

**THE CANYONS AT CARDINAL HILLS
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

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

CARDINAL HILLS SUBDIVISION, UNITS 1, 2, and 3, subdivisions in the City of Lakeway and Travis County as described in Book 16, Pages 7, 8, and 9 of the Plat Records of Travis County, Texas, are subject to the Property Restrictions recorded on April 8, 1970, at Volume 3831, Page 2226 in the Deed Records of Travis County, Texas. Such property restrictions did not provide for the establishment of a homeowners' association. Redbird Investors, Ltd, a Texas limited partnership, hereinafter called the Declarant, is the owner of real property within CARDINAL HILLS SUBDIVISION UNIT 1, UNIT 2 and UNIT 3, subdivisions in the City of Lakeway and Travis County, Texas. Declarant proposes to improve the Property (hereinafter defined) for residential purposes more particularly described herein; and Declarant desires to hold and from time to time convey the Property, or any portions thereof, subject to certain protective covenants, conditions, restrictions, liens and charges hereinafter set forth; and Declarant desires to create and carry out a uniform plan for the improvements, development and sale of the Property for the benefit of the present and future owners of the Property; and Declarant desires to bring additional properties within Cardinal Hills Subdivision, Units 1, 2, and 3 within the scheme of this Declaration upon the consent of the owners of such additional properties and the Association, as hereinafter defined:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that it is hereby declared (i) that all of the Property shall be held, sold, conveyed and occupied subject to the Property Restrictions, Units 1, 2, & 3, Cardinal Hills Subdivision, filed April 8, 1970 at Volume 3831, Page 2226 in the Deed Records, Travis County, Texas and the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof; and (ii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to the following covenants, conditions and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

**ARTICLE I
DEFINITIONS**

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

1.1. Architectural Review Committee. "Architectural Review Committee" or "ARC" shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property.

1.2 Articles. "Articles" shall mean the Articles of Incorporation for The Canyons at Cardinal Hills Homeowners' Association, Inc., a Texas non-profit corporation, as amended from time to time.

1.3 Assessment. "Assessment" or "Assessments" shall mean such assessments as may be levied by the Association under the terms and provisions of this Declaration.

1.4 Association. "Association" shall mean and refer to The Canyons at Cardinal Hills Homeowners' Association, Inc., a Texas non-profit corporation, its successors and assigns.

1.5 City. "City" shall mean the City of Lakeway, in Travis County, Texas.

1.6 Board. "Board" shall mean the Board of Directors of the Association.

1.7 Bylaws. "Bylaws" shall mean the Bylaws of the Association adopted by the Board, and as from time to time amended.

1.8 Common Areas. "Common Areas" shall mean that portion of the Property owned or leased by the Association, or to which the Association has rights by easement, contract, or otherwise, for the common use and enjoyment of the Members of the Association including, but not limited to all community facilities, pumps, landscaping, sprinkler systems, pavement, streets (to the extent not owned by appropriate governmental authorities), walkways, parking lots, pipes, wires, conduits and other public utility lines situated thereon (to the extent not owned by appropriate governmental authorities or by local utility companies.)

1.9 Declarant. "Declarant" shall mean Redbird Investors, Ltd., a Texas limited partnership, its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

1.10 Declarant Lots. Those Lots listed in Exhibit A and any lots hereafter acquired by Declarant which become subject to this Declaration by Supplemental Declaration in accordance with Article II.

1.11 Homebuilder. "Homebuilder" shall mean any builder designated as such by Declarant, who builds single family residences on Lots for sale to resident owners.

1.12 Improved Lot. A Lot upon which a single family residence has been constructed.

1.13 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind located on the Property, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, trash enclosures, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps, wells, tanks,

reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.14 Lot. "Lot" or "Lots" shall mean any parcel or parcels of land listed on Exhibit A, located within the Property and shown on a plat of the property, together with all improvements located thereon, and any other parcels of land which may be annexed hereafter or which are made subject to this Declaration in accordance with Article II, by a Supplemental Declaration executed by the owner and Declarant. Any lot owned by the Association is specifically excluded from the definition of Lots.

1.15 Master Declaration. "Master Declaration" or "Declaration" shall mean this instrument, and as it may be amended from time to time.

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

1.17 Mortgage. "Mortgage" shall mean any mortgage or deed of trust covering all or any portion of the Property given to secure the payment of a debt.

1.18 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.19 Owner. "Owner" or "Owners" shall mean and refer to a person or persons, entity or entities, including Declarant, holding a fee simple interest in all or any portion of the Property, but shall not include a Mortgagee.

1.20 Person. "Person" or "Persons" shall mean any individual, individuals, entity or entities having the legal right to hold title to real property.

1.21 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or erection of any Improvement, including but not limited to those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, signage, lighting, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, all other documentation or information relevant to such improvement.

1.22 Plat. "Plat" shall mean a final subdivision plat which has been recorded in the Official Public or Plat Records of Travis County, Texas.

1.23 Property. "Property" shall include the following:

- (a) Those 39 lots owned by Declarant, located within Cardinal Hills Subdivision, Unit 1 as described on Exhibit A, and such additional real property

within Cardinal Hills Subdivision Units 1, 2, and 3 which may hereafter be added by Supplemental Declaration pursuant to Article II.

