inside the Unit, in bike racks, or in areas screened from view of other Units or the Common Elements.

e. If someone is physically disabled, the Board will accommodate special requests for wheelchair parking if possible. Handicap parking signs must be honored.

f. Visitor parking spaces as shown on the Plat are for use by a Unit Owner's guests, visitors, service providers or other non-residents of the Project. Visitor parking spaces should not be used in addition to the Unit's assigned parking space(s) as secondary or temporary parking by the Unit Owner or Tenant themselves. Use of the visitor spaces by permitted users shall not be for any extended period of time and shall be for temporary, transient use only, as determined by the Board in its sole discretion.

43. *Anti-Theft Alarms.*

Owners and Occupants who have vehicles with anti-theft systems shall not allow the alarms or horns to go off and disturb other person in the Project for more than three (3) minutes; and any vehicle violating the three (3) minute rule shall be deemed to be illegally parked and subject to immediate towing, without prior notice to the vehicle owner or operator, by the Association under the Texas towing statutes. The Association may, without liability to the owner or operator of the vehicle, cut or disconnect any power source to such alarm or horn to avoid having to tow the vehicle.

44. *Towing Illegally Parked/Inoperable Vehicles.*

Vehicles parked in violation of these Rules, inoperable vehicles, and vehicles parked in incorrect parking spaces may be removed and stored without permission of the vehicle's owner or operator. Notice and removal shall be in accordance with applicable law. A Unit Owner is liable for all costs of towing illegally parked or inoperable vehicles of the Unit Owner, his family, guests or tenants. The Association may, but is not required to, enforce provisions related to parking by towing. The failure to tow illegally parked vehicles is not a waiver of the Association's right to tow.

LEASES AND TENANTS

45. *Condominium Leasing Matters.*

The Declaration requires Owners to keep the Management Company informed of the names of all tenants and other Occupants of leased Units. Each Owner is liable for all damages caused by the Owner, his family and guests, and by the Owner's tenants, and their family and guests. A copy of the Rules must be attached to leases between Unit Owners and their tenants. The Association may attach a copy of these Rules to the inside of the door of the heater closets in each Unit.

Leasing of Units is allowed only if: (a) all leases are in writing and are subject to the provisions of the Condominium Documents, (b) a copy of the then-current Condominium Documents are provided to an Owner's tenant by the Owner at the beginning of the lease term; and (c) the Owner and tenant comply with all applicable provisions of the Condominium Documents.

Notwithstanding the foregoing, short-term rentals of a Unit by the Owner are permitted without limitation on the number of occurrences; however, in no event shall a Unit be utilized for

short-term rentals for more than five (5) days per occurrence nor exceeding an aggregate of twenty-one (21) days in a calendar year. All short-term rentals of Units must comply with all applicable City of Austin Code requirements and any other applicable rules and laws. Any short-term rental must be licensed by the City of Austin and such license must be presented to the Association prior to the rental.

46. *Eviction of Tenants.*

Under the Declaration, the Association has the right to evict an Owner's tenant who substantially or repeatedly violates the Rules.

47. *Security Device Requirements if You Rent Your Unit.*

If you rent your Unit, a special statute provides that you must rekey at every tenant turnover and you must install and maintain certain kinds of security devices in your Unit. This is very important, since you could be held responsible for crimes committed against your tenants that are caused in part by your failure to comply with the 1993 Texas Security Device Statute.

ENFORCEMENT MECHANISMS AND RIGHTS OF ASSOCIATION

48. *Fines.*

The Board may levy reasonable fines on Unit Owners for violating the Declaration or Community Policies and Rules. A minimum fine for each violation shall be \$25.00.

49. *Late Charges.*

The charge for late payment of monies to the Association shall be a one-time \$15.00 charge per late payment to cover the administrative costs, hassle, and overhead of collection (excluding attorney's fees). After the due date, interest shall run on unpaid sums due the Association at the rate of eighteen percent (18%) per year compounded annually.

50. *Hot Checks.*

The charge for a returned check is \$35.00 or an amount determined by the Board in its sole discretion, plus bank charges incurred by the Association.

51. *Delinquencies.*

The Board and/or Management Company may disclose in newsletters, and by other means, the names of Owners who are delinquent in any sums due the Association, the amount of the delinquencies, and the names of violators and disciplinary action taken against Unit Owners. The right to vote and the right to use Common Elements of any Owner who is more than thirty (30) days delinquent on any sum owed to the Association are automatically suspended without notice. If an Owner is delinquent in the payment of any sum due the Association for a period of thirty (30) days or more, any tenant of the Owner occupying the Unit may pay any sums due to the

Association by the Owner in order to avoid suspension of Common Area use rights; and the tenant may deduct same from rent due to the Owner. If any Owner is delinquent in the payment of any sum due the Association for a period of sixty (60) days or more, the Board may (so long as the default continues) demand and receive from any tenant occupying the Owner's Unit the rent due or becoming due from the tenant to the Owner, up to an amount sufficient to pay all delinquent sums due to the Association by the Owner.

52. *Non-Liability and Release of the Association, Officers and Directors.*

AS PROVIDED IN THE DECLARATION APPLICABLE TO THE CONDOMINIUM PROJECT, THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS SHALL NOT BE LIABLE TO UNIT OWNERS, THEIR TENANTS, AND PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, FOR PROPERTY DAMAGE, PERSONAL INJURIES OR HARM RESULTING AT ANY TIME FROM NEGLIGENT CONDUCT OF THE ASSOCIATION, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS RELATING TO ENFORCEMENT OR NONENFORCEMENT OF THE ASSOCIATION'S DECLARATION OR RULES. THIS INCLUDES, BUT IS NOT LIMITED TO, ANY DECLARATION PROVISIONS AND RULES REGARDING PET LEASH REQUIREMENTS, TRAFFIC INTERSECTION SIGHT LINES, TRAFFIC SIGNS, VEHICLE PARKING, COMMON AREA LIGHTING OR FENCING, COMMON AREA SECURITY, HAZARDOUS MATERIALS STORAGE, ELECTRICAL LINES, GAS LINE OR SANITARY SEWER SYSTEM FAILURES, ETC. UNDER THE DECLARATION, BY ACCEPTANCE OF A DEED OR LEASE, OWNERS AND TENANTS, AS WELL AS PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, ARE DEEMED TO HAVE RELEASED THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS FROM SUCH LIABILITY, TO THE EXTENT AUTHORIZED BY LAW. THE FOREGOING DOES NOT RELEASE AN OFFICER OR DIRECTOR FROM LIABILITY FOR ACTS OR OMISSIONS WHICH ARE (A) A BREACH OF THE OFFICER'S OR DIRECTOR'S DUTY OF LOYALTY AND FIDUCIARY DUTY TO THE ASSOCIATION OR ITS MEMBERS, (B) ACTS OR OMISSIONS NOT IN GOOD FAITH OR INVOLVING INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW, (C) A TRANSACTION FROM WHICH AN OFFICER OR DIRECTOR RECEIVES AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF THE DIRECTOR'S OFFICE, OR (D) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF THE DIRECTOR IS EXPRESSLY PROVIDED BY STATUTE.

[Signatures on the following pages]