1.24 Restrictions. "Restrictions" shall mean, collectively, (i) this Master Declaration, together with any and all Supplemental Declarations, as the same may be amended from time to time, (ii) the Rules, if any, and (iii) the Articles and Bylaws from time to time in effect, as the same may be amended from time to time.

1.25 Rules. "Rules" shall mean the rules and regulations, if any, adopted by the Board as the same may be amended from time to time.

1.26 Subassociation. "Subassociation" shall mean any non-profit Texas corporation or unincorporated association organized and established by Declarant or with Declarant's approval, pursuant to or in connection with a Supplemental Declaration.

1.27 Supplemental Declaration. "Supplemental Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded hereafter in order (i) to add land to the Property, (ii) to subject any area of the Property to further covenants, conditions or restrictions or (iii) to withdraw land from the Property.

1.28 Unimproved Lot. A Lot upon which a single family residence has not been constructed.

ARTICLE II ADDITIONS TO THE PROPERTY

2.1 Additional Properties. Additional properties from Cardinal Hills Subdivision, Units 1, 2, and 3 may be brought within the scheme of this Declaration by Declarant, its successors and assigns, and the owners of such additional properties by recording a Supplemental Declaration executed by Declarant and the owner and incorporating this Master Declaration therein by reference. Such Supplemental Declaration may supplement or modify this Declaration with such additional covenants, restrictions and conditions as may be appropriate for those additional properties.

2.2 Merger or Consolidation. Upon a merger or consolidation of the Association with another association, its properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may, by operation of law, be added to the Properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided.

ARTICLE III GENERAL RESTRICTIONS

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

3.1 General. The Property shall be improved and used solely for single family residential use, or for Common Areas, and improvements constructed on any Lot shall comply with all restrictions imposed by the Plat creating that Lot. Construction of new buildings only shall be permitted, it being the intent of Declarant to prohibit the moving of any existing building onto a Lot and remodeling or converting same into a dwelling house. Common Areas may, subject to the approval of Declarant, be improved and used for active and passive recreational purposes for the primary benefit of Owners and occupants of portions of the Property; provided, however that, as to any specific areas, Declarant may, in its sole and absolute discretion, permit other improvements and uses.

3.2 Subdividing. No Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof without the prior written approval of the ARC; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey an easement or other interest less than the whole, all without the approval of the ARC.

3.3 Antennae, Satellite Dishes and Solar Collectors. Without the prior written consent of the ARC, exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall not be placed on any Lot. All such items shall be placed in a location which is not visible from any street, common area or other Lot unless it is impossible to receive signals from said location. In that event, the receiving device may be placed in a visible location as approved by the ARC. The ARC may require as much screening as possible while not substantially interfering with reception. The Declarant and/or the Association shall have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite or other signals for the benefit of all or a portion of the Properties. No satellite dishes shall be permitted which are larger than 1 meter in diameter. No exterior antennas, aerials, satellite dishes, or other apparatus which transmit, rather than receive, television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property. The Declarant, by promulgating this section, is not attempting to violate the Telecommunications Act of 1996 (the "Act"), as may be amended from time to time. This section shall be interpreted to be as restrictive as possible while not violating the Act. Except with the written permission of the ARC, no solar collector panels may be placed on or around the residential structure.

3.4 Signs. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the Property or the subdivision or carried by any person or by any other means displayed within the Property or the subdivision except the following:

- (a) For Sale or Lease Signs. An Owner may erect one (1) sign not exceeding 2 feet by 3 feet in area, fastened only to a stake in the ground and extending not more than 4 feet above the surface of the ground advertising the property for sale or for lease. Such sign shall be similar to signs customarily used in the Travis County, Texas area, or as permitted by the City of Lakeway where applicable, to advertise individual parcels of residential real property.
- (b) Declarant/Homebuilder Signs. Signs or billboards may be erected by the Declarant or any Homebuilder as Declarant shall desire and approve.
- (c) Political Signs. Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs will not be erected more than 90 days in advance of the election to which they pertain and are removed within 15 days after the election.
- (d) School and Business Signs. Emblems or bumper stickers advertising a resident's school or business mounted upon vehicles parked or driven in the subdivision.

Declarant or its agents will have the right to remove any sign, billboard or other advertising structure that does not comply with the foregoing requirements, and in so doing, will not be subject to any liability in connection with such removal.

3.5 Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. Refuse, garbage and trash shall be kept at all times in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view, except for the 24 hour period beginning at 8:00 p.m. the day before a scheduled trash pickup and ending at 8:00 p.m. the day of a scheduled trash pickup.

3.6 Noise. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security or public safety purposes) shall be located, used or placed on any of the Property such that it becomes or will become clearly audible at the property line of adjoining property owners. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

3.7 Repair of Buildings. All Improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof.

3.8 Alteration or Removal of Improvements. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any Improvement, or the

removal of any Improvement, shall be performed only with the prior written approval of the ARC.

3.9 Underground Utility Lines. No utility lines including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the ARC; provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements which have been previously approved in writing by the ARC; and further provided that this provision shall not apply to utilities installed along the perimeters of the Property. The installation method, including, but not limited to, location, type of installation, equipment, trenching method and other aspects of installation, for both temporary and permanent utilities shall be subject to review and approval by the ARC.

3.10 Drainage. There shall be no interference with the established patterns over any of the Property, unless adequate provision is made for proper drainage and approved by the ARC.

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

3.12 Temporary Structures. No tent, shack or other temporary building, improvement or structure shall be placed upon the Property.

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

3.14 Unsightly Articles: Vehicles. No article deemed to be unsightly by the ARC shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times, except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Automobiles shall include cars, pick-ups, sport utility vehicles and vans used for the personal transportation of residents or their guests. Service areas, storage areas, loading areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view from public or private thoroughfares and adjacent properties and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion

of the Property except within enclosed structures or appropriately screened from view from public or private thoroughfares and adjacent properties.

3.15 Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot at any time, and no travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or public or private thoroughfares for more than forty-eight (48) hours in any calendar month.

3.16 Pets, Livestock and Poultry. No animals, livestock or poultry of any kind will be raised, bred or kept on any Lot, except for cats, dogs or other generally recognized household pets, provided that they are not kept, bred, or maintained for any commercial purpose or for food. It is the purpose of these provisions to restrict the use of the Property so that no person will quarter on the premises cows, horses, bees, hogs, pigs, sheep, goats, ducks, geese, chickens, turkeys, skunks or other animals that may interfere with the quietness, health or safety of the community. No more than 4 animals may be kept on a single Lot. All such animals will be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Association. All animals must be properly tagged for identification. No animal will be allowed to run at large, and all animals will be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects and waste at all times. Such enclosed area will be constructed in accordance with plans approved by the ARC, will be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and will be screened so as not to be visible from any other portion of the Property.

3.17 Maintenance of Lawns and Plantings. Each Owner shall keep all shrubs, trees, grass and plantings of every kind on such Owner's Lot cultivated, pruned, mowed, and free of trash and other unsightly material. Owner may install landscape irrigation systems where appropriate for the types of vegetation located on such Lot, and shall maintain all such landscape irrigation systems in good working order.

3.18 Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent (a) normal construction activities during the construction of Improvements by an Owner (including Declarant and Homebuilders) upon any Lot within the Property, or (b) any and all activities normally associated with or reasonably convenient to the improvement and development of the Lots by Declarant, its successors, and assigns in preparation for sale of a Lot to a Homebuilder or other purchaser. Specifically, no such activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such activities are pursued to completion with reasonable diligence and conform to usual practices in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the ARC, provided that such waiver shall be only for the reasonable period of such activities.

3.19 Compliance with Provisions of the Restrictions. Each Owner shall comply strictly with the provisions of the Restrictions as the same may be amended from time to time.

Failure to comply with the Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Association or by an aggrieved Owner.

3.20 Unfinished Structures. No structure shall remain unfinished for more than such period of time reasonably necessary to complete the structure, considering current construction techniques, market conditions, and typical construction periods for similar improvements in the area. The ARC shall have the power to set what constitutes a reasonable period of time for purposes of this section, however such period shall not be less than 90 days.

3.21 Rentals. Nothing in this Declaration shall prevent the rental of an entire Lot and the Improvements thereon, by the Owner thereof for residential purposes.

3.22 Parking. All Members or their tenants shall park their automobiles in garages, driveways, or parking areas provided for such use. Parking on lawns is prohibited.

3.23 Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

3.24 Previously Existing Subdivision Restrictions. The Property is subject to all restrictions from the previously existing subdivision known as Property Restrictions, Units 1, 2, & 3, Cardinal Hills Subdivision, filed April 8, 1970 at Volume 3831, Page 2226 in the Deed Records, Travis County, Texas.

3.25 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article III or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

3.26 Common Area Park. Declarant intends to convey Lot 101, Block G, Unit I to the Association for use as a park. Declarant reserves the right to convey a different lot to the Association for use as a park. Notwithstanding anything set forth or implied herein to the contrary, the rights of the Owners with respect to the park shall be nonexclusive, and the Declarant or Association may elect to permit owners of homes in associations other than the Association, including owners of homes in the proposed adjacent condominium project to have access to and to use and enjoy the park upon terms and conditions reasonably established by Declarant or the Association

3.27 Municipal Water Supply. The Lots are within the service area of Travis County Water Control and Improvement District Number 17 ("WCID #17"). Each Lot shall be connected to WCID #17's municipal water supply for the provision of all residential potable water requirements. Drilling of individual water wells for such purpose is prohibited.

3.28 Nuisances: Noxious Uses. The land and improvements located on each Lot shall not be used so as to disturb the neighborhood or occupants of adjoining property, or to constitute a nuisance or violate any public law, ordinance or regulation from time to time applicable thereto. Nor shall such land and improvements be used for any purposes which will create or emit any objectionable, offensive or noxious odors, dust, gas, fumes, liquids, noises or other such materials or conditions. No owner shall permit any thing or condition to exist upon any Lot which shall induce, breed, or harbor diseases or insects or other pests. No lighting or illumination of any type shall be placed upon a Lot in such a manner as to cause unreasonable glare or illumination on any other Lot or on public thoroughfares.

ARTICLE IV BUILDING REQUIREMENTS AND RESTRICTIONS

4.1 Application of Article IV. Article IV of this Declaration shall not apply to existing improvements upon additional properties which hereafter become subject to this Declaration by Supplemental Declaration in accordance with Article II. This article shall apply to improvements constructed, installed, or made upon any Lot owned by Declarant at the time of execution of this Declaration and to any new improvements upon additional properties, after they have become subject to this Declaration.

4.2 Masonry Requirements. All exterior walls, exclusive of openings and trim, shall be at least 50% masonry. Brick, stone, and stucco shall be deemed to be masonry, but Hardiboard, fiber cement, and similar cementitious materials shall not for purposes of meeting the masonry requirements of this restriction.

4.3 Minimum House Size. The minimum heated and cooled floor area of a single family house on a Lot shall be 1200 square feet.

4.4 Roofing Materials. All roofing material shall be at a minimum 30 year shingles. Use of alternative roofing materials shall require the approval of the ARC.

4.5 Garages. Each house on a Lot shall have a minimum of one 2 car garage. If a garage is detached, it must be made of materials aesthetically compatible with materials used on the exterior of the main residence.

4.6 Fences. Rear yards may be fenced to a maximum height of six feet with wood privacy fencing, masonry, stucco, wrought iron, a combination of wood and concrete, or synthetic materials that resemble wood fencing. Chain link or wire fences are prohibited. Wood privacy fencing which faces directly onto a street or runs parallel to a street shall be constructed so that the posts and stringers do not face the street. The construction of all other fences shall be subject to the prior written consent of the ARC. The ARC may, in its discretion, prohibit the construction of any proposed fence, or specify the materials of which any proposed fence must be constructed, or require that any proposed fence be partially screened by vegetation. Fencing erected by Declarant or a Homebuilder, shall be maintained by Lot Owner in its originally

constructed state, unless otherwise approved by ARC. The Association shall have the right, but not the obligation, to repair or replace such fencing at the expense of the Association.

4.7 Landscaping. Minimum requirements for landscaping front yards and side yards (in front of privacy fence) shall be: (1) grass extending to the front and side property lines in all exposed areas, and/or as far into the street right-of-way as practicable; and (2) the minimum number of shrubs required by the City of Lakeway for single family homes. Rear yards, to the extent visible from adjacent Lots or public streets, shall have grass, mulch, bark or other acceptable groundcover which prevents soil erosion and is aesthetically pleasing. This landscaping shall be installed no later than 30 days following completion of construction or issuance of a Certificate of Occupancy by a governmental entity, as applicable.

4.8 Storage Buildings. Storage buildings must be approved by the ARC in accordance with Section 6.2. All storage buildings must be located behind the residence. Prefabricated or manufactured storage buildings shall not be visible from Common Areas, adjacent Lots, or streets. If any non-prefabricated or non-manufactured storage building (i.e. custom-built storage buildings) will be visible from a Common Area, adjacent Lot, or street, such buildings shall be of such materials, design and color so as to be in harmony with the exterior of the residence and must comply with any other rules set forth by the ARC.

4.9 Structure Height. No residential or accessory structure shall exceed 35 feet in height.

ARTICLE V HOMEOWNERS' ASSOCIATION

5.1 Organization. The Association shall be created for the purposes, charged with the duties, governed by the provisions, and vested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Members holding one-tenth of the total votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. The Articles and/or Bylaws may be amended by a two-thirds majority of the total votes of each Class of Members entitled to be cast at any duly called and constituted Meeting of Members of the Association. In the event the Articles or Bylaws shall for any reason be inconsistent with this Declaration, this Declaration shall control. Nothing in this Master Declaration shall prevent the creation, by provision therefore in Supplemental Declaration(s) executed and recorded by Declarant or any person or persons authorized by Declarant, of Subassociations to own, develop, assess, regulate, operate, maintain or manage the Property subject to such Supplemental Declarations.

5.2 Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject, by covenants of record, to Assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold a mortgagee's interest only. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for

membership. Any Mortgagee or lienholder who acquires title to any Lot which is a part of the Association through judicial or non-judicial foreclosure, shall be a Member of the Association.

5.3 Voting Rights. The Association shall have (2) classes of voting memberships:

- (a) Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine as provided by the Bylaws, but in no event shall more than one (1) vote be cast with respect to any Lot.
- (b) Class B. The Class B Member(s) shall be the Declarant, and its successors and assigns, and shall be entitled to three (3) votes for each Lot owned by it, except as otherwise provided herein, provided that the Class B membership shall cease and be converted to Class A membership (subject to reversion back to Class B membership upon the annexation of additional land) on the happening of either of the following events, whichever occurs earlier:
 - (1) the written consent of the Declarant filed in the Official Public Records of Travis County; or
 - (2) ten (10) years from the filing date hereof in the Real Property Records of Travis County, Texas.
 - (3) Upon the conveyance of 75% of the Lots with residences constructed upon them;

5.4 Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the Laws of Texas. The Association and the Board, acting on behalf of the Association, shall have the following power and authority:

- (a) Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Rules and Bylaws, not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions, with amendment of Articles and Bylaws being subject to Member voting requirements set out in Section 5.3.
- (b) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association functions.

- (c) Records. To keep books and records of the Association's affairs.
- (d) Assessments. To levy assessments as provided in this Declaration. An assessment pursuant to Article VII is defined as that sum which must be levied in the manner and against the property set forth in Article VII hereof in order to raise the total amount for which the levy in question is being made. Fines levied and expenses incurred by the Association for enforcement of the Restrictions shall also be deemed assessments against specified Members and Lots.
- (e) Right of Entry and Enforcement. To enter at any time in an emergency (or in the case of a non-emergency, after twenty-four (24) hours written notice), without being liable to any Owner, upon any Lot for the purpose of enforcing the Restrictions or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to the Restrictions, and the expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and upon the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VII hereof for regular and special assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Restrictions. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Restrictions; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.
- (f) Charges for Damages to Common Areas and Fines for Violation of the Restrictions. To charge Members for damages to Common Areas and levy fines against Members who violate one or more of the Restrictions and to suspend Members' rights to use Common Areas. Prior to any such charge, levy or suspension of a Member, the Association or its agent shall give written notice to the Member and provide the Member the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue pursuant to Sections 209.006 and 209.007 of the Texas Property Code, including subsequent amendments thereto. Delinquent fines and charges shall be deemed personal obligations of a Member and shall be deemed an Assessment subject to the Assessment Lien and Foreclosure provisions of Section 7.7 of this Master Declaration and the foreclosure sale provisions of Section 209.009 of the Texas Property Code.

- (g) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.
- (h) Conveyances. To grant and convey to any person or entity the real property and/or other interest therein, including fee title, leasehold estates, easements, rights-of-way, or mortgages out of, in, on, over, or under any Association property for the purpose of constructing, erecting, operating or maintaining the following:
- (1) Roads, streets, walks, driveways, trails and paths;
 - (2) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
 - (3) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or
 - (4) Any similar public, quasi-public or private improvements or facilities;
- (i) Manager. To retain and pay for the services of a person or firm (the "Manager") to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the Association and the Board may delegate any other duties, powers and functions to the Manager. The members of the Association hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.
- (j) Association Property Services. To pay for water, sewer, garbage removal, landscaping, lighting, monuments, fencing, gardening and all other utilities, services and maintenance for all Association property and areas approved for maintenance; to maintain and repair, easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes and other areas of the Property, or areas required to be maintained or repaired by the Association by easement, contract, license or other arrangement, as appropriate; and to own and/or operate any and all types of facilities for both active and passive recreation.
- (k) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to

applicable law, the terms of this Declaration, or the Articles or Bylaws of the Association.

- (l) Construction on Association Property. To construct new Improvements or additions to Association properties, subject to the approval of the ARC as provided in this Declaration.
- (m) Contracts. To enter into contracts with Declarant and other persons on such terms and provisions as the Board shall determine, to operate and maintain any Common Areas or to provide any service or perform any function on behalf of Declarant or any Person.
- (n) Property Ownership. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

5.5 Maintenance and Landscape Authority. The Association shall be authorized to landscape, fence, maintain and repair all easements, access easements, rights-of-way, median strips, sidewalks, paths, trails, and other areas of the Property, or areas under the control of the Association or approved for maintenance, as appropriate. The Association shall maintain Common Areas dedicated to the Association for maintenance.

5.6 Lighting. The Association shall pay for electrical service and for all other costs and expenses necessary to operate and maintain the lights within Common Areas.

5.7 Common Areas. Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have the following duties:

- (a) To accept, own, operate and maintain all Common Areas, real and personal, conveyed or leased to the Association by Declarant and to maintain in good repair and condition all lands, improvements, and other Association property owned by or leased to the Association. Such maintenance shall include, but not be limited to, mowing and removal of rubbish or debris of any kind.
- (b) To collect payment for the use by third parties of Common Areas pursuant to agreements, easements, licenses or other arrangement with such third parties.
- (c) To construct, maintain, repair and replace fencing, landscape improvements and irrigation systems within public rights-of-way pursuant to agreement(s) with, or the rules of, the appropriate governmental authority.
- (d) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are

not levied directly upon the members of the Association. The Association shall have all right's granted by law to contest the legality and the amount of such taxes and assessments.

- (e) Upon the approval of two-thirds (2/3) of the Owners (excluding Declarant), to execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Association. Additionally, the Association may accept lands in Common Areas, whether or not improved, from Declarant subject to such mortgages or by assuming such mortgages. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the borrower, whether Declarant or the Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien as shall be deemed appropriate by borrower, whether Declarant or the Association, on the improvement or other facility to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees or Assessments paid by the members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by Declarant or the Association, as the case may be, but subject to the limitations imposed by this Declaration.
- (f) To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment of the Common Areas. Such insurance shall be in an amount as the Board shall deem appropriate.

5.8 Indemnification. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, committee member, employee, servant or agent of the Association against expenses, including attorney's fees, reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, servant or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status

as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

5.9 Quorum for Meetings of Members. The Members holding at least ten percent (10%) of the votes entitled to be cast at a meeting of the Members, represented in person or by proxy, as such votes are allocated pursuant to the provisions of this Declaration, shall constitute a quorum at a meeting of the Members.

5.10 Indemnity Related to Common Areas. Each Owner and occupant of any Lot and each Owner and occupant on behalf of their tenant, guest and invitee of an Owner, as applicable, acknowledges and understands that the Association, its Board of Directors, Declarant or any successor declarant are not insurers and that each Owner and occupant of any Lot and each tenant, guest and invitee of any Owner assumes all risks for loss or damage to persons, and further acknowledges that the Association, its Board of Directors, Declarant or any successor declarant have made no representations or warranties nor has any Owner, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied as to the safety of the Common Areas. Each Owner and occupant of any Lot and each Owner and occupant on behalf of their tenant, guest and invitee of an Owner shall indemnify and hold harmless the Association, its Board of Directors, Declarant or any successor declarant for all loss or damage to persons who use the Common Areas.

ARTICLE VI ARCHITECTURAL REVIEW COMMITTEE

6.1 Membership of Architectural Review Committees. The Architectural Review Committee ("ARC") shall consist of not less than three (3) nor more than seven (7) voting members ("Voting Members") and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as Declarant or its successors or assigns deems appropriate. The voting members of the Architectural Review Committee as of the date of this Declaration are James A. Duncan, Walter Fagan, and Doug Land..

6.2 Approval of Plans and Specifications. No Improvement shall be commenced, erected, constructed, placed or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the Plans and Specifications therefore shall have been submitted to and approved by the Architectural Review Committee.

6.3 Actions of the Architectural Review Committee. The Architectural Review Committee may, by resolution, unanimously adopted in writing, designate one or two of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the ARC. In the absence of such designation, the vote of a majority of all the members of the ARC taken without a meeting, shall constitute an act of the such committee.

6.4 Advisory Members. The Voting Members may from time to time designate Advisory Members.

6.5 Term. Each member of the Architectural Review Committee shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein.

6.6 Declarant's Rights of Appointment. Declarant shall have the right to appoint and remove all members of the ARC. Declarant may delegate its right to the Board by written instrument. Thereafter, the Board shall have the right to appoint and remove all members of the ARC.

6.7 Adoption of Rules. The ARC may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties.

6.8 Plan Review of Proposed Construction. Whenever in this Master Declaration, or in any Supplemental Declaration, the approval of the ARC is required, the ARC shall consider all of the Plans and Specifications for the Improvement or proposal in question, the Rules, if any, and all other facts and information which, in its sole discretion, it considers relevant, and may require an Owner to provide such other information as it deems relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefore shall be submitted to the ARC, and construction thereof may not commence unless and until such committee has approved such Plans and Specifications in writing. The ARC may postpone review of the Plans and Specifications until such time as it has received all information requested. Upon receipt of all information required, the ARC will have 30 days in which to review the plans. The ARC shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Declarant or the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the ARC. The ARC shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof, for structural safety, engineering soundness, or conformance with building or other codes. If the ARC fails to issue its written approval or disapproval within thirty (30) days of its receipt of the last of the materials or documents required to complete the Owner's submission, such failure by the ARC to issue its written approval or disapproval shall be deemed disapproval ("Deemed Disapproval"). Within 30 days of such Deemed Disapproval, the Owner may resubmit, by certified mail, return receipt requested, his Plans, Specifications, and other information originally submitted regarding the Improvement or proposal, with a statement indicating the original date of submission ("Resubmission"). If the ARC fails to issue its written approval or disapproval within 15 days of actual receipt of the Resubmission, such Improvement or proposal shall be deemed approved.

6.9 Variance. The ARC may grant variances from compliance with any of the provisions of the Restrictions, when, in the opinion of the ARC, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property, and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and

must be signed by at least two (2) of the Voting Members. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Lots for any purpose except as to the particular property and in the particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

6.10 No Waiver of Future Approvals. The approval or consent of the ARC to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the ARC shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

6.11 Work in Progress. The ARC, at its option, may inspect all work in progress to ensure compliance with approved Plans and Specifications.

6.12 Address. Plans and Specifications shall be submitted to the ARC c/o James Duncan, 6601-A Bee Caves Road, Austin, Texas 78746-5003, or such other address as may be designated by Declarant, its successors and assigns, from time to time.

ARTICLE VII FUNDS AND ASSESSMENTS

7.1 Assessments.

(a) Assessments established by the Board pursuant to the provisions of this Article VII shall be levied on a uniform basis against each Lot within the Property, except those Declarant Lots still owned by Declarant, except as described in Section 7.1 (d) below. The commencement of such assessments shall vary depending on the nature of the Lot.

- i. The commencement of assessments upon Declarant Lots sold by Declarant shall be upon the earlier of:
 1. actual occupancy of a single family residence constructed upon the Lot;
 2. that date which is eighteen (18) months after the sale of the Lot by Declarant to a purchaser or Homebuilder; or
 3. the date of any subsequent sale of the Lot to a third party by the purchaser or Homebuilder who purchased the Lot from Declarant.
- ii. Assessments on Unimproved Lots which are brought within the scheme of the Declaration by a supplemental declaration, in accordance with Article II shall commence upon the earlier of:

1. the actual occupancy of a single family residence constructed upon the Lot;
 2. that date which is eighteen (18) months after the sale of the Lot to a purchaser or Homebuilder by the same Owner who owned the lot at the time the Lot became subject to the Declaration; or
 3. the date of any subsequent sale of the Lot to a third party by the purchaser or Homebuilder who purchased the Lot from the Owner who owned the Lot at the time it became subject to the Declaration.
- iii. Assessments on Improved Lots which are brought within the scheme of the Declaration by a supplemental declaration, in accordance with Article II shall commence.
1. as to Improved Lots that are presently occupied or have ever been occupied, immediately;
 2. as to Improved Lots which have never been occupied, upon the earlier of:
 - a. the actual occupancy of the single family residence constructed upon the Lot;
 - b. upon the sale of the Lot to a third party by the same Owner who owned the Improved Lot at the time it became subject to the Declaration; or
 - c. that date which is twelve (12) months after the Improved Lot became subject to the Declaration.
- iv. Notwithstanding any of the above, no Assessment shall be assessed against any Lot until such time as the Declarant conveys an area to the Association to be used as a Common Area park.
- (b) Each unpaid Assessment together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the Owner of the Property against which the Assessment fell due, and shall become a lien against each such Lot and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Article.
- (c) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was

levied, the Assessment shall be prorated as of the date when said obligation first arose to the duration of the Assessment year or other period remaining after said date.

- (d) Unimproved Declarant Lots which remain under the ownership of Declarant shall not be subject to Assessments. In the event the Association does not have sufficient funds to perform its duties, Declarant may elect to contribute or loan to the Association such amounts as are necessary to make up the shortfall in funds or to pay Regular Annual Assessments on its lots for a stated period of time.

7.2 Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

7.3 Transfer Fee. Commencing January 1, 2005, upon any sale or other transfer or an interest in a Lot, other than a sale or transfer by Declarant, the Owner of each such Lot shall pay to the Association a transfer fee of \$75.00 at the time of each sale or other transfer. Such sums shall be secured by a lien on each Lot, and for the purposes of this Declaration, be deemed an Assessment.

7.4 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Restrictions, including but not limited to, the cost of all maintenance, the cost of providing lighting, the cost of enforcing the Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided (the "Regular Annual Assessment"), and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. All such Regular Annual Assessments shall be due and payable to the Association at the beginning of the fiscal year or in such other manner as the Board may designate in its sole and absolute discretion. In no event shall the Regular Annual Assessment for the year 2004 exceed the sum of \$240. Thereafter, the maximum allowable amount of a Regular Annual Assessment permitted hereunder shall increase by ten percent (10.0%) per year.

7.5 Special Assessments. In addition to the Regular Annual Assessments provided for above, the Board may recommend the levy of special assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Restrictions ("Special Assessments"). The amount of any Special Assessments shall be at the reasonable discretion of the Board. However, all Special Assessments must be approved by a 60% vote of Members present at a duly called meeting where a quorum is present. Alternatively, the Board may choose to allow the voting for Special Assessments to be conducted by mail-in ballot, in accordance with the procedures and rules established by the Board for voting by mail. For purposes of voting on Special Assessments,

whenever the Special Assessment being voted upon totals \$5000.00 or more in the aggregate, the Declarant shall only have one (1) vote for each Lot owned by it. Written notice of any approved Special Assessments shall be provided to all Members. Such Special Assessments shall be due and payable to the Association within 30 days of the date of written notice of such Special Assessment, or as otherwise approved by the Board or by vote of the Members. There shall be no Special Assessment during the year 2004.

7.6 Owner's Personal Obligation for Payment of Assessments. The Regular Annual Assessment and Special Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest on the amount of the Assessment from the due date at a percentage rate of twelve percent (12%) per annum on Assessments past due for three months or less, and eighteen percent (18%) per annum on Assessments past due for four months or more, unless otherwise established by Board Resolution, together with all costs and expenses of collection, including reasonable attorney's fees. Any interest imposed by the Association shall not exceed the maximum rate allowed by law.

7.7 Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, together with interest and the cost of collection, including attorney's fees as provided in Section 7.6 shall, there-upon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for:

- (a) All liens for taxes or special assessments levied by the applicable city, county or state government, or any political subdivision or special district thereof;
- (b) All liens securing all amounts due or to become due under any mortgage vendor's lien or deed of trust filed for record prior to the date any Assessment became due and payable; and
- (c) All liens including, but not limited to, vendor's liens, deeds of trust and other security agreements which secure any loan made by any lender to a Member for any part of the purchase price of any Lot when the same are purchased from a builder, or for any part of the cost of constructing, repairing, adding to or remodeling any Improvements utilized for residential purposes.

Notwithstanding the above, no lien shall be deemed or held superior to the lien hereby created unless the Association is made a party to any court proceeding to enforce any of the above-listed liens. The Association shall have the power to subordinate the aforesaid assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. To evidence the aforesaid assessment lien, the Association may prepare a written notice of assessment lien setting forth the amount of the

unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of the county in which the Lot is located. Such lien for payment of Assessments shall attach with the priority above set forth from the date that such payment becomes delinquent and may be enforced by either (i) the Association foreclosing against the defaulting Owner's Lot in like manner as a mortgage on real property subsequent to the recording of a notice of assessment lien as provided above, or (ii) the Association instituting suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorney's fees incurred by the Association. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee, the Association shall report to such Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

ARTICLE VIII EASEMENTS

8.1 Reserved Easements. All dedications, limitations, restrictions and reservations shown on a Plat, are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, cable television, electricity, telephone and drainage), in favor of any person or entity, along and on either or both sides of any Lot line, which said easement shall have a maximum width of 5.0 feet on each side of such Lot line.

8.2 Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the easement areas affecting the Property for ingress and egress in connection with installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, cable television, telephones, electricity and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement. Notwithstanding any provision contained in this section, no sewer, electrical lines, water lines or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant and the applicable ARC. The Utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

8.3 Drainage Easements. Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the ARC thereon, require. There shall be no construction of Improvements, temporary or permanent in any drainage easement, except as approved in writing by the ARC.

8.4 Surface Areas. Each Owner shall maintain the surface area of all easements located within his Lot and all improvements located therein except for such improvements for which a public authority or utility company is responsible. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither the Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

8.5 Title to Easements and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways or Common Areas or any drainage, water, gas, sewer, storm sewer, electrical light, electrical power, telegraph or telephone way, or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Property, and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

8.6 Common Areas. Each Owner shall have an easement of use and enjoyment in and to all Common Areas which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

- (a) The right of the Association to suspend the Owner's voting rights and right to use the Common Areas for any period during which any Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association;
- (b) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a majority vote of the Members, provided however that the Association shall obtain prior HUD/VA approval of such dedication so long as a Class B Membership exists;
- (c) The right of the Association to borrow money for the purpose of improving the Common Areas and, in furtherance thereof, to mortgage the Common Areas, all in accordance with the Articles and Bylaws;

- (d) The right of the Association to make reasonable rules and regulations regarding the use of the Common Areas and any facilities thereon; and
- (e) The right of the Association to contract for services with third parties on such terms as the Association may determine.
- (f) The non-exclusive right of any third parties entitled to use of the Common Areas by easement, license, agreement or other arrangement.

ARTICLE IX MISCELLANEOUS

9.1 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2023, unless amended as herein provided. After that date, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed in accordance with the provisions of Section 9.3(b).

9.2 Nonliability of Board and ARC Members. Neither the ARC, nor any member thereof, nor the Board nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the ARC's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the ARC or its member or the Board or its member, as the case may be. Neither the ARC nor the members thereof shall be liable to any Owner due to the construction of any Improvement within the Property.

9.3 Amendment.

- (a) By Declarant. This Master Declaration or any Supplemental Declaration may be amended by the Declarant until Declarant no longer holds a majority of the votes in the Association. Notwithstanding the foregoing, Declarant may amend this Declaration at any time (i) to correct typographical and grammatical errors, and (ii) in order to comply with HUD, VA or FHA requirements for approval of the Property.
- (b) By Owners. In addition to the method in Section 9.3(a), this Declaration may be amended by the recording in the Travis County Official Public Records of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least 67% of the number of votes entitled to be cast pursuant to Section 5.3 hereof.
- (c) HUD/VA Approval. Amendment of this Declaration shall require prior HUD/VA approval so long as there exists a Class B Membership.

9.4 Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. It shall be the obligation of the Member to update Association records with the correct ownership and mailing address. Unless otherwise designated in writing by the Owner/Member, the Association may rely on the ownership records of the Travis County Appraisal District for the name and mailing address of an Owner/Member.

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

9.6 Mergers and Consolidations. The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger, consolidation or annexation shall be approved by a two-thirds (2/3) majority vote of both Classes of Members at a duly called and constituted Meeting of Members.

9.7 Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of, or under the jurisdiction of, the ARC. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements anywhere within the Property, however, the construction of sales and leasing offices and the posting of signs advertising the sale and leasing of Lots by Declarant shall be limited to Lots owned by the Declarant.

9.8 Assignment by Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

9.9 Enforcement and Nonwaiver.

- (a) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board shall have the right to enforce all of the provisions of the Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.

- (b) Nonwaiver. The failure to enforce any provision of the Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions.
- (c) Liens. The Association shall have the right, when appropriate in its judgment, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance with this Declaration.

9.10 Construction.

- (a) Restrictions Severable. The provisions of the Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.
- (b) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.
- (c) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the 16TH day of December, 2003.

DECLARANT:

REDBIRD INVESTORS, LTD.
a Texas limited partnership

By: The Duncan Group, Inc., a Texas corporation
its General Partner

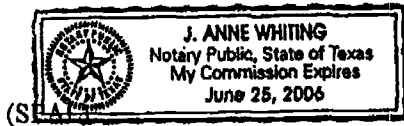
By:


James A. Duncan, President

[Acknowledgement on next page]

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 16th day of December, 2003,
by James A. Duncan, President of The Duncan Group, Inc., a Texas corporation, General Partner
of REDBIRD INVESTORS, LTD., a Texas limited partnership, on behalf of said partnership.



J. Anne Whiting
Notary Public in and for the State of Texas

06/25/06
My Commission Expires

AFTER RECORDING, RETURN TO:

The Law Offices of Glenn K. Weichert, P.C.
3821 Juniper Trace, Suite 106
Austin, Texas 78738

EXHIBIT A

The lots owned by Declarant as of the date of execution of this Declaration ("Declarant Lots") are described as follows:

The following thirty-nine lots described in Book 16, Page 7 of the Plat Records of Travis County, Texas, as Cardinal Hills Subdivision, Unit 1,

<u>Lot</u>	<u>Block</u>
122	D
123	D
124	D
125	D
126	D
128	D
130	D
131	D
132	D
135	D
136	D
60	E
61	E
62	E
63	E
70	E
71	E
81	F
82	F
87	F
88	G
89	G
90	G
91	G
92	G
93	G
94	G
95	G
96	G
100	G
102	G
104	G
105	G
106	G
107	G
108	G
115	G
116	G
118	G

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

12-16-2003 01:06 PM 2003288991
JUAREZY \$72.00
DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS