

REMOVE EXECUTED PAGE AND RETAIN IN SELLER'S FILES

CONDOMINIUM INFORMATION STATEMENT

GARDENS AT TERA VISTA, A CONDOMINIUM COMMUNITY

GARDENS AT TERA VISTA

PURCHASER'S AFFIRMATION AND RECEIPT OF CONDOMINIUM DOCUMENTS

I, THE UNDERSIGNED PURCHASER, HEREBY ACKNOWLEDGE THAT ON THE DATE SHOWN BELOW I RECEIVED THE FOLLOWING INFORMATION FOR GARDENS AT TERA VISTA:

- A. Condominium Information Statement;
- B. Declaration of Condominium Regime, as amended;
- C. Certificate of Formation – The Gardens at Teravista Property Owners Association, Inc.;
- D. Community Manual;
- E. Budget; and
- F. Owner's Limited Warranty.

Additionally, by signing below, the above-named Purchaser(s) certif(y/ies) that the following statements are true:

1. I/We have received the Condominium Information Statement on the date indicated below.

2. Even though I/we may have seen or been shown a furnished model, a residence maintained by the Seller as a sales office, or a "typical residence" which has been newly decorated, I/we have received no promise or representation from the Seller or any of its representatives that I/we will receive as part of my purchase any such decorations or furnishings, except as completed in the Unit I may purchase.

3. I/We intend to purchase the Unit for my own personal use, for residential purposes, and, in purchasing the Unit, I/we have not sought out, nor am I relying upon, the skill or judgment of the Seller nor its representatives in advising me as to the suitability of the Unit for any particular purpose for which I/we am purchasing it.

PURCHASER'S CERTIFICATE

4. I/We [] intend [] do not intend to purchase the Unit for my own occupancy. If the Unit is for my own occupancy, I/we [] intend for it to be my/our primary home [] intend for it to be my/our secondary home.

PURCHASER 1:

Date I received Items A-F: _____, 200__

Signed: _____

Printed Name: _____

Date Signed: _____

PURCHASER 2:

Date I received Items A-F: _____, 200__

Signed: _____

Printed Name: _____

Date Signed: _____

**CONDOMINIUM
INFORMATION
STATEMENT**



A CONDOMINIUM COMMUNITY

ISSUED MAY 18, 2010

**PURCHASER'S CERTIFICATE LOCATED ON
PREVIOUS PAGE. ONCE EXECUTED BY
PURCHASER, CERTIFICATE MUST BE REMOVED
AND RETAINED IN SELLER'S FILES**

GARDENS AT TERAVISTA
CONDOMINIUM INFORMATION STATEMENT

**PURCHASER, READ THIS DOCUMENT FOR YOUR OWN PROTECTION.
IT CONTAINS INFORMATION REQUIRED BY STATUTE FOR CONDOMINIUM
REGIMES IN TEXAS
CREATED AFTER JANUARY 1, 1994.**

NAME OF CONDOMINIUM: Gardens at Teravista

LOCATION OF CONDOMINIUM: That certain real property located in Williamson County, Texas which is more particularly described on Attachment 1 to the Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, recorded as Document No. 2007052711 in the Official Public Records of Williamson County, Texas, and attached hereto and incorporated herein by reference

NAME OF DECLARANT: SDI 2007 – TV, Ltd., a Texas limited partnership

ADDRESS OF DECLARANT: 7756 Northcross Drive, Suite 200
Austin, Texas 78757

EFFECTIVE DATE OF CONDOMINIUM INFORMATION STATEMENT: May 18, 2010

This Condominium Information Statement presents certain information regarding the condominium development and the Units being offered for sale by Spicewood Residential, Ltd. It consists of two parts, a narrative portion and an exhibits portion. The exhibits include legal documents that are required for the creation and operation of the condominium. The exhibits will control any inconsistency between the exhibits and the narrative. **Spicewood Residential, Ltd.'s representatives are prohibited from changing or attempting to interpret any of the terms and conditions of this Condominium Information Statement.**

The Condominium Information Statement is not intended to be all-inclusive or to address every significant feature of the condominium. Because purchasing real property is an important decision, the purchaser is encouraged to review this Condominium Information Statement with an attorney and to consult other sources for information not covered by this Condominium Information Statement.

Under limited circumstances, a purchaser has a five-day period after receiving the Condominium Information Statement during which the purchaser may cancel the contract of sale and obtain full refund of any money deposited in connection with the contract. This right to cancel does not apply if the purchaser received the Condominium Information Statement before signing the contract or if the contract contains an underlined or bold-print provision acknowledging the purchaser's receipt of the Condominium Information Statement and recommending that the purchaser read the Condominium Information Statement before signing the contract. If the purchaser elects to cancel, notice of cancellation must be given pursuant to Section 82.156 of the Texas Uniform Condominium Act.

Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Declaration of Condominium Regime for Gardens at Teravista, attached hereto as Exhibit 1.

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I. NAMES & ADDRESSES

a. DECLARANT:

(1) NAME: SDI 2007 – TV, Ltd., Ltd., a Texas limited partnership

(2) PRINCIPAL ADDRESS:

7756 Northcross Drive, Suite 200
Austin, Texas 78757

b. CONDOMINIUM PROJECT:

(1) NAME: Gardens at Teravista

(2) PRINCIPAL ADDRESS:

(a) Physical location address:

4332 Teravista Club Drive
Round Rock, Texas 78664

(b) Mailing and Manager's address:

Goodwin Management
11149 Research Blvd., Suite 100
Austin, Texas 78759

II. NARRATIVE PORTION

1. DECLARANT

The developer or "Declarant" of Gardens at Teravista is SDI 2007 – TV, Ltd., whose corporate office is located at 7756 Northcross Drive, Suite 200, Austin, Texas 78757.

2. CONDOMINIUM OWNERSHIP

Gardens at Teravista utilizes the condominium form of ownership. All of the land, driveways and any private streets, and other improvements not defined as Units under the Declaration are common elements of the condominium and are owned collectively (in undivided interests) by all the owners and maintained by the condominium association as a common expense.

Each Unit includes the spaces and improvements within the lower, upper, and lateral boundaries defined in *Section 5.2.1* of the Declaration, including without limitation the building, the roof and foundation of the building, landscaping, driveways, sidewalks, fences, yards, utility lines and meters and all other Improvements located within the Unit. In addition to the building and the improvements within the Unit, each Unit also includes improvements, fixtures, and equipment serving the building or Unit exclusively, whether located within, outside, or below the Unit, whether or not attached to or contiguous with the building, including but not limited to any below-grade foundation, piers, retaining walls, fence, or other structural supports; plumbing, sewerage, and utility lines, pipes, drains, and conduits; landscape

irrigation and subterranean components of plant material, including roots of trees on the Unit; and any other below-grade item that serves or supports the Building or Unit exclusively.

Not a Typical Condominium Unit

Although a Unit resembles a platted lot: (i) a Unit does not include land; (ii) the conveyance of a Unit is not a metes and bounds conveyance of land; and (iii) the creation of a Unit does not constitute a subdivision of land. Instead, each Unit is the surface of a designated piece of land, and everything above the surface for 50 feet, and anything below the surface that serves or supports the above-surface improvements.

3. PROPERTY/UNITS

The property initially submitted to the terms of the Declaration includes that certain real property located in Williamson County, Texas which is more particularly described on Attachment 1 to the Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, recorded as Document No. 2007052711 in the Official Public Records of Williamson County, Texas, and attached hereto and incorporated herein by reference as Exhibit 1 (the "Declaration"). The Units are restricted to residential use as set forth more fully in the Declaration.

The condominium established by the Declaration includes eighty-one (81) Units. Declarant has reserved the right to annex additional land into the regime established by the Declaration. Additional land may be added in phases and each phase may include one or more Units. No assurance is given regarding any additional land that may be included in the regime, or the order in which all or any land or Units may be made subject to the Declaration. No assurance is given as to the dispersion of Units or buildings, total number of Units or buildings, or the size of Units or buildings to be created upon the addition of any land to the Declaration. In the event additional land is made subject to the Declaration, Declarant will be under no obligation to add any other additional land to the Declaration. Additional Units may be added through the conversion of general common elements to Units and through the addition of land and the creation of Units thereon.

4. THE OWNERS ASSOCIATION

Gardens at Teravista Owners Association, Inc. (the "Association") is the Texas nonprofit corporation that will administer Gardens at Teravista. During the "Declarant Control Period", as defined in the Declaration, Declarant will retain certain rights regarding operation and administration of the Association, namely the right to appoint and remove all directors and officers of the Association. The Declaration and the Texas Uniform Condominium Act provide for a two-step transition process to resident control of the Association. The first step occurs within 120 days after 50% of the Units that may be created under the Declaration have been conveyed by Declarant. Within this 120 day period, the current Board of the Association will call a meeting of all Unit owners other than Declarant. At this meeting the owners will elect one Board member out of a three person Board. Declarant will retain the right to appoint and remove two Board members. The second step occurs within 120 days after 75% of the Units that may be created under the Declaration have been conveyed by Declarant. Within this 120 day period, the current Board of the Association will call a meeting of all Unit owners including Declarant. At this meeting the owners, including Declarant, will elect the entire Board. The Declarant

Control Period is described in Appendix A of the Declaration attached to this Condominium Information Statement.

5. UNITS

The Units are restricted to residential purposes and are more particularly described in the Declaration. Declarant has reserved the right in the Declaration to change the sizes and types of Units.

All references to square footage sizes of floorplans or Units in this Condominium Information Statement, on the website, in the marketing literature, and elsewhere are based on an architect's pre-construction drawings and estimates only. The size numbers are used to identify which plans are larger and which ones are smaller, and are not intended to be accurate statements of actual sizes of Units.

6. WORKING CAPITAL

The Declaration requires each purchaser of each Unit to contribute an amount equal to two (2) months of regular assessments to the Association's working capital fund. An estimate of the initial monthly regular assessment is included on Exhibit 4. Contributions to the working capital fund and the reserve fund are not advance payments of regular assessments and are not refundable. Declarant will not use working capital funds to cover the Association's operational expenses during the Declarant Control Period.

7. EASEMENTS, RESTRICTIONS, LIENS, LEASES OR ENCUMBRANCES

Title to each Unit and all common elements is subject to all easements, restrictions, liens, leases and encumbrances recorded against the property. A description of such recorded easements, restrictions, liens, leases and encumbrances is attached to the Declaration within Exhibit "A". These instruments should also be listed in Schedule B of the title commitment that you may receive in connection with your purchase. You may ask the title company handling your Unit closing to provide you with copies of all the recorded instruments affecting title to your Unit and appurtenant common elements. You are encouraged to review the title instruments before closing.

8. WARRANTY

The Owner's Limited Warranty for a home with Gardens at Teravista is attached as Exhibit 5.

9. NO JUDGMENTS OR SUITS

Declarant has no actual knowledge of any unsatisfied judgments against Gardens at Teravista, nor of any pending suits to which the Association is a party, or which are material to the land title and construction of Gardens at Teravista.

10. FEES OR CHARGES FOR USE OF COMMON ELEMENTS

The Association may, from time to time, charge residents and owners for the use of certain common elements within the property.

11. INSURANCE

INSURANCE COVERAGE provided for the benefit of the Association

Declarant, for the benefit of the Association, will obtain a master insurance policy from an insurance carrier chosen by Declarant. The effective date of the coverage will be on or before the date Declarant first conveys a Unit to a third party and will expire one year after its effective date. The following information was provided by Declarant upon consultation with a Texas-licensed insurance agent.

- a. PROPERTY EXPOSURE TO LOSS: The Association will not insure Units, but will obtain property insurance on the insurable General Common Elements within the Regime. Each Owner is obligated to obtain and maintain fire and extended coverage on the Owner's Unit, the home located therein, and on any Limited Common Element, if any, assigned exclusively thereto, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. The Association strongly recommends that each Owner and resident purchase and maintain insurance on such Owner's or resident's personal belongings.
- b. LIABILITY EXPOSURE TO LOSS:
 - (1) The Association will obtain a commercial general liability insurance policy with the following minimum coverage:
 - (a) Bodily Injury and Property Damage Liability - \$1,000,000.00 combined single limit per occurrence.
 - (b) Personal Injury Liability & Advertising Injury Liability - \$1,000,000.00.
 - (c) Fire Damage Legal Liability - \$100,000.00 limit per any one fire.
 - (d) Medical Payment - \$5,000.00 limit per person.

This policy contains an aggregate limit of liability of \$2,000,000.00 bodily injury and property damage combined, covering the common property.

THE ASSOCIATION WILL NOT PROVIDE LIABILITY COVERAGE FOR ACCIDENTS OR OCCURRENCES THAT OCCUR WITHIN THAT PORTION OF THE PREMISES WHICH IS RESERVED FOR AN OWNER'S EXCLUSIVE USE AND OCCUPANCY. EACH OWNER IS REQUIRED TO OBTAIN AND MAINTAIN GENERAL LIABILITY INSURANCE ON THEIR UNIT AND ON ANY LIMITED COMMON ELEMENT ASSIGNED EXCLUSIVELY TO THEIR UNIT.

- (2) The Association will obtain a directors and officers liability insurance policy with limits no less than \$1,000,000.00.

Should a situation occur where you would like to present a claim under the master policy, or if you have any questions regarding your insurance coverage, please contact the Association.

12. MASTER PLAN DOCUMENTS

Each Unit is subject to the terms and provisions of that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No.

2001080404, Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2002044078, Official Public Records of Williamson County, Texas, that certain Second Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2004088757, Official Public Records of Williamson County, Texas, and that certain Third Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2007051210, Official Public Records of Williamson County, Texas, and that certain Amendment and Restatement of the Community Covenant for Teravista, recorded as Document No. 2001080403 in the Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Community Covenant for Teravista, recorded as Document No. 2002044079 in the Official Public Records of Williamson County, Texas (collectively, the "Master Plan Documents"). Each Unit owner will be a mandatory member of the homeowners association and community association established pursuant to the Master Plan Documents (the "Master Association") and be required to pay assessments in accordance with the terms and provisions of the Master Plan Documents.

13. BUDGET

- a. Budget. The projected budget for the first fiscal year of the Association following the date of the first conveyance to a purchaser is attached as Exhibit 4.
- b. Preparer. The budgets were prepared for Declarant by the Manager.
- c. Assumptions About Occupancy. The projected budget is based on the assumption that all Units are occupied for all or most of the budget year.
- d. Assumptions About Inflation. All budgets are based on a one-hundred percent (100%) net collection rate and the estimates are in current dollars unadjusted for possible inflation.

14. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Declarant has reserved certain development rights as more particularly described in the Declaration and "Appendix A" attached to the Declaration. Many of these rights expire upon expiration of the Development Period. The "**Development Period**", as specifically defined in the Declaration, means the seven (7) year period beginning on the date the Declaration is recorded in the Official Public Records of Williamson County, Texas, unless such period is earlier terminated by Declarant' recordation of a notice of termination in the Official Public Records of Williamson County, Texas. Certain additional rights expire upon expiration of the Declarant Control Period. The Declarant Control Period expires on the earlier to occur of: (i) within one hundred and twenty (120) days after seventy-five percent (75%) of all Units which may be created by Declarant have been conveyed to Owners other than Declarant; or (ii) when, in the sole opinion of Declarant, the Condominium Association to be established pursuant to the Declaration is viable, self-supporting, and operational.

The following list includes a summary of the rights reserved by Declarant until expiration of the Development Period or the Declarant Control Period, as applicable. Please refer to "Appendix A" to the Declaration for a complete description of such rights.

- a. Annexation. During the Development Period, Declarant may annex additional property into the Regime, and subject such property to the Declaration and the jurisdiction of the Association.

- b. Creation of Units. When created, the Property contains eighty-one (81) Units.
- c. Changes in Development Plan. During the Development Period, Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, changes in the sizes, styles, configurations, materials, and appearances of Units and Common Elements.
- d. Architectural Control. During the Development Period, Declarant has the absolute right to review and approve all improvements constructed within the Regime.
- e. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.
- f. Website & Property Name. During the Development Period, Declarant has the unilateral right to approve or disapprove uses of any website purporting to serve the Property or the Association, all information available on or through the Property website, if any, and all uses of the property name by the Association.
- g. 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.
- h. Statutory Development Rights. As permitted by the Texas Uniform Condominium Act, Declarant has reserved the right: (i) to add real property to the Regime; (ii) to create Units, General Common Elements, and Limited Common Elements within the Regime; (iii) to subdivide Units or convert Units into Common Elements; and (iv) to withdraw from the Regime any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.
- i. Amendment. During the Development Period, Declarant may amend the Declaration, without consent of other Owners or any mortgagee, for the following limited purposes: (i) to meet the requirements, standards, or recommended guidelines to enable an institutional or governmental lender to make or purchase mortgage loans on the Units; (ii) to correct any defects in the execution of the Declaration or the other Documents; (iii) to add real property to the Regime; (iv) to create Units, General Common Elements, and Limited Common Elements within the Regime; (v) to subdivide, combine, or reconfigure Units or convert Units into Common Elements; (vi) to withdraw from the Regime any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights"; (vii) to resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents; (viii) to change the name or entity of Declarant; and (ix) for any other purpose, provided the amendment has no material adverse effect on any right of any owner.
- j. Additional Rights. As permitted by the Texas Uniform Condominium Act, Declarant has reserved the following rights: (i) the right to complete or make improvements indicated on the Plat and Plans; (ii) the right to exercise any Development Right permitted by the Act and the Declaration; (iii) the right to make the Regime part of a larger condominium or planned community; (iv) the right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management,

maintenance, customer service, construction, and leasing of the Regime; and (v) an easement and right of ingress and egress in and through the Property for the placement and installation of signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping, including items and locations that are prohibited to other Owners.

- k. Easement Rights. Declarant has reserved an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Regime, and for discharging Declarant's obligations under the Texas Uniform Condominium Act and the Declaration.
- l. Appointment of Association Directors and Officers. During the Declarant Control Period, the right to appoint or remove any Declarant-appointed officer or director of the Condominium Association.
- m. Additional Easements and Rights. Declarant has reserved the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period: (i) an easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Regime; (ii) the right to sell or lease any Unit owned by Declarant; (iii) the right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or Common Elements; (iv) an easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein; (v) the right to provide a reasonable means of access for the home-buying public through the gated entrance in connection with the active marketing of Units by Declarant, including the right to require that the gates be kept open during certain hours or on certain days; (vi) an easement over the entire Property, including the Units, to inspect the Common Elements and all improvements thereon and related thereto to evaluate the maintenance and condition of the Common Element improvements; and (vii) the right to correct and inspect the Association's accounts.

15. EXHIBITS

The exhibits include documents that will be recorded or filed. Because this Condominium Information Statement is issued before those documents have completed the recording process, executed or file-marked copies of those documents may be included as exhibits. At any time after recording, Declarant may but is not obligated to replace executed or file-marked documents with copies of recorded documents. The following exhibits are included with this Condominium Information Statement and are incorporated by reference:

- | | |
|------------------|---|
| EXHIBIT 1 | Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, recorded as Document No. 2007052711 in the Official Public Records of Williamson County, Texas, as amended |
| EXHIBIT 2 | Certificate of Formation of Gardens at Teravista Owners Association, Inc. |
| EXHIBIT 3 | Community Manual of Gardens at Teravista |

EXHIBIT 4 Proposed budget for Gardens at Teravista Owners Association, Inc.

EXHIBIT 5 Limited Warranty

16. TO BE SIGNED AT CLOSING

Except for the items listed below, at closing Declarant does not require purchasers to sign documents other than loan-related documents if the purchase is financed.

- Limited Warranty (at Exhibit 5)
- Acknowledgement of Receipt of CIS, if not previously signed (located on first page of this CIS)

17. GENERAL INFORMATION

The exhibits which follow this narrative portion provide a more detailed description of the condominium and the rights and obligations of the Unit owner. The purchaser should carefully consider the exhibits, as well as this narrative portion of the Condominium Information Statement. If the purchaser does not understand any aspect of this Condominium Information Statement, the sales contract, and any other materials provided in connection with the sale of Units, the purchaser should consult with competent legal counsel.

Declarant reserves the right to amend, in writing, the terms of this Condominium Information Statement. If the change may adversely affect a purchaser under contract who has received a Condominium Information Statement but who has not yet closed, Declarant shall furnish a copy of the amendment to that purchaser before closing. This Condominium Information Statement may not be changed or modified orally.

By signing below, Declarant certifies that it is the preparer of the narrative portion of this Condominium Information Statement within the meaning of Section 82.152 of the Texas Uniform Condominium Act. Declarant has no actual knowledge of any false or misleading statement or any omission of material fact in any portion of this Condominium Information Statement, including the exhibits hereto.

SDI 2007 – TV, LTD., a Texas limited partnership

By: Spicewood Development, Inc., a Texas corporation, its General Partner

By: 
Printed Name: RANDALL M. ZIEHE
Title: PRESIDENT

Date: 5/18/2010

GARDENS AT TERA VISTA
CONDOMINIUM INFORMATION STATEMENT

EXHIBIT "2"
CERTIFICATE OF FORMATION



Office of the Secretary of State

CERTIFICATE OF FILING OF

Gardens at Teravista Owners Association, Inc.
File Number: 800929148

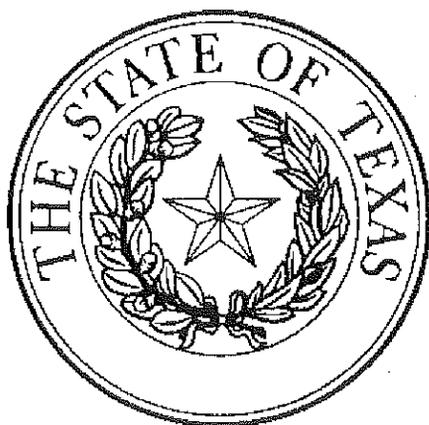
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 01/25/2008

Effective: 01/25/2008



A handwritten signature in cursive script that reads "Phil Wilson".

Phil Wilson
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

JAN 25 2008

Corporations Section

CERTIFICATE OF FORMATION

OF

GARDENS AT TERA VISTA OWNERS ASSOCIATION, INC.

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I

NAME

The name of the corporation is: Gardens at Teravista Owners Association, Inc. (hereinafter called the "Association").

ARTICLE II

NONPROFIT CORPORATION

The Association is a nonprofit corporation.

ARTICLE III

DURATION

The Association shall exist perpetually.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. The Association is formed for the purpose of exercising all of the powers and privileges, and performing all of the duties, obligations, and purposes of the Association as set forth in that certain "Declaration of Condominium Regime for Gardens at Teravista Condominiums," which is recorded in the Official Public Records of Williamson County, Texas, as the same may be amended from time to time (the "Declaration").

ARTICLE V

REGISTERED OFFICE; REGISTERED AGENT

The street address of the initial registered office of the Association is 11149 Research Blvd., Suite 100, Austin, 78759. The name of its initial registered agent at such address is Randy Allen.

ARTICLE VI

MEMBERSHIP

Membership in the Association shall be determined by Section 13.6 of the Declaration.

ARTICLE VII

VOTING RIGHTS

Voting rights of the members of the Association shall be determined as set forth in Section 5.7 of the Declaration. Notwithstanding the foregoing, cumulative voting is not permitted.

ARTICLE VIII

INCORPORATOR

The name and street address of the incorporator is:

NAME

ADDRESS

Robert D. Burton

100 Congress Avenue, Suite 1300
Austin, Texas 78701

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors for nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Association may be increased in accordance with the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Randy Ziehe	7756 Northcross Drive, Suite 200 Austin, Texas 78757
Ryan Ziehe	7756 Northcross Drive, Suite 200 Austin, Texas 78757
Ann Rayborn	7756 Northcross Drive, Suite 200 Austin, Texas 78757

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above until the first annual meeting of the Association.

ARTICLE X

LIMITATION OF DIRECTOR LIABILITY

A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

ARTICLE XI

INDEMNIFICATION

Each person who acts as a director or officer of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been such director or officer or by reason of any action alleged to have been taken or omitted by him in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

ARTICLE XII

DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes substantially similar to those for which this Association was created. In the event that

such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such substantially similar purposes.

ARTICLE XIII

ACTION WITHOUT MEETING

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or this Certificate of Formation.

ARTICLE XIV

AMENDMENT

This Certificate of Formation may be amended by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of an eighty percent (80%) majority of the total number of votes of the Association, as determined under the Declaration. In the case of any conflict between the Declaration and this Certificate of Formation, the Declaration shall control; and in the case of any conflict between this Certificate of Formation and the Bylaws of the Association, this Certificate of Formation shall control.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 25th day of January, 2008.



Robert D. Burton, Incorporator

**GARDENS AT TERA VISTA
LIMITED WARRANTY ADDENDUM
TO PURCHASE CONTRACT**

Buyer: _____

Unit: _____

THE ONLY EXPRESS WARRANTY GIVEN BY SELLER TO BUYER RELATING TO THE PROPERTY IS THAT CERTAIN EXPRESS "LIMITED WARRANTY" IN THE FORM ATTACHED HERETO.

IMPLIED WARRANTIES, IF ANY, ON ANY "CONSUMER PRODUCTS" (as defined in 15 U.S.C. 2301 through 2312) COVERED BY THE WRITTEN LIMITED WARRANTY GIVEN BY SELLER, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE LIMITED IN DURATION TO A TERM OF ONE YEAR FROM THE DATE OF THE DEED CONVEYING THE PROPERTY FROM SELLER TO BUYER.

BUYER AGREES AND UNDERSTANDS THAT BY SIGNING THIS ADDENDUM BUYER IS WAIVING ANY CLAIM OR CAUSE OF ACTION UNDER ANY THEORY OF IMPLIED WARRANTY OF GOOD AND WORKMANLIKE CONSTRUCTION, TO THE EXTENT THAT IT EXISTS IN TEXAS, AND THAT ANY SUCH IMPLIED WARRANTY IS EXPRESSLY REPLACED BY THE TERMS OF THE EXPRESS WRITTEN LIMITED WARRANTY ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. BUYER ACKNOWLEDGES THAT THE TERMS OF SUCH LIMITED WARRANTY ARE CLEAR, SPECIFIC, AND SUFFICIENTLY DETAILED TO ESTABLISH THE ONLY STANDARDS OF CONSTRUCTION WHICH SELLER, AS BUILDER, IS OBLIGATED TO MEET.

AT CLOSING, SELLER WILL ASSIGN TO BUYER ALL ASSIGNABLE MANUFACTURER WARRANTIES ON EQUIPMENT AND CONSUMER PRODUCTS INCORPORATED INTO THE IMPROVEMENTS SUCH AS AIR CONDITIONERS, HEATING UNITS, WATER HEATERS, REFRIGERATORS, RANGES, DISHWASHERS, AND OTHER APPLIANCES OR EQUIPMENT. SELLER MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, CONCERNING THE EQUIPMENT OR CONSUMER PRODUCTS AND EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS OF USE FOR A PARTICULAR PURPOSE AND ANY OTHER WARRANTIES TO THE FULLEST EXTENT PERMITTED BY STATE OR FEDERAL LAW.

It is expressly agreed between Seller and Buyer that the deed to be executed and delivered by Seller to Buyer upon closing will contain the following terms:

Grantor makes this conveyance and Grantee accepts this conveyance with the following limitations concerning warranties, express or implied: The only express warranty given relating to construction of the improvements to this property is that express written limited warranty attached delivered to Grantee by separate document. Any implied warranties on any "consumer products" (as defined in 15 U.S.C. 2301 through 2312) covered by said express written limited warranty are limited to a duration of one year from the date of this deed. To the fullest extent permitted by applicable law, any implied warranty of construction in a good and workmanlike manner is expressly disclaimed and excluded. Nothing herein may limit the warranty of Grantor as to the title of the property described herein. Except as to the foregoing express limited warranty and any implied warranties on consumer products, there are no other warranties or representations, express or implied, as to the property and improvements thereon, including, but not limited to a warranty of

merchantability and/or workmanship, and all such warranties are expressly disclaimed by Grantor and waived by Grantee to the fullest extent allowed by law. If applicable law does not permit such disclaimer, then any implied warranties are limited in duration to two years from the date of this deed, unless prohibited by applicable law.

BY SIGNING THIS LIMITED WARRANTY ADDENDUM, BUYER ACKNOWLEDGES THAT BUYER HAS REVIEWED THE WRITTEN "LIMITED WARRANTY" ATTACHED HERETO.

BUYER 1:

Date Signed:_____

BUYER 2:

Date Signed:_____

SELLER REPRESENTATIVE:

Date Signed:_____

GARDENS AT TERA VISTA, A CONDOMINIUM COMMUNITY

LIMITED WARRANTY

Buyer: _____

Acquired Unit: _____

This limited warranty ("**Limited Warranty**") constitutes the sole and only warranty regarding the labor and materials used in the construction of the residence within the above-described Acquired Unit pursuant to the provisions of that certain Gardens at Teravista Purchase and Sale Agreement (herein so called) between Buyer and Seller.

Seller warrants that all materials incorporated in and made a part of the Acquired Unit shall remain free from defect in workmanship and quality for a period of one (1) year from the date of Closing. Seller represents that Seller will cause to be remedied, by repair or replacement, any structural defects in the improvements constructed on the Acquired Unit which appear within one (1) year after the date of Closing and which result from faulty material or workmanship, provided that Buyer gives Seller written notice of any such defect within ten (10) days after Buyer's discovery of the defect and such notice is provided prior to expiration of their warranty. Any such notice shall be addressed to Seller at the address set forth below or such other address for notice furnished to Buyer in writing. Buyer's sole remedy (in lieu of all remedies implied by law or otherwise) against Seller in connection with such defects shall be to require Seller to correct the defect in material or workmanship. Seller shall determine, in Seller's sole discretion, whether any defect covered by this Limited Warranty shall be repaired or replaced.

This Limited Warranty does not extend or relate to any items of tangible personal property in the Acquired Unit (whether or not such property is attached to or installed in the Acquired Unit), including, without limitation, any range, oven, range hood and fan, trash compactor, garbage disposal, dishwasher, clothes washer and dryer, refrigerator, hot water heaters, components of the heating and cooling system and any fire, alarm or other life safety or security system installed in or servicing the Acquired Unit. Seller hereby assigns to Buyer any unexpired warranties Seller has received from the manufacturers of such tangible personal property, to the extent such warranties are assignable. Seller shall not be responsible for the performance of any such manufacturer under the manufacturer's warranties.

WITH REGARD TO ANY APPLIANCES OR OTHER ITEMS OF TANGIBLE PERSONAL PROPERTY, SELLER DISCLAIMS AND BUYER RELEASES SELLER FROM ALL WARRANTIES INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SELLER MAKES NO WARRANTY OR REPRESENTATION OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE OF WORKMANLIKE CONSTRUCTION, HABITABILITY, COMPLIANCE WITH BUILDING CODES, DESIGN, CONDITION, OR QUALITY AS TO THE REAL ESTATE OR THE PROPERTY, AND SELLER HEREBY EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES.

SELLER SPECIFICALLY DISCLAIMS, AND BUYER SPECIFICALLY RELEASES SELLER FROM, ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES TO ANY PERSON OR THE PROPERTY, THE REAL PROPERTY UNDERLYING THE REGIME, THE REGIME, OR ANY OTHER REAL OR PERSONAL PROPERTY, RESULTING FROM A DEFECT.

Seller makes no representation or warranty concerning any geological or environmental matters and specifically excludes geological and environmental matters from any warranties given under this Agreement.

Buyer hereby acknowledges and accepts such disclaimers and waives any and all rights Buyer may have by virtue of the representations and warranties disclaimed. Except as otherwise provided in this Limited Warranty, Buyer assumes the risk of damage occurring on or in the Acquired Unit after the Closing, regardless of the cause.

This Limited Warranty gives Buyer specific legal rights and Buyer may also have other rights under Texas law.

The following are limitations to or exceptions from the warranty:

A. All claims under this warranty MUST BE MADE IN WRITING and delivered to Seller. The written notice must identify the nature of the defect, the date the defect first occurred, the loss or damage claimed, the times that the Seller may have access to the Acquired Unit to inspect the loss or damage and, if necessary, take corrective action.

Buyer must:

- 1) Contact Seller, Seller, or its representatives, in the most expeditious manner possible;
- 2) Do everything within the Buyer's power to mitigate any damage being caused by the problem;
- 3) Mitigation must be accomplished with prudence and with due regard for relative costs. Seller shall only bear those Buyer-incurred costs that are reasonable and competitive in the opinion of Seller.

B. Seller must be given reasonable time to correct defects. Buyer acknowledges that items originally supplied through subcontractors and vendors are warranted through Seller by the subcontractors and vendors. Service by these third parties is not one hundred percent (100%) under the control of Seller and may not always be as prompt as desired by Buyer or Seller.

C. No wood items (other than doors, windows, wood cabinets and countertops) are guaranteed against warping, splitting, shrinking or other characteristics known to be common to wood at this particular locale and climate, unless Seller was negligent in its use, storage or installation of said wood items.

D. Cosmetic cracks in sheetrock, wood trim, caulking, or tile grout joints caused by the normal drying out and settling of wood frame construction are not covered under this warranty. Cosmetic cracks or separation in the surface of ceramic tile installed directly on to the concrete foundation or wood floor decking caused by normal expansion and contraction of the foundation and framing are not covered under this warranty. Exposed concrete is not warranted against cosmetic cracking or variations in color.

E. All items which were contracted for directly by Buyer, whether administered by Seller or not, are NOT warranted by Seller.

F. Any item which is a change order to the standard specifications but are performed at cost, without profit or at minimal charge as an accommodation to Buyer, carry no warranty by Seller.

G. This Limited Warranty is personal to Buyer and may not be assigned. No assignment shall be permitted without the prior written consent of Seller.

H. The introduction of excessive water into the Acquired Unit must not occur.

I. Normal settling of the Acquired Unit within tolerances generally acceptable under the building standards in effect for the geographic area in which the Acquired Unit is situated.

*NOTE: This Limited Warranty has been prepared to comply with the disclosure requirements of the federal Magnuson-Moss Warranty - Federal Trade Improvement Act (15 U.S.C. § 2301, as amended).



AFTER RECORDING RETURN TO:

**ROBERT D. BURTON, ESQ.
ARMBRUST & BROWN, L.L.P.
100 CONGRESS AVE., SUITE 1300
AUSTIN, TEXAS 78701**

GARDENS
At Teravista

**SUPPLEMENTAL DECLARATION AND DECLARATION OF
CONDOMINIUM REGIME FOR
GARDENS AT TERA VISTA, A CONDOMINIUM
COMMUNITY
(A Residential Condominium in Williamson County, Texas)**

DECLARANT: SDI 2007 - TV, LTD., a Texas limited partnership

THE PROPERTY SUBJECT HERETO IS ALSO SUBJECT TO THE TERMS AND CONDITIONS OF THAT CERTAIN: AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TERA VISTA, RECORDED AS DOCUMENT NO. 2001080404, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TERA VISTA, RECORDED AS DOCUMENT NO. 2002044078, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, THAT CERTAIN SECOND AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TERA VISTA, RECORDED AS DOCUMENT NO. 2004088757, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND THAT CERTAIN THIRD AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TERA VISTA, RECORDED AS DOCUMENT NO. 2007051210, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS (COLLECTIVELY, THE "MASTER DECLARATION"), AND OF THAT CERTAIN AMENDMENT AND RESTATEMENT OF THE COMMUNITY COVENANT FOR TERA VISTA, RECORDED AS DOCUMENT NO. 2001080403 IN THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO THE AMENDED AND RESTATED COMMUNITY COVENANT FOR TERA VISTA, RECORDED AS DOCUMENT NO. 2002044079 IN THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. THIS DECLARATION WILL CONSTITUTE A SUPPLEMENTAL DECLARATION UNDER THE MASTER DECLARATION. NNP-TERAVISTA, LP, A TEXAS LIMITED PARTNERSHIP, IS THE "DECLARANT" PURSUANT TO THE MASTER DECLARATION, AND HAS EXECUTED THIS DECLARATION FOR THE PURPOSE OF ACKNOWLEDGING ITS CONSENT TO THE SUPPLEMENTAL DECLARATION.

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**SUPPLEMENTAL DECLARATION AND DECLARATION OF CONDOMINIUM REGIME
FOR GARDENS AT TERAVISTA, A CONDOMINIUM COMMUNITY**

SDI 2007 - TV, LTD., a Texas limited partnership ("Declarant"), is the owner of that certain real property located in Williamson County, Texas which is more particularly described on Attachment 1, attached hereto and incorporated herein by reference (the "Property").

A. NNP-Teravista, LP, a Texas limited partnership (the "Master Declarant"), previously executed that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2001080404, Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2002044078, Official Public Records of Williamson County, Texas, that certain Second Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2004088757, Official Public Records of Williamson County, Texas, and that certain Third Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2007051210, Official Public Records of Williamson County, Texas (the "Master Declaration").

B. The Master Declarant also previously executed that certain Amendment and Restatement of the Community Covenant for Teravista, recorded as Document No. 2001080403 in the Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Community Covenant for Teravista, recorded as Document No. 2002044079 in the Official Public Records of Williamson County, Texas (the "Master Community Covenant").

C. Pursuant to the terms and provisions of *Section 9.1* of the Master Declaration, the Master Declarant may, with the consent of the owner thereof, submit all or any portion of the additional property described on Exhibit "B" of the Master Declaration to the terms of the Master Declaration and/or impose additional covenants and easements on such property.

D. Pursuant to the terms and provisions of Article I of the Master Community Covenant, the Master Declarant may, with the consent of the owner thereof, submit all or any portion of the additional property described on Exhibit "B" of the Master Community Covenant to the terms of the Master Community Covenant and/or impose additional covenants and easements on such property.

E. The Property is a portion of the property described on Exhibit "B" to the Master Declaration and the Master Community Covenant.

F. Declarant, as the owner of the Property, and the Master Declarant desire to submit the Property to the terms and provisions of the Master Declaration (as a Supplemental Declaration thereunder) and the Master Community Covenant, and the Master Declarant has executed this Declaration for the purpose of submitting the Property to the terms and provisions of the Master Declaration (as a Supplemental Declaration thereunder) and the Master Community Covenant, as well as the additional covenants, conditions, restrictions and easements as are set forth in this

Declaration. Master Declarant consents to the recordation of this Declaration (as defined below) by its execution of this Declaration in the space provided below.

G. Declarant, as the owner of the Property, additionally desires to submit the Property to the terms and provisions of the Texas Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating the Gardens at Teravista, a Condominium Community through the recordation of this Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community (the "Declaration").

NOW, THEREFORE, it is hereby declared that: (i) the Property is hereby submitted to the terms and provisions of the Texas Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating the Gardens at Teravista; (ii) the Property will be held sold, conveyed, leased, occupied, used, insured, and encumbered with this Declaration, including the representations and reservations of Declarant, set forth on Appendix "A", attached hereto, which will run with the Property, together with all improvements thereon and all easements, rights, and appurtenances thereto, and be binding upon all parties having right, title, or interest in or to such property, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof; (iii) each contract or deed which may hereafter be executed with regard to the Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed; and (iv) this Declaration shall supplement and be in addition to the covenants, conditions, and restrictions of the Master Declaration and the Master Community Covenant.

ARTICLE 1 **DEFINITIONS**

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

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

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

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

1.4 **"Area of Common Responsibility"** means those portions of Units and Buildings that are designated, from time to time, by the Association to be maintained, repaired, and replaced by the Association, as a common expense, as if the portions were Common Elements, as shown on the Maintenance Responsibility Chart attached to this Declaration as Exhibit "E".

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

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

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

1.8 **"Builder"** means any party, other than Declarant, who constructs any General Common Elements, Limited Common Elements, Unit or any Improvement within the Regime.

1.9 **"Building"** means a residential dwelling constructed within a Unit.

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

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

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

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

1.14 **"Declarant"** means SDI 2007 - TV, LTD., a Texas limited partnership, which is developing the Property, or the successors and assigns thereof which acquire any portion of the Property for the purpose of development and is designated as a Successor Declarant in accordance with this Declaration. A designation of a Successor Declarant must be expressly set forth in writing and Recorded.

1.15 **"Declarant Control Period"** means that period of time during which Declarant controls the operation and management of the Association, pursuant to Appendix "A" of this

Declaration. The duration of Declarant Control Period is from the date this Declaration is Recorded for a maximum period not to exceed one hundred and twenty (120) days after title to seventy-five percent (75%) of the maximum Units that may be created hereunder have been conveyed to Owners other than Declarant.

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

1.17 **"Development Period"** means the seven (7) year period beginning on the date this Declaration is Recorded, during which Declarant has certain rights as more particularly described on Appendix "A", attached hereto, including rights related to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by the Recording of a notice of termination.

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

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

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

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

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

1.21 **"Limited Common Elements"**, if any, mean those portions of the Property reserved for the exclusive use of one or more Owners to the exclusion of other Owners. Limited Common Elements are designated as "LCE", or "Limited Common Elements", or "Limited Common Areas"

on Exhibit "A", attached hereto and as provided in *Section 5.3* of this Declaration. On the date this Declaration is recorded, there are no Limited Common Elements within the Regime.

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

1.23 **"Master Plan Documents"** means, collectively, that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2001080404, Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2002044078, Official Public Records of Williamson County, Texas, that certain Second Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2004088757, Official Public Records of Williamson County, Texas, and that certain Third Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2007051210, Official Public Records of Williamson County, Texas (the **"Master Declaration"**), and that certain Amendment and Restatement of the Community Covenant for Teravista, recorded as Document No. 2001080403 in the Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Community Covenant for Teravista, recorded as Document No. 2002044079 in the Official Public Records of Williamson County, Texas.

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

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

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

1.27 **"Person"** shall mean any individual or entity.

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

1.29 **"Property"** means that certain real property located in Williamson County, Texas which is more particularly described on Attachment 1, attached hereto and incorporated herein by reference, together with all Improvements thereon and all easements, rights, and appurtenances thereto, and includes every Unit and Common Element thereon.

1.30 **"Recorded"** means recorded in the Official Public Records of Williamson County, Texas.

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

1.32 “**Resident**” means an occupant or tenant of a Unit, regardless of whether the Person owns the Unit.

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

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

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

ARTICLE 2 PROPERTY SUBJECT TO DOCUMENTS

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

2.2. **Additional Property.** Additional real property may be annexed into the Regime and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least two-thirds (2/3) of the ownership interests in the Property, or, during the Development Period, by Declarant as permitted in Appendix “A”. Annexation of additional property is accomplished by the Recording of a declaration of annexation, which will include a description of the additional real property. The declaration of annexation may include a description of the Units added to the Regime.

2.3. **Merger.** Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least two-thirds (2/3) of the Units. On merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with

the covenants and restrictions established on any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

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

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

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

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

ARTICLE 3

PROPERTY EASEMENTS, RIGHTS AND RESTRICTIONS

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

3.2. **Owner's Easement of Enjoyment.** Every Owner is granted a right and easement of enjoyment over the General Common Elements and to use of Improvements therein, subject

to other limitations and easements contained in the Documents. An Owner who does not occupy a Unit delegates this right of enjoyment to the Residents of his Unit and is not entitled to use the General Common Elements.

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

Prior to commencing any work upon a Unit which requires access to, over or through the Common Elements or other Units, the Board may require that the Person performing such work deliver to the Board (in form satisfactory to the Board) the following:

- (i) releases of the Board and the Association for all claims that such Person may assert in connection with such work;
- (ii) indemnities of the Board and the Association, holding each and all of them harmless from and against any claims asserted for loss or damage to Persons or property, including, but not limited to, Common Elements or other Units;
- (iii) certificates of insurance, including liability and workmen's compensation coverage, in amounts and with companies reasonably acceptable to the Board; and

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

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

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

- (i) To perform inspections and/or maintenance that is permitted or required of the Association by the Documents or by Applicable Law.
- (ii) To perform maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.
- (iii) To enforce the Documents, including, without limitation, the architectural standards and use restrictions.
- (iv) To exercise self-help remedies permitted by the Documents or by Applicable Law.
- (v) To respond to emergencies.
- (vi) To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- (vii) To perform any and all functions or duties as permitted or required by the Documents or by Applicable Law.

3.6. **Utility Easement.** The Association and Declarant (during the Development Period) may grant permits, licenses, and easements over the Common Elements for utilities, and other purposes reasonably necessary for the proper operation of the Regime. Declarant (during the Development Period) and the Association may grant easements over and across the Units and Common Elements to the extent necessary or required to provide utilities to Units; provided, however, that such easements will not unreasonably interfere with the use of any Unit for residential purposes. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property;

provided, however, this easement may not be exercised without prior notice to the Board and may not unreasonably interfere with the use of a Unit. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

3.7. **Marketing and Sales Easement.** During the Development Period, Declarant and its duly authorized contractors, subcontractors, representatives, agents, associates, employees and successors and assigns shall have: (A) a non-exclusive easement for access and ingress to, egress from and use of the Common Elements and Units owned by the Declarant for the placement and maintenance of signs, banners, balloons, decorations, marketing materials and tables, a sales office, a leasing office, a business office, promotional facilities and model units, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development, sale or lease of any Unit, or any portion thereof; and (B) a nonexclusive easement to use and enjoy the Common Elements and Units owned by the Declarant for special events, promotional activities and grand opening celebrations. In connection with the hosting of special events, promotional activities and grand opening celebrations in the Common Elements, Declarant shall be permitted to have live entertainment, and any noise created therefrom shall not be deemed a nuisance and shall not cause Declarant and its representatives, agents, associates, employees, guests and successors and assigns to be deemed in violation of any provision of the Documents.

NOTICE

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

3.8. **Security.** The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Resident acknowledges and accepts as his sole responsibility to provide security for his own Person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglary, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and their respective directors,

officers, committees, agents, and employees may not be held liable for any loss or damage by reason of any failure to provide adequate security or the ineffectiveness of security measures undertaken.

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

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

3.11. **Parking.** Declarant reserves the right to designate and assign portions of the General Common Elements as parking for the exclusive use of any Owner. Any parking spaces not specifically designated by the Declarant for the exclusive use of an Owner of a Unit will be under the exclusive control and administration of the Declarant until expiration or termination of the Development Period. The Association may use such parking spaces in a manner determined by the Board, but subject to any assignment previously made by the Declarant. Any designation and assignment of General Common Elements as parking will be memorialized by a written "assignment of parking" executed by an authorized representative

of the Declarant which shall identify the parking space(s) and the Unit assigned thereto. The assignment shall be made a part of the corporate records of the Association, will be considered an agreement between the Association and such Owner with regard to use of the parking spaces so assigned, and may not be terminated or modified without the consent of the Declarant (or a majority of the Board if Declarant no longer owns any Units within the Regime) and the owner of the Unit to which the parking space was assigned.

ARTICLE 4 **DISCLOSURES**

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

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

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

4.3. **Adjacent Use.** No representations are made regarding the use of adjacent property within or adjacent to the Teravista Master Community.

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

4.5. **Concrete.**

4.5.1. **Cracks.** 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 a Building.

FACT: CONCRETE CRACKS

4.5.2. Exposed Floors. This Section applies to Buildings with exposed concrete floors. This notice is given because Owners may be inexperienced with concrete and expect it to be as forgiving as wood or sheetrock. In deciding whether, when, and how to fill cracks in exposed concrete floors, an Owner is hereby made aware that the color and texture of the fill material may not match the rest of the concrete floor. On some exposed concrete floors, fill materials make minor cracks more noticeable than if the cracks had been left in their natural state. In addition, an Owner is hereby made aware that any specification for polished concrete means that the concrete will be polished, but this does not mean an Owner will be able to actually see his reflection in the floor.

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

4.7. Moisture. Improvements within a Building may trap humidity created by general use and occupancy. As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Owners and Residents, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold.

4.8. Mold and/or Mildew. Mold and/or mildew can grow in any portion of a Building that is exposed to elevated levels of moisture including, but not limited to, those portions of a Building in which HVAC condenser units are located. Each Owner is advised to regularly inspect the Owner's Unit and all Improvements which comprise the Unit for the existence of mold, mildew and/or water intrusion (except when the water intrusion is part of the normal functioning of Improvements and appliances such as showers, sinks, dishwashers and other similar appliances and Improvements) and/or damage.

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

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

4.11. **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.**

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

4.13. **Suburban Environment.** The Property is located in a suburban environment. Sound and vibrations may be audible and felt from such things as sirens, whistles, horns, the playing of music, people speaking loudly, trash being picked up, deliveries being made, equipment being operated, dogs barking, construction activity, building and grounds maintenance being performed, automobiles, buses, trucks, ambulances, airplanes, and other generators of sound and vibrations typically found in an suburban area. In addition to sound and vibration, there may be odors and light in suburban areas.

4.14. **Water Runoff.** While the drainage system for surface water runoff on the Property will be constructed in accordance with applicable governmental standards, the Property may still be subject to erosion and/or flooding during unusually intense or prolonged periods of rain. In addition, water may pond on various portions of the Property having impervious surfaces, such as the parking area, terraces, and balconies, as applicable.

4.15. **Photography of the Property.** Declarant retains the right to obtain and use photography of the Property for publication and advertising purposes.

4.16. **Changes to Street Names and Addresses.** Declarant retains the right to change, in its sole discretion, the Property name and the street names and addresses in or within the Property including the street address of the Units before or after conveyance to any third-party.

4.17. **Plans.** Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant and/or a Builder to Owner which purport to depict the Improvements to be constructed on any Unit are merely approximations and do not necessarily reflect the actual as-built conditions of the same.

4.18. **Upgrades.** The cost of upgrades may not necessarily result in a commensurate increase in the value of the Unit and Improvements constructed thereon.

4.19. **Location of Utilities.** Declarant makes no representation as to the location of mailboxes, utility boxes, street lights, fire hydrants or storm drain inlets or basins.

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

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

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

4.23. **Advertising Materials.** Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant and or Builder to an Owner which purport to depict the Building to be constructed or any portion thereof, are merely approximations and do

not necessarily reflect the actual as-built conditions of the same. Due to site conditions, room dimensions, size and elevations may vary from Building to Building.

4.24. **Marketing.** Declarant and/or Builder use of a sales center and/or model homes or reference to other construction by Declarant or Builder is intended only to demonstrate the quality of finish detail, the basic floor plans and styles of the Improvements available for purchase. A Building may not conform to any model Building in any respect, or contain some or all of the amenities featured, such as furnishings and appliances. Likewise, any model Building is intended only to demonstrate the size and basic architectural features of the Building and Regime. The Building and Regime, as completed, may not conform to the model of the Building and Regime displayed by Declarant. Declarant may have shown prospective purchasers model homes, floorplans, sketches, drawings, and scale models of Buildings or the Regime ("**Promotional Aids**"). Owner understands and agrees that the Promotional Aids are conceptual, subject to change, for display purposes only, and may not be incorporated into the Building or the Regime.

4.25. **Internal Streets.** Internal Streets within the Property are private and are General Common Elements maintained and administered by the Association.

ARTICLE 5

UNITS, LIMITED COMMON ELEMENTS & ALLOCATIONS

5.1. **Submitted Units and Maximum Number of Units.** The Regime consists of eighty-one (81) Units.

5.2. **Units.**

5.2.1. **Unit Boundaries.** The boundaries and identifying number of each Unit are shown on the Plat and Plans attached hereto as Exhibit "A". The boundaries of each Unit are further described as follows:

- (i) **Lower Boundary of the Unit:** The horizontal plane corresponding to the finished grade of the land within the Unit as described and defined on Exhibit "A".
- (ii) **Upper Boundary of the Unit:** The horizontal plane parallel to and fifty feet (50') above the lower boundary of the Unit.
- (iii) **Lateral Boundaries of the Unit:** A plane located on each side of a Unit perpendicular to the lower and upper horizontal planes, from the lower boundary of the Unit to the upper boundary of the Unit. The horizontal location of the lateral boundaries are shown on Exhibit "A", attached hereto.

Ownership of a Unit includes the entire Building, including the roof and foundation, and all other Improvements located within the Unit

5.2.2. What a Unit Includes. Each Unit includes the spaces and Improvements within the lower, upper, and lateral boundaries defined in *Section 5.2.1* above, including without limitation the Building, the roof and foundation of the Building, landscaping, driveways, sidewalks, fences, yards, utility lines and meters and all other Improvements located within the Unit. In addition to the Building and the Improvements within the Unit, each Unit also includes Improvements, fixtures, and equipment serving the Building or Unit exclusively, whether located within, outside, or below the Unit, whether or not attached to or contiguous with the Building, including but not limited to any below-grade foundation, piers, retaining walls, fence, or other structural supports; plumbing, sewerage, and utility lines, pipes, drains, and conduits; landscape irrigation and subterranean components of plant material, including roots of trees on the Unit; and any other below-grade item that serves or supports the Building or Unit exclusively.

Not a Typical Condominium Unit

Although a Unit resembles a platted lot: (i) a Unit does not include land; (ii) the conveyance of a Unit is not a metes and bounds conveyance of land; and (iii) the creation of a Unit does not constitute a subdivision of the land. Instead, each Unit is the surface of a designated piece of land, and everything above the surface for 50 feet, and anything below the surface that serves or supports the above-surface Improvements

5.2.3. Building Size. The space contained within the vertical and horizontal boundaries of the Unit is not related to the size of the Building. A Building will only occupy a portion of a Unit in a location approved in advance by the Architectural Reviewer.

5.3. Designation Of Limited Common Elements. Portions of the Common Elements may be allocated as Limited Common Elements on the Plats and Plans, attached hereto as Exhibit "A", by use of "LCE" and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation. On the date this Declaration is recorded, there are no Limited Common Elements. On the date this Declaration is recorded, there are no Limited Common Elements within the Regime.

5.4. Subsequent Allocation Of Limited Common Elements. A Common Element not allocated by this Declaration as a Limited Common Element may be so allocated only in accordance with the Act or the provisions of this Declaration. Declarant has reserved the right as set forth in Appendix "A" of this Declaration, to create and assign Limited Common Elements within the Property.

5.5. **Common Interest Allocation.** The percentage of interest in the Common Elements (the "**Common Interest Allocation**") allocated to each Unit is set forth on Exhibit "B" and is assigned in accordance with a ratio of 1 to the total number of Units. The same formula will be used in the event the Common Interest Allocation is reallocated as a result of any increase or decrease in the number of Units subject to this Declaration. In the event an amendment to this Declaration is filed which reallocates the Common Interest Allocation as a result of any increase or decrease in the number of Units the reallocation will be effective on the date such amendment is Recorded.

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

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

5.8. **Responsibility for Design and Construction.**

- (i) Each Owner, by accepting a deed to a Unit, acknowledges and agrees that the residential home and associated improvements and (collectively, the "**Residence**") will be designed and constructed by a Builder, and will not be designed or constructed by Declarant. Accordingly, Declarant shall have no responsibility for relating to the design or construction of the Residence.
- (ii) In connection with the foregoing, each Owner shall release Declarant, its partners and their respective officers, agents, directors, representatives and employees (collectively, the "**Released Parties**") from any and all claims, demands, debts, actions, causes of action, suits, personal injury, property damage, agreements, obligations, defenses, offsets and liabilities of any kind or character whatsoever known or unknown, suspected or unsuspected, in contract or in tort, at law or in equity, that such Owner ever had, now has, or may hereafter have (collectively, the "**Design and Construction Claims**") against the Released Parties for or by reason of any matter, cause or thing whatsoever occurring in connection the design and construction of the Residence (collectively, the "**Release**"). **THIS RELEASE EXPRESSLY INCLUDES ANY DESIGN AND CONSTRUCTION CLAIMS ARISING OUT OF THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF ONE OR MORE OF THE RELEASED PARTIES.**

- (iii) Each Owner shall defend, indemnify and hold the Released Parties harmless from and against any cause of action, claim, personal injury, property damage, obligation, liability, cost or expense, including reasonable attorneys fees, incurred, arising out of or resulting from the design and construction of the Residence (collectively, the "Indemnity"). THIS INDEMNITY EXPRESSLY INCLUDES ANY DESIGN AND CONSTRUCTION CLAIMS ARISING OUT OF THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF ONE OR MORE OF THE RELEASED PARTIES.

ARTICLE 6 COVENANT FOR ASSESSMENTS

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

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

6.3. **Types of Assessments.** There are five (5) types of Assessments: Regular, Special, Utility, Individual, and Deficiency Assessments. Additionally, each Unit is subject to the terms and provisions of the Master Plan Documents and each Owner will be a mandatory member of each of the homeowners associations established pursuant to the Master Plan Documents and be required to pay assessments to such homeowners associations in accordance with the Master Plan Documents.

6.4. **Regular Assessments.**

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

- (i) Maintenance, repair, and replacement, as necessary, of the Area of Common Responsibility, and equipment, signage, and property owned by the Association.
- (ii) Maintenance examination and report, as required by *Section 9.4*.
- (iii) Utilities billed to the Association.
- (iv) Services obtained by the Association and available to all Units.
- (v) Taxes on property owned by the Association and the Association's income taxes.
- (vi) Management, legal, accounting, auditing, and professional fees for services to the Association.
- (vii) Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- (viii) Insurance premiums and deductibles (See *Article 15*).
- (ix) Contributions to the operational reserves and replacement and repair reserves as described in *Section 6.11*.
- (x) Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Regime or for enforcement of the Documents.

6.4.2. Annual Budget-Regular. The Board will prepare and approve an annual budget with the estimated expenses to be incurred by the Association, for each fiscal year. The budget will take into account the estimated income and common expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to the Owner of each Unit, although failure to receive a budget or budget summary will not affect an Owner's liability for Assessments. The Board will provide copies of the budget to Owners who make written request and pay a reasonable copy charge. In the event the Board fails to approve an annual budget, the prior year's annual budget will be in effect, increased for any expense which the Association is required by law or the Documents to pay, until a successor budget is approved by the Board.

6.4.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget, minus estimated income from sources other than Regular Assessments. Each Unit will be liable for its allocated share of the annual budget. If the Board does

not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

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

6.5. Special Assessments. In addition to Regular and Utility Assessments, the Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by at least a majority of the votes in the Association: (i) acquisition of real property; and (ii) construction of additional Improvements within the Regime (excluding the repair or replacement of existing Improvements).

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

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

a per-Unit basis; and “pass through” expenses for services to Units provided through the Association and which are equitably paid by each Unit according to benefit received.

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

6.9. **Working Capital Fund.** Upon the transfer of a Unit (including both transfers from Declarant to the initial Owner, and transfers from one Owner to a subsequent Owner), a working capital fee in an amount equal to two (2) months of Regular Assessments will be paid by the transferee of the Unit to the Association for the Association’s working capital fund. Upon termination of the Development Period (and only at such time), the Board will be permitted to modify any working capital fund assessment payable on the transfer of a Unit. Each working capital contribution will be collected from the transferee of a Unit upon the conveyance of the Unit from one Owner (including Declarant) to another (expressly including any re-conveyances of the Unit upon resale or transfer thereof). Notwithstanding the foregoing provision, the following transfers will not be subject to the working capital contribution: (i) foreclosure of a deed of trust lien, tax lien, or the Association’s assessment lien; (ii) transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more co-owners, or to the Owner’s spouse, child, or parent; (iv) any grantee who is the domestic partner or former spouse of the grantor; (v) any grantee that is a wholly-owned entity of the grantor; and (vi) any grantee to whom a Unit is conveyed by a will or through the law of intestacy. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Declarant may not use working capital fees collected hereunder to pay operational expenses of the Association until the Declarant Control Period terminates.

6.10. **Due Date.** Regular Assessments are due annually, with monthly installments of the total annual Regular Assessment to be paid on the first calendar day of each month or on such other date as the Board may designate in its sole and absolute discretion, and are delinquent and subject to interest, late fees and collection costs as described in Article 18 below, if not received by the Association on or before such date. Special Assessments, Individual Assessments, Utility Assessments, and Deficiency Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Special Assessment, Individual Assessment, Utility Assessment, or Deficiency Assessment is given.

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

6.11.1. **Operations Reserves.** The Association may maintain operations reserves at a level determined by the Board to be sufficient to cover the cost of operational or

maintenance emergencies or contingencies, including deductibles on insurance policies maintained by the Association.

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

6.12. Declarant's Right To Inspect And Correct Accounts. For a period of ten (10) years after termination of the Declarant Control Period, Declarant reserves for itself and for Declarant's accountants and attorneys, the right, but not the duty, to inspect, correct, and adjust the Association financial records and accounts from the formation of the Association until the termination of the Declarant Control Period. The Association may not refuse to accept an adjusting or correcting payment made by or for the benefit of Declarant. By way of illustration but not limitation, Declarant may find it necessary to recharacterize an expense or payment to conform to Declarant's obligations under the Documents or applicable State law. This Section may not be construed to create a duty for Declarant or a right for the Association, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant a right of access to the Association's books and records that is independent of Declarant's rights during the Declarant Control and Development Periods.

6.13. Association's Right To Borrow Money. The Association is granted the right to borrow money, subject to the consent of Owners representing at least two thirds (2/3) of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, or pledge any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

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

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

ARTICLE 7
ASSESSMENT LIEN

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

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

7.3. **Effect of Mortgagee's Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the Unit for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim (including interest, late fees and collection costs as described in Article 18 below), against the former Owner. The purchaser at the foreclosure sale of a superior lien is liable for Assessments coming due from and after the date of the sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as a common expense.

Yes, the HOA *can* foreclose!
If you fail to pay Assessments to the Association, you may lose title to your Unit
if the Association forecloses its assessment lien against your Unit.

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

The Association may require reimbursement of its costs of preparing and recording the notice before granting the release.

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

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

ARTICLE 8 **EFFECT OF NONPAYMENT OF ASSESSMENTS**

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

8.1. **Interest.** Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of eighteen percent (18%) per annum or the maximum permitted by law. In the event the Board fails to establish a rate, the rate is ten (10) percent per annum. The Board will have the authority to waive the collection of interest on any delinquent account or other charge due and payable to the Association by a Unit Owner.

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

8.3. **Collection Expenses.** The Owner of a Unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the

Association to collect the delinquent Assessments, including attorneys' fees and processing fees charged by the manager.

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

8.5. **Suspension of Vote and Right to Use Common Elements.** Subject to the below-described limitations, if an Owner's account has been delinquent for at least thirty (30) days, the Association may, during the period of delinquency, suspend: (i) the right to vote appurtenant to the Unit; and (ii) the right of the Owner to use the Common Elements, except as may be reasonably necessary for purposes of ingress and egress to and from the Owner's Unit. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. When the Association suspends an Owner's right to vote, the suspended Owner may nevertheless participate as a Member of the Association for the following activities: (i) be counted towards a quorum; (ii) attend meetings of the Association; (iii) participate in discussion at Association meetings; (iv) be counted as a petitioner for a special meeting of the Association; and (v) vote to remove a Director and for the replacement of the removed Director. If the number of suspended Members exceeds twenty percent (20%) of the total Members (Co-Owners of a Unit constituting one member), all Members are eligible to vote. These limitations are imposed to prevent a Board from disenfranchising a large segment of the membership and to preserve the membership's right to remove and replace Directors.

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

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

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

8.9. **Application of Payments.** The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a

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

ARTICLE 9

MAINTENANCE AND REPAIR OBLIGATIONS

9.1. **Overview.** Generally, the Association maintains the Common Elements, and the Owner maintains his Unit and Building. If any Owner fails to maintain his Unit, the Association may perform the work at the Owner's expense. This Declaration permits Owners to delegate additional responsibilities to the Association by adding such responsibilities to the "Area of Common Responsibility", as defined and described below.

9.2. **Association Maintains.** The Association's maintenance obligations will be discharged when and how the Board deems appropriate. Unless otherwise provided in this Declaration, the Association maintains, repairs and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are on Units or Common Elements:

- (i) the Common Elements;
- (ii) the Area of Common Responsibility;
- (iii) any real and personal property owned by the Association but which is not a Common Element;
- (iv) any property adjacent to the Property if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property; and
- (v) any area, item, easement or service the maintenance of which is assigned to the Association by this Declaration or by the plat.

The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that: (i) such maintenance responsibility is assigned to an Owner under this Declaration; (ii) such maintenance responsibility is otherwise assumed by or assigned to an Owner; or (iii) such property is dedicated to any local, state or federal government or quasi-governmental entity; provided, however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to

perform all or any portion of its maintenance responsibilities, if the Board determined that such maintenance is necessary or desirable.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the General Common Elements by an Owner or Resident that is the responsibility of the Association hereunder shall be performed at the sole expense of such Owner or Resident and the Owner and Resident shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

The Association shall not be liable for injury or damage to Person or property caused by the elements or by the Owner or Resident of any Unit or any other Person or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner or Resident of a Unit has put the Association on written notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to any Owner or Resident of any Unit for loss or damage, by theft or otherwise, of any property, which may be stored in or upon any of the Common Elements or 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 under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. 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 perform 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 any law ordinance or with any order or directive of any municipal or other governmental authority.

9.3. **Area of Common Responsibility.** The Association, acting through its members only, has the right but not the duty to designate, from time to time, portions of Units or Buildings as Area of Common Responsibility to be treated, maintained, repaired, and/or replaced by the Association as a common expense. A designation applies to every Unit having the designated feature. The cost of maintaining components of Units or Buildings as Area of Common Responsibility is added to the annual budget and assessed uniformly against all Units as a Regular Assessment, unless Owners of at least a majority of the Units decide to assess the costs as Individual Assessments.

9.3.1. **Easement.** The Association is hereby granted an easement over and across each Unit and Building to the extent reasonably necessary or convenient for the Association or its designee to maintain, repair and/or replace those portions of a Unit and Building which have been designated as Area of Common Responsibility. Unless

otherwise agreed to by the Owner of the Unit or Building to be accessed, access to the Units and Buildings is limited to Monday through Friday, between the hours of 7 a.m. until 6 p.m., and then only in conjunction with actual maintenance activities. If the Association damages any Improvements located within a Unit in exercising the easement granted hereunder, the Association will be required to restore such Improvements to the condition which existed prior to any such damage, at the Association's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Association is notified in writing of the damage by the Owner of the damaged Improvements.

9.3.2. Change in Designation. The Association may, from time to time, include additional components of Units or Buildings within the Area of Common Responsibility; however, in no event may the Association at any time remove from the Area of Common Responsibility components of Units or Buildings previously designated as an Area of Common Responsibility under this Declaration. Any addition must be approved by owners of two-thirds of the Units represented at a meeting of the Association called for the purpose of changing the Area of Common Responsibility. Although the Maintenance Responsibility Chart is attached to this Declaration as Exhibit "E", it may be amended, restated, and published as a separate instrument. Any amended or restated Maintenance Responsibility Chart must be: (1) published and distributed to an Owner of each Unit; (2) reflected in the Association's annual budget and reserve funds; and (3) Recorded.

9.3.3. Initial Designation. On the date of this Declaration, the initial designation of components of Units and Buildings as Area of Common Responsibility is shown on Exhibit "E" of this Declaration.

9.4. Inspection Obligations.

9.4.1. Contract for Services. In addition to the Association's general maintenance obligations set forth in this Declaration, the Association shall, at all times, contract with (subject to the limitations otherwise set forth in this Declaration) or otherwise retain the services of independent, qualified, licensed individuals or entities to provide the Association with inspection services for the Area of Common Responsibility. A Guide to Association's Examination of the Area of Common Responsibility is attached to this Declaration as Exhibit "C".

9.4.2. Inspection Responsibilities. Declarant shall provide the Association and each Owner with maintenance criteria, maintenance manuals, and warranty requirements for the Regime (collectively the "**Maintenance Manual**"). The inspectors shall inspect component parts of the Area of Common Responsibility, and each Owner shall inspect component parts of his Unit not designated as an Area of Common Responsibility, in accordance with the Maintenance Manual. The Association shall

update the Maintenance Manual on a regular basis as it relates to the Area of Common Responsibility, and shall be responsible for meeting all requirements under such Maintenance Manual as such requirements relate to the Area of Common Responsibility. Each Owner shall be responsible for meeting all requirements under such Maintenance Manual as such requirements relate to portions of his Unit not designated as an Area of Common Responsibility.

9.4.3. Schedule of Inspections. Such inspections shall take place at least once every three (3) years or as otherwise recommended in the Maintenance Manual. The inspectors shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair that either require current action by the Association or will need further review and analysis. The Board shall report the contents of such written reports to the Members of the Association at the next meeting of the Members following receipt of such written reports or as soon thereafter as reasonably practicable and shall include such written reports in the minutes of the Association. Subject to the provisions of the Declaration below, the Board shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors.

9.4.4. Notice to Declarant. During the Development Period, the Association shall, if requested by Declarant, deliver to Declarant ten (10) days advance written notice of all such inspections (and an opportunity to be present during such inspection, personally or through an agent) and shall provide Declarant (or its designee) with a copy of all written reports prepared by the inspectors.

9.4.5. Limitation. The provisions of this Section shall not apply during the Declarant Control Period unless otherwise directed by the Declarant.

9.5. **Owner Responsibility.** This Declaration contemplates that the Association will maintain some significant components of the Buildings. Every Owner is responsible for the maintenance, repair and replacement of every portion of his Unit, and all Improvements thereon, including the Building, unless such portion of his Unit is maintained by the Association as an Area of Common Responsibility. Each Owner's responsibility is, at all times, subject to the Architectural Reviewer's architectural control over the Property.

9.5.1. General Duties. Every Owner has the following responsibilities and obligations for the maintenance, repair and replacement of the Property, subject to the architectural control requirements of *Article 10* and the use restrictions of *Article 11*.

- (i) to maintain, repair, and replace his Building and Unit, except for the Area of Common Responsibility;

- (ii) the routine cleaning of any yard, courtyard, porch, balcony, driveway, and sidewalk of the Building;
- (iii) to maintain, repair, and replace all portions of the Property for which he is responsible under this Declaration or by agreement with the Association;
- (iv) to not do any work or fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or real property right thereto;
- (v) to be responsible for his own willful or negligent acts and those of his or the Resident's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement of Common Elements or the property of another Owner, or any component of the Property for which the Association has maintenance or insurance responsibility;
- (vi) to perform his or her responsibilities in such manner so as not to unreasonably disturb other Persons in other Units;
- (vii) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible;
- (viii) to pay for the cost of repairing, replacing or cleaning up any item that is the responsibility of the Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, his or her family, tenants or guests, with the cost thereof to be added to and to become part of the Owner's next chargeable Assessment.

**SEE EXHIBIT "E" MAINTENANCE & RESPONSIBILITY CHART!
IF IT'S NOT AN AREA OF COMMON RESPONSIBILITY, THEN IT'S THE
OWNER'S INDIVIDUAL RESPONSIBILITY.**

9.6. **Yard Maintenance.** As set forth on the Maintenance Responsibility Chart, attached as Exhibit "E": (i) each Owner is obligated to maintain those yard areas within his Unit which are bounded or enclosed by a fence; and (ii) the Association is obligated to maintain, as an Area of Common Responsibility, all yard areas within a Unit, other than those yard areas enclosed or bounded by a fence. All yards must be maintained at a level, to a standard, and with an appearance that is commensurate with the neighborhood. Specifically, the Owner, with

respect to portions of the yard to be maintained by the Owner, and the Association, with respect to portions of the yard to be maintained by the Association, must:

- (i) maintain an attractive ground cover or lawn on all yards visible from a street;
- (ii) edge the street curbs and sidewalks at regular intervals;
- (iii) mow the lawns and grounds at regular intervals;
- (iv) prevent lawn weeds or grass from exceeding 6 inches in height;
- (v) not plant vegetable gardens that are visible from a street; and
- (vi) maintain an attractive appearance for shrubs and trees visible from a street.

9.7. **Disputes.** If a dispute arises regarding the allocation of maintenance responsibilities by this Declaration, the dispute will be resolved by the Board, who shall delegate such maintenance responsibility to either the Association or the individual Owner(s), as determined by the Board in its sole and absolute discretion.

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

9.9. **Owner's Default In Maintenance.** If the Board determines that an Owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an Individual Assessment (which may include interest, late fees and collection costs as described in Article 18 below) against the Owner and his Unit. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect Persons or property, the cost of the action being the Owner's expense.

ARTICLE 10

ARCHITECTURAL COVENANTS AND CONTROL

PURSUANT TO THE MASTER PLAN DOCUMENTS, EACH OWNER OF A UNIT IS REQUIRED TO SUBMIT PLANS AND SPECIFICATIONS TO THE "REVIEWER" (AS DEFINED IN THE MASTER DECLARATION) FOR APPROVAL. NO IMPROVEMENTS

SHALL BE CONSTRUCTED ON ANY UNIT UNTIL SUCH APPROVAL IS OBTAINED PURSUANT TO THE MASTER PLAN DOCUMENTS. NOTWITHSTANDING ANY PROVISION HEREOF TO THE CONTRARY, THE APPROVAL OF THE REVIEWER IS IN ADDITION TO THE APPROVAL REQUIRED PURSUANT TO THIS ARTICLE 10.

10.1. **Purpose.** The Architectural Reviewer has the right to regulate every aspect of the exterior of the Property, including the exterior design, use and appearance of all Improvements located within Units and Common Elements, in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. Another purpose is to allow the Association to respond to changes in technology, style, and taste. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

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

10.3. **Limits on Liability.** Until expiration or termination of the Development Period, the Declarant has sole discretion with respect to taste, design, and all standards specified by this Article. After expiration or termination of the Development Period, or after a delegation of duties as provided by *Section 10.8.2* below, the Board has sole discretion with respect to taste, design, and all standards specified by this Article. Neither the Declarant, nor the Board, or their directors, officers, committee members, employees or agents will have any liability for decisions made in good faith, and which are not arbitrary or capricious. Neither the Declarant, nor the Board, or their directors, officers, committee members, employees or agents are responsible for: (i) errors in or omissions from the plans and specifications submitted to them; (ii) supervising construction for the Owner's compliance with approved plans and specifications; or (iii) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. Approval of a modification or Improvement may not be deemed to constitute a waiver of the right to withhold approval of similar proposals, plans or specifications that are subsequently submitted.

10.4. **Prohibition of Construction, Alteration and Improvement.** Without the Architectural Reviewer's prior written approval, a Person may not commence or continue any construction, alteration, addition, Improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property.

**YOU CANNOT CHANGE THE EXTERIOR OF A BUILDING
UNLESS YOU HAVE THE SIGNED CONSENT OF THE REVIEWER UNDER THE
MASTER PLAN DOCUMENTS.**

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

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

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

- (i) The Owner compiles with *Section 3.3*.
- (ii) The Owner must adhere strictly to the plans and specifications approved by the Architectural Reviewer.
- (iii) The Owner must initiate and complete the Improvement in a timely manner.

10.8. **Declarant Rights.** During the Development Period, neither the Association, the Board, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with architectural control over the Property. Until expiration of the Development Period, architectural control over the Property is discharged by the Declarant or its designee. In reviewing and acting on an application for approval, Declarant may act solely in its self-interest and owes no duty to any other Person or any organization.

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

10.8.2. **Delegation by Declarant.** During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to: (i) an architectural control committee appointed by the Board; or (ii) a committee comprised of architects, engineers, or other Persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant: (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

ARTICLE 11 CONSTRUCTION & USE RESTRICTIONS

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

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

**EVERY RESIDENT MUST COMPLY WITH THESE RULES AND WITH
RULES ADOPTED BY THE BOARD**

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

- (i) Use of Common Elements.
- (ii) Hazardous, illegal, or annoying materials or activities on the Property.
- (iii) The use of Property-wide services provided through the Association.
- (iv) The consumption of utilities billed to the Association.
- (v) The use, maintenance, and appearance of anything visible from the street, Common Elements, or other Units.
- (vi) The occupancy and leasing of Units.
- (vii) Animals.
- (viii) Vehicles.
- (ix) Disposition of trash and control of vermin, termites, and pests.
- (x) Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Residents.

11.4. **Use of Common Elements.** There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of Declarant during the Development Period) and the Board thereafter, except as specifically provided herein. With prior written approval, and subject to any restrictions imposed by the Board, an Owner may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner who reserves a portion of the Common Elements as provided herein shall assume, on behalf of himself or herself and his or her guests, Residents and family, all risks associated with the use of Common Elements and all liability for any damage or injury to any Person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees. This subparagraph shall not apply to Declarant during the Development Period.

11.5. **Prohibition of Damage, Nuisance and Noise.** Without the prior written consent of Declarant during the Development Period, and the Board thereafter, nothing shall be done or kept on the Property, or any part thereof, which would increase the rate of insurance on the Property, the Regime or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

11.6. **Firearms and Fireworks.** The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size, and shall also include, without limitation, sling shots, archery, and other projectile emitting devices.

11.7. **Parking.** Parking of disabled and stored vehicles in places other than in enclosed garages is prohibited. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag, current state inspection, or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Property without being driven for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, jet-skis and trailers for same, panel trucks, buses, trucks with a load capacity of one (1) ton or more, vans (excluding vans used by handicapped Persons, mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the Texas Department of Transportation), recreational vehicles (RV's and motor homes), vehicles used primarily for commercial purposes, and vehicles with commercial writings on their exteriors other than Sheriffs, Marshall's, or police officer's vehicles marked as such, are also prohibited from being parked on the Property, except in areas which may be designated by the Board as parking areas for particular types of vehicles. Notwithstanding the above, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be allowed temporarily on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements; provided, however, no such vehicle shall remain on the Common Elements overnight or for any purpose unless prior written consent of the Board is first obtained.

No vehicle may park in a fire lane, block another vehicle or access to another Owner's Unit, obstructing the flow of traffic, park on any grassy area, or otherwise create a hazardous condition.

If any vehicle is parked on any portion of the Property in violation of this Section or in violation of the Association's rules and regulations, the Board or agent of the Association may without the consent of the owner or operator of the vehicle, cause the vehicle and any property on or in the vehicle to be removed and stored at a vehicle storage facility at the vehicle owner's

or operator's expense in accordance with Chapter 684 of the Texas Transportation Code or any successor statute. If a vehicle is towed in accordance with this subparagraph, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

11.8. **Abandoned Personal Property.** Personal property, other than vehicles as provided for in this Article shall not be kept, or allowed to remain for more than one (1) hour upon any portion of the General Common Elements without prior written Board permission. If the Board determines that a violation exists, then, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the disposition of the property within twenty-four (24) hours after the property is removed.

Neither the Association nor any officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

11.9. **Development Period.** Notwithstanding any provision contained in this Declaration to the contrary, during the Development Period, it shall be expressly permissible for Declarant, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Regime as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the completion and sale of the Units, including, but without limitation, business offices, signs, model Units and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use Units owned by Declarant as model Units and as offices for the sale of the Units and related activities.

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

11.11. **Animals - Household Pets.** Except for fish, there shall be allowed no more than two household pets on or within any Unit; however, said pets may consist only of domesticated dogs, cats, fish and/or birds and may not be kept, bred, or maintained for any commercial purpose and not become a nuisance or annoyance to neighbors. Owners must immediately pick up all solid waste of their pets and dispose of such waste appropriately. All individual pets, including cats, must be leashed at all times when outside a Unit. Pets may not be kept in a

Limited Common Element. No reptiles or other forms of wildlife shall be kept in or on the Regime (including Units). Without limiting the generality of this *Section 11.11*, violations of the provisions of this *Section 11.11* will entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Owners and/or to require, through order of the Board, any pet to be permanently removed from the Regime. No one other than an Owner or an Owner's tenant is permitted to keep any pet.

11.12. **Declarant Privileges.** In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Residents, as provided in Appendix "A" of this Declaration. Declarant's exercise of a Development Period right that appears to violate a Rule or a Use Restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

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

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

11.15. **Garages.** The original garage area of any Building or Improvement constructed within a Unit may not be enclosed or used for any purpose that would prohibit the parking of operable vehicles therein, without the Board's written authorization. The automatic garage door opener is to be maintained by the Owner. Garage doors are to be kept closed at all times except when a vehicle is entering or leaving.

11.16. **Landscaping.** No Person may perform landscaping, planting, or gardening anywhere within the General Common Elements without the Board's prior written authorization.

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

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

11.19. **Use Restriction.** The use of a Unit is limited exclusively to residential purposes or any other use permitted by this Declaration. Other than the air conditioned part of a Building, no thing or structure within the Property may be occupied as residence at any time by any Person.

11.20. **Business or Commercial Activity.** No part of the Regime may be used for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending or other nonresidential purposes, including, without limitation, any activity for which the provider is compensated in any way or receives any form of consideration, regardless of whether the activity is engaged in full or part-time, generates or does not generate a profit, or requires or does not require a license; provided, however, that the Declarant, its agents, successors and assigns may use any portion of the Regime for model Unit and Building site(s), rental and sales offices and the display of signs associated with such sales and leasing activities. The provisions of this Section 11.20 shall not preclude any of the above-described activities without external evidence thereof, provided that all of the following conditions are fulfilled: (i) such activities are conducted in conformance with all applicable governmental ordinances and the Owner has obtained all required home business licenses from the appropriate governmental authorities; (ii) the patrons or clientele of such activities do not visit the Unit or park automobiles or other vehicles within the Regime; (iii) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside of the boundaries of the Unit; (iv) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (v) such activities are consistent with the residential character of the Regime and conform with the provisions of this Declaration.

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

11.22. **Antenna.** Except as expressly provided below, no exterior radio or television antennae or aerial or satellite dish or disc, nor any solar energy system, shall be erected, maintained or placed on a Unit or any Improvement constructed thereon or therein without the prior written approval of the Board; provided, however, that:

- (i) an antenna designed to receive direct broadcast services, including direct-to-home satellite services, that is one meter or less in diameter; or

- (ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or
- (iii) an antenna that is designed to receive television broadcast signals;

(collectively, (i) through (iii) are referred to herein as the "Permitted Antennas") will be permitted subject to reasonable requirements as to location and screening as may be set forth in rules adopted by the Board, consistent with Applicable Law, in order to minimize obtrusiveness as viewed from streets and adjacent property. Declarant and/or the Association will have the right, but not the obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or any portion of the Regime.

11.23. Location of Permitted Antennas. A Permitted Antenna may be installed solely within the Owner's Unit and shall not encroach upon any street or General Common Element. A Permitted Antenna shall be installed in a location on the Unit from which an acceptable quality signal can be obtained and where least visible from the street and the Regime, other than the Unit. In order of preference, the locations of a Permitted Antenna which will be considered least visible by the Board are as follows:

- (i) Attached to the back of the Building constructed on the Unit, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Units and the street; then
- (ii) Attached to the side of the Building constructed on the Unit, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Units and the street.

The Board may, from time to time, modify, amend, or supplement the rules regarding installation and placement of Permitted Antennas.

Satellite dishes one meter or less in diameter, e.g., DirectTV or Dish satellite dishes, are permitted, HOWEVER, you are required to comply with the rules regarding installation and placement. These rules and regulations may be modified by the Board from time to time. Please contact the Board for the current rules regarding installation and placement.

11.24. Window Treatments. The Board may prohibit the use of certain colors or materials for window treatments.

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

ARTICLE 12 **UNIT LEASING**

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

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

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

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

12.2.3. Association Not Liable for Damages. The Owner of a leased Unit is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against his tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

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

ARTICLE 13 **ASSOCIATION OPERATIONS**

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

13.2. The Association.

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

13.2.2. Further Rights. In addition to and not in limitation of all other rights it may have, the Association, acting through the Board, shall have the right and authority:

- 1) to make and to enforce reasonable rules and regulations governing the use of the Property, including the Units, Limited Common Elements, and General Common Elements;
- 2) to enforce the Documents by the imposition of reasonable monetary fines and suspension of use and voting privileges as permitted pursuant to the Act;
- 3) to grant and accept permits, licenses, utility easements, leases, and other easements;
- 4) to acquire, hold, and dispose of tangible and intangible personal property and real property;
- 5) to collect security deposits in reasonable amounts, as determined by the Board in its sole discretion, to protect against any damage to the Regime, including, without limitation, the transportation and use of construction materials in the Regime. Costs for repair of such damage may be deductible from the security deposit and any additional expenses may be assessed against the Unit as an Individual Assessment;
- 6) to approve contractors or subcontractors who have access to the Regime for the purpose of making repairs or Improvements to Units based on rules and regulations promulgated and adopted by the Board which may include, without limitation: financial stability of the contractors and/or subcontractors; history of compliance with the Documents and rules and regulations of the Association; and other factors that may be reflective of quality and ability. The Board may also impose insurance requirements and collect other non-refundable deposits for use of elevators and the trash receptacles;
- 7) to close permanently or temporarily any portion of the General Common Elements (excluding any General Common Elements the use of which is reasonably necessary for access to or from a Unit), with thirty (30) days prior notice to all Owners, except that, in emergency situations requiring a temporary closing, prior notice shall not be required so long as notice is given within three (3) days after the closing explaining the reason for the closing. Notwithstanding the above, the Owners may re-open closed General Common Elements by a majority vote of the total Association vote, cast at a duly called special or annual meeting;

- 8) to enter into joint agreements and contracts with other associations and legal entities for the provision of services, including, without limitation, management, landscaping, porter, concierge, property monitoring services, and trash removal services; and
- 9) to control, manage, operate, maintain, improve and replace all portions of the General Common Elements.

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

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

13.5. **Governance.** Unless the Bylaws or Certificate provide otherwise, the Board will consist of at least three (3) Persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners representing at least a majority of the ownership interests, or at a meeting by Owners' representing at least a majority of the ownership interests that are represented at the meeting. Notwithstanding the foregoing, during the Declarant Control Period, the Declarant will have the exclusive authority to appoint and remove all directors and officers of the Association. Within one hundred and twenty (120) days after fifty percent (50%) percent of the maximum number of Units that may be created have been conveyed to Owners other than Declarant, at least one-third of the Board must be elected by Owners other than Declarant.

13.6. **Membership.** Each Owner is a Member of the Association, with ownership of a Unit being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Unit. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at meetings of the

Association. If a Unit is owned by more than one Person, each co-owner is a Member of the Association and may exercise the membership rights appurtenant to the Unit.

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

13.8. **Books and Records.** The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to the requirements of the Texas Business Corporation Act applicable to non-profit corporations.

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

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

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

Owner; and (v) the name, address, and phone number of Owner's managing agent, if any.

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

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

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

13.10.5. Liability for Damages. Each Owner is liable to the Association for violations of the Documents by the Owner, a Resident of the Owner's Unit, or the Owner or Resident's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

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

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

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

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

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

ARTICLE 14 ENFORCING THE DOCUMENTS

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

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

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

14.2.2. Fine. The Association may levy reasonable charges, as an Individual Assessment, against an Owner and the Owner's Unit if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a

violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents.

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

14.2.4. Self-Help. The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, Person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Unit and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish an item of construction on a Unit without judicial proceedings.

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

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

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

14.5. Recovery of Costs. The costs of curing or abating a violation are the expense of the Owner or other Person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all

reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

ARTICLE 15 **INSURANCE**

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

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

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

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

15.1.4. **Association as Trustee.** Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer,

and distribute the proceeds of any claim against an insurance policy maintained by the Association.

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

15.1.6. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, and the amount thereof may not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the coverage limits required by this Declaration or an Underwriting lender. In the event of an insured loss, the deductible is treated as a common expense of the Association in the same manner as the insurance premium. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner or Resident or their invitee, then the Board may levy an Individual Assessment against the Owner and his Unit for the amount of the deductible that is attributable to the act or omission, provided the Owner is given notice and an opportunity to be heard in accordance with the Notice and hearing Section of this Declaration.

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

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

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

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

THE ASSOCIATION DOES NOT INSURE UNITS OR ANY IMPROVEMENTS CONSTRUCTED THEREIN.

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

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

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

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

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

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

15.9. **Owner's Responsibility For Insurance.**

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

15.9.2. **Owners' Responsibilities.** Each Owner, at his expense, will maintain any insurance coverages required by the Association pursuant to this Article. Each Owner at his expense, may obtain additional insurance coverage of his real property, Improvements, and betterments thereto, or personal property.

15.9.3. **Association Does Not Insure.** The Association does not insure Units, Improvements constructed within a Unit, or an Owner or Resident's personal property. Each Owner and Resident is solely responsible for insuring his personal property in his Unit and on the Property, including furnishings, vehicles, and stored items. The Association strongly recommends that each Owner and Resident purchase and maintain insurance on his personal belongings.

ARTICLE 16
RECONSTRUCTION OR REPAIR AFTER LOSS

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

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

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

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

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

16.3. Costs And Plans.

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

16.3.2. Plans and Specifications. Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction.

16.4. Owner's Duty to Repair. Within sixty (60) days after the date of damage, the Owner will begin repair or reconstruction of any portion of his Unit, subject to the right of the Association to supervise, approve, or disapprove repair or restoration during the course thereof. Units will be repaired and restored substantially in accordance with original construction plans and specifications.

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

ARTICLE 17
TERMINATION AND CONDEMNATION

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

17.2. **Termination.** Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act, subject to the following provisions. An amendment to terminate must be approved by Owners of at least 80 percent of the votes in the Association and by certain Mortgagees pursuant to the Mortgagee protection article of this Declaration. In the event of condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees.

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

ARTICLE 18
MORTGAGEE PROTECTION

18.1. **Introduction.** This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. Some sections of this Article apply to "Mortgagees," as defined in *Article 1*. Other sections apply to "Eligible Mortgagees," as defined below.

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

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

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

18.3. Termination. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by Owners of at least 80 percent of the votes in the Association and by at least 51 percent of Eligible Mortgagees. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least 67 percent of Eligible Mortgagees.

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

18.5. Other Mortgagee Rights.

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

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

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

18.5.4. Right of First Refusal. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

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

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

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

- (i) Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Unit.
- (ii) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of the mortgaged Unit.
- (iii) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.
- (iv) Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.
- (v) Any proposed amendment of a material nature, as provided in this Article.
- (vi) Any proposed termination of the condominium status of the Property.

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

- (i) Voting rights.
- (ii) Assessment liens, or the priority of assessment liens.
- (iii) Reductions in reserves for maintenance, repair, and replacement of Common Elements.
- (iv) Responsibility for maintenance and repairs.
- (v) Reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; except that when Limited Common Elements are reallocated by Declarant pursuant to any rights reserved by Declarant pursuant to Appendix "A", by agreement between Owners (only those Owners and only the Eligible Mortgagees holding mortgages against those Units need approve the action).
- (vi) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, then only those owners and the Eligible Mortgagees holding mortgages against the Unit or Units need approve the action.
- (vii) Convertibility of Units into Common Elements or Common Elements into Units.
- (viii) Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.
- (ix) Property or fidelity insurance requirements.
- (x) Imposition of any restrictions on the leasing of Units.
- (xi) Imposition of any restrictions on Owners' right to sell or transfer their Units.
- (xii) Restoration or repair of the Property, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.
- (xiii) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

ARTICLE 19
AMENDMENTS

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

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

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

19.4. **Declarant Provisions.** Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix A. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration or the Act without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Because Appendix A of this Declaration is destined to become obsolete, beginning twenty-five (25) years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Appendix A. The automatic expiration and subsequent deletion of Appendix A does not constitute an amendment of this Declaration. This Section may not be amended without Declarant's written and acknowledged consent.

ARTICLE 20
DISPUTE RESOLUTION

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

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

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

- (i) Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.
- (ii) Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.
- (iii) Claims relating to the design, construction, or maintenance of the Property.

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

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

- (i) The Association's Claim for Assessments, and any action by the Association to collect Assessments.
- (ii) An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.
- (iii) Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.

- (iv) A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.
- (v) A dispute that is subject to alternate dispute resolution – such as mediation or arbitration – by the terms of a public law or another instrument, such as a contract or warranty agreement, in which case the dispute is exempt from this Article, unless the Parties agree to have the dispute governed by this Article.

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

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

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

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

20.5. **Mediation.** If the parties negotiate but do not resolve the Claim through negotiation within one hundred and 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.

20.6. **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, initiate arbitration, or commence administrative proceedings on the Claim, as appropriate and permitted by this Article.

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

20.7.1. **Governing Rules.** If a Claim asserted against the Declarant has not been resolved after Mediation as required by *Section 20.5*, the Claim will be resolved by binding arbitration in accordance with the terms of this *Section 20.7* and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Declarant in Williamson County, Texas. Regardless of what entity or Person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules to govern the arbitration of any Claim as provided above, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this *Section 20.7*, this *Section 20.7* will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision herein to the contrary or any applicable rules or procedures for the conduct of any arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

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

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

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

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

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

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

20.7.5. Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this *Section 20.7*; provided, however, that in no event shall the arbitrator award damages which exceed the damages for construction defects a Claimant would be entitled to under Chapter 27 of the Texas Property Code. The arbitrator may also grant such ancillary relief as is necessary to make effective the award. In all arbitration proceedings in which the amount in controversy exceeds \$50,000.00, in the aggregate, the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings in which the amount in controversy exceeds \$50,000.00, in the aggregate, the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on an incorrect or erroneous ruling of law by appeal to an appropriate court having jurisdiction; provided, however, that any such application for vacation or modification of an award based on an incorrect ruling of law must be

filed in a court having jurisdiction over the Claim within fifteen (15) days from the date the award is rendered. The arbitrator's findings of fact shall be binding on all parties and shall not be subject to further review except as otherwise allowed by Applicable Law.

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

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

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

20.10. Period of Limitation.

20.10.1. For Actions by an Owner or 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 Building, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years 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 from the date Declarant conveyed the Unit to the original Owner unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law

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

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

20.11. Approval & Settlement. The initiation of litigation or binding arbitration as required by this Article, or the initiation of any judicial or administrative proceeding by the Association is subject to the following conditions in addition to and notwithstanding the above alternate dispute resolution procedures. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this Section. This Section may not be amended without the approval of Owners of at least 75% percent of the Units and the Declarant.

20.11.1. Owner Approval. The Association may not initiate any judicial, or administrative proceeding without the prior approval of Owners of at least 75% of the Units, except that no such approval is required: (i) to enforce provisions of this Declaration, including collection of assessments; (ii) to challenge condemnation proceedings; (iii) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (iv) to defend Claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (v) to obtain a temporary restraining order or equivalent emergency equitable relief when

circumstances do not provide sufficient time to obtain the prior consent of Owners in order to preserve the status quo.

20.11.2. Suit Against Declarant. Also, the Association may not initiate any judicial, arbitration, or administrative proceeding against Declarant without the approval of Owners representing at least 75% percent of the Units.

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

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

ARTICLE 21

GENERAL PROVISIONS

21.1. Use of Names. No Person shall use the name "Gardens at Teravista" or any derivative of such name in any printed or promotional materials without Declarant's prior written consent. However, Owners may use the name "Gardens at Teravista" or derivations thereof in printed or promotional materials prepared in connection with the sale or rental of their respective Unit where such term is used solely to specify that such Unit is located within the Regime, and the Association shall be entitled to use the words "Gardens at Teravista" in its name. The Association shall not use any name, mark or symbol of Declarant or its affiliates without prior written consent. Any use by the Association of names, marks or symbols of Declarant or any of its affiliates shall inure to the benefit of Declarant or such affiliate and shall be subject to periodic review for quality control. The Association shall enter into license agreements with Declarant, terminable with or without cause and in a form specified by Declarant in its sole discretion, with respect to any permissive use of any such names, marks or symbols.

21.2. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person, at the address given by such Person to the Association, for the purpose

of service of notices. Such address may be changed from time to time by notice in writing given by such Person to the Association.

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

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

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

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

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

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

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

against all Owners. The Property shall constitute a separate Neighborhood (as that term is defined in the Master Declaration) known as "Section 13A".

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

revocable period, new proxies shall again be executed for the maximum non-revocable time until Declarant's right to require such successive proxies expires.

21.11. **Attachment/Exhibits/Appendix.** The following attachment, exhibits and appendix are attached to this Declaration and are incorporated herein by reference:

Attachment 1	Description of Property
Exhibit "A"	Plats and Plans
Exhibit "B"	Schedule of Allocated Interests
Exhibit "C"	Guide To The Association's Examination of Area of Common Responsibility
Exhibit "D"	Guide to Association's Major Management and Governance Functions
Exhibit "E"	Maintenance Responsibility Chart
Appendix "A"	Declarant Representations and Reservations

[SIGNATURE PAGE FOLLOWS]

EXECUTED on this 21 day of June, 2007.

DECLARANT:

SDI 2007 - TV, LTD., a Texas limited partnership

By: Spicewood Development, Inc., a Texas corporation, its General Partner

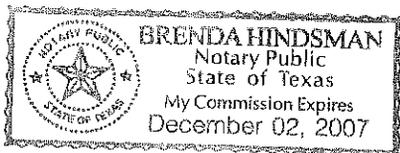
By: [Signature]
Printed Name: RANDALL M ZIEHE
Title: PRESIDENT

THE STATE OF Texas §
COUNTY OF Tarrant §

This instrument was acknowledged before me on the 21 day of June, 2007, by Randall M. Ziehe, President of Spicewood Development, Inc., a Texas corporation, General Partner of SDI 2007 - TV, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

[Signature]

[seal]



Notary Public, State of _____

CONSENT PROVIDED PURSUANT TO SECTION 6.4
AND SECTION 9.1 OF THE MASTER DECLARATION:

NNP-TERAVISTA, LP, a Texas limited
partnership

By: NNP-TV Communities, LP, a Texas
limited partnership, its general partner

By: NNP-TV Management, LLC, a
Delaware limited liability
company, its general partner

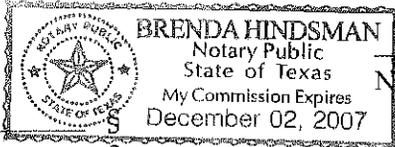
By: *E. William Meyer*
Printed Name: E. William Meyer
Title: Asst Vice President

By: _____
Printed Name: _____
Title: _____

THE STATE OF Texas §
COUNTY OF Travis §

This instrument was acknowledged before me on the 21 day of June 2007, by
E. William Meyer, Asst. V.P. of NNP-TV Management, LLC, a Delaware limited liability
company, general partner of NNP-TV Communities, LP, a Texas limited partnership, general
partner of NNP-Teravista, LP, a Texas limited partnership, on behalf of said limited liability
company and limited partnerships.

[SEAL]



[Signature]
Notary Public Signature

THE STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2007, by
_____ of NNP-TV Management, LLC, a Delaware limited liability
company, general partner of NNP-TV Communities, LP, a Texas limited partnership, general
partner of NNP-Teravista, LP, a Texas limited partnership, on behalf of said limited liability
company and limited partnerships.

[SEAL]

Notary Public Signature

ATTACHMENT 1

12.801 ACRES
TERAVISTA SECTION 13A
SUBDIVISION

FN. NO. 07-082 (MM)
FEBRUARY 13, 2007
BPI JOB NO. 1149-66.20

DESCRIPTION

OF A 12.801 ACRE TRACT OR PARCEL OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, SITUATED IN WILLIAMSON COUNTY, TEXAS, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND CONVEYED TO NNP-TERAVISTA, LP BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 12.801 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod found at an angle point in the northerly line of the remaining portion of said 895.35 acre tract, being the southeasterly corner of that certain 82.060 acre tract of land conveyed to Anderson Living Trust by deed of record in Document No. 2001034688 of the Official Public Records of Williamson County, Texas for the northeasterly corner hereof;

THENCE, over and across the remaining portion of said 895.35 acre tract, for the easterly line hereof, the following eight (8) courses and distances:

- 1) S74°21'20"E, a distance of 87.14 feet to a 1/2 inch iron rod with cap set for an angle point;
- 2) S79°04'25"E, a distance of 49.80 feet to a 1/2 inch iron rod with cap set for an angle point;
- 3) S10°32'59"W, a distance of 12.38 feet to a 1/2 inch iron rod with cap set for an angle point;
- 4) S78°56'39"E, a distance of 31.08 feet to a 1/2 inch iron rod with cap set for the point of curvature of a non-tangent curve to the right;
- 5) Along said non-tangent curve to the right having a radius of 256.51 feet, a central angle of 26°15'53", an arc length of 117.59 and a chord which bears S00°45'01"E, a distance of 116.56 feet to a 1/2 inch iron rod with cap set for the end of said non-tangent curve;
- 6) S12°25'16"W, a distance of 125.46 feet to a 1/2 inch iron rod with cap set for the point of curvature of a curve to the left;
- 7) Along said curve to the left having a radius of 345.00 feet, a central angle of 23°55'02", an arc length of 144.01 feet and a chord which bears S00°27'45"W, a distance of 142.97 feet to a 1/2 inch iron rod with cap set for the point of tangency of said curve;

- 8) S11°29'50"E, a distance of 84.75 feet to a 1/2 inch iron rod with cap set in the curving, northerly line of Teravista Club Drive (R.O.W. varies) for the southeasterly corner hereof, being the point of curvature of a non-tangent curve to the left;

THENCE, along the curving, northerly line of Teravista Club Drive, for the southerly line hereof, the following six (6) courses and distances:

- 1) Along said non-tangent curve to the left having a radius of 639.00 feet, a central angle of 00°24'58", an arc length of 4.64 feet and a chord which bears S77°33'50"W, a distance of 4.64 feet to a 1/2 inch iron rod with cap set for the point of curvature of a compound curve to the left;
- 2) Along said compound curve to the left having a radius of 2539.00 feet, a central angle of 03°49'04", an arc length of 169.19 feet and a chord which bears S75°26'20"W, a distance of 169.15 feet to a 1/2 inch iron rod with cap set for the end of said compound curve;
- 3) S73°31'48"W, a distance of 155.97 feet to a 1/2 inch iron rod with cap set for the point of curvature of a curve to the left;
- 4) Along said curve to the left having a radius of 1439.00 feet, a central angle of 16°32'26", an arc length of 415.42 feet and a chord which bears S65°15'51"W, a distance of 413.98 feet to a 1/2 inch iron rod with cap set for the point of tangency of said curve;
- 5) S56°59'38"W, a distance of 70.50 feet to a 1/2 inch iron rod with cap set for the point of curvature of a curve to the left;
- 6) Along said curve to the left having a radius of 1027.00 feet, a central angle of 16°53'38", an arc length of 302.82 feet and a chord which bears S48°32'49"W, a distance of 301.72 feet to a 1/2 inch iron rod with cap set for the end of said curve and southwesterly corner hereof;

THENCE, leaving the northerly line of Teravista Club Drive, over and across the remaining portion of said 895.35 acre tract, for the westerly line hereof the following six (6) courses and distances:

- 1) N49°54'00"W, a distance of 111.38 feet to a 1/2 inch iron rod with cap set for an angle point;
- 2) N11°01'07"W, a distance of 80.18 feet to a 1/2 inch iron rod with cap set for an angle point;

- 3) N03°19'02"W, a distance of 100.00 feet to a 1/2 inch iron rod with cap set for an angle point;
- 4) N52°35'08"E, a distance of 150.00 feet to a 1/2 inch iron rod with cap set for an angle point;
- 5) N23°28'18"E, a distance of 278.46 feet to a 1/2 inch iron rod with cap set for an angle point;
- 6) N18°23'52"W, a distance of 175.00 feet to a 1/2 inch iron rod with cap set in the northerly line of the remaining portion of said 895.35 acre tract, being the southerly line of said 82.060 acre tract for the northwesterly corner hereof;

THENCE, N71°36'44"E, along the northerly line of the remaining portion of said 895.35 acre tract, being a portion of the southerly line of said 82.060 acre tract, a distance of 800.10 feet to the **POINT OF BEGINNING**, containing an area of 12.801 acres (557,619 sq. ft.) of land, more or less, within these metes and bounds.

BEARING BASIS: REFERENCED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE BASED ON PUBLISHED NAD 83/93 HARN VALUES FOR THE CITY OF GEORGETOWN MONUMENTATION NETWORK.

BURY+PARTNERS, INC.
ENGINEERING SOLUTIONS
3345 BEE CAVE ROAD
SUITE 200
AUSTIN, TEXAS 78746


2/13/07

JOHN T. BILNOSKI, R.P.L.S.
NO. 4998
STATE OF TEXAS



EXHIBIT "A"

GARDENS AT TERA VISTA CONDOMINIUMS

[CERTIFICATION OF SURVEYOR]

THE PLATS AND PLANS ATTACHED HERETO AS EXHIBIT "A" CONTAIN THE INFORMATION REQUIRED BY SECTION 82.059 OF THE TEXAS UNIFORM CONDOMINIUM ACT, AS APPLICABLE.



JOHN T. BILNOSKI
R.P.L.S. NO. 4998

DATE: _____

6/20/07



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ENGINEERING SOLUTIONS
221 West Sixth Street, Suite 600
Austin, Texas 78701
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EXHIBIT

OF 12.801 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND OCNVEYED TO NNP-TERAVISTA, LP BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

**GARDENS AT
TERAVISTA
CONDOMINIUMS**

SHEET 1 OF 18

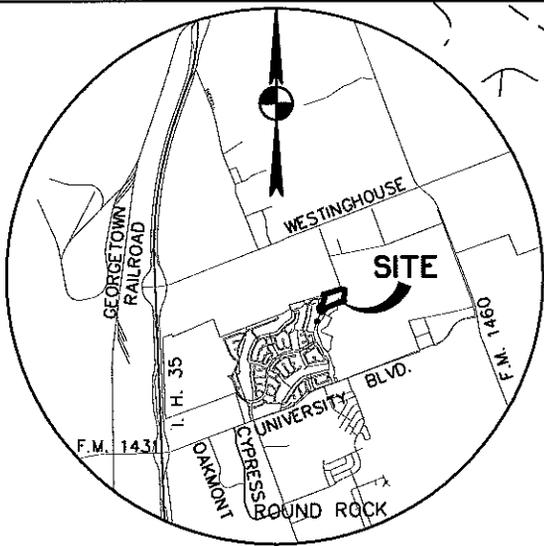
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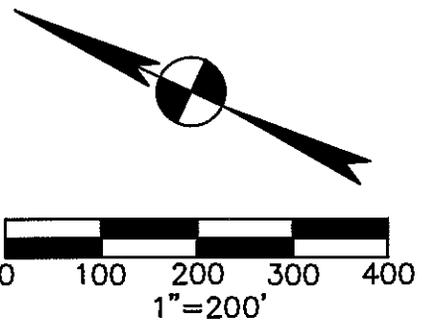
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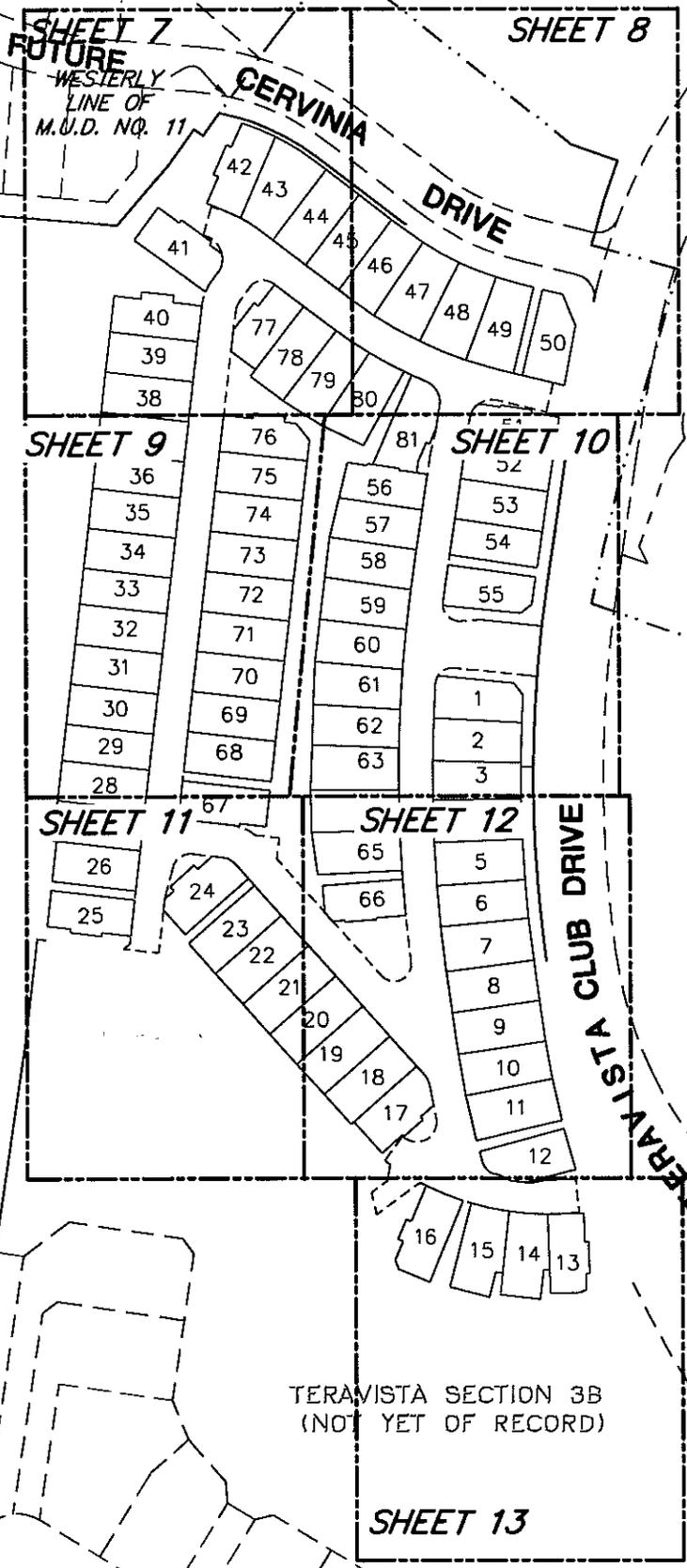
PROJ. No: 1149-66.920



VICINITY MAP
N.T.S.



82.060 ACRES
ANDERSON LIVING TRUST
DOC. NO. 2001034688



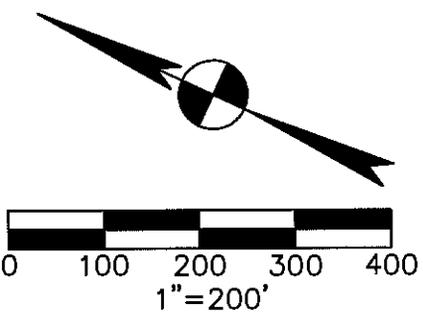
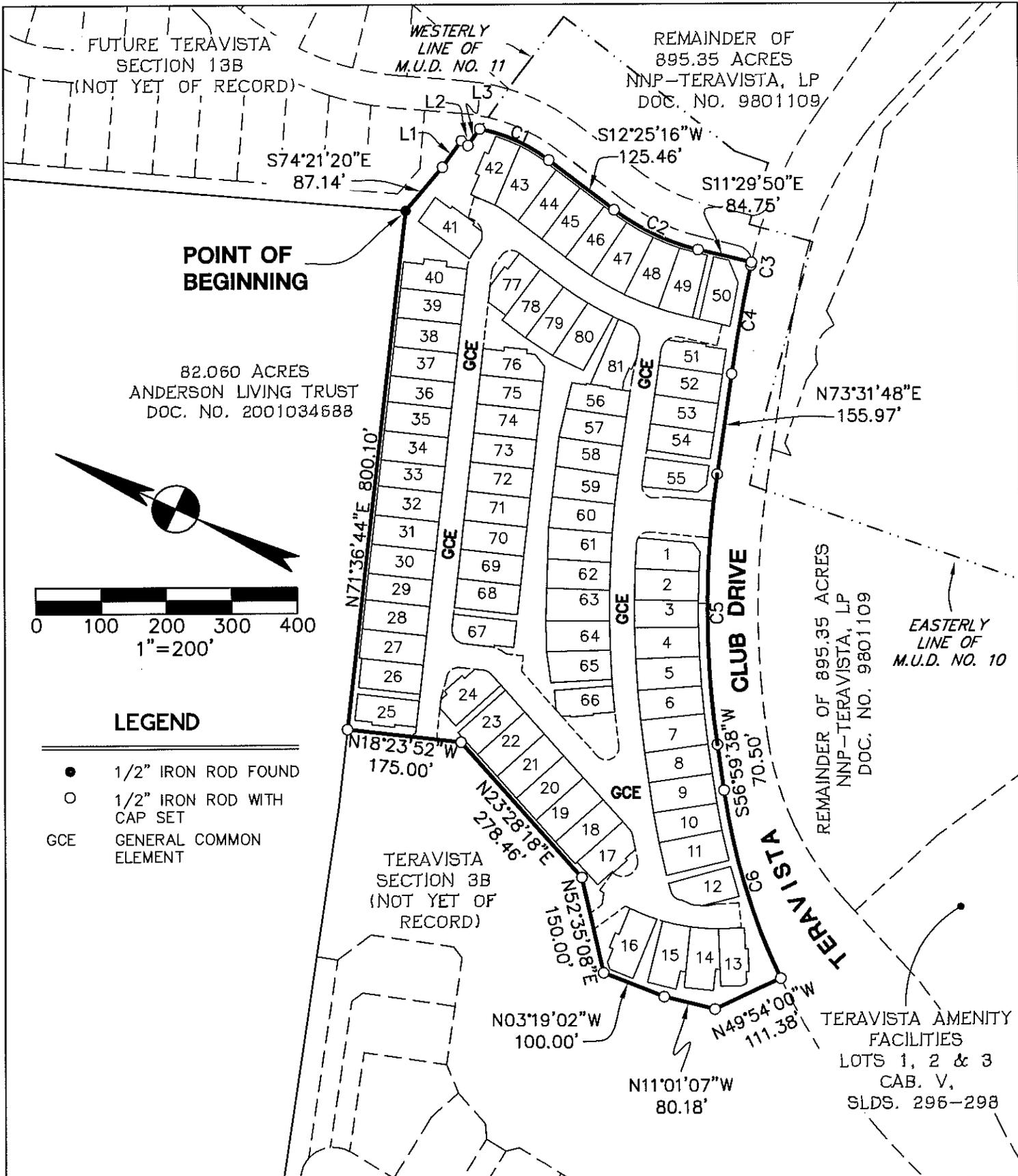
REMAINDER OF 895.35 ACRES
NNP-TERAVISTA, LP
DOC. NO. 9801109

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EXHIBIT
OF 12.8D1 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY,
ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT
CERTAIN 895.35 ACRE TRACT OF LAND OCNVEYED TO NNP-TERAVISTA, LP
BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS
OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

**GARDENS AT
TERAVISTA
CONDOMINIUMS**

SHEET 2 OF 18



LEGEND

- 1/2" IRON ROD FOUND
- 1/2" IRON ROD WITH CAP SET
- GCE GENERAL COMMON ELEMENT

EXHIBIT

OF 12.801 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND OCNVEYED TO NNP-TERAVISTA, LP BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

GARDENS AT TERAVISTA CONDOMINIUMS

SHEET 3 OF 18

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BOUNDARY DESCRIPTION:

OF A 12.801 ACRE TRACT OR PARCEL OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, SITUATED IN WILLIAMSON COUNTY, TEXAS, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND CONVEYED TO NNP-TERAVISTA, LP BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 12.801 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, AT A 1/2 INCH IRON ROD FOUND AT AN ANGLE POINT IN THE NORTHERLY LINE OF THE REMAINING PORTION OF SAID 895.35 ACRE TRACT, BEING THE SOUTHEASTERLY CORNER OF THAT CERTAIN 82.060 ACRE TRACT OF LAND CONVEYED TO ANDERSON LIVING TRUST BY DEED OF RECORD IN DOCUMENT NO. 2001034688 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS FOR THE NORTHEASTERLY CORNER HEREOF;

THENCE, OVER AND ACROSS THE REMAINING PORTION OF SAID 895.35 ACRE TRACT, FOR THE EASTERLY LINE HEREOF, THE FOLLOWING EIGHT (8) COURSES AND DISTANCES:

- 1) S74°21'20"E, A DISTANCE OF 87.14 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;
- 2) S79°04'25"E, A DISTANCE OF 49.80 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;
- 3) S10°32'59"W, A DISTANCE OF 12.38 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;
- 4) S78°56'39"E, A DISTANCE OF 31.08 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT;
- 5) ALONG SAID NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 256.51 FEET, A CENTRAL ANGLE OF 26°15'53", AN ARC LENGTH OF 117.59 AND A CHORD WHICH BEARS S00°45'01"E, A DISTANCE OF 116.56 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE END OF SAID NON-TANGENT CURVE;
- 6) S12°25'16"W, A DISTANCE OF 125.46 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE POINT OF CURVATURE OF A CURVE TO THE LEFT;
- 7) ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 345.00 FEET, A CENTRAL ANGLE OF 23°55'02", AN ARC LENGTH OF 144.01 FEET AND A CHORD WHICH BEARS S00°27'45"W, A DISTANCE OF 142.97 FEET TO A 1/2 INCH IRON ROD WITH CAPS ET FOR THE POINT OF TANGENCY OF SAID CURVE;
- 8) S11°29'50"E, A DISTANCE OF 84.75 FEET TO A 1/2 INCH IRON ROD WITH CAP SET IN THE CURVING, NORTHERLY LINE OF TERAVISTA CLUB DRIVE (R.O.W. VARIES) FOR THE SOUTHEASTERLY CORNER HEREOF, BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT;

THENCE, ALONG THE CURVING, NORTHERLY LINE OF TERAVISTA CLUB DRIVE, FOR THE SOUTHERLY LINE HEREOF, THE FOLLOWING SIX (6) COURSES AND DISTANCES:

- 1) ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 639.00 FEET, A CENTRAL ANGLE OF 00°24'58", AN ARC LENGTH OF 4.64 FEET AND A CHORD WHICH BEARS S77°33'50"W, A DISTANCE OF 4.64 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE POINT OF CURVATURE OF A COMPOUND CURVE TO THE LEFT;
- 2) ALONG SAID COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 2539.00 FEET, A CENTRAL ANGLE OF 03°49'04", AN ARC LENGTH OF 169.19 FEET AND A CHORD WHICH BEARS S75°26'20"W, A DISTANCE OF 169.15 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE END OF SAID COMPOUND CURVE;

 <p>Bury+Partners ENGINEERING SOLUTIONS 221 West Sixth Street, Suite 600 Austin, Texas 78701 Tel. (512)328-0011 Fax (512)328-0325 Bury+Partners, Inc. ©Copyright 2007</p>	<p>EXHIBIT</p> <p>OF 12.801 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND CONVEYED TO NNP-TERAVISTA, LP BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.</p>	<p>GARDENS AT TERAVISTA CONDOMINIUMS</p> <p><i>SHEET 4 OF 18</i></p>		
DATE: 03/01/07	FILE: H:\1149\66\114966Condo.dwg	FN No.: FN07-108(MM)	DRAWN BY: MM	PROJ. No: 1149-66.920

BOUNDARY DESCRIPTION (CONTINUED):

3) S73°31'48"W, A DISTANCE OF 155.97 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE POINT OF CURVATURE OF A CURVE TO THE LEFT;

4) ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 1439.00 FEET, A CENTRAL ANGLE OF 16°32'26", AN ARC LENGTH OF 415.42 FEET AND A CHORD WHICH BEARS S65°15'51"W, A DISTANCE OF 413.98 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE POINT OF TANGENCY OF SAID CURVE;

5) S56°59'38"W, A DISTANCE OF 70.50 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE POINT OF CURVATURE OF A CURVE TO THE LEFT;

6) ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 1027.00 FEET, A CENTRAL ANGLE OF 16°53'38", AN ARC LENGTH OF 302.82 FEET AND A CHORD WHICH BEARS S48°32'49"W, A DISTANCE OF 301.72 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR THE END OF SAID CURVE AND SOUTHWESTERLY CORNER HEREOF;

THENCE, LEAVING THE NORTHERLY LINE OF TERAVISTA CLUB DRIVE, OVER AND ACROSS THE REMAINING PORTION OF SAID 895.35 ACRE TRACT, FOR THE WESTERLY LINE HEREOF THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1) N49°54'00"W, A DISTANCE OF 111.38 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;

2) N11°01'07"W, A DISTANCE OF 80.18 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;

3) N03°19'02"W, A DISTANCE OF 100.00 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;

4) N52°35'08"E, A DISTANCE OF 150.00 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;

5) N23°28'18"E, A DISTANCE OF 278.46 FEET TO A 1/2 INCH IRON ROD WITH CAP SET FOR AN ANGLE POINT;

6) N18°23'52"W, A DISTANCE OF 175.00 FEET TO A 1/2 INCH IRON ROD WITH CAP SET IN THE NORTHERLY LINE OF THE REMAINING PORTION OF SAID 895.35 ACRE TRACT, BEING THE SOUTHERLY LINE OF SAID 82.060 ACRE TRACT FOR THE NORTHWESTERLY CORNER HEREOF;

THENCE, N71°36'44"E, IN PART ALONG THE NORTHERLY LINE OF THE REMAINING PORTION OF SAID 895.35 ACRE TRACT, BEING A PORTION OF THE SOUTHERLY LINE OF SAID 82.060 ACRE TRACT, A DISTANCE OF 800.10 FEET TO THE POINT OF BEGINNING, CONTAINING AN AREA OF 12.801 ACRES (557,619 SQ. FT.) OF LAND, MORE OR LESS, WITHIN THESE METES AND BOUNDS.

GENERAL NOTES:

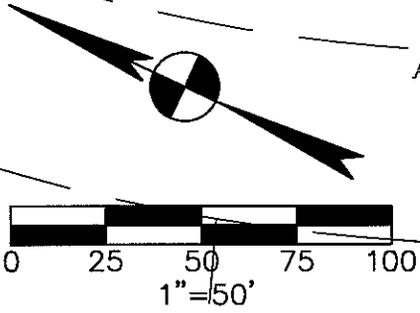
1) ALL IMPROVEMENTS AND LAND REFLECTED ON THE PLAT ARE DESIGNATED AS GENERAL COMMON ELEMENTS, SAVE AND EXCEPT PORTIONS OF THE REGIME DESIGNATED AS LIMITED COMMON ELEMENTS OR UNITS: (I) IN THE DECLARATION OF CONDOMINIUM REGIME FOR GARDENS AT TERAVISTA CONDOMINIUMS (THE "DECLARATION") OR (II) ON THE PLATS AND PLANS OF THE REGIME.

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

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

 Bury+Partners ENGINEERING SOLUTIONS 221 West Sixth Street, Suite 600 Austin, Texas 78701 Tel. (512)328-0011 Fax (512)328-0325 Bury+Partners, Inc. ©Copyright 2007	EXHIBIT OF 12.801 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND OCNVEYED TO NNP-TERAVISTA, LP BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.	GARDENS AT TERAVISTA CONDOMINIUMS <i>SHEET 6 OF 18</i>		
DATE: 03/01/07	FILE: H:\1149\66\114966Condo.dwg	FN No.: FN07-108(MM)	DRAWN BY: MM	PROJ. No: 1149-66.920

REMAINDER OF 895.35
ACRES NNP-TERAVISTA, LP
DOC. NO. 9801109



FUTURE TERAVISTA
SECTION 13B
(NOT YET OF RECORD)

TRACT 4
25' WATERLINE EASEMENT
DOC. NO. 2D01070693

TRACT 3-0.161 AC.
WATERLINE EASEMENT
DOC. NO. 2001070693

0.180 AC.
LANDSCAPE EASEMENT
DOC. NO.
2007040517

FUTURE
CERVINIA DRIVE

MATCHLINE SHEET 8

82.060 ACRES
ANDERSON LIVING TRUST
DOC. NO. 2001034688

PUBLIC UTILITY EASEMENT
DOC. NO. 2007037579

WATER LINE,
SANITARY SEWER AND
DRAINAGE EASEMENT
DOC. NO.
2007037579

GCE

PUBLIC UTILITY
EASEMENT
Doc. No. 2007037579

MATCHLINE SHEET 9

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OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

**GARDENS AT
TERAVISTA
CONDOMINIUMS**

SHEET 7 OF 18

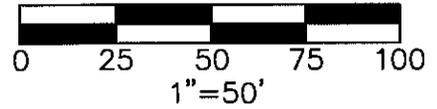
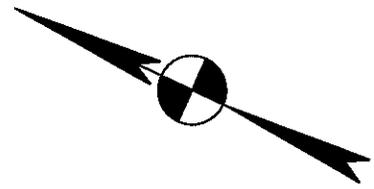
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FN No.: FN07-108(MM)

DRAWN BY: MM

PROJ. No: 1149-66.920



MATCHLINE SHEET 7

TRACT 2
25' WATERLINE EASEMENT
DOC. NO. 2001070693

0.180 AC.
LANDSCAPE EASEMENT
DOC. NO.
2007040517

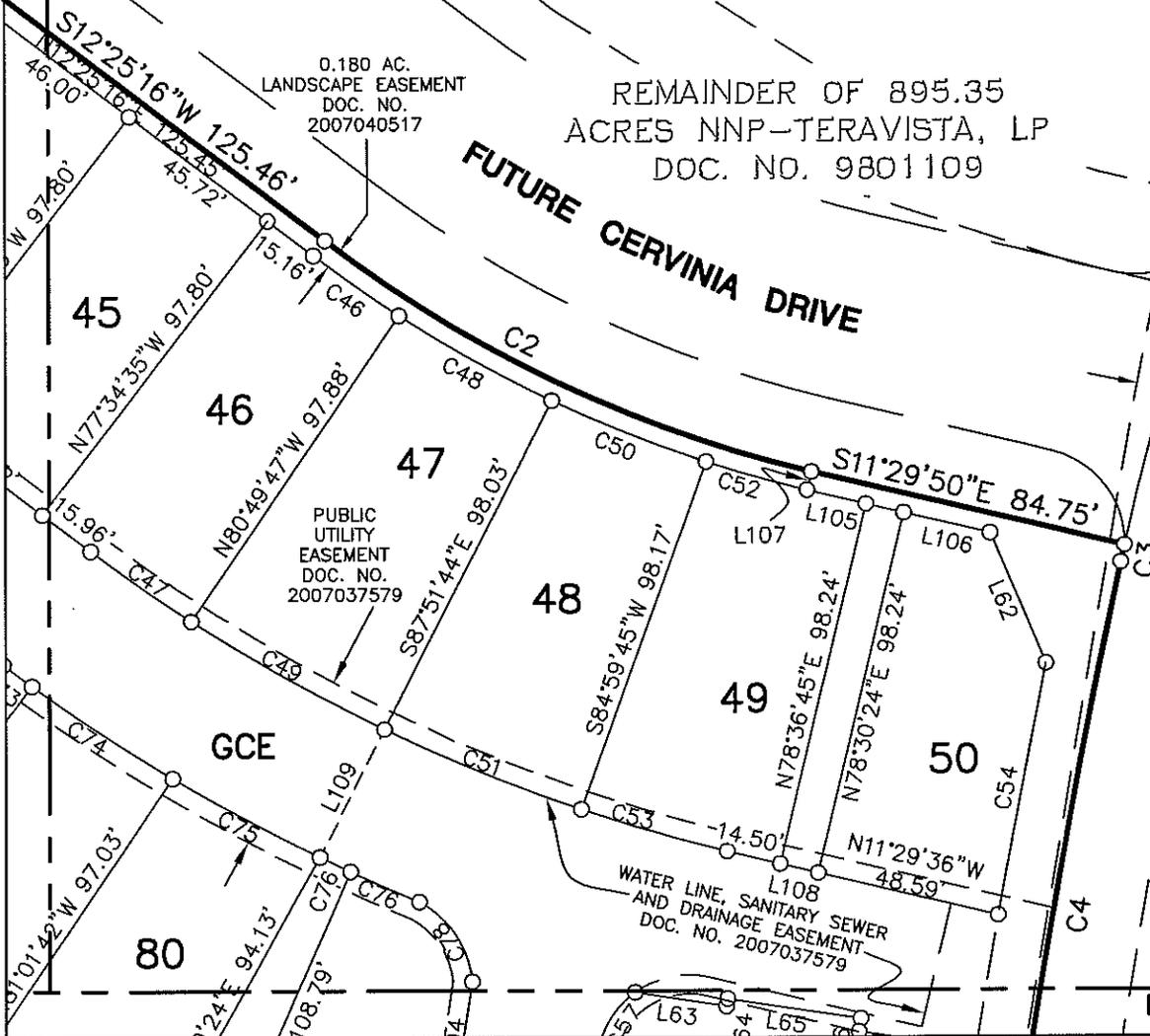
REMAINDER OF 895.35
ACRES NNP-TERAVISTA, LP
DOC. NO. 9801109

FUTURE CERVINIA DRIVE

TRACT 1
25' WATERLINE EASEMENT
DOC. NO. 2001070693

TERAVISTA
CLUB DRIVE
(R.O.W. VARIES)

MATCHLINE SHEET 10



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**GARDENS AT
TERAVISTA
CONDOMINIUMS**

SHEET 8 OF 18

DATE: 03/01/07

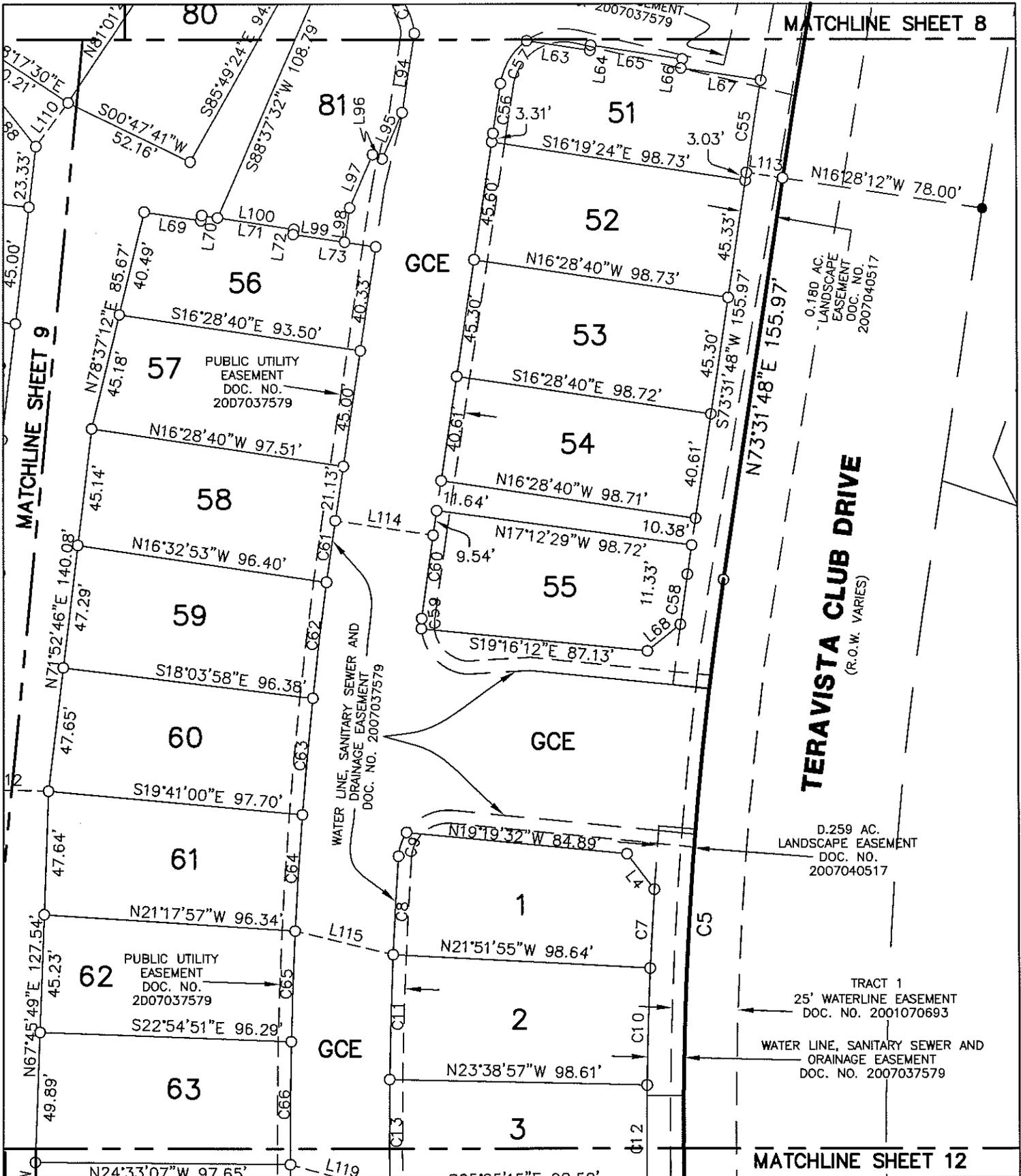
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FN No.: FN07-108(MM)

DRAWN BY: MM

PROJ. No: 1149-66.920

TERRAVISTA CLUB DRIVE
(R.O.W. VARIES)

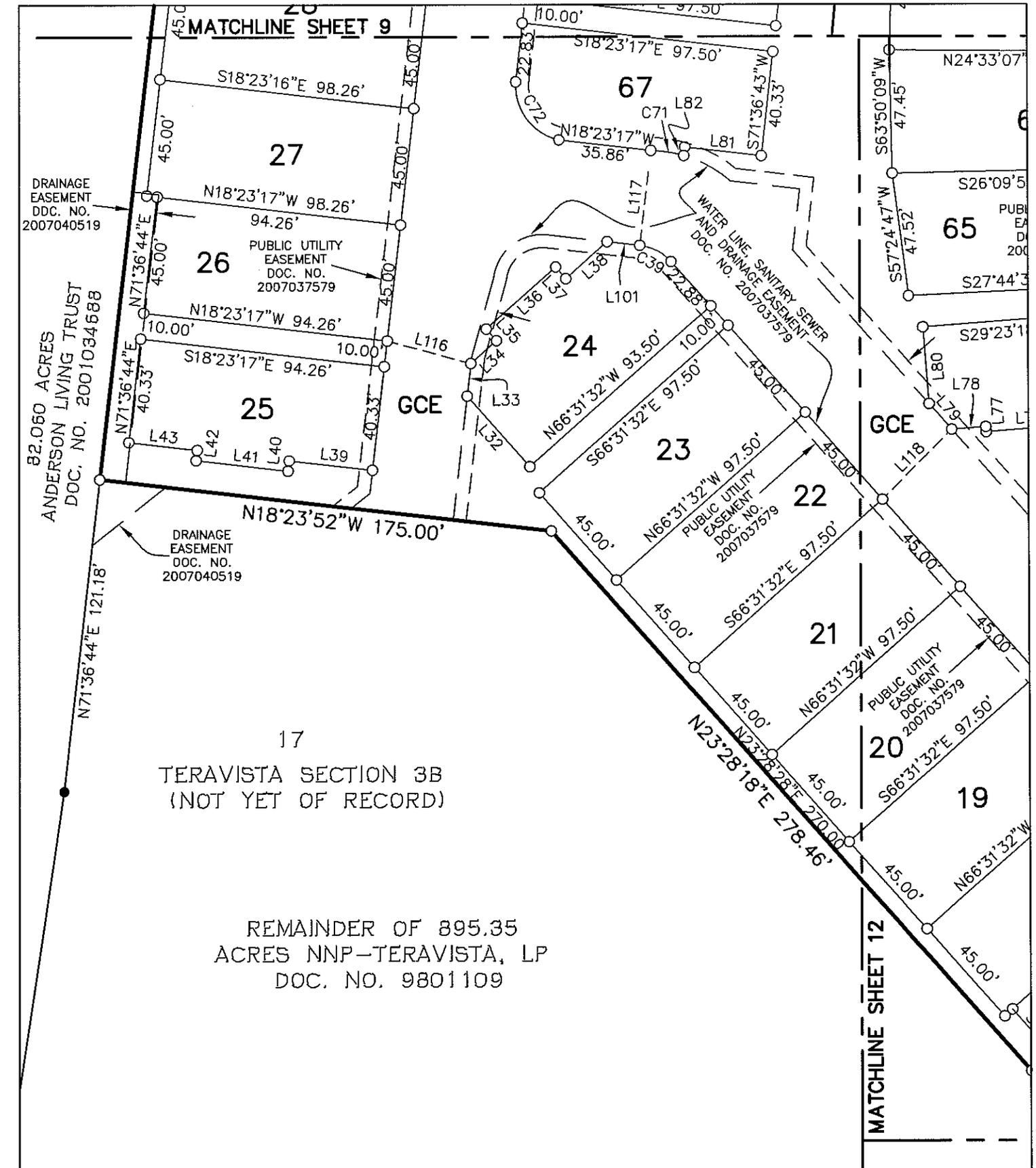


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 CERTAIN 895.35 ACRE TRACT OF LAND OCNVEYED TO NNP-TERRAVISTA, LP
 BY DEED OF RECORD IN DOCUMENT NO. 9801109 OF THE OFFICIAL RECORDS
 OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

**GARDENS AT
 TERRAVISTA
 CONDOMINIUMS**

SHEET 10 OF 18



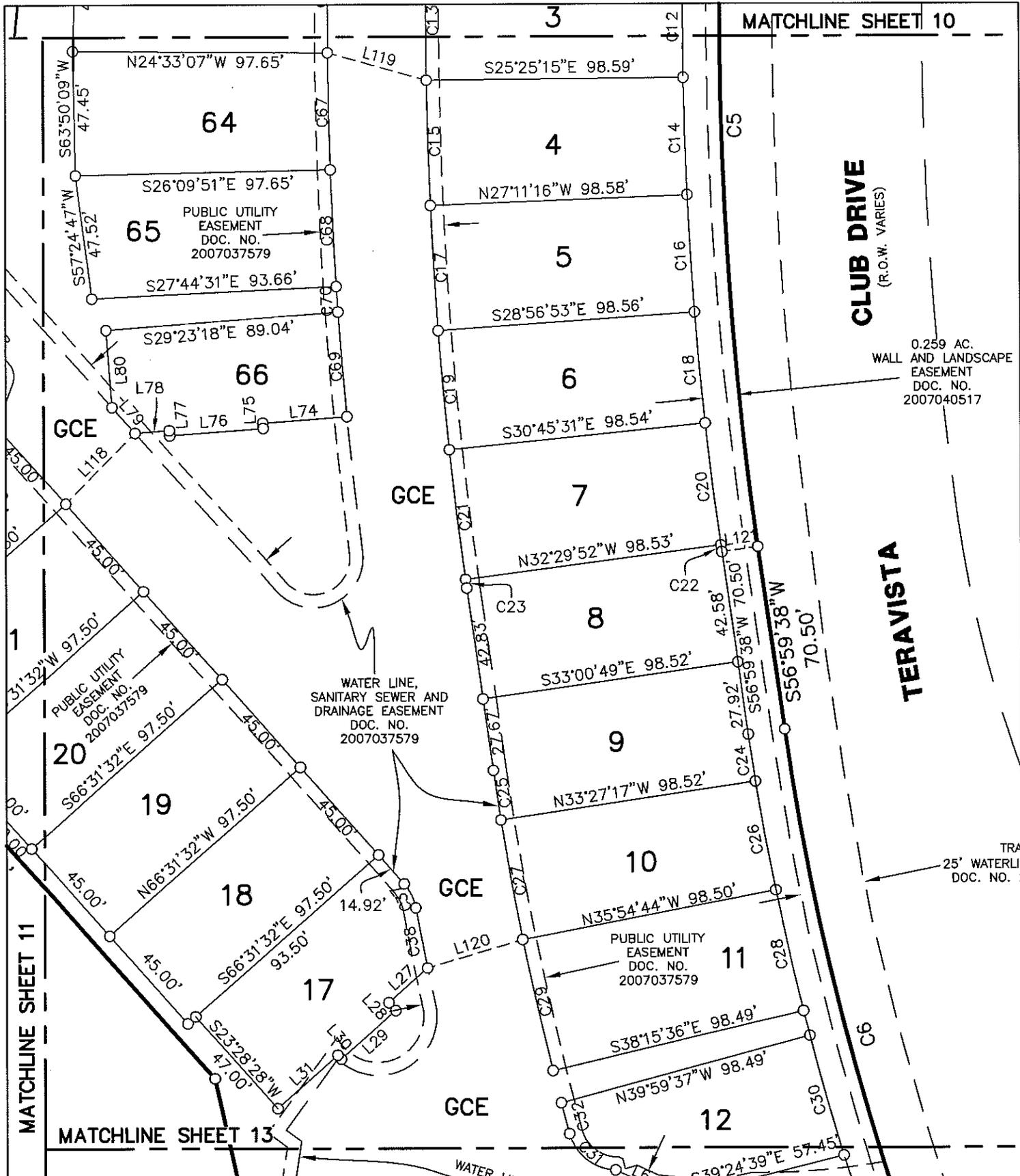
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**GARDENS AT
 TERAVISTA
 CONDOMINIUMS**

SHEET 11 OF 18



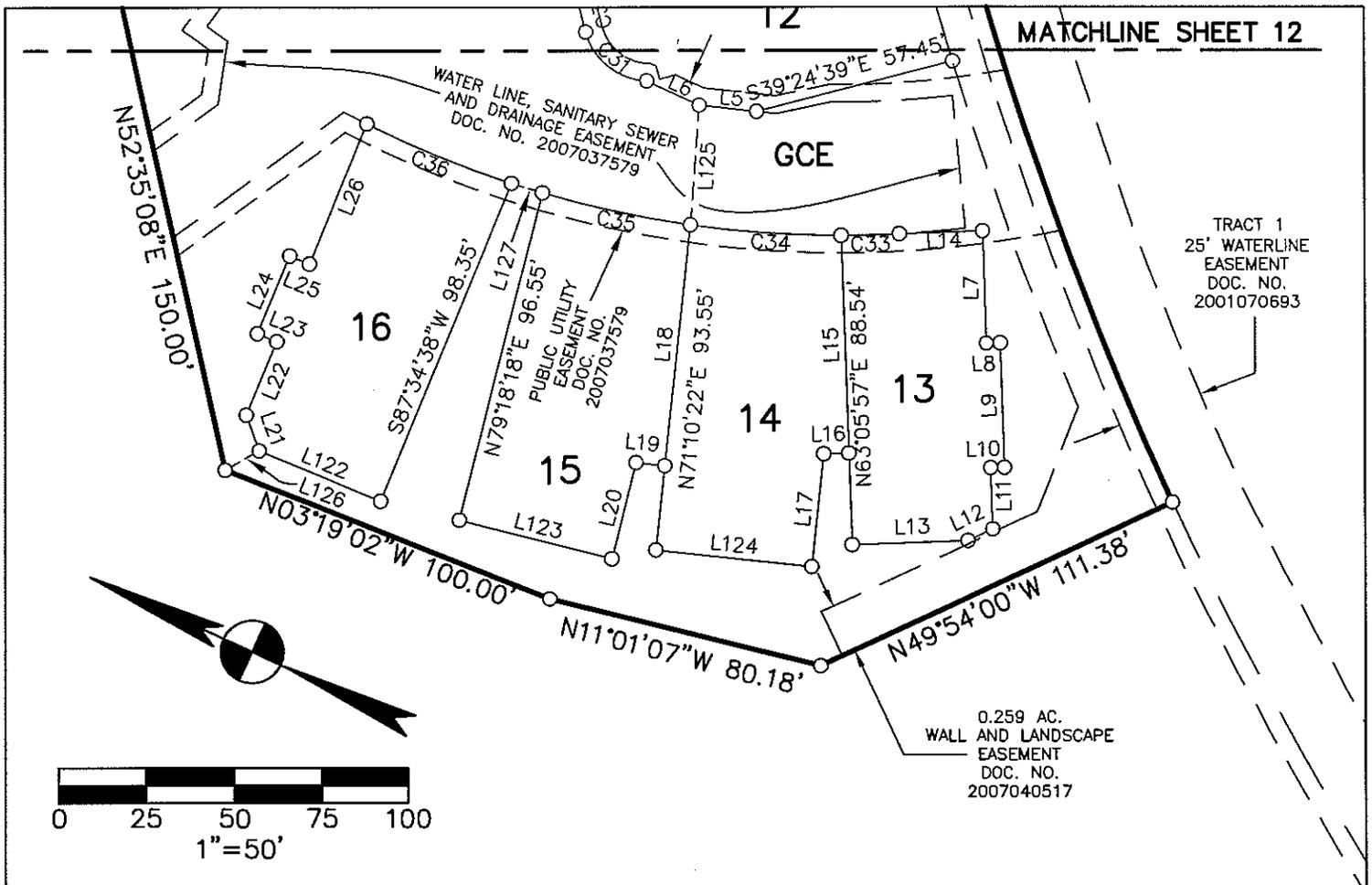
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GARDENS AT TERAVISTA CONDOMINIUMS

SHEET 12 OF 18



TRACT 1
25' WATERLINE
EASEMENT
DOC. NO.
2001070693

0.259 AC.
WALL AND LANDSCAPE
EASEMENT
DOC. NO.
2007040517

17
TERAVISTA SECTION 3B
(NOT YET OF RECORD)

REMAINDER OF 895.35 ACRES
NNP-TERAVISTA, LP
DOC. NO. 9801109

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**GARDENS AT
TERAVISTA
CONDOMINIUMS**

SHEET 13 OF 18

LINE TABLE

NO.	BEARING	DISTANCE
L1	S79°04'25"E	49.80'
L2	S10°32'59"W	12.38'
L3	S78°56'39"E	31.08'
L4	S27°41'26"W	17.22'
L5	S18°48'18"E	16.74'
L6	S00°15'08"E	16.61'
L7	S63°05'57"W	32.09'
L8	S26°54'03"E	4.00'
L9	S63°05'57"W	35.66'
L10	N26°54'03"W	4.00'
L11	S63°05'57"W	17.56'
L12	N49°54'00"W	7.97'
L13	N26°54'03"W	33.00'
L14	S26°54'03"E	23.78'
L15	S63°05'57"W	62.21'
L16	N26°54'03"W	7.04'
L17	S71°10'22"W	32.53'
L18	S71°10'22"W	69.21'
L19	N18°49'38"W	8.37'
L20	S79°18'18"W	28.44'
L21	N45°02'27"E	10.86'
L22	N87°34'38"E	22.75'
L23	N02°25'22"W	6.00'
L24	N87°34'38"E	24.00'
L25	S02°25'22"E	6.00'
L26	N87°34'38"E	43.29'
L27	S66°31'32"E	20.03'
L28	N23°28'28"E	4.00'
L29	S66°31'32"E	28.00'
L30	S23°28'28"W	2.00'
L31	S66°31'32"E	30.75'
L32	N23°28'28"E	36.52'
L33	N71°36'43"E	12.70'
L34	S66°31'32"E	13.29'
L35	N23°28'28"E	6.00'
L36	S66°31'32"E	36.00'
L37	S23°28'28"W	6.00'
L38	S66°31'32"E	21.44'
L39	N18°23'17"W	32.17'
L40	S71°36'43"W	4.00'
L41	N18°23'17"W	35.66'
L42	N71°36'43"E	4.00'
L43	N18°23'17"W	26.44'
L44	S18°23'18"E	30.44'
L45	N71°36'43"E	8.00'
L46	S18°23'17"E	35.66'
L47	S71°36'43"W	8.00'
L48	S18°23'17"E	20.00'
L49	S15°35'28"E	12.18'
L50	S11°02'54"W	29.37'

LINE TABLE

NO.	BEARING	DISTANCE
L51	S78°48'10"E	4.00'
L52	S11°02'54"W	41.83'
L53	N78°48'10"W	4.00'
L54	S11°02'54"W	16.73'
L55	N78°57'06"W	17.76'
L56	N01°18'30"W	20.41'
L57	N88°41'30"E	32.18'
L58	N01°18'30"W	6.00'
L59	N88°41'30"E	35.66'
L60	S01°18'30"E	6.00'
L61	N88°41'30"E	28.84'
L62	S42°27'59"W	37.59'
L63	N16°19'24"W	24.60'
L64	S73°40'36"W	2.00'
L65	N16°19'24"W	35.66'
L66	N73°40'36"E	3.50'
L67	N16°19'24"W	31.04'
L68	S63°48'42"E	16.23'
L69	S16°28'40"E	22.08'
L70	N73°31'20"E	2.00'
L71	S16°28'40"E	35.66'
L72	S73°31'20"W	2.00'
L73	S16°28'40"E	32.17'
L74	N29°23'18"W	32.41'
L75	S60°36'42"W	2.00'
L77	N60°36'42"E	2.00'
L78	N29°23'18"W	13.18'
L79	N23°28'28"E	13.28'
L80	N60°36'42"E	29.75'
L81	N18°23'17"W	29.67'
L82	S71°36'43"W	3.34'
L83	N18°23'17"W	32.17'
L84	S71°36'43"W	6.00'
L85	N18°23'17"W	35.66'
L86	N71°36'43"E	6.00'
L87	N18°23'17"W	12.67'
L88	N26°36'43"E	24.04'
L89	S77°34'35"E	37.43'
L90	S12°25'15"W	6.00'
L91	S77°34'35"E	30.17'
L92	N77°34'35"W	88.50'
L93	N12°25'25"E	33.86'
L94	S73°54'36"W	30.70'
L95	S88°37'32"W	19.29'
L96	N01°22'28"W	4.00'
L97	N88°37'32"E	22.21'
L98	N73°31'20"E	13.26'
L99	N16°28'40"W	20.00'
L100	N16°28'40"W	29.65'
L101	S18°23'17"E	12.68'

LINE TABLE

NO.	BEARING	DISTANCE
L102	S03°26'27"E	27.92'
L103	N15°17'28"E	25.14'
L104	S87°49'51"E	44.73'
L105	S11°29'50"E	15.90'
L106	S11°29'50"E	23.39'
L107	N78°30'15"E	5.00'
L108	N11°29'36"W	10.41'
L109	S88°04'32"E	38.01'
L110	S78°13'40"E	20.88'
L111	S29°02'15"E	38.67'
L112	S23°41'49"E	33.42'
L113	S16°28'12"E	14.00'
L114	N16°28'40"W	38.00'
L115	S11°22'43"E	38.70'
L116	S09°42'54"E	33.36'
L117	N71°47'42"E	36.72'
L118	S70°14'54"E	38.08'
L119	S09°28'34"E	39.56'
L120	S41°27'08"E	38.15'
L122	N02°25'22"W	37.66'
L123	N10°41'42"W	45.00'
L124	N18°49'38"W	45.00'
L125	N69°19'16"E	34.24'
L126	S54°46'24"E	11.17'
L127	N07°52'48"W	9.15'

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EXHIBIT

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**GARDENS AT
 TERAVISTA
 CONDOMINIUMS**

SHEET 14 OF 18

CURVE TABLE

NO.	DELTA	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C1	26°15'53"	256.51'	117.59'	116.56'	N00°45'01"W
C2	23°55'02"	345.00'	144.01'	142.97'	S00°27'45"W
C3	0°24'58"	639.00'	4.64'	4.64'	S77°33'50"W
C4	3°49'04"	2539.00'	169.19'	169.15'	S75°26'20"W
C5	16°32'26"	1439.00'	415.42'	413.98'	S65°15'51"W
C6	16°53'38"	1027.00'	302.82'	301.72'	S48°32'49"W
C7	1°11'52"	1453.00'	30.37'	30.37'	S68°08'16"W
C8	1°23'59"	1553.00'	37.94'	37.94'	S68°15'03"W
C9	29°25'26"	19.00'	9.76'	9.65'	S83°39'45"W
C10	1°46'07"	1453.00'	44.85'	44.85'	S66°39'17"W
C11	1°46'05"	1553.00'	47.92'	47.92'	S66°40'01"W
C12	1°34'56"	1453.00'	40.12'	40.12'	S64°58'45"W
C13	1°35'34"	1553.00'	43.17'	43.17'	S64°59'11"W
C14	1°46'00"	1453.00'	44.81'	44.80'	S63°18'17"W
C15	1°45'55"	1553.00'	47.85'	47.84'	S63°18'27"W
C16	1°46'21"	1453.00'	44.95'	44.95'	S61°32'06"W
C17	1°46'13"	1553.00'	47.98'	47.98'	S61°32'23"W
C18	1°41'24"	1453.00'	42.86'	42.86'	S59°48'14"W
C19	1°41'46"	1553.00'	45.97'	45.97'	S59°48'24"W
C20	1°51'37"	1453.00'	47.17'	47.17'	S58°01'43"W
C21	1°51'03"	1553.00'	50.16'	50.16'	S58°02'00"W
C22	0°06'17"	1453.00'	2.65'	2.65'	S57°02'47"W
C23	0°07'17"	1553.00'	3.29'	3.29'	S57°02'50"W
C24	1°00'09"	1041.00'	18.21'	18.21'	S56°29'34"W
C25	0°57'59"	1139.71'	19.22'	19.22'	S56°30'28"W
C26	2°20'14"	1041.00'	42.46'	42.46'	S54°49'22"W
C27	2°20'50"	1139.71'	46.69'	46.69'	S54°51'04"W
C28	2°36'48"	1041.00'	47.48'	47.48'	S52°20'51"W
C29	2°35'24"	1139.71'	51.52'	51.52'	S52°22'57"W
C30	2°37'06"	1041.00'	47.57'	47.57'	S49°11'42"W
C31	72°34'48"	19.00'	24.07'	22.49'	S13°32'36"W
C32	0°36'52"	1139.71'	12.22'	12.22'	S50°08'26"W
C33	3°05'21"	307.01'	16.55'	16.55'	S26°29'25"E
C34	8°04'52"	307.01'	43.30'	43.27'	S20°54'19"E
C35	8°07'49"	307.01'	43.56'	43.53'	S12°47'58"E
C36	8°24'21"	307.01'	45.04'	45.00'	S02°49'22"E
C37	31°10'53"	19.00'	10.34'	10.21'	N39°03'54"E
C38	1°08'39"	1177.71'	23.52'	23.52'	S54°05'01"W
C39	41°51'44"	19.00'	13.88'	13.58'	N02°32'35"E
C40	36°21'38"	27.30'	17.33'	17.04'	N70°47'49"E

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**GARDENS AT
 TERAVISTA
 CONDOMINIUMS**

SHEET 15 OF 18

CURVE TABLE

NO.	DELTA	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C41	12°41'43"	57.00'	12.63'	12.60'	N85°17'57"W
C42	9°12'11"	251.51'	40.40'	40.36'	N03°14'05"W
C43	7°33'49"	151.00'	19.93'	19.92'	N01°06'10"W
C44	11°00'55"	251.51'	48.35'	48.28'	N06°52'28"E
C45	9°44'41"	151.00'	25.68'	25.65'	N07°33'05"E
C46	4°31'35"	350.00'	27.65'	27.64'	S10°09'29"W
C47	4°08'07"	449.00'	32.41'	32.40'	S10°21'22"W
C48	7°36'09"	350.00'	46.44'	46.41'	S04°05'37"W
C49	7°27'34"	449.00'	58.46'	58.42'	S04°33'31"W
C50	7°12'05"	350.00'	43.99'	43.96'	S03°18'30"E
C51	7°10'22"	449.00'	56.21'	56.17'	S02°45'27"E
C52	4°35'13"	350.00'	28.02'	28.01'	S09°12'09"E
C53	5°08'58"	449.00'	40.35'	40.34'	S08°55'07"E
C54	1°31'27"	2552.99'	67.91'	67.91'	S75°54'05"W
C55	0°48'13"	2553.00'	35.80'	35.80'	S73°55'54"W
C56	0°24'58"	2654.37'	19.27'	19.27'	S73°43'46"W
C57	45°42'23"	24.84'	19.82'	19.29'	N83°12'34"W
C58	0°45'55"	1453.00'	19.41'	19.41'	S73°09'07"W
C59	11°41'03"	19.00'	3.87'	3.87'	S66°29'22"W
C60	1°08'03"	1630.52'	32.28'	32.28'	S72°55'37"W
C61	0°51'35"	1591.00'	23.87'	23.87'	S73°05'33"W
C62	1°36'40"	1591.00'	44.74'	44.73'	S71°51'25"W
C63	1°37'02"	1591.00'	44.91'	44.91'	S70°14'34"W
C64	1°36'56"	1591.00'	44.86'	44.86'	S68°37'35"W
C65	1°31'52"	1591.00'	42.52'	42.51'	S67°03'11"W
C66	1°41'49"	1591.00'	47.12'	47.12'	S65°26'21"W
C67	1°36'35"	1591.00'	44.70'	44.70'	S63°47'09"W
C68	1°36'30"	1591.00'	44.66'	44.66'	S62°10'36"W
C69	1°27'09"	1591.01'	40.34'	40.33'	S60°17'39"W
C70	0°21'08"	1591.00'	9.78'	9.78'	S61°11'47"W
C71	15°12'23"	48.61'	12.90'	12.86'	N15°54'40"W
C72	81°24'02"	21.37'	30.36'	27.87'	S28°18'12"W
C73	1°07'05"	487.00'	9.50'	9.50'	S11°51'53"W
C74	5°13'04"	487.00'	44.35'	44.33'	S08°41'49"W
C75	5°10'25"	487.00'	43.97'	43.96'	S03°30'04"W
C76	1°03'12"	487.00'	8.95'	8.95'	S00°23'16"W
C77	2°20'58"	487.00'	19.97'	19.97'	S01°18'49"E
C78	57°05'19"	26.49'	26.39'	25.31'	N31°36'19"E

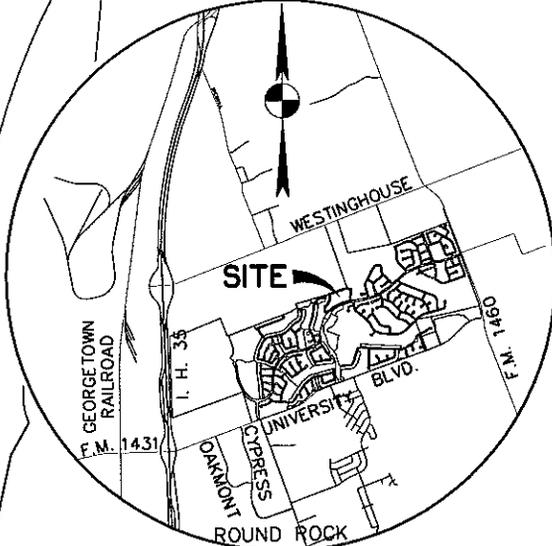
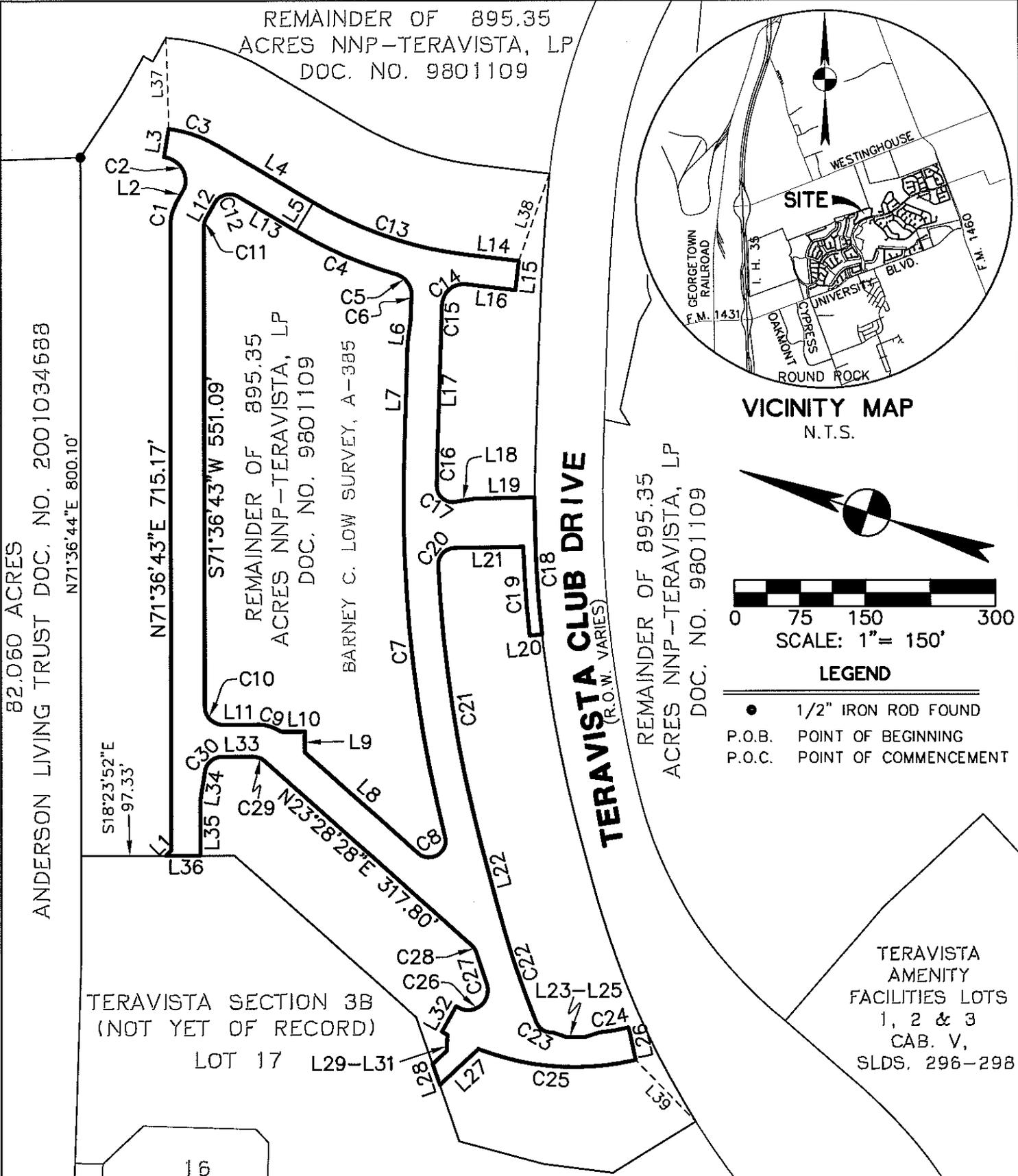
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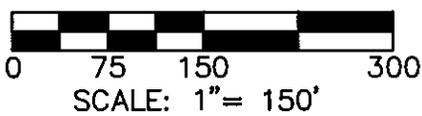
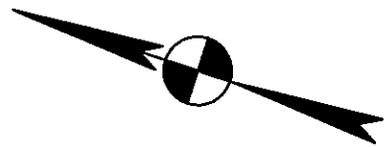
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**GARDENS AT
 TERAVISTA
 CONDOMINIUMS**

SHEET 16 OF 18



VICINITY MAP
N.T.S.



LEGEND

- 1/2" IRON ROD FOUND
- P.O.B. POINT OF BEGINNING
- P.O.C. POINT OF COMMENCEMENT

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GENERAL COMMON ELEMENT
BEING 2.562 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND OF RECORD IN DOC. NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

GARDENS AT TERAVISTA CONDOMINIUMS

SHEET 17 OF 18

LINE TABLE

NO.	BEARING	DISTANCE
L1	S63°23'26"E	9.10'
L2	S78°57'06"E	17.76'
L3	N80°49'05"E	32.68'
L4	S12°25'25"W	125.46'
L5	N77°34'35"W	38.00'
L6	S78°58'29"W	26.37'
L7	S73°31'20"W	129.58'
L8	N23°28'28"E	173.62'
L9	N71°36'43"E	23.62'
L10	N18°23'16"W	26.97'
L11	N18°23'17"W	35.86'
L12	S78°57'06"E	20.09'
L13	S12°25'25"W	77.19'
L14	S11°29'36"E	60.68'
L15	S78°30'24"W	33.53'
L16	S11°29'36"E	57.21'
L17	S73°31'20"W	155.99'
L18	S28°13'16"E	24.49'
L19	S19°15'22"E	69.16'
L20	N24°23'16"W	14.00'

LINE TABLE

NO.	BEARING	DISTANCE
L21	N19°15'22"W	79.20'
L22	S56°59'11"W	70.50'
L23	S00°15'08"E	15.28'
L24	S18°48'18"E	22.32'
L25	S36°47'47"E	16.61'
L26	S59°34'55"W	38.01'
L27	N61°18'59"W	60.31'
L28	N52°35'08"E	25.25'
L29	S61°18'59"E	22.33'
L30	N73°43'44"E	18.34'
L31	N10°59'27"E	7.21'
L32	S79°00'33"E	33.44'
L33	N18°23'17"W	35.86'
L34	S80°51'09"W	31.27'
L35	S71°36'43"W	63.64'
L36	N18°23'52"W	39.42'
L37	N70°04'46"E	104.21'
L38	S89°00'30"E	105.74'
L39	S27°37'42"W	98.57'

CURVE TABLE

NO.	DELTA	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING
C1	29°26'11"	57.00'	29.28'	28.96'	N86°19'49"E
C2	100°58'56"	27.30'	48.12'	42.13'	N38°29'11"E
C3	22°48'35"	151.00'	60.11'	59.72'	S01°01'08"W
C4	14°54'43"	487.00'	126.75'	126.39'	S04°58'04"W
C5	57°05'19"	26.49'	26.39'	25.31'	S31°36'19"W
C6	00°42'55"	2692.36'	33.61'	33.61'	S73°52'44"W
C7	15°50'05"	1591.00'	439.70'	438.30'	S65°36'18"W
C8	145°47'12"	19.00'	48.34'	36.32'	S49°25'08"E
C9	39°20'42"	48.61'	33.38'	32.73'	N03°50'31"W
C10	81°24'02"	21.37'	30.36'	27.87'	N28°18'12"E
C11	29°26'11"	19.00'	9.76'	9.65'	N86°19'49"E
C12	91°22'31"	19.00'	30.30'	27.19'	S33°15'50"E
C13	23°55'02"	449.00'	187.43'	186.07'	S00°27'55"W
C14	94°34'09"	24.84'	41.00'	36.50'	N58°46'41"W
C15	00°24'58"	2654.36'	19.27'	19.27'	S73°43'46"W
C16	01°08'03"	1630.52'	32.28'	32.28'	S72°55'37"W
C17	91°35'16"	19.00'	30.37'	27.24'	S26°32'16"W
C18	06°14'57"	1439.00'	156.95'	156.87'	S68°44'17"W
C19	04°01'02"	1453.00'	101.88'	101.86'	N67°37'20"E
C20	91°47'35"	19.00'	30.44'	27.29'	N65°09'10"W
C21	11°57'51"	1553.00'	324.29'	323.70'	S62°58'07"W
C22	07°09'28"	1139.71'	142.38'	142.29'	S53°24'44"W
C23	72°34'48"	19.00'	24.07'	22.49'	S13°32'36"W
C24	07°24'54"	269.01'	34.81'	34.79'	S27°59'19"E
C25	34°18'12"	307.01'	183.81'	181.08'	N14°23'11"W
C26	139°19'34"	22.73'	55.27'	42.62'	S51°25'37"E
C27	01°56'13"	1177.71'	39.81'	39.81'	N53°41'14"E
C28	31°10'53"	19.00'	10.34'	10.21'	N39°03'54"E
C29	41°51'44"	19.00'	13.88'	13.58'	N02°32'35"E
C30	90°00'00"	19.00'	29.85'	26.87'	N63°23'17"W

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 ENGINEERING SOLUTIONS
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GENERAL COMMON ELEMENT

BEING 2.562 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND OF RECORD IN DOC. NO. 9801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

**GARDENS AT
 TERAVISTA
 CONDOMINIUMS**

SHEET 18 OF 18

EXHIBIT "A"

[ENCUMBRANCES]

1. Restrictive covenants recorded under Document No(s). 199979801 and 2004077802 of the Official Public Records of Williamson County, Texas.
2. Electric transmission and/or distribution line easement granted to Texas Power & Light Company by instrument dated September 24, 1936, recorded in Volume 282, Page 524 of the Deed Records of Williamson County, Texas.
3. Electric transmission and/or distribution line easement granted to Texas Power & Light Company by instrument dated September 25, 1948, recorded in Volume 353, Page 315 of the Deed Records of Williamson County, Texas.
4. Communications easement granted to Southwestern Bell Telephone Company by instrument dated January 18, 1971, recorded in Volume 533, Page 378 of the Deed Records of Williamson County, Texas.
5. Electric easement granted to Texas Power & Light Company by instrument dated September 3, 1971, recorded in Volume 545, Page 145 of the Deed Records of Williamson County, Texas.
6. Electric easement granted to Texas Power & Light Company by instrument dated August 27, 1973, recorded in Volume 583, Page 729 of the Deed Records of Williamson County, Texas.
7. Electric easement granted to Texas Power & Light Company and the General Telephone Company of the Southwest by instrument dated February 24, 1975, recorded in Volume 610, Page 33 of the Deed Records of Williamson County, Texas.
8. Pipeline easement granted to Seminole Pipeline Company by instrument dated August 13, 1981, recorded in Volume 851, Page 680 of the Deed Records of Williamson County, Texas. Amended by instrument dated January 12, 1993, recorded in Volume 2250, Page 249 of the Deed Records of Williamson County, Texas.
9. Terms, conditions and stipulations contained in that certain Ground Water Lease to be effective November 23, 1999, by and between Newland-Round Rock Associates, LP as lessor and ANC-Round Rock Assets, I, LP as lessee, recorded under Document No. 199979802 of the Official Public Records of Williamson County, Texas. Said Lease being subject to that certain Deed and Conveyance Agreement recorded under Document No. 2001083830 of the Official Public Records of Williamson County, Texas.
10. Title Conveyance of Water Rights dated November 23, 1999, from Newland-Round Rock Associates, LP to ANC-Round Rock Assets I, LP recorded under Document No. 199979800 of the Official Public Records of Williamson County, Texas. Said Water Rights being subject to that certain Deed and Conveyance Agreement recorded under Document No. 2001083830 of the Official Public Records of Williamson County, Texas.

11. Terms, conditions and stipulations, including, but not limited to ingress/egress, water, electric easement rights, contained in that certain Restrictive Covenant and Easement Agreement dated November 23, 1999, recorded under Document No. 199979801 of the Official Public Records of Williamson County, Texas. Amended under Document No. 2004077802 of the Official Public Records of Williamson County, Texas.
12. Assignment of Rights and Appurtenances dated November 23, 1999, from Newland-Round Rock Associates, LP to ANC-Round Rock Assets I, LP recorded under Document No. 199979798 of the Official Public Records of Williamson County, Texas.
13. Electric and telephone easement granted to Oncor Electric Delivery Company and Southwestern Bell Telephone, L.P., by instrument dated July 11, 2002, recorded under Document No. 2002053645 of the Official Public Records of Williamson County, Texas.
14. Drainage easement granted to Williamson County by instrument dated October 9, 2002, recorded under Document No. 2002080949 of the Official Public Records of Williamson County, Texas.
15. Waterline easement granted to the City of Round Rock, by instrument dated September 20, 2001, recorded under Document No. 2001070693 of the Official Public Records of Williamson County, Texas.
16. Terms, conditions and stipulations contained in that certain Memorandum of Agreements dated April 21, 1999, by and between Newland Round Rock Associates LP and Hunt Newland, LP, recorded under Document No. 199930934 of the Official Public Records of Williamson County, Texas.
17. Subject Property lies within the boundaries of Williamson County Municipal Utility District No. 10.
18. The rights of Northeast Round Rock Road District No. 1 to levy taxes and issue bonds. (See Order recorded under Document No. 2000041187, and partial releases recorded under Document No(s). 2000052347 and 2005090411 of the Official Public Records of Williamson County, Texas.)
19. Subject property lies within the boundaries of Upper Brushy Creek Water Control and Improvement District.

EXHIBIT "B"

COMMON INTEREST ALLOCATION AND VOTES

The Percentage of Common Interest and Share of Common Expense Liability for each Unit is 1/81. Each Unit is allocated one (1) vote.

EXHIBIT "C"

GUIDE TO THE ASSOCIATION'S EXAMINATION OF AREA OF COMMON RESPONSIBILITY

This Guide provides information to assist the Board in conducting an examination of the Area of Common Responsibility for the purpose maintaining replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Area of Common Responsibility. The examination is required by *Section 9.4* of the Declaration and is a necessary prerequisite to establishing sufficient reserves as required by *Section 6.11* of the Declaration. Additional information on conducting the examination may be obtained from the Community Associations Institute and their publication, *The National Reserve Study Standards of the Community Associations Institute*. See www.caionline.org. In addition, the Community Associations Institute provides certification for qualified preparers of reserve studies, known as a "Reserve Professionals Designation" (R.S.). Neither this Declaration nor current law requires that the Board engage an individual holding a Reserve Professional Designation for the purpose of conducting the examination of the Area of Common Responsibility. Because laws and practices change over time, the Board should not use this Guide without taking into account applicable changes in law and practice.

Developing a Plan

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

- Identification and analysis of each major component of the Area of Common Responsibility
- Estimates of the remaining useful lives of the components
- Estimates of the costs of replacements or repairs
- A cash flow projection showing anticipated changes in expenditures and contributions over a time period generally ranging between 20 and 30 years
- The "Funding Goal" which is generally one of the following:

- Component Full Funding: Attaining, over a period of time, and maintaining, once the initial goal is achieved, a cumulative reserve account cash balance necessary to discharge anticipated expenditures at or near 100 percent; or
- Threshold Funding: Maintaining the reserve account cash balance above a specified dollar or percent funded amount.

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

Finding Component Replacement Information

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

EXHIBIT "D"

GUIDE TO ASSOCIATION'S MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS

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

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

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

MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS	Performed by Association officers or directors	Delegated to Association employee or agent
<p>Maintain Association books, records, and files.</p> <p>Maintain Association's corporate charter and registered agent & address.</p>		
<p><u>OVERALL FUNCTIONS</u></p> <p>Promote harmonious relationships within the community. Protect and enhance property values in the community. Encourage compliance with governing documents and Applicable Laws and ordinances.</p> <p>Act as liaison between the community of owners and governmental, taxing, or regulatory bodies.</p> <p>Protect the Association and the property from loss and damage by lawsuit or otherwise.</p>		

EXHIBIT "E"

MAINTENANCE RESPONSIBILITY CHART

"All aspects" includes maintenance, repair, and replacement, as needed.

"CE" means Common Element.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY AS "AREA OF COMMON RESPONSIBILITY"	OWNER RESPONSIBILITY (subject to applicable architectural controls and use restrictions)
Control access gate at street entrance. (CE)	All aspects.	None.
Water detention pond, if any. (CE)	All aspects.	None.
Fences, screening walls, and retaining walls around perimeter of property.	All aspects.	None.
Interior asphalt street. (CE)	All aspects.	None.
Street lights. (CE)	All aspects.	None.
Sidewalks.	All aspects of sidewalks on Common Elements.	All aspects of sidewalks on Unit.
Mailboxes & exterior street addresses or Unit numbers.	All aspects.	None.
Trash receptacles.	Community dumpster, if any. (CE)	Bags or individual wheeled cans, if used.
Courtyard/fenced yards.	None.	All aspects.
Grounds - outside courtyard/fenced yards.	All aspects, including irrigation - on Common Elements and Units.	None.
Roofs.	Felt, shingles, and metal flashing, only.	All other aspects, except those noted for Association, including decking and roof trusses.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY AS "AREA OF COMMON RESPONSIBILITY"	OWNER RESPONSIBILITY (subject to applicable architectural controls and use restrictions)
Gutters and downspouts.	All aspects.	None.
Roof-mounted attachments.	None.	All aspects.
Exterior vertical walls of Buildings, other exterior features of Buildings not specifically listed in chart.	Periodic re-painting or re-staining of painted or stained surfaces.	All other aspects, except those noted for Association, including stone, stucco, fascia board, wall studs, and insulation.
Building foundations, patio slabs, and A/C slabs.	None.	All aspects.
Concrete driveways.	None.	All aspects.
Exterior light fixtures on Buildings.	None.	All aspects.
Garages.	Roofs and exterior vertical walls, as described above.	All other aspects, except those noted for Association.
Fireplaces & chimneys.	None.	All aspects, including firebox, chimney cap, flue & damper, periodical flue cleaning.
Skylights, if any.	None.	All aspects.
Attics.	None.	All aspects.
Insulation & weatherstripping.	None.	All aspects.
Building interior, including improvements, fixtures, partition walls and floors within Unit.	None.	All aspects.
Sheetrock in Unit (walls and ceilings) & treatments on walls.	None.	All aspects.
Exterior doors of Units.	None.	All aspects.

EXHIBIT "E" – 5

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY AS "AREA OF COMMON RESPONSIBILITY"	OWNER RESPONSIBILITY (subject to applicable architectural controls and use restrictions)
Windows of Units.	Exterior caulking in connection with periodic exterior painting or staining.	All other aspects, except those noted for Association, including window frames, screens, locks, glass panes, glazing, and caulking.
Water, wastewater, electrical lines & systems.	All aspects of common lines & systems, none for those serving an individual Unit.	All aspects of lines, pipes, fixtures, and appliances serving only that Unit.
Heating and cooling systems & water heaters.	None.	All aspects.
Intrusion alarms smoke/heat detectors, monitoring equipment.	None.	All aspects.
Cable for television or internet	Standards for location and appearance of cable and/or conduit.	All other aspects.
Television antennas & satellite dishes.	None.	All aspects.

NOTE 1: The components listed in the first column are applicable only if they exist, and may not be construed to create a requirement to have such a component. A skylight is an example of a component that may or may not be on a Building.

NOTE 2: If an Owner fails or refuses to perform necessary maintenance, repair, or replacement, the Association may perform the work after giving required notices to the Owner.

NOTE 3: This Maintenance Responsibility Chart may be revised by the Association, with the approval of Owners representing at least a majority of the Units in the Property. A revised Maintenance Responsibility Chart must be Recorded.

SECRETARY'S CERTIFICATE

The undersigned hereby certifies that she is the duly elected, qualified and acting ~~Secretary~~ ^{TREASURER} of the Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation (the "Association"), and that this instrument is a true and correct copy of the Third Amendment to the Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, duly adopted and approved by unit owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated in accordance with the terms of Section 82.067(a) of the Texas Uniform Condominium Act, as well as the terms of the Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended by the First Amendment to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2008083742, Official Public Records of Williamson County, Texas and the Second Amendment to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2013001700, Official Public Records of Williamson County, Texas.

IN WITNESS WHEREOF, the undersigned has executed this certificate on the ^{23RD} day of ~~DECEMBER~~ 2013.

GARDENS AT TERAVISTA OWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: Patti R. Sargent
Printed Name: PATTI R. SERGENT
Title: ~~Secretary~~
TREASURER

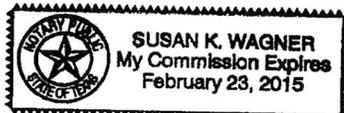
THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me this 23 day of December, 2013 by Patti R. Sargent, ^{Treasurer} ~~Secretary~~ of the Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.

(SEAL)

Susan K. Wagner
Notary Public Signature





COND

2008083742

26 PGS



AFTER RECORDING RETURN TO:

①

Robert D. Burton, Esq.
Armbrust & Brown, L.L.P.
100 Congress Ave., Suite 1300
Austin, Texas 78701


GARDENS
A t T e r a v i s t a

**FIRST AMENDMENT TO
SUPPLEMENTAL DECLARATION AND
DECLARATION OF CONDOMINIUM REGIME FOR
GARDENS AT TERAVIDA, A CONDOMINIUM
COMMUNITY
(A Residential Condominium in Williamson County, Texas)**

Cross Reference to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2007052711, Official Public Records of Williamson County

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM REGIME FOR
GARDENS AT TERAVISTA CONDOMINIUMS**

This First Amendment to Declaration of Condominium Regime for Gardens at Teravista Condominiums (the "Amendment") is made by SDI 2007 - TV, LTD., a Texas limited partnership (the "Declarant"), and is as follows:

RECITALS:

A. Gardens at Teravista, a condominium community located in Williamson County, Texas (the "Regime"), was established pursuant to that certain Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2007052711, Official Public Records of Williamson County (the "Declaration").

B. Pursuant to Provision A.3.10(v) of Appendix "A" to the Declaration, Declarant reserved the right, during the "Development Period" (as defined in the Declaration), to reconfigure Units in the exercise of statutory development rights.

C. Pursuant to Section 82.060 of the Texas Uniform Condominium Act, to exercise a statutory development right, the Declarant must prepare, execute and record an amendment to the Declaration and record new plats and plans for that real property. The amendment to the declaration must reallocate the allocated interests among all Units.

D. The Development Period means the seven (7) year period beginning on the date the Declaration was recorded in the Official Public Records of Williamson County, Texas. As the Declaration was recorded on June 22, 2007, the Development Period has not yet expired. Accordingly, the Declarant currently retains the right to amend the Declaration as set forth in Provision A.3.10(v) of Appendix "A" to the Declaration.

E. Declarant now desires to amend the Declaration to reconfigure the boundaries of Units 12-16, 25, 40-42, 50, 51, 56, 66, 67, 76, 77 and 81 in the Regime, all as set forth more fully hereinbelow.

F. Spicewood Residential, Ltd., a Texas limited partnership, as the owner of Units 13, 16, 41 and 56 in the Regime, David Lee Johnson and wife Jenifer Lynn Johnson, as the owner of Unit 14 in the Regime, Alfred J. Iannone, as the owner of Unit 15 in the Regime, and Karen I. Holmes, as the owner of Unit 66 in the Regime, and, and have each executed this Amendment for the purpose of evidencing their consent to the terms and provisions hereof.

NOW THEREFORE, Declarant hereby amends and modifies the Declaration, as follows:

1. **Reconfiguration of Units.** In accordance with the rights reserved by the Declarant pursuant to Provision A.3.10(v) of Appendix "A" to the Declaration, Declarant hereby reconfigures the boundaries of Units 12-16, 25, 40-42, 50, 51, 56, 66, 67, 76, 77 and 81 in the Regime as set forth on the revised condominium plats and plans attached hereto and incorporated herein by reference as Exhibit "A" (the "**Revised Plats and Plans**").

2. **Replacement of Exhibit "A" to the Declaration.** Exhibit "A" to the Declaration is hereby deleted in its entirety and replaced with the Revised Plats and Plans.

3. **Common Interest/Common Expense Allocation.** The Common Interest Allocation and percentage of liability for common expenses shall remain as stated in the Declaration and shall be unaffected by this Amendment.

4. **Miscellaneous.** Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Declaration. Unless expressly amended by this Amendment, all other terms and provisions of the Declaration remain in full force and effect as written, and are hereby ratified and confirmed.

[SIGNATURE PAGES AND ACKNOWLEDGEMENTS FOLLOW]

Executed to be effective as of the date this instrument has been recorded in the Official Public Records of Williamson County, Texas.

SDI 2007 – TV, LTD., a Texas limited partnership

By: Spicewood Development, Inc., a Texas corporation,
its General Partner

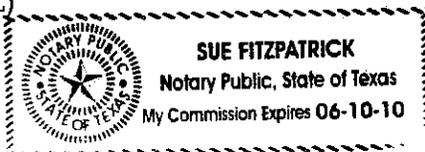
By: *RS*
Printed Name: RANDALL M. ZIEHE
Title: Pres

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 22 day of October, 2008, by Randall M. Ziehe, President of Spicewood Development, Inc., a Texas corporation, General Partner of SDI 2007 – TV, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)



Sue Fitzpatrick
Notary Public Signature

Executed to be effective as of the date this instrument has been recorded in the Official Public Records of Williamson County, Texas.

SPICEWOOD RESIDENTIAL, LTD., a Texas limited partnership

By: Spicewood Development, Inc., a Texas corporation,
its General Partner

By: *[Signature]*
Printed Name: RANDALL M. ZIEHE
Title: PRES

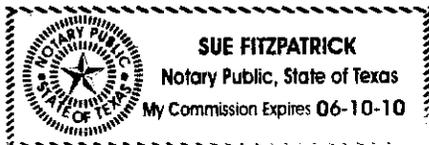
THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 28 day of October, 2008, by Randall M. Ziehe, President of Spicewood Development, Inc., a Texas corporation, General Partner of Spicewood Residential, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)

[Signature]
Notary Public Signature



Executed to be effective as of the date this instrument has been recorded in the Official Public Records of Williamson County, Texas.

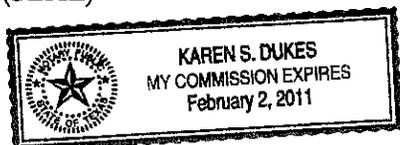

ALFRED J. IANNONE

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

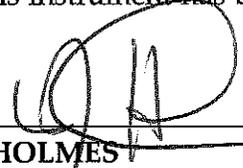
This instrument was acknowledged before me on the 20th day of October, 2008, by Alfred J. Iannone,

(SEAL)




Notary Public Signature

Executed to be effective as of the date this instrument has been recorded in the Official Public Records of Williamson County, Texas.



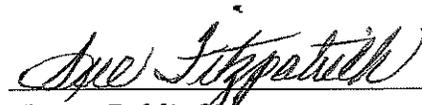
KAREN I. HOLMES

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 22 day of October, 2008, by Karen I. Holmes.

(SEAL)



Notary Public Signature

Executed to be effective as of the date this instrument has been recorded in the Official Public Records of Williamson County, Texas

[Handwritten signature of David Lee Johnson]

DAVID LEE JOHNSON

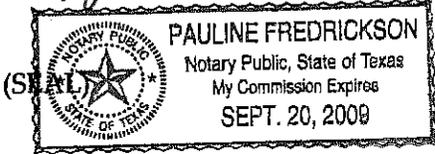
[Handwritten signature of Jenifer Lynn Johnson]

JENIFER LYNN JOHNSON

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 30 day of September, 2008, by David Lee Johnson.



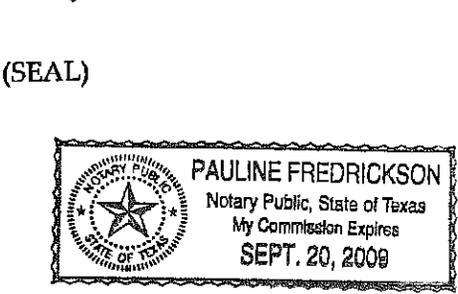
[Handwritten signature of Pauline Fredrickson]

Notary Public Signature

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 30 day of September, 2008, by Jenifer Lynn Johnson.



[Handwritten signature of Pauline Fredrickson]

Notary Public Signature

AFTER RECORDING RETURN TO:

Joshua D. Bernstein, Esq.
Armbrust & Brown, PLLC
100 Congress Ave., Suite 1300
Austin, Texas 78701


GARDENS
A t T e r a v i s t a

**THIRD AMENDMENT TO
SUPPLEMENTAL DECLARATION AND
DECLARATION OF CONDOMINIUM REGIME FOR
GARDENS AT TERA VISTA, A CONDOMINIUM
COMMUNITY
(A Residential Condominium in Williamson County, Texas)**

Cross Reference to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended by the First Amendment to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2008083742, Official Public Records of Williamson County, Texas and the Second Amendment to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2013001700, Official Public Records of Williamson County, Texas

**THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM REGIME FOR
GARDENS AT TERAVISTA CONDOMINIUMS**

A. Gardens at Teravista is a condominium regime established in Williamson County, Texas (the “**Regime**”) pursuant to the terms and provisions of the Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended by the First Amendment to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2008083742, Official Public Records of Williamson County, Texas, and the Second Amendment to Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, recorded under Document No. 2013001700, Official Public Records of Williamson County, Texas (collectively, the “**Declaration**”).

B. Pursuant to Section 19.1 of the Declaration and Section 82.067(a) of the Texas Uniform Condominium Act, the Declaration may be amended by vote or agreement of unit owners to which at least sixty-seven percent (67%) of the votes in the association are allocated.

C. Unit owners to which at least sixty-seven percent (67%) of the votes in the association are allocated have approved an amendment to the Declaration, as set forth hereinbelow, for the purpose modifying the allocation of “Area of Common Responsibility” set forth in the Declaration, and replacing Exhibit “E” to the Declaration in connection with same.

NOW THEREFORE, the Declaration is hereby amended as follows:

1. **Replacement of Exhibit “E” to the Declaration.** Exhibit “E” to the Declaration is hereby deleted in its entirety and replaced with Exhibit “E” attached hereto.

2. **Miscellaneous.** Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Declaration. Unless expressly amended by this Amendment, all other terms and provisions of the Declaration remain in full force and effect as written, and are hereby ratified and confirmed.

EXHIBIT "E"

MAINTENANCE RESPONSIBILITY CHART

"All aspects" includes maintenance, repair, and replacement, as needed.

"CE" means Common Element.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY AS "AREA OF COMMON RESPONSIBILITY"	OWNER RESPONSIBILITY (subject to applicable architectural controls and use restrictions)
Control access gate at street entrance. (CE)	All aspects.	None.
Water detention pond, if any. (CE)	All aspects.	None.
Fences, screening walls, and retaining walls around perimeter of property.	All aspects.	None.
Interior asphalt street. (CE)	All aspects.	None.
Street lights. (CE)	All aspects.	None.
Sidewalks.	All aspects of sidewalks on Common Elements. (CE)	All aspects of sidewalks on Unit.
Mailboxes & exterior street addresses or Unit numbers.	All aspects.	None.
Trash receptacles.	Community dumpster, if any. (CE)	Bags or individual wheeled cans, if used.
Courtyard/fenced yards.	None.	All aspects.
Grounds - outside courtyard/fenced yards.	All aspects, including irrigation - on Common Elements and Units.	None.
Roofs.	None.	All aspects.
Gutters and downspouts.	None.	All aspects.
Roof-mounted attachments.	None.	All aspects.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY AS "AREA OF COMMON RESPONSIBILITY"	OWNER RESPONSIBILITY (subject to applicable architectural controls and use restrictions)
Exterior vertical walls of Buildings, other exterior features of Buildings not specifically listed in chart.	Periodic re-painting or re-staining of painted or stained surfaces.	All other aspects, except those noted for Association, including stone, stucco, fascia board, wall studs, and insulation.
Building foundations, patio slabs, and A/C slabs.	None.	All aspects.
Concrete driveways.	None.	All aspects.
Exterior light fixtures on Buildings.	None.	All aspects.
Garages.	Exterior vertical walls, as described above.	All other aspects, except those noted for Association.
Fireplaces & chimneys.	None.	All aspects, including firebox, chimney cap, flue & damper, periodical flue cleaning.
Skylights, if any.	None.	All aspects.
Attics.	None.	All aspects.
Insulation & weather stripping.	None.	All aspects.
Building interior, including improvements, fixtures, partition walls and floors within Unit.	None.	All aspects.
Sheetrock in Unit (walls and ceilings) & treatments on walls.	None.	All aspects.
Exterior doors of Units.	None.	All aspects.
Windows of Units.	Exterior caulking in connection with periodic exterior painting or staining.	All other aspects, except those noted for Association, including window frames, screens, locks, glass panes, glazing, and caulking.

COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY AS "AREA OF COMMON RESPONSIBILITY"	OWNER RESPONSIBILITY (subject to applicable architectural controls and use restrictions)
Water, wastewater, electrical lines & systems.	All aspects of common lines & systems, none for those serving an individual Unit.	All aspects of lines, pipes, fixtures, and appliances serving only that Unit.
Heating and cooling systems & water heaters.	None.	All aspects.
Intrusion alarms smoke/heat detectors, monitoring equipment.	None.	All aspects.
Cable for television or internet	Standards for location and appearance of cable and/or conduit.	All other aspects.
Television antennas & satellite dishes.	None.	All aspects.

NOTE 1: The components listed in the first column are applicable only if they exist, and may not be construed to create a requirement to have such a component. A skylight is an example of a component that may or may not be on a Building.

NOTE 2: If an Owner fails or refuses to perform necessary maintenance, repair, or replacement, the Association may perform the work after giving required notices to the Owner.

NOTE 3: This Maintenance Responsibility Chart may be revised by the Association, with the approval of Owners representing at least a majority of the Units in the Property. A revised Maintenance Responsibility Chart must be recorded.

2013118174

Electronically Recorded

OFFICIAL PUBLIC RECORDS

Nancy E. Rister

Nancy E. Rister, County Clerk

2013 December 30 10:53 AM

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Williamson County Texas

{W0598830.4}

APPENDIX "A"

DECLARANT RESERVATIONS AND REPRESENTATIONS

A.1. General Provisions.

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

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

A.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and Declarant Control Period to ensure a complete and orderly sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. The "**Development Period**", as specifically defined in *Section 1.17* of the Declaration, means the seven (7) year period beginning on the date this Declaration is recorded, unless such period is earlier terminated by Declarant's recordation of a notice of termination. Declarant Control Period is defined in *Section 1.15* of the Declaration.

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

A.2.1. Duration. The duration of Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed one hundred and twenty (120) days after seventy-five percent (75%) of the Units which may be created have been conveyed to Owners other than Declarant.

A.2.2. Association Budget. During the Declarant Control Period, the Declarant-appointed Board will establish a projected budget for the Property as a fully developed,

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

A.2.3. Officers and Directors. During Declarant Control Period, the Board may consist of three (3) Persons. Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader," subject to the following limitation: within one hundred and twenty (120) days after 50 percent of the maximum number of Units that may be created have been conveyed to Owners other than Declarant, at least one-third of the Board must be elected by Owners other than Declarant.

A.2.4. Obligation for Assessments. For each Unit owned by Declarant, Declarant is liable for Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments in the same manner as any Owner. Regarding Regular Assessments, during the Declarant Control Period only, Declarant at Declarant's option may support the Association's budget by either of the following methods: (i) Declarant will pay Regular Assessments on each Declarant owned Unit in the same manner as any Owner; or (ii) Declarant will assume responsibility for the difference between the Association's actual common expenses as they are paid and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On the earlier to occur of three (3) years after the first conveyance of a Unit by the Declarant or termination of the Declarant Control Period, Declarant must begin paying Assessments on each Declarant owned Unit according to the Unit's allocated Interest for Assessments.

A.2.5. Obligation for Reserves. During the Declarant Control Period, neither the Association nor Declarant may use the Association working capital or reserve funds to pay operational expenses of the Association.

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

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

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

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

A.3.1. Leasehold. No part of the Property is a leasehold condominium, as defined by the Act.

A.3.2. Annexation. The Property is subject to expansion by phasing for up to seven (7) years from the date this Declaration is recorded. During the Development Period, Declarant may annex additional property into the Regime, and subject such property to this Declaration and the jurisdiction of the Association by Recording an amendment or supplement of this Declaration, executed by Declarant.

A.3.3. Changes in Development Plan. During the Development Period, Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, the subdivision or combination of Units, changes in the sizes, styles, configurations, materials, and appearances of Units, and Common Elements.

A.3.4. Architectural Control. During the Development Period, Declarant has the absolute right of architectural control. Notwithstanding the foregoing, during the Development Period and after termination of Declarant Control, or earlier if Declarant permits, the Board may appoint or serve as a "modifications committee" to respond exclusively to modifications of completed Units that are owned by Persons other than Declarant. A modifications committee may not involve itself with the approval of new Units or Common Elements.

A.3.5. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.

A.3.6. Website & Property Name. During the Development Period, Declarant has the unilateral right to approve or disapprove uses of any website purporting to serve the Property or the Association, all information available on or through the Property website, if any, and all uses of the property name by the Association.

A.3.7. 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.3.8. Statutory Development Rights. As permitted by the Act, Declarant reserves the following Development Rights which may be exercised during the Development Period: (i) to add real property to the Property; (ii) to create Units, General Common Elements, and Limited Common Elements within the Property; (iii) to subdivide Units or convert Units into Common Elements; and (iv) to withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

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

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

- (i) To meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Units.
- (ii) To correct any defects in the execution of this Declaration or the other Documents.
- (iii) To add real property to the Property, in the exercise of statutory Development Rights.
- (iv) To create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights.
- (v) To subdivide, combine, or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights.

- (vi) To withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights" in the exercise of statutory Development Rights.
- (vii) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- (viii) To change the name or entity of Declarant.
- (ix) For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

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

- (i) The right to complete or make Improvements indicated on the Plat and Plans.
- (ii) The right to exercise any Development Right permitted by the Act and this Declaration.
- (iii) The right to make the Property part of a larger condominium or planned community.
- (iv) The right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property.
- (v) For purposes of promoting, identifying, and marketing the Regime, Declarant reserves an easement and right over and across the Regime: (A) for the placement and maintenance of signs, banners, balloons, decorations, marketing materials and tables, a sales office, a leasing office, a business office, promotional facilities and model Units, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development, sale or lease of any Unit; and (B) for marketing events, special events, promotional activities and grand opening celebrations. In connection with the hosting of special events, promotional

activities and grand opening celebrations in the Common Elements, Declarant shall be permitted to have live entertainment and any noise created therefrom shall not be deemed a nuisance and shall not cause Declarant and its representatives, agents, associates, employees, tenants and guests to be deemed in violation of any provision of this Declaration or governing rules and regulations of the Association.

- (vi) Declarant has an easement and right of ingress and egress in and through the Property for the placement or installation of signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping, including items and locations that are prohibited to other Owners and Residents.
- (vii) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.
- (viii) The right to appoint or remove any Declarant-appointed officer or director of the Association during Declarant Control Period consistent with the Act.

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

- (i) An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.
- (ii) The right to sell or lease any Unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained elsewhere in this Declaration or the other Documents.
- (iii) The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or Common Elements. Requests for entry must be made in advance for a time reasonably convenient for the Owner who may not unreasonably withhold consent.

- (iv) An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at Declarant's sole expense, will restore altered Common Elements and Units to conform to the architectural standards of the Property. The restoration will be done within one hundred and twenty (120) days after termination of the Development Period.
- (v) An easement over the entire Property, including the Units, to inspect the Common Elements and all Improvements thereon and related thereto to evaluate the maintenance and condition of the Common Element Improvements.
- (vi) The right to provide a reasonable means of access for the home-buying public through the gated entrance in connection with the active marketing of Units by Declarant, including the right to require that the gates be kept open during certain hours or on certain days.

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

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

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

(6)

11-GF# 063865-BKH
RETURN TO: HERITAGE TITLE
401 CONGRESS, SUITE 1500
AUSTIN, TEXAS 78701

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS 2007052711

Nancy E. Rister

06/22/2007 02:12 PM

SURRATT \$480.00

NANCY E. RISTER, COUNTY CLERK
WILLIAMSON COUNTY, TEXAS

GARDENS AT TERAVISTA
NOTICE REGARDING AMENDMENTS TO SUPPLEMENTAL DECLARATION
AND DECLARATION OF CONDOMINIUM REGIME

Reference is herein made to the following instruments, each recorded in the Official Public Records of Williamson County, Texas:

(1) Supplemental Declaration and Declaration of Condominium Regime for The Gardens at Teravista, a Condominium Community, recorded as Document Number 2007052711 (the "**Declaration**");

(2) First Amendment to Supplemental Declaration and Declaration of Condominium Regime for The Gardens at Teravista, a Condominium Community, recorded as Document Number 2008083742;

(3) Second Amendment to Supplemental Declaration and Declaration of Condominium Regime for The Gardens at Teravista, a Condominium Community, recorded as Document Number 2013001700;

(4) Third Amendment to Supplemental Declaration and Declaration of Condominium Regime for The Gardens at Teravista, a Condominium Community, recorded as Document Number 2013100379 (the "**First Third Amendment**"); and

(5) Third Amendment to Supplemental Declaration and Declaration of Condominium Regime for The Gardens at Teravista, a Condominium Community, recorded as Document Number 2013118174 (the "**Second Third Amendment**").

Notice is hereby provided that, although the Second Third Amendment was titled "Third Amendment," as it was actually recorded after the First Third Amendment, the Second Third Amendment was actually the fourth amendment to the Declaration.

IN WITNESS WHEREOF, the undersigned, being the duly elected, qualified and acting President of the Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation, and the condominium association established pursuant to the terms of the Declaration, as amended, hereby executes this Notice to be effective as of the date this Notice has been recorded in the Official Public Records of Williamson County, Texas.

GARDENS AT TERAVIDA OWNERS ASSOCIATION, INC., a Texas non-profit corporation

By: Martha Hoflich
Printed Name: Martha Hoflich
Title: President

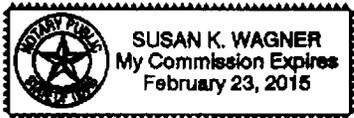
THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me this 18 day of July, 2014, by Martha Hoflich of Gardens at Teravista Owners Association, Inc.

(SEAL)

Susan Wagner
Notary Public Signature



AFTER RECORDING, RETURN TO:

Armbrust & Brown, PLLC
Attn: Joshua D. Bernstein
100 Congress Avenue
Suite 1300
Austin, Texas 78701

{W0626076.2}

2014056888
Electronically Recorded
OFFICIAL PUBLIC RECORDS

Nancy E. Rister

Nancy E. Rister, County Clerk
7/21/2014 3:53 PM

Pages: 2 Fee: \$25.00
Williamson County Texas



COND

2007068037

45 PGS



AFTER RECORDING RETURN TO:

ROBERT D. BURTON, ESQ.
ARMBRUST & BROWN, L.L.P.
100 CONGRESS AVE., SUITE 1300
AUSTIN, TEXAS 78701

GARDENS

At Teravista

A CONDOMINIUM COMMUNITY

COMMUNITY MANUAL

Consisting of:

Bylaws

Initial Rules & Regulations

Assessment Collection Policy

Fining Policy

Mold Policy

Certification and Acknowledgement

**FOR OWNERS AND RESIDENTS OF
GARDENS AT TERAVISTA**

PROPERTY

The Gardens at Teravista are located on 4332 Teravista Club Drive, Round Rock, Texas 78664, and are subject to the Supplemental Declaration and Declaration of Condominium Regime for The Gardens at Teravista, recorded or to be recorded in the Official Public Records of Williamson County, Texas.

**GARDENS AT TERA VISTA
COMMUNITY MANUAL**

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I. GARDENS AT TERAVISTA OWNERS ASSOCIATION, INC.

BYLAWS

(a Texas condominium association)

ARTICLE 1
INTRODUCTION

1.1. **Property.** These Bylaws of Gardens at Teravista Owners Association, Inc. provide for the governance of the condominium regime known as Gardens at Teravista, established on that certain real property located in Williamson County, Texas which is more particularly described on Attachment 1 (the "**Property**") to the Supplemental Declaration and Declaration of Condominium Regime For Gardens at Teravista, recorded as Document No. 2007052711 in the Official Public Records of Williamson County, Texas (as the same may be amended or restated from time to time, the "**Declaration**").

1.2. **Governing Documents.** The Property is subject to a number of publicly recorded documents, including, without limitation, the Declaration, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2001080404, Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2002044078, Official Public Records of Williamson County, Texas, that certain Second Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2004088757, Official Public Records of Williamson County, Texas, and that certain Third Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Teravista, recorded as Document No. 2007051210, Official Public Records of Williamson County, Texas, and the Amendment and Restatement of the Community Covenant for Teravista, recorded as Document No. 2001080403 in the Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to the Amended and Restated Community Covenant for Teravista, recorded as Document No. 2002044079 in the Official Public Records of Williamson County, Texas.

1.3. **Parties to Bylaws.** All present or future Owners of Units and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Documents as defined in the Declaration. The mere acquisition or occupancy of a Unit will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.4. **Definitions.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws. Article 1 of the Declaration is incorporated herein by reference.

1.5. **The Association.** The existence and legitimacy of the Association is derived from the Declaration and these Bylaws of the Association.

1.5.1. Type. The Association must be a nonprofit organization. As long as Texas law requires the incorporation of condominium associations, the Association will be incorporated as a nonprofit corporation. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association.

1.5.2. Name. A name is not the defining feature of the Association. Although the initial name of the Association is Gardens at Teravista Owners Association, the Association may operate under any name that is approved by the board and (1) filed with the Williamson County Clerk as an assumed name, or (2) filed with the Secretary of State as the name of the filing entity. The Association may also change its name by amending the Documents. Another legal entity with the same name as the Association, or with a name based on the name of the Property is not the Association, which derives its authority from this Declaration.

1.5.3. Duties. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and, as applicable, an unincorporated nonprofit corporation or a nonprofit association organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Documents.

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

1.6. Applicable Law. The Association is a legal entity governed by the Act and the Texas Business Organizations Code (the "Code"). As a Texas domestic nonprofit corporation, the Association is subject to Chapter 22 of Title 2 of the Code, the Texas Nonprofit Corporation Law. During any period in which the Association is not incorporated, the Association will be an unincorporated nonprofit association subject to Chapter 252 of Title 6 of the Code, the Texas Uniform Unincorporated Nonprofit Association Act. If not incorporated, the Association, at its discretion, may use the Texas Nonprofit Corporation Law for guidance in governing the Association. Sections of the Code that are cited in these Bylaws are incorporated herein by reference, whether or not the Association is incorporated.

1.7. Two Associations, Two Memberships, Two Bylaws. These Bylaws pertain only to Gardens at Teravista Owners Association, whose members are also members of the Teravista Community Association Association, the "master association" for the master planned

development of Teravista. The master association has its own bylaws. Except for this Section, these Bylaws do not relate to the master association or its bylaws.

1.8. **Nonprofit Purpose.** The Association is organized to be a nonprofit corporation.

1.9. **Declarant Control.** Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in Appendix "A" of the Declaration during the Declarant Control Period and the Development Period, as defined in the Declaration, including the number, qualification, appointment, removal, and replacement of directors.

1.10. **General Powers and Duties.** The Association, acting through the Board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Documents and Texas law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Documents.

ARTICLE 2

BOARD OF DIRECTORS

During the Declarant Control Period, Appendix "A" of the Declaration governs the number, qualification, and appointment of directors. The initial directors will be appointed by Declarant and need not be Owners. 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.

2.1. **Number and Term of Office.** The Board will consist of three (3) persons. One director will be elected for a three (3) year term, one director will be elected for a two (2) year term, and one director will be elected for a one (1) year term. 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 may not be less than three (3).

2.2. **Qualification.** The following qualifications apply to the election or appointment of persons to the Board.

2.2.1. **Owners.** At least a Majority of the directors must be Members of the Association or spouses of Members.

2.2.2. **Entity Member.** If a Unit is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a director and is 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 will be deemed vacant.

2.2.3. Delinquency. No person may be elected or appointed as a director if any assessment or fine against the person or his Unit is delinquent at the time of election or appointment, provided he has been given notice of the delinquency and a reasonable opportunity to cure the delinquency.

2.2.4. Litigation. No person may be elected or appointed as a director if the person is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party.

2.3. Election. Directors will be elected by the Members of the Association. The election of directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, electronic mail, or a combination of any of these.

2.4. Vacancies. Vacancies on the Board caused by any reason, except the removal of a director by a vote of the Association, are filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any meeting of the Board. Each director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder of the term.

2.5. Removal of Directors.

2.5.1. Removal by Members. 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 of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Members must be given an opportunity to be heard at the meeting.

2.5.2. Removal by Directors. A director may not be removed by the officers or by the remaining directors, except for the following limited reasons for which a director may be removed by at least a Majority of the other directors at a meeting of the Board called for that purpose:

i. The director is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party; provided the Association did not file suit to effect removal of the director.

ii. The director's account with the Association has been delinquent for at least ninety (90) days or has been delinquent at least three (3) times during the preceding twelve (12) months; provided he was given notice of the default and a reasonable opportunity to cure.

iii. The director has refused or failed to attend three (3) or more meetings of the Board during the preceding twelve (12) months; provided he was given proper notice of the meetings.

iv. The director has refused or failed to cure a violation of the Documents for which he has been given notice, a reasonable opportunity to cure, and an opportunity to request a hearing before the Board.

2.6. Meetings of the Board.

2.6.1. Organizational Meeting of the Board. Within ten (10) days after the annual meeting, the directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will 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 a time and place that the Board determines, from time to time, but at least one (1) such meeting must be held each calendar quarter. Notice of regular meetings of the Board will be given to each director, personally or by telephone, written, or electronic communication, at least three (3) days prior to the date of the 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, by the secretary, or by any two (2) directors. At least three (3) days notice will be given to each director, personally or by telephone, written, or electronic communication, which notice must state the place, time, and purpose of the meeting.

2.6.4. Emergency Meetings. In case of emergency, the Board may convene a meeting after making a diligent attempt to notify each director by any practical method.

2.6.5. Conduct of Meetings. The president presides over meetings of the Board and the secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the Board.

2.6.6. Quorum. At meetings of the Board, a Majority of directors constitutes 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 are the acts of the Board. If less than a quorum is present at a meeting of the Board, the Majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice. Directors may not participate by proxy at meetings of the Board.

2.6.7. Open Meetings. Regular and special meetings of the Board are open to Members of the Association, subject to the following provisions to the extent permitted or required by the Act:

- i. No audio or video recording of the meeting may be made, except by the Board or with the Board's prior express consent.
- ii. Members who are not directors may not participate in Board deliberations under any circumstances, and may not participate in Board discussions unless the Board expressly so authorizes at the meeting.
- iii. The Board may adjourn any meeting and reconvene in executive session to discuss and vote on 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 business to be considered in executive session will first be announced in open session.
- iv. The Board may prohibit attendance by non-Members, including representatives, proxies, agents, and attorneys of Members.
- v. The Board may prohibit attendance by any Member who disrupts meetings or interferes with the conduct of Board business.
- vi. The Board may but is not required to publish to Members the time, date, and place of Board meetings, but will provide the information if requested in writing by a Member on a meeting by meeting basis.

2.6.8. 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 constitutes 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.

2.6.9. 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 directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote. This Section does not apply to actions that require meetings under the Act.

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: Section 82.103(a) and (f) of the Act, and

Sections 3.102, 3.105, 22.221, 22.223, 22.224, 22.225, 22.226, 22.227 and 22.230 of the Texas Business Organizations Code.

2.8. **Powers and Duties.** The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The Board may do all acts and things except those which, by law or the 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 Documents, or powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not 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 may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee Members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed from among the Owners and residents.

2.8.2. **Manager.** The Board may employ a manager or managing agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

2.9. **Fidelity Bonds.** Any person handling or responsible for Association funds, including officers, agents, and employees of the Association, must furnish adequate fidelity bonds. The premiums on the bonds may be a common expense of the Association.

ARTICLE 3 OFFICERS

3.1. **Designation.** The principal officers of the Association are the president, the secretary, and the treasurer. The Board may appoint one (1) or more vice-presidents and other officers and assistant officers as it deems necessary. The president and secretary must 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 are elected no less than annually by the directors at the organizational meeting of the Board and hold office at the pleasure of the Board. Except for resignation or removal, officers 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 Section 82.103(a) and (f) of the Act and by Section 3.105 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: (i) presides at all meetings of the Association and of the Board; (ii) has 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) has general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) sees that all orders and resolutions of the Board are carried into effect.

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

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

3.6. **Authorized Agents.** Except when the 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 are 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 will be held once during each 12 month period on a date and at a time determined by the Board. At each annual meeting

the Members will 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 is 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 Owners of at least twenty percent (20%) of the Units. The meeting must be held within thirty (30) days after the Board resolution or receipt of petition. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. **Place of Meetings.** Meetings of the Association may be held at the Property 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 notice of meetings of the Association will be given to an Owner of each Unit at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. **Ineligibility.** The Board may determine that no Member may vote at meetings of the Association if the Member's financial account with the Association is in arrears forty-five (45) days before the date of a meeting of the Association at which Members will vote, provided each ineligible Member is given notice of the arrearage and an opportunity to become eligible. The Board may specify the manner, place, and time for payment for purposes of restoring eligibility. A determination of Members entitled to vote at a meeting of the Association is effective for any adjournment of the meeting, provided the date of the adjourned meeting is not more than forty-five (45) days after the original meeting.

4.6. **Voting Members List.** The Board will prepare and make available a list of the Association's voting Members in accordance with Section 22.158(b) of the Texas Business Organizations Code.

4.7. **Quorum.** At any meeting of the Association, the presence in person or by proxy of Members representing at least twenty percent (20%) of the Units in the Property constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, provided that Members representing at least twenty percent (20%) of the Units in the Property remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

4.8. **Lack of Quorum.** If a quorum is not present at any meeting of the Association for which proper notice was given, Members representing at least a Majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than twenty-four (24) hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a

quorum, notice of a new meeting for the same purposes within fifteen (15) to thirty (30) days may be given to an Owner of each Unit, at which meeting the Members present in person or by proxy (even if representing less than twenty percent (20%) of the Units) will be sufficient to constitute a quorum for the purposes of that meeting.

4.9. **Votes.** The vote of Members representing at least a Majority of the votes cast at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. Cumulative voting is prohibited.

4.9.1. **Co-Owned Units.** If a Unit is owned by more than one Member, the vote appurtenant to that Unit is cast in accordance with Section 82.110(a) of Act, which is summarized as follows. If only one of the multiple Owners of a Unit is present at a meeting of the Association, that person may cast the vote allocated to that Unit. If more than one of the multiple Owners is present, the vote allocated to that Unit may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple Owners casts the vote allocated to a Unit and none of the other Owners makes prompt protest to the person presiding over the meeting.

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 the corporation's written appointment of a specific person to exercise its vote. The vote of a partnership may be cast by any general partner in the absence of the partners' written appointment of a specific person. 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 counted towards a quorum and for all ballots and votes except the election or removal of directors. The vote appurtenant to a Unit owned by the Association is exercised by the Board.

4.10. **Proxies.** Votes may be cast in person or by written proxy. To be valid, each proxy must: (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 or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. 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 is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

4.11. **Conduct of Meetings.** The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should 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 governs the conduct of meetings of the Association when not in conflict with the Documents. Votes should be tallied by Members appointed by the person presiding over the meeting.

4.12. **Order Of Business.** Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- 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 and place.

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 any method allowed by Section 22.160(b)(c) and (d) of the Texas Business Organizations Code, which may include hand delivery, mail, fax, email, 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 Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of directors.

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 the meeting constitutes 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 Declarant has adopted initial rules and regulations for: (i) the administration of the Association and the Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Property; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict with law or the Documents. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members. The Board has the right to amend, from time to time, the rules and regulations; provided, however, that until the expiration or termination of the Development Period, all amendments to the rules and regulations must be approved in advance and in writing by Declarant.

5.2. **Adoption and Amendment.** Any rule may be adopted, amended, or terminated by the Board, provided that the rule and the requisite Board (and Declarant, if applicable) approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. **Distribution.** On request from any Member or resident, the Board will provide a current and complete copy of rules. Additionally, the Board will, from time to time, distribute copies of the current and complete rules to Owners and, if the Board so chooses, to non-Member residents.

ARTICLE 6 **ENFORCEMENT**

6.1. **Remedies.** The violation of any provision of the Documents gives the Board the following rights, in addition to any other rights set forth in the Documents:

6.1.1. **Fines.** To impose reasonable fines, if notice and an opportunity to be heard are given.

6.1.2. **Self-Help.** After notice and an opportunity to be heard are given, except in case of an emergency, to enter the Unit or Common Element 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 contrary to the intent and meaning of the provisions of the Documents. The Board may not be deemed liable for any manner of trespass by this action.

6.1.3. Courts. To enjoin, abate, or remedy, by appropriate legal proceedings, the continuance of any breach.

6.2. **Notice and Hearing**. Before imposing a fine or exercising self-help abatement, the Board must give the Owner a written violation notice and an opportunity to be heard.

6.2.1. Notice of Violation. The Board's written violation notice will contain the following: (i) the date the violation notice is prepared or mailed; (ii) a description of the violation; (iii) a reference to the rule or provision of the Documents that is being violated; (iv) a description of the action required to cure the violation; (v) the amount of the fine to be levied and/or the abatement action to be taken; (vi) the date the fine begins accruing or abatement action becomes possible; and (vi) a statement that not later than the 30th day after the date of the violation notice, the Owner may request a hearing before the Board to contest the fine or the abatement action.

6.2.2. Notice to Resident. In addition to giving the written violation notice to the Owner, the Board may also give a copy of the notice to the non-Owner resident, if the Board deems it appropriate.

6.2.3. Request for Hearing. To request a hearing before the Board, an Owner must submit a written request to the Board within thirty (30) days after the date of the violation notice. Within ten (10) days after receiving the Owner's request for a hearing, the Board will give the Owner notice of the date, time, and place of the hearing. The hearing will be scheduled for a date within forty-five (45) days from the date the Board receives the Owner's request, and should be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend.

6.2.4. Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of the fine or the abatement action described in the notice.

6.2.5. Hearing. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made.

6.2.6. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine, if any, imposed, or abatement action, if any, authorized. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

6.3. **Imposition of Fine.** Within thirty (30) days after levying the fine or authorizing the abatement, the Board must give the Owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the Owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

6.3.1. **Amount.** The Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

6.3.2. **Type of Fine.** If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

6.3.3. **Other Fine-Related.** The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Board may adopt a collection policy that applies Owners' payments to unpaid fines before retiring other types of assessments.

6.4. **Additional Enforcement Rights.** Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Documents which, in the Board's opinion, are: (i) self-evident, such as vehicles parked illegally or in violation of posted signs; (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same Owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Documents for certain violations, such as nonpayment of assessments.

ARTICLE 7

OBLIGATIONS OF THE OWNERS

7.1. **Notice of Sale.** Any Owner intending to sell or convey his Unit or any interest therein must give written notice to the Board of his 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 the transaction; (iv) names and phone numbers of real estate agents, if any, representing seller and purchaser; and (v) scheduled date of closing. An Owner will furnish this information to the Board at least ten (10) business days before the scheduled date of closing or conveyance. The requirements of this Section may be satisfied by giving the Association a

copy of an accepted resale contract in connection with the Owner's request to the Association for a resale certificate.

7.2. **Proof of Ownership.** On request by the Association from time to time, any person who purports to be an Owner or the agent of an Owner must furnish to the Board evidence of ownership of the Unit. A copy of the recorded deed is the customary evidence. This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the Unit or any interest therein. The Association may refuse to recognize a person as a Member unless the requested documentation is provided.

7.3. **Owners' Information.** Within thirty (30) days after acquiring an ownership interest in a Unit, the Owner must provide the Association with the Owner's mailing address, telephone number, and driver's license number, if any; the name and telephone number of any resident other than the Owner; and the name, address, and telephone number of any person managing the Unit as agent of the Unit Owner. An Owner must notify the Association within thirty (30) days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

7.4. **Mailing Address.** The Owner or the several co-Owners of a Unit must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an Owner fails to maintain a current mailing address with the Association, the address of the Owner's Unit is deemed to be his mailing address.

7.5. **Registration of Mortgagees.** Within thirty (30) days after granting a lien against his Unit, the Owner must provide the Association with the name and address of the holder of the lien and the loan number. The Owner must notify the Association within thirty (30) days after he has notice of a change in the information required by this Section. Also, the Owner will provide the information on request by the Association from time to time.

7.6. **Assessments.** All Owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. A Member is 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.

7.7. **Compliance with Documents.** Each Owner will comply with the provisions and terms of the Documents, and any amendments thereto. Further, each Owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

ARTICLE 8
ASSOCIATION RECORDS

8.1. **Records.** The Association will use its best efforts to keep the records required by Section 82.114(a) of the Act , including the following:

- i. Minutes or a similar record of the proceedings of meetings of the Association.
- ii. Minutes or a similar record of the proceedings of meetings of the Board.
- iii. Names and mailing addresses of the Members, the currency and accuracy of the information being the responsibility of the Members.
- iv. Names and mailing addresses of the mortgagees, the currency and accuracy of the information being the responsibility of the Members and their mortgagees.
- v. Financial records and books of account for the Association, kept in a manner consistent with generally accepted accounting principles.
- vi. Copies of income tax returns prepared for the Internal Revenue Service.
- vii. Copies of the Documents and all amendments to any of these.
- viii. A record of all votes or written consents by which amendments to the Documents were approved, for at least four (4) years after the approval.

8.2. **Inspection of Books and Records.** Books and records of the Association will be made available for inspection and copying pursuant to Section 82.114(b) of the Act and Sections 3.151, 3.153 and 22.351 of the Texas Business Organizations Code.

8.2.1. **Proper Purpose.** The Board may require a Member to submit a written demand for inspection, stating the purpose for which the Member will inspect the books and records. The Board has the following rights: (i) to determine whether the Member's purpose for inspection is proper; (ii) to deny the request if the Board determines that the Member's purpose is not proper; (iii) if granting the request, to identify which books and records are relevant to the Member's stated purpose for inspection.

8.2.2. **Copies.** A Member, at Member's expense, may obtain photocopies of books and records for which the Board grants the right of inspection. The Board has the right to retain possession of the original books and records, to make copies requested by the Member, and to charge the Member a reasonable fee for copying.

8.2.3. Member's Agent. A Member's inspection of the books and records may be assisted or performed by the Member's agent, accountant, or attorney.

8.2.4. Records of Attorneys and Accountants. The files and records of an attorney or accountant who performs services for the Association are not records of the Association, are not subject to inspection by Members, and are not subject to production in a legal proceeding.

8.3. Resale Certificates. Any officer may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of the Act. 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 is 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, by fax, or by any other method permitted by the Texas Business Organizations Code. 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 fax, the notice is deemed delivered on successful transmission of the facsimile.

9.3. Waiver of Notice. Whenever a notice is required to be given to an Owner, Member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a Member or director at any meeting of the Association or Board, respectively, constitutes a waiver of notice by the Member or director of the time, place, and purpose of the meeting. If all Members or directors are present at any meeting of the Association or Board, respectively, no notice is required and any business may be transacted at the meeting.

ARTICLE 10

DECLARANT PROVISIONS

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

10.2. Board of Directors. During the Declarant Control Period, Appendix "A" of the Declaration governs the number, qualification, and appointment of directors. The initial directors will 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. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

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

ARTICLE 11 **AMENDMENTS TO BYLAWS**

11.1. **Authority**. These Bylaws may be amended by a majority vote of the Board of Directors.

11.2. **Mortgagee Protection**. In addition to the notices and consents required by these Bylaws, certain actions and amendments require notice to or approval by Eligible Mortgagees, pursuant to the Mortgagee Protection article of the Declaration. If applicable, the Association must give the required notices to and obtain the required approvals from Eligible Mortgagees.

11.3. **Effective**. To be effective, each amendment must be in writing, reference the names of the Property and the Association, and be executed by a majority of the Board of Directors. Further, if these Bylaws are publicly recorded, the amendment must recite the recording data for the Bylaws, and be recorded in the Official Public Records of Williamson County, Texas.

11.4. **Declarant Protection**. During the Development Period, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section and the article titled "Declarant Provisions" may not be amended without the prior written approval of the Declarant. The Declarant's written consent must be part of the amendment instrument.

ARTICLE 12 **GENERAL PROVISIONS**

12.1. **Compensation**. A director, officer, Member, or resident may not 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 resident. Nevertheless,

i. Reasonable compensation may be paid to a director, officer, Member, or resident for services rendered to the Association in other capacities.

ii. A director, officer, Member, or resident 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 the expense has been approved by the Board.

iii. The Board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.

iv. This provision does not apply to distributions to Unit Owners permitted or required by the Declaration or the Act.

12.2. **Conflicting Provisions.** If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws 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 controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

12.3. **Severability.** Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

12.4. **Construction.** The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and may not be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

12.5. **Fiscal Year.** The fiscal year of the Association will be set by resolution of the Board, and is subject to change from time to time as the Board determines. In the absence of a resolution by the Board, the fiscal year is the calendar year.

12.6. **Waiver.** No restriction, condition, obligation, or covenant contained in these Bylaws may 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.

12.7. **Indemnification.** To the fullest extent permitted by applicable law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, committee member, employee, servant, or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person: (i) acted in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests

of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

12.8. **Preparer.** These Bylaws were prepared in by Robert D. Burton, Esq., Armbrust & Brown, L.L.P., 100 Congress Ave., Suite 1300, Austin, Texas 78701.

II. INITIAL RULES & REGULATIONS

These Initial Rules & Regulations are established by SDI 2007 – TV, LTD., a Texas limited partnership, for the benefit of Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation (the “**Association**”). These Community Rules are the “Rules” defined in Article 1 of the Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, recorded as Document No. 2007052711 in the Official Public Records of Williamson County, Texas (the “**Declaration**”).

These Rules are in addition to the provisions of the Declaration and Bylaws. By owning or occupying a Unit, each Owner and Resident agrees to abide by these Rules and to comply with the obligations of Owners and Residents under the Declaration and Bylaws of the Association.

Words and phrases defined in the Declaration have the same meaning when used in these Rules. In the event of a conflict between Documents, the hierarchy of authority is as follows: Declaration (highest), Bylaws, and these Rules (lowest). The Association's board of directors is empowered to interpret, enforce, amend, and repeal these Rules.

A. COMPLIANCE

- A-1. Compliance. Each Owner will comply with the provisions of these Rules, the other Documents, and policies adopted by the Board to supplement these Rules, as any of these may be revised from time to time. Each Owner, additionally, is responsible for compliance with the Documents by the Residents of his Unit, and his or their respective relatives, invitees, tenants, agents, employees, or contractors. If a Rule requires or prohibits conduct by an “Owner” or “Resident,” each of those terms are deemed to include the other, and applies to all persons for whom an Owner or Resident is responsible. Any question regarding these rules should be referred to the Association. The Association has the right to enforce these Rules against any person on the Property.
- A-2. Additional Rules. Each Resident must comply with any rules and signs posted from time to time on the Property by the Association. Each Resident must comply with notices communicated by the Association, from time to time, which may include seasonal or temporary rules, or notice of a change affecting use of the Property. Posted and temporary rules are incorporated in these Rules by reference.
- A-3. Variance. Circumstances may warrant a variance of these Rules. To obtain a variance an Owner must make written application to the Declarant during the Development Period and thereafter the Board. Approval of a variance must be in writing, and may be conditioned.
- A-4. Limits. It is understood that individuals may have different interpretations of and tolerances for these Rules. On lifestyle-related rules, such as the “Community Etiquette” rules below, the Association may refrain from acting on a perceived violation unless the Board determines the violation to be significant or a 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 about their differences.

- A-5. Filing Complaints. Because the Association is not staffed to monitor the Property for Rules violations, the Association relies on Residents to identify and report violations of these Rules and the Documents, and to monitor compliance with these Rules by violators. The Association also relies on Residents to help keep each other informed about the Rules. Recognizing that a Resident may be reluctant to confront another Resident about a violation, the Association will work with Residents to enforce the Rules. Generally, a complaint must be in writing and must be signed by a Resident or Owner who is willing to be identified as the complainant. The Association may refuse to enforce a violation (1) that cannot be easily and independently verified, (2) for which it did not receive a signed written complaint, (3) for which the complainant will not cooperate with monitoring the violation and compliance, and (4) which the Board does not consider to be significant or community-wide.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. Damage. An Owner is responsible for any loss or damage he causes to his home, other home, the personal property of other Residents or their guests, or to the common elements.
- B-2. Association Does Not Insure. The Association does not insure Units, the homes constructed herein, or an Owner's personal property. Each Owner is solely responsible for insuring his Unit, including all improvements within their Unit, and the Owner's furnishings and vehicles. **OWNER'S MUST PURCHASE AND MAINTAIN INSURANCE ON 100% OF THE REPLACEMENT VALUE OF THE UNIT. THE ASSOCIATION STRONGLY RECOMMENDS THAT ALL OWNERS AND RESIDENTS PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS.**
- B-3. Risk Management. An Owner may not permit anything to be done or kept in his Unit or the common elements that is illegal or that may result in the cancellation of insurance on the Property.
- B-4. Reimbursement for Enforcement. An Owner must promptly reimburse the Association for any expense incurred by the Association to enforce the Documents against the Owner, his Unit, or persons for whom the Owner is responsible.
- B-5. Reimbursement for Damage. An Owner must promptly reimburse the Association for the cost of damage to the Property caused by the negligent or willful conduct of the Owner or persons for whom the Owner is responsible.
- B-6. No Garage Sales. Without the Board's prior written permission, no person may conduct at the Property a sale or activity that is advertised or attractive to the public, such as

garage sales, car sales or estate sales. This section does not apply to marketing the sale or rental of a Unit, unless combined with a prohibited activity.

- B-7. Supervision of Minors. For their own well-being and protection, persons who are legally incompetent or younger than 18 years must be under the general control and supervision of their parents or guardians at all times while on the Property.

C. OCCUPANCY STANDARDS

- C-1. Numbers. The maximum number of persons who may occupy a home within any Unit is one more than the number of bedrooms in the home. Two persons per bedroom, however, may occupy a home if the occupants qualify for familial status protection under the Fair Housing Act. Occupancy of a home, for purposes of these Rules, means occupancy in excess of 30 continuous days or 60 days in any 12-month period.
- C-2. Leases. Each lease must be in writing. At the Association's request, an Owner must give the Board a copy of each lease and lease renewal. A Unit may not be leased for hotel or transient purposes. A Unit may not be leased for less than one hundred and eight (180) days. Less than the entire Unit may not be leased.
- C-3. Minors. No person under the age of 18 years may occupy a home within a Unit unless he lives with a Resident who is his parent, legal guardian, or a designee of his parent or legal guardian. Upon request by the Association, an Owner will provide satisfactory proof of the ages and relationships among the occupants of his home.
- C-4. Danger. As permitted by the federal Fair Housing Act Rules, no home within a Unit may be occupied by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others.

D. FIRE AND SAFETY

- D-1. Safety. Each Resident is solely responsible for his own safety and for the safety, well-being, and supervision of his guests and any person on the Property to whom the Resident has a duty of care, control, or custody.
- D-2. Fires. Except for barbecue fires, fires within Common Element fireplaces or firepits, and fires within fireplaces or firepits located within Units, as permitted by these Rules, there may not be any exterior fires on the Property.
- D-3. Barbecue. Residents may keep and use barbeque grills that comply with the regulatory requirements, 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. On permitted grills, (a) open fires must be

supervised at all times; (b) gas tanks must be properly used and maintained; (c) no flames may be higher than the cooking surface; and (d) a grill may not be used near combustible materials.

- D-4. Security. The Association may, but is not be obligated to, maintain or support certain activities within the Property designed to make the Property less attractive to intruders than it otherwise might be. The Association, its directors, committees, Members, agents, and employees will not in any way be considered an insurer or guarantor of security within the Property, and may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Resident, guest, and invitee on the Property assumes all risk for loss or damage to his person, to his Unit, to the contents of his Unit, and to any other of his property an the Property. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment, or measures recommended, installed, or undertaken within the Property.

E. GENERAL USE AND MAINTENANCE OF UNIT

- E-1. Residential Use. Each Unit must be used solely for residential use, and may not be used for commercial or business purposes, except as permitted in the Declaration. This restriction does not prohibit a Resident from using his Unit for personal, business, or professional pursuits, provided that: (i) such activities are conducted in conformance with all applicable governmental ordinances and the Owner has obtained all required home business licenses from the appropriate governmental authorities; (ii) the patrons or clientele of such activities do not visit the Unit or park automobiles or other vehicles within the Regime; (iii) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside of the boundaries of the Unit; (iv) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (v) such activities are consistent with the residential character of the Regime and conform with the provisions of the Documents.
- E-2. Annoyance. A Resident may not use his Unit in a way that: (a) endangers the health or safety of other Residents; or (b) violates any law or any provision of the Documents.
- E-3. Maintenance. An Owner, at his expense, will maintain his home and Unit and keep each in good condition and repair, except for those portions thereof which have been designated as an "Area of Common Responsibility" pursuant to the Declaration.
- E-4. Glass. Each Owner, at his expense, must promptly repair and replace any broken or cracked glass in his home's windows and doors, regardless of the source of the damage. Replacement glass must conform to the standard for the Property.
- E-5. Utility Equipment. Each Owner, at his expense, will maintain, repair, and replace the water heating and air heating and cooling equipment/system serving his Unit.

- E-6. Combustibles. A Resident may not store or maintain, anywhere on the Property – including within a Unit – explosives or materials capable of spontaneous combustion.
- E-7. Report Malfunctions. A Resident will immediately report to the Board his discovery of any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. A Resident who fails to promptly report a problem may be deemed negligent, in which case the Owner may be liable for any additional damage caused by

F. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

- F-1. Intended Use. Every area and facility in the Property may be used only for its intended and obvious use. For example, streets, walkways, sidewalks, and driveways are used exclusively for purposes of access, not for social congregation or recreation.
- F-2. Personal Property. The sidewalks, entrances, passages, driveways, parking areas and similar portions of the General Common Elements shall not be obstructed nor used for any purpose other than for ingress and egress to and from the Regime and the Units. No carts, bicycles, carriages, chairs, tables or other similar objects or personal property shall be stored in, on or upon the General Common Elements, except in areas, if any, designated for such purposes.
- F-3. Grounds. Unless the Board designates otherwise, Residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the General Common Elements.
- F-4. Abandoned Items. No item or object of any type may be stored, placed, or maintained anywhere on the General Common Elements, except by the Board or with the Board's prior written consent. Items of personal property found on General Common Elements are deemed abandoned and may be disposed of by the Board.

G. COMMUNITY ETIQUETTE

- G-1. Courtesy. Each Resident will endeavor to use his Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.
- G-2. Annoyance. A Resident will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Residents or their guests, tenants or employees, or the Association's employees and agents.
- G-3. Noise and Odors. Each Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Residents of other Units. Loud vocalizations and boisterous conduct on General Common Elements are expressly prohibited.

- G-4. Reception Interference. Each Resident will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Property.
- G-5. Parties. In planning private social functions at the Property, a Resident should be aware of the potential consequences on the Property's parking resources and on the sensibilities of other Residents. A Resident intending to use his Unit for a party or other activity that may be expected to produce a higher-than-customary level or duration of noise or other disturbance will make a diligent effort to give Residents of adjoining Units timely prior notice of the event, as a courtesy. If the event is expected to attract 20 or more guests to the Property, the Resident will also give the Board timely prior written notice of the event.

H. ARCHITECTURAL CONTROL; WORK UPON UNITS AND COMMON ELEMENTS

- H-1. APPROVAL PURSUANT TO MASTER PLAN DOCUMENTS. PURSUANT TO THE MASTER PLAN DOCUMENTS, EACH OWNER OF A UNIT IS REQUIRED TO SUBMIT PLANS AND SPECIFICATIONS TO THE "REVIEWER" (AS DEFINED IN THE MASTER DECLARATION) FOR APPROVAL. NO IMPROVEMENTS SHALL BE CONSTRUCTED ON ANY UNIT UNTIL SUCH APPROVAL IS OBTAINED PURSUANT TO THE MASTER PLAN DOCUMENTS. NOTWITHSTANDING ANY PROVISION HEREOF TO THE CONTRARY, THE APPROVAL OF THE REVIEWER IS IN ADDITION TO THE APPROVAL REQUIRED PURSUANT TO THE TERMS AND PROVISIONS OF THE DECLARATION AND THESE RULES.
- H-2. Exteriors. Without the written approval of the Architectural Reviewer, an Owner or Resident may NOT change, remodel, decorate, destroy, or improve any exterior surface or component of the Property, nor do anything to change the outside appearance of the Property, including without limitation the entry door, front porch, windows, garage doors, and driveway appurtenant to the Unit.
- H-3. Work Upon Common Elements and Units. Notwithstanding any provision in the Declaration or these Rules to the contrary, no Owner or Resident shall perform or permit to be performed any work to any portion of his: (i) Unit, which work may require access to, over or through the General Common Elements or other Units or (ii) the General Common Elements, without the prior consent of the Board of Directors except in case of an emergency. All such work may only be performed by a person who shall deliver to the Board of Directors prior to commencement of such work, in form satisfactory to the Board of Directors:
- (i) releases of the Board of Directors and the Association for all claims that such Person may assert in connection with such work;
 - (ii) indemnities of the Board of Directors and the Association, holding each and all of them harmless from and against any claims asserted for loss or

damage to persons or property, including, but not limited to, Common Elements or other Units;

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

(iv) all other information and protections which the Board of Directors may reasonably require.

H-4. Window Treatments. An Owner MAY install window treatments inside his home, provided:

- a. The window treatment, including drapes, blinds, shades, or shutters, must appear to be (1) clear, (2) white, (3) near-white light neutral, or (4) light wood tone when viewed from outside the Unit.
- b. The use of bed sheets, tablecloths, or other obviously non-drapery fabrics is expressly prohibited, even on a temporary basis.
- c. Aluminum foil, reflective window treatments, window tinting, and window decals or stickers are expressly prohibited.
- d. Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged, or otherwise unsightly in the opinion of the Board.

H-5. Prohibited Acts. In addition to the foregoing, a person may not, without the prior written approval of the Architectural Reviewer:

- a. Post signs, notices, or advertisements on the Common Elements or in a Unit if the sign is visible from outside the Unit.
- b. Place or hang an object in, on, from, or above any window, interior window sill, deck, balcony or patio that, in the sole opinion of the Board, detracts from the appearance of the Property.
- c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, or other similar items from windows, doors, balconies or patios.
- d. Place decorations on exterior walls, doors, and fences, or on the General Common Elements.
- e. Enclose or cover a balcony, porch, or deck.
- f. Install storm or screen doors and windows, including solar screens.

- H-6. Architectural Reviewer Approval. To obtain the Architectural Reviewer's written consent for an alteration or modification, an Owner must comply with the architectural control requirements of the Declaration. An applicant may not rely on verbal assurances of an Association manager, director, or officer. If approval is obtained, the Owner must maintain the approved item in a good and attractive condition.

I. VEHICLE RESTRICTIONS

- I-1. Permitted Vehicles. To be permitted on the Property, a vehicle must be operable, and must display a current license tag and inspection sticker. For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. The following are not permitted on the Property without the Board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks, industrial vehicles. Motorcycles, motorbikes, or other motorized vehicles may not be operated on the Property except to provide transportation to and from a Unit.
- I-2. Repairs. Repairs, restoration, or maintenance (including oil changes) of vehicles is prohibited on driveways, the private streets, and in offstreet parking areas, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.
- I-3. Proper Placement. No vehicle, including motorcycles, may be driven, parked, or placed anywhere on the Property except in designated areas. Motorcycles may not be chained to buildings, fences, or any other part of the Property, unless designated for that purpose.
- I-4. Nuisances. Each vehicle must be muffled and must be maintained and operated to minimize noise, odor, and oil emissions. The use of car horns on the Property is discouraged. No vehicle may be kept on the Property if the Board deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Rules.
- I-5. Private Firelanes/Obstructions. All private streets in the Property are private firelanes and utility easements on which parking of vehicles is prohibited at all times. No vehicle may be parked in a manner that impedes or prevents ready access to the Property, driveways, or parking spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle may be parked, even temporarily, in spaces reserved for others, in firelanes, or in any area designated as "No Parking."
- I-6. Violations. A vehicle in violation of these Rules may be stickered, wheel-locked, towed, or otherwise removed from the Property by the Board, at the expense of the vehicle's Owner. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

J. TRASH DISPOSAL

- J-1. General Duty. Residents will endeavor to keep the Property clean and will dispose of all refuse in other receptacles designated specifically by the Association or by the city for that purpose. Residents may NOT litter Common Elements.
- J-2. Hazards. Residents may NOT store trash inside or outside his Unit in a manner that may permit the spread of fire, odors, or seepage, or encouragement of vermin. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, Resident will ensure that the debris is thoroughly cold.
- J-3. Excess Trash. Residents will place trash entirely within the designated receptacle, and may not place trash outside, next to, or on top of the receptacle. If a receptacle is full, Residents should locate another receptacle to hold his trash. Boxes and large objects should be crushed or broken down before placed in a receptacle. Receptacles are to be closed at all times when not in use. Residents must arrange privately for removal of discarded furnishings or any unusually large volume of debris.

K. PETS

- K-1. Permitted Pets. A Resident may not keep or permit on the Property a pet or animal of any kind, except as permitted by these Rules and the Documents. Subject to these Rules, a Resident may keep in his Unit customary domesticated housepets, such as domesticated dogs, cats, caged birds, and aquarium fish, provided there are not more than two cats, or two dogs, or one cat and one dog.
- K-2. Prohibited Animals. No Resident may keep a dangerous or exotic animal, trained attack dog, or any other animal deemed by the Board to be a potential threat to the well-being of people or other animals. Additionally, American Pit Bull Terriers, Rotweillers, Doberman Pinschers, potbellied pigs and snakes of all types are specifically prohibited. No animal or housepet may be kept, bred, or maintained for any commercial purpose or for food.
- K-3. Indoors/Outdoors. A permitted pet must be maintained within fenced boundaries of the Unit. No pet is allowed on Common Elements unless carried or leashed. No pet may be leashed to a stationary object on the Common Elements.
- K-4. Disturbance. Pets must be kept in a manner that does not disturb another Resident's rest or peaceful enjoyment of his Unit or the Common Elements. No pet may be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.
- K-5. Damage. Each Resident is responsible for any property damage, injury, or disturbance his pet may cause or inflict. A Resident who keeps a pet on the Property is deemed to indemnify and agrees to hold harmless the Board, the Association, and other Owners

and Residents, from any loss, claim, or liability of any kind or character whatever resulting from any action of his pet or arising by reason of keeping or maintaining the pet on the Property.

- K-6. Pooper Scooper. Each Resident is responsible for the removal of his pet's wastes from the Common Elements. The Board may levy a fine against a unit and its Owner each time feces are discovered on the Common Elements and attributed to an animal in the custody of that Unit's Resident.
- K-7. Removal. If a Resident or his pet violates these Rules, or if a pet creates a noise, odor, or other disturbance or nuisance, the Resident or person having control of the animal may be given a written notice by the Board to correct the problem. If the problem is not corrected within the time specified in the notice (not less than 10 days), the Resident, upon written notice from the Board, may be required to remove the animal. Each Resident agrees to permanently remove his violating animal from the Property within 10 days after receipt of a removal notice from the Board.

L. MISCELLANEOUS

- L-1. Right to Hearing. An Owner may request in writing a hearing by the Board regarding an alleged breach of these Rules by the Owner or any person for whom the Owner is responsible. The Board will schedule a hearing within 30 days after receiving the Owner's written request. At the hearing, the Board will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- L-2. Mailing Address. An Owner who receives mail at any address other than the address of his Unit must maintain with the Association his current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Documents may be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Unit is deemed effective for purposes of delivery.
- L-3. Revision. These Rules are subject to being revised, replaced, or supplemented, and Owners and Residents are urged to contact the Association to verify the rules currently in effect on any matter of interest. These Rules will remain effective until 10 days after an Owner of each Unit has been given a notice of the amendment or revocation of these Rules.
- L-4. Other Rights. These Rules are in addition to and in no way whatsoever detract from the rights of the Association under the other Documents and the laws of the State of Texas.

III. ASSESSMENT COLLECTION POLICY

Gardens at Teravista is a condominium regime created by and subject to the Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, recorded as Document No. 2007052711 in the Official Public Records of Williamson County, Texas County, Texas, as it may be amended (the "**Declaration**"). As a condominium regime, Gardens at Teravista is also subject to State laws, including Chapter 82 of the Texas Property Code -- the Texas Uniform Condominium Act ("**TUCA**"). The operation of Gardens at Teravista is vested in Gardens at Teravista Owners Association, Inc. (the "**Association**"), acting through its board of directors (the "**Board**"). The Association is empowered to enforce the covenants of the Declaration, including the obligation of owners to pay assessments. In addition to rights and remedies of the Association under the Declaration, TUCA gives the Association, acting through the Board:

1. Authority to adopt and amend rules regulating the collection of delinquent assessments and the application of payments. §82.102(a)(13).
2. Authority to impose interest and late charges for late payments of assessments, and returned check charges. §82.102(a)(12).
3. Authority to adopt and amend rules regulating the termination of utility service to a unit, the owner of which is delinquent in the payment of an assessment that is used, in whole or in part, to pay the cost of that utility. §82.102(a)(14).
4. Authority to suspend the voting privileges of or the use of certain general common elements by an owner delinquent for more than 30 days in the payment of assessments. §82.102(a)(18).
5. A private power of sale to foreclose the assessment lien nonjudicially, subject to a limited right of redemption by the unit owner. §82.113.

To establish equitable policies and procedures for the collection of delinquent assessments, the declarant adopts this policy for the benefit of the Association, as part of the initial project documentation.

SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. Due Date. An owner will timely and fully pay regular assessments and special assessments. Regular assessments are due and payable on the first calendar day of each month.
- 1-B. Delinquent. Any assessment that is not fully paid when due is delinquent. When the account of a unit becomes delinquent, it remains delinquent until paid in full -- including collection costs and late fees.

- 1-C. Late Fees & Interest. If the Association does not receive full payment of a regular assessment by 5:00 p.m. on the fifth calendar day of the month, the Association may levy a late fee of \$25 per month and/or interest of ten percent (10%) per annum from the first day of delinquency until the delinquency is paid in full. After the initial month of delinquency, a late fee of \$25 may be on the first day of each month the account is delinquent until the account is current.
- 1-D. Liability for Collection Casts. The defaulting owner is liable to the Association for the cast of title reports, credit reports, certified mail, long distance calls, court casts, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.

DRAFTER'S DICTUM

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

- 1-E. Insufficient Funds. The Association may levy a charge of \$25 for any check returned to the Association marked "not sufficient funds" or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may not be waived by the Board, unless a majority of the directors determines that extraordinary circumstances warrant an adjustment to the account, in which case the adjustment must be described in detail in the minutes of the Board's meeting. Because of the potential for inadvertently effecting a waiver of the policies contained in this policy, the Board will exercise caution in granting adjustments to an owner's account.

SECTION 2. INSTALLMENTS & ACCELERATION

If a special assessment is payable in installments, and if an owner defaults in the payment of any installment, the Association may declare the entire assessment in default and accelerate the due date on all remaining installments of that assessment. A special assessment payable in installments may be accelerated only after the Association gives the owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the owner.

SECTION 3. PAYMENTS

- 3-A. Application of Payments. After the Association notifies the owner of a delinquency and the owner's liability for late fees or interest, and collection costs, any payment received by the Association may be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose:

- | | |
|---|------------------------------------|
| (1) Collection costs and attorneys fees | (6) Delinquent regular assessments |
| (2) Fines | (7) Current special assessments |
| (3) Reimbursable expenses | (8) Current regular assessments |
| (4) Late charges & interest | |
| (5) Delinquent special assessments | |

- 3-B. Form of Payment. The Association may require that payment of delinquent assessments be made only in the form of cash, cashier's check, or certified funds.
- 3-C. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the unit's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.
- 3-D. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the owner. The Association may require the owner to prepay the cost of preparing and recording the release.
- 3-E. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

SECTION 4. LIABILITY FOR COLLECTION COSTS

The defaulting owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency, which amounts are secured by a lien against the unit.

SECTION 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.

- 5-B. Delinquency Notices. If the Association has not received full payment of an assessment by the due date, the Association may send one or more written notices of nonpayment to the defaulting owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting owner.
- 5-C. Collection by Attorney. After giving the owner notice of the delinquency, the Association may refer the delinquent account to an attorney for collection. In that event, the defaulting owner will be liable to the Association for its legal fees and expenses.
- 5-D. Verification of Owner Information. The Association may obtain a title report to determine the names of the owners and the identity of other lienholders, including the mortgage company.
- 5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Association may report the defaulting owner to one or more credit reporting services.
- 5-G. Notice of Lien. The Association may cause a notice of the Association's assessment lien against the unit to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting owner, and may be sent to his mortgage holder.
- 5-H. Foreclosure of Lien -- Nonjudicially. The Board may instruct an attorney, officer, or agent of the Association to notify the defaulting owner of the Association's intent to foreclose its assessment lien, to post the property for public auction, and to conduct a public auction of the unit on the steps of the county courthouse in accordance with State law and the Association's documents. The Board may not foreclose a lien consisting solely of fines or securing money for which the Association has obtained a personal money judgment.
- 5-I. Foreclosure of Lien -- Judicially. The Association may file suit against the owner for judicial foreclosure of the Association's assessment lien, This action may be combined with a claim against the owner's personal liability, for recovery of a money judgment.
- 5-J. Suit for Owner's Personal Liability. Whether or not the Association forecloses the Association's assessment lien, the Board may file suit for a personal judgment against the defaulting owner, and may execute on the judgment.
- 5-K. Possession Following Foreclosure. If the Association purchases the unit at public auction, the Board may immediately institute actions to recover possession.

- 5-L. Limited Right of Redemption. If the Association buys a unit at the nonjudicial foreclosure sale of its assessment lien, the Association's ownership is subject to a 90-day right of redemption by the owner. TUCA's statutory right of redemption does not apply to judicial foreclosures or foreclosures of judgment liens.
- 5-M. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.
- 5-N. Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting owner.
- 5-O. Suspension of Voting Rights. The Association may suspend the voting rights of an owner whose account with the Association is delinquent for at least 30 days.
- 5-P. Suspension of Use of Certain Facilities or Services. The Association may suspend the use of the common element amenities by an owner, or his tenant, whose account with the Association is delinquent for at least thirty (30) days.
- 5-Q. Utility Shut-Off. The Association may terminate utility service to the unit for which assessments used to pay the cost of that utility are delinquent, according to the Association's utility shut-off policy.

SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association will exercise their independent, collective, and respective judgment in applying this policy.
- 6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect assessments under the Association's Documents and the laws of the State of Texas.
- 6-C. Limitations of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the owner if those assessments are paid in full.

- 6-D. Notices. Unless the Documents, State law, or this policy provide otherwise, any notice or other written communication given to an owner pursuant to this policy will be deemed delivered to the owner upon depositing same with the U.S. Postal Service, addressed to the owner at the most recent address shown on the Association's records, or on personal delivery to the owner. If the Association's records show that a unit is owned by 2 or more persons, notice to one co-owner is deemed notice to all co-owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.
- 6-E. Definitions. Words and phrases used in this policy have the same meanings given to them by the Declaration.
- 6-F. Amendment of Policy. This policy will remain effective until 10 days after the Association delivers to an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

IV. FINING POLICY

1. Background. This fining policy is based on the requirements of Sec. 82.102(d) and (e) of TUCA. To establish policies and procedures for fining under TUCA, the declarant adopts this policy for the benefit of the Association, as part of the initial project documentation.
2. Policy. The Association uses fines to discourage violations of the Documents, and to encourage compliance when a violation occurs - not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation. Nor may the Association use fines to the exclusion of other remedies.

DRAFTER'S DICTUM

Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.

3. Owner's Liability. An owner is liable for fines levied by the Association for violations of the Documents by the owner, the residents of the unit, and the relatives, guests, employees, and agents of the owner and residents. Regardless of who performs the violation, the Association will direct its communications to the owner, although the Association may send copies of its notices to the resident.
4. Violation Notice. Before levying a fine, the Association will give the owner a written violation notice and an opportunity to be heard. This requirement may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the amount of the fine; (6) a statement that not later than the 30th day after the date of the violation notice, the owner may request a hearing before the Board to contest the fine; and (7) the date the fine attaches or begins accruing (the "**Start Date**"), subject to the following:
 - a. New Violation. If the owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months, the notice will state a specific date by which the violation must be cured to avoid the fine, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy of a fine.

- b. Repeat Violation. In the case of a repeat violation, the notice will state that, because the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months, the fine attaches from the date of the violation notice.
4. Violation Hearing. An owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, an owner must submit a written request to the Association's manager within thirty (30) days after the date of the violation notice. Within fifteen (15) days after owner's request for a hearing, the Association will give the owner at least fifteen (15) days' notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the owner to attend. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the levy of a fine. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the meeting, the notice requirements will be deemed satisfied.
5. Levy of Fine. Within thirty (30) days after levying the fine, the Board must give the owner notice of the levied fine. If the fine is levied at the hearing at which the owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the owner periodic written notices of an accruing fine or the application of an owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.
6. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. If circumstances warrant a variance from the schedule, the Board will document the reasons for the variance in the minutes of its meeting. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Documents. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped.
7. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, monthly, or quarterly), beginning on the Start Date. If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

8. Collection of Fines. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.

9. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until ten (10) days after the Association delivers to an owner of each unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

V. MOLD POLICY

RECITALS

A. Background. Because of extensive news coverage in recent years relating to mold, the public and the insurance industry have a heightened awareness of and sensitivity to anything pertaining to mold. In a condominium context, the mold issue has numerous facets. Like many other maintenance issues, the community of owners must know where to draw the line between the Association's responsibility and the owner's responsibility. The purpose of this policy is to help draw that line.

B. Mold Information. In adopting this policy, the Association relies on information about mold obtained from government sources, including the "Indoor Air Mold" website sponsored by the U. S. Environmental Protection Agency at www.epa.gov/mold. On the date of this policy, the first page of the website contains this information:

The key to mold control is moisture control. It is important to dry water damaged areas and items within 24-48 hours to prevent mold growth. If mold is a problem in your home, clean up the mold and get rid of the excess water or moisture. Fix leaky plumbing or other sources of water. Wash mold off hard surfaces with detergent and water, and dry completely. Absorbent materials (such as ceiling tiles & carpet) that become moldy may have to be replaced.

C. Owner/Resident Duty. Because the Association does not have continual access to the Units, the Association relies on Owners and Residents to control the moisture levels in their Units, and to promptly identify and report water leaks and water penetrations in their homes. That a home is vacant or occupied by a person other than the Owner does not relieve the Owner from fulfilling his obligations to the Association and to the Owners of homes that adjoin his own. Although the Resident, if not the Owner, may perform the obligations, the Owner is ultimately responsible if the non-Owner Resident fails or refuses to perform.

D. Insurance. On the date of this Policy, property insurance available to the Association does not include coverage of mold at a price that is affordable for the Association. An Owner who wants insurance coverage with respect to mold and mold-related damages is advised to purchase such insurance coverage as part of his homeowners insurance policy.

E. Mold Reminders. Mold spores are a natural component of our environment. Mold spores are everywhere - in the outside air and inside of units. In addition to air-borne mold, visible surface mold is a common occurrence in wet areas, such as showers. Air quality tests for mold are capable of being unreliable as determinates of a health problem.

RULES

1. Inspect for Surface Mold. Each Owner and Resident will regularly inspect his entire home (including inside closets and cabinets, and behind furniture and appliances) and the appurtenant Limited Common Elements for visible surface mold and will promptly remove same using procedures recommended by an appropriate source, such as the U.S. Environmental Protection Agency (www.epa.gov). Similarly, the Owner and Resident will be alert to odors associated with mold, and will try to locate the source of such odor when detected.
2. Inspect for Water Leaks. Each Owner and Resident will regularly inspect his entire home (including inside closets and cabinets, and behind furniture and appliances) and the appurtenant Limited Common Elements for leaks, breaks, or malfunctions of any kind that may emanate from or cause damage to the common elements or another home. When possible, such inspection will be performed after rains when leaks from wind-driven rain are most likely to be evident. Typical indicators of water penetration problems include water leaks around windows, doors, flues, and vents; standing water on a floor; water stains on ceilings and walls.
3. Monitor Water Appliances. Each Owner is responsible for the inspection, maintenance, repair, and replacement of all water-using appliances and fixtures in the unit or serving the home exclusively, such as dishwashers, water heaters, washing machines, ice-makers, toilets, air conditioning drip pans, and shower pans. The Owner is solely responsible for any damage to his home, another home, or the common elements coming from the appliances and fixtures in his unit or serving his home exclusively, regardless of the nature or exact location of the water source.
4. Report. A Owner or Resident will promptly report to the Association his discovery of any leak, break, or malfunction in any portion of his home or the adjacent common elements for which the Association has a maintenance responsibility. The origin of a water leak can be difficult to locate and may require repeated attempts to repair. The failure of the Association or its contractors to effectively stop a water leak on the first repair attempt is not uncommon and must not dissuade a Owner or Resident from re-reporting the leak on its next occurrence. The failure by an Owner or Resident to promptly report a water leak or water penetration problem may be deemed negligence, thereby making the Owner or Resident liable for any additional damage caused by the delay.
5. Mitigate. To mitigate damage from water leaks and penetrations, and to discourage mold, the Owner or Resident of a unit that experiences a water leak or penetration must promptly dry, clean, and disinfect the wet area. If the water penetration is inside a wall cavity or above a ceiling, it may be necessary to cut a hole in the wall or ceiling to circulate air that will dry the wet materials. If the wall or ceiling cavity that holds water

is a common element, the Association will pay the cost of repairing the sheetrock, notwithstanding the Sheetrock Section in the Declaration.

6. Humidity. To discourage mold in his home, the Owner or Resident should maintain an inside humidity level under sixty percent (60%). If condensation or moisture collects on windows, walls or pipes, the Owner or Resident should promptly dry the wet surface and reduce the moisture/water source. Condensation can be a sign of high humidity.
7. Negligence. The failure to promptly and properly repair a water-related problem in the home may be deemed negligence by the Owner, who may be liable for any additional damage caused by the failure or the delay.
8. Information. For more information about mold, please consult a reliable source, such as "A Brief Guide to Mold, Moisture, and Your Home" - a brochure published by the U. S. Environmental Protection Agency, which is available on its website at www.epa.gov/mold.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS 2007068037

Nancy E. Rister

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NANCY E. RISTER, COUNTY CLERK

WILLIAMSON COUNTY, TEXAS

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NANCY E. RISTER, COUNTY CLERK
WILLIAMSON COUNTY, TEXAS



Upon Recording Return To:

**JOSHUA D. BERNSTEIN
ARMBRUST & BROWN, PLLC
100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701**

SECRETARY'S CERTIFICATE

The undersigned hereby certifies that he is the duly elected, qualified and acting Secretary of the Gardens at Teravista Owners Association, Inc., a Texas nonprofit corporation (the "Association"), and that:

Attached hereto as Exhibit "A" and made a part hereof is a true and correct copy of the First Amendment to the Bylaws of Gardens at Teravista Owners Association, Inc. adopted by a majority of the Board of Directors of the Association in accordance with the terms of the Association's Bylaws.

IN WITNESS WHEREOF, the undersigned has executed this certificate on the 15th day of NOVEMBER, 2013.

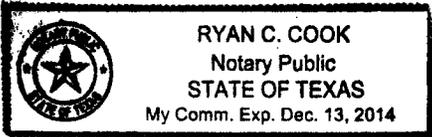
GARDENS AT TERAVISTA OWNERS
ASSOCIATION, INC., a Texas non-profit corporation

By: [Signature]
Printed Name: DAVID A SOUR
Title: Secretary

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me this 15th day of November, 2013 by David A Sour, Secretary of the Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.

(SEAL)  RYAN C. COOK
Notary Public
STATE OF TEXAS
My Comm. Exp. Dec. 13, 2014

[Signature]
Notary Public Signature

EXHIBIT "A"

FIRST AMENDMENT TO THE BYLAWS

OF

**GARDENS AT TERA VISTA
OWNERS ASSOCIATION, INC.
(a Texas non-profit corporation)**

**FIRST AMENDMENT TO THE BYLAWS
OF
GARDENS AT TERAVISTA OWNERS ASSOCIATION, INC.**

This First Amendment to the Bylaws of Gardens at Teravista Owners Association, Inc. (the "Association") is as follows:

RECITALS:

A. Pursuant to Section 11.1 of the Bylaws of Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation (the "Association"), the Bylaws states that the Bylaws may be amended by a majority vote of the Association's Board of Directors (the "Board").

B. The undersigned, being all of the members of the Board, do hereby adopt, pursuant to the provisions of the Texas Business Organizations Code and *Section 11.1* of the Bylaws of the Association, and in lieu of the holding a special meeting of the Board of Directors, the following resolution:

NOW THEREFORE, the Bylaws are hereby amended and modified as follows:

1. **Number of Directors.** Section 2.1 of the Association's Bylaws is hereby deleted in its entirety and replaced with the following:

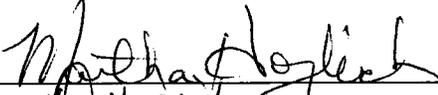
2.1. **Number and Term of Office.** The Board will consist of five (5) persons, with each such director to serve a two (2) year term. A director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation or removal, will hold office until his successor is elected or appointed. The number of directors may be changed by amendment of these Bylaws, but may not be less than three (3).

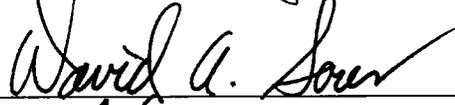
2. **Miscellaneous.** Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Bylaws. Unless expressly amended by this Amendment, all other terms and provisions of the Bylaws remain in full force and effect as written, and are hereby ratified and confirmed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, we the undersigned, being a majority of the Directors of the Board of the Association have executed this instrument to be effective the 7th day of OCTOBER, 2013.


_____, Director

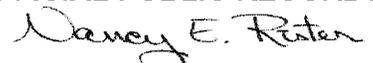

_____, Director
Martha Hoflich


_____, Director
DAVID A SOU

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OFFICIAL PUBLIC RECORDS



Nancy E. Rister, County Clerk

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FEE: \$33.00 PGS 4

Williamson County Texas

Nancy E. Rister

Nancy E. Rister, County Clerk

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Fee: \$ 76.00 Pages: 16

Williamson County Texas

AFTER RECORDING RETURN TO:

ROBERT D. BURTON, ESQ.
WINSTEAD, PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701
email: rburton@winstead.com

GARDENS AT TERA VISTA SUPPLEMENT TO COMMUNITY MANUAL

Consisting of:

Certificate of Formation

Solar Device and Energy Efficient Roofing Policy

Rainwater Harvesting System Policy

Flag Display and Flagpole Installation Policy

Display of Certain Religious Items Policy

Cross Reference to: (i) Gardens at Teravista Community Manual recorded as Document No. 2007068307, Official Public Records of Williamson County, Texas; and (ii) Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista recorded as Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended.

**SUPPLEMENT TO COMMUNITY MANUAL
GARDENS AT TERA VISTA**

This Supplement to Community Manual for Gardens at Teravista is made and executed by the **GARDENS AT TERA VISTA OWNERS ASSOCIATION, INC.**, a Texas non-profit corporation (the "**Association**"), acting by and through its Board of Directors (the "**Board**"), and is as follows:

A. **SDI 2007 – TV, LTD.**, a Texas limited partnership ("**Declarant**") previously executed that certain: (i) Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista recorded as Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended (collectively, the "**Declaration**"); and (ii) Gardens at Teravista Community Manual recorded as Document No. 2007068307, Official Public Records of Williamson County, Texas (collectively, the "**Community Manual**"). The Declaration establishes the Gardens at Teravista, a condominium regime located in Williamson County, Texas created pursuant to Chapter 82 of the Texas Property Code (the "**Regime**").

B. Section 11.2 of the Declaration provides that the Association, acting through the Board, is granted: (i) the right to adopt, amend, repeal, and enforce reasonable Rules (as defined in the Declaration), and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property (as defined in the Declaration); and (ii) the right to amend, repeal, and enforce the Community Manual, setting forth therein such policies governing the Association as the Board determines.

C. The Board now desires to supplement the Community Manual as set forth hereinbelow.

NOW, THEREFORE, the Community Manual is hereby supplemented as follows:

1. Certificate of Formation. The Certificate of Formation for the Association attached hereto as Attachment 1 is hereby added to the Community Manual.

2. Solar Device and Energy Efficient Roofing Policy. The Solar Device and Energy Efficient Roofing Policy, attached hereto as Attachment 2, is hereby added to the Community Manual.

3. Rainwater Harvesting System Policy. The Rainwater Harvesting System Policy, attached hereto as Attachment 3, is hereby added to the Community Manual.

4. Flag Display and Flagpole Installation Policy. The Flag Display and Flagpole Installation Policy, attached hereto as Attachment 4, is hereby added to the Community Manual.

5. Display of Certain Religious Items Policy. The Display of Certain Religious Items Policy, attached hereto as Attachment 5, is hereby added to the Community Manual.

6. Miscellaneous. Any capitalized terms used and not otherwise defined in this instrument shall have the meanings set forth in the Declaration and Community Manual.

EXECUTED to be effective as of the 22nd day of December, 2011.

ASSOCIATION:

GARDENS AT TERAVISTA OWNERS ASSOCIATION, INC.,
a Texas non-profit corporation

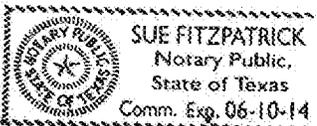
By: [Signature]
Printed Name: RYAN ZIEHE
Title: Director

By: [Signature]
Printed Name: RANDALL M. ZIEHE
Title: Director

By: Cynthia E. Urbanik
Printed Name: Cynthia E. Urbanik
Title: Director

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on December 22, 2011, by Ryan Ziehe, Director of the Board of Directors of the Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.

(seal)  SUE FITZPATRICK
Notary Public,
State of Texas
Comm. Exp. 06-10-14

[Signature]
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

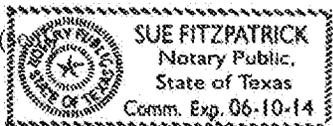
This instrument was acknowledged before me on December 23, 2011, by Randall M. Ziehe, Director of the Board of Directors of the Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.

(seal)  SUE FITZPATRICK
Notary Public,
State of Texas
Comm. Exp. 06-10-14

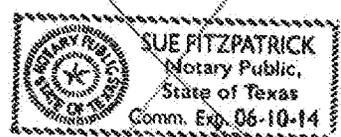
[Signature]
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on December 22, 2011, by Cynthia Urbanik, Director of the Board of Directors of the Gardens at Teravista Owners Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.

 SUE FITZPATRICK
Notary Public,
State of Texas
Comm. Exp. 06-10-14

[Signature]
Notary Public Signature

 SUE FITZPATRICK
Notary Public,
State of Texas
Comm. Exp. 06-10-14

ATTACHMENT 1

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Phil Wilson
Secretary of State

Office of the Secretary of State

**CERTIFICATE OF FILING
OF**

Gardens at Teravista Owners Association, Inc.
File Number: 800929148

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 01/25/2008

Effective: 01/25/2008



A handwritten signature in cursive script that reads "Phil Wilson".

Phil Wilson
Secretary of State

Phone: (512) 463-5555
Prepared by: Rosa Arrellano

Come visit us on the internet at <http://www.sos.state.tx.us/>
Fax: (512) 463-5709
TID: 10306

Dial: 7-1-1 for Relay Services
Document: 201283100002

FILED
In the Office of the
Secretary of State of Texas

JAN 25 2008

Corporations Section

CERTIFICATE OF FORMATION

OF

GARDENS AT TERAVIDA OWNERS ASSOCIATION, INC.

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I

NAME

The name of the corporation is: Gardens at Teravista Owners Association, Inc. (hereinafter called the "Association").

ARTICLE II

NONPROFIT CORPORATION

The Association is a nonprofit corporation.

ARTICLE III

DURATION

The Association shall exist perpetually.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. The Association is formed for the purpose of exercising all of the powers and privileges, and performing all of the duties, obligations, and purposes of the Association as set forth in that certain "Declaration of Condominium Regime for Gardens at Teravista Condominiums," which is recorded in the Official Public Records of Williamson County, Texas, as the same may be amended from time to time (the "Declaration").

264532-2 02/01/2007

ARTICLE V

REGISTERED OFFICE; REGISTERED AGENT

The street address of the initial registered office of the Association is 11149 Research Blvd., Suite 100, Austin, 78759. The name of its initial registered agent at such address is Randy Allen.

ARTICLE VI

MEMBERSHIP

Membership in the Association shall be determined by Section 13.6 of the Declaration.

ARTICLE VII

VOTING RIGHTS

Voting rights of the members of the Association shall be determined as set forth in Section 5.7 of the Declaration. Notwithstanding the foregoing, cumulative voting is not permitted.

ARTICLE VIII

INCORPORATOR

The name and street address of the incorporator is:

NAME

ADDRESS

Robert D. Burton

100 Congress Avenue, Suite 1300
Austin, Texas 78701

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors for nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Association may be increased in accordance with the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

NAME

ADDRESS

Randy Ziehe

7756 Northcross Drive, Suite 200
Austin, Texas 78757

Ryan Ziehe

7756 Northcross Drive, Suite 200
Austin, Texas 78757

Ann Rayborn

7756 Northcross Drive, Suite 200
Austin, Texas 78757

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above until the first annual meeting of the Association.

ARTICLE X

LIMITATION OF DIRECTOR LIABILITY

A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

ARTICLE XI

INDEMNIFICATION

Each person who acts as a director or officer of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been such director or officer or by reason of any action alleged to have been taken or omitted by him in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

ARTICLE XII

DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes substantially similar to those for which this Association was created. In the event that

such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such substantially similar purposes.

ARTICLE XIII

ACTION WITHOUT MEETING

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or this Certificate of Formation.

ARTICLE XIV

AMENDMENT

This Certificate of Formation may be amended by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of an eighty percent (80%) majority of the total number of votes of the Association, as determined under the Declaration. In the case of any conflict between the Declaration and this Certificate of Formation, the Declaration shall control; and in the case of any conflict between this Certificate of Formation and the Bylaws of the Association, this Certificate of Formation shall control.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 25th day of January, 2008.



Robert D. Burton, Incorporator

ATTACHMENT 2

SOLAR DEVICE POLICY ENERGY EFFICIENT ROOFING POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista recorded as Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended.

A. DEFINITIONS AND GENERAL PROVISIONS

1. Solar Energy Device Defined. A “Solar Energy Device” means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.

2. Energy Efficiency Roofing Defined. As used in this Policy, “Energy Efficiency Roofing” means shingles that are designed primarily to: (a) be wind and hail resistant; (b) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (c) provide solar generation capabilities.

3. Architectural Review Approval Required. Approval by the architectural review authority under the Declaration (the “ACC”) is required prior to installing a Solar Energy Device or Energy Efficient Roofing. The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. SOLAR ENERGY DEVICE PROCEDURES AND REQUIREMENTS

During any development period under the terms and provisions of the Declaration, the architectural review approval authority established under the Declaration need not adhere to the terms and provisions of this Solar Device Policy and may approve, deny, or further restrict the installation of any Solar Device. A development period continues for so long as the Declarant has reserved the right to facilitate the development, construction, size, shape, composition and marketing of the community. For the purpose of the Solar Device Policy, the development period means the 7 year period from the date the Declaration was recorded unless earlier terminated by a written instrument recorded by the Declarant.

1. Approval Application. To obtain ACC approval of a Solar Energy Device, the Owner shall provide the ACC with the following information: (i) the proposed installation location of the Solar Energy Device; and (ii) a description of the Solar Energy Device, including the dimensions, manufacturer, and photograph or other accurate depiction (the “Solar Application”). A Solar Application may only be submitted by an Owner unless the Owner’s tenant provides written confirmation at the time of submission that the Owner consents to the Solar Application.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. The ACC will approve a Solar Energy Device if the Solar Application complies with Section B.3 below **UNLESS** the ACC makes a written determination that placement of the Solar Energy Device, despite compliance with Section B.3, will create a condition that substantially interferes with the use and enjoyment of the property within the community by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The ACC's right to make a written determination in accordance with the foregoing sentence is negated if all Owners of property immediately adjacent to the Owner/applicant provide written approval of the proposed placement. Notwithstanding the foregoing provision, a Solar Application submitted to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association will not be approved despite compliance with Section B.3. Any proposal to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board of Directors of the Association, and the Board need not adhere to this policy when considering any such request.

Each Owner is advised that if the Solar Application is approved by the ACC, installation of the Solar Energy Device must: (i) strictly comply with the Solar Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Solar Energy Device to be installed in accordance with the approved Solar Application, the ACC may require the Owner to: (i) modify the Solar Application to accurately reflect the Solar Energy Device installed on the property; or (ii) remove the Solar Energy Device and reinstall the device in accordance with the approved Solar Application. Failure to install a Solar Energy Device in accordance with the approved Solar Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Solar Application or remove and relocate a Solar Energy Device in accordance with the approved Solar Application shall be at the Owner's sole cost and expense.

3. Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, each Solar Application and each Solar Energy Device to be installed in accordance therewith must comply with the following:

(i) The Solar Energy Device must be located on the roof of the residence located within the Owner's unit, entirely within a fenced area of the Owner's unit, or entirely within a fenced patio located within the Owner's unit. If the Solar Energy Device will be located on the roof of the residence, the ACC may designate the location for placement unless the location proposed by the Owner increases the estimated annual energy production of the Solar Energy Device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent above the energy production of the Solar Energy Device if installed in the location designated by the ACC. If the Owner desires to contest the alternate location proposed by the ACC, the Owner should submit information to the ACC which demonstrates that the Owner's proposed location meets the foregoing criteria. If the Solar Energy Device will be located in the fenced area of the Owner's unit or patio, no portion of the Solar Energy Device may extend above the fence line.

(ii) If the Solar Energy Device is mounted on the roof of the principal residence located within the Owner's unit, then: (A) the Solar Energy Device may not extend higher than or beyond the roofline; (B) the Solar Energy Device must conform to the slope of the roof and the top edge of the Solar

Device must be parallel to the roofline; (C) the frame, support brackets, or visible piping or wiring associated with the Solar Energy Device must be silver, bronze or black.

C. ENERGY EFFICIENT ROOFING

The ACC will not prohibit an Owner from installing Energy Efficient Roofing provided that the Energy Efficient Roofing shingles: (i) resemble the shingles used or otherwise authorized for use within the community; (ii) are more durable than, and are of equal or superior quality to, the shingles used or otherwise authorized for use within the community; and (iii) match the aesthetics of adjacent property.

An Owner who desires to install Energy Efficient Roofing will be required to comply with the architectural review and approval procedures set forth in the Declaration. In conjunction with any such approval process, the Owner should submit information which will enable the ACC to confirm the criteria set forth in the previous paragraph.

ATTACHMENT 3

RAINWATER HARVESTING SYSTEM POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista recorded as Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended.

A. ARCHITECTURAL REVIEW APPROVAL REQUIRED.

Approval by architectural review authority under the Declaration (the "ACC") is required prior to installing rain barrels or rainwater harvesting system within a unit (a "Rainwater Harvesting System"). The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. RAINWATER HARVESTING SYSTEM PROCEDURES AND REQUIREMENTS

1. Approval Application. To obtain ACC approval of a Rainwater Harvesting System, the Owner shall provide the ACC with the following information: (i) the proposed installation location of the Rainwater Harvesting System; and (ii) a description of the Rainwater Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction (the "**Rain System Application**"). A Rain System Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Rain System Application.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A Rain System Application submitted to install a Rainwater Harvesting System on property owned by the Association or property owned in common by members of the Association will not be approved. Any proposal to install a Rainwater Harvesting System on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board of Directors of the Association, and the Board need not adhere to this policy when considering any such request.

Each Owner is advised that if the Rain System Application is approved by the ACC, installation of the Rainwater Harvesting System must: (i) strictly comply with the Rain System Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Rain System Application to be installed in accordance with the approved Rain System Application, the ACC may require the Owner to: (i) modify the Rain System Application to accurately reflect the Rain System Device installed on the property; or (ii) remove the Rain System Device and reinstall the device in accordance with the approved Rain System Application. Failure to install a Rain System Device in accordance with the approved Rain System Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Rain System

Application or remove and relocate a Rain System Device in accordance with the approved Rain System shall be at the Owner's sole cost and expense.

3. Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, each Rain System Application and each Rain System Device to be installed in accordance therewith must comply with the following:

(i) The Rain System Device must be consistent with the color scheme of the residence constructed within the Owner's unit, as reasonably determined by the ACC.

(ii) The Rain System Device does not include any language or other content that is not typically displayed on such a device.

(iii) The Rain System Device is in no event located between the front of the residence constructed within the Owner's unit and any adjoining or adjacent street.

(iv) There is sufficient area within the Owner's unit to install the Rain System Device, as reasonably determined by the ACC.

(v) If the Rain System Device will be installed on or within the side yard of a unit, or would otherwise be visible from a street, common area, or another Owner's property, the ACC may regulate the size, type, shielding of, and materials used in the construction of the Rain System Device. See Section B. 4 for additional guidance.

4. Guidelines for Certain Rain System Devices. If the Rain System Device will be installed on or within the side yard of a unit, or would otherwise be visible from a street, common area, or another Owner's property, the ACC may regulate the size, type, shielding of, and materials used in the construction of the Rain System Device. Accordingly, when submitting a Rain Device Application, the application should describe methods proposed by the Owner to shield the Rain System Device from the view of any street, common area, or another Owner's property. When reviewing a Rain System Application for a Rain System Device that will be installed on or within the side yard of a unit, or would otherwise be visible from a street, common area, or another Owner's property, any additional regulations imposed by the ACC to regulate the size, type, shielding of, and materials used in the construction of the Rain System Device, may not prohibit the economic installation of the Rain System Device, as reasonably determined by the ACC.

ATTACHMENT 4

FLAG DISPLAY AND FLAGPOLE INSTALLATION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista recorded as Document No. 2007052711, Official Public Records of Williamson County, Texas, as amended.

A. ARCHITECTURAL REVIEW APPROVAL.

1. Approval Not Required. In accordance with the general guidelines set forth in this policy, an Owner is permitted to display the flag of the United States of America, the flag of the State of Texas, or an official or replica flag of any branch of the United States Military ("**Permitted Flag**") and permitted to install a flagpole no more than five feet (5') in length affixed to the front of a residence near the principal entry or affixed to the rear of a residence ("**Permitted Flagpole**") within a Unit. Only two (2) permitted Flagpoles are allowed per residence within a Unit. A Permitted Flag or Permitted Flagpole need not be approved in advance by the architectural review authority under the Declaration (the "ACC").

2. Approval Required. Approval by the ACC is required prior to installing vertical freestanding flagpoles installed in the front or back yard area of any unit ("**Freestanding Flagpole**"). The ACC is not responsible for: (i) errors in or omissions in the any application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. PROCEDURES AND REQUIREMENTS

1. Approval Application. To obtain ACC approval of any Freestanding Flagpole, the Owner shall provide the ACC with the following information: (a) the location of the flagpole to be installed on the property; (b) the type of flagpole to be installed; (c) the dimensions of the flagpole; and (d) the proposed materials of the flagpole (the "**Flagpole Application**"). A Flagpole Application may only be submitted by an Owner UNLESS the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Flagpole Application.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A Flagpole Application submitted to install a Freestanding Flagpole on property owned by the Association or property owned in common by members of the Association will not be approved. Any proposal to install a Freestanding Flagpole on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this policy when considering any such request.

Each Owner is advised that if the Flagpole Application is approved by the ACC, installation of the Freestanding Flagpole must: (i) strictly comply with the Flagpole Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Freestanding Flagpole to be installed in accordance with the approved Flagpole Application, the ACC

may require the Owner to: (i) modify the Flagpole Application to accurately reflect the Freestanding Flagpole installed on the property; or (ii) remove the Freestanding Flagpole and reinstall the flagpole in accordance with the approved Flagpole Application. Failure to install a Freestanding Flagpole in accordance with the approved Flagpole Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the Owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Flagpole Application or remove and relocate a Freestanding Flagpole in accordance with the approved Flagpole Application shall be at the Owner's sole cost and expense.

3. Installation, Display and Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, Permitted Flags, Permitted Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application, must comply with the following:

- (a) No more than one (1) Freestanding Flagpole OR no more than two (2) Permitted Flagpoles are permitted per Unit, on which only Permitted Flags may be displayed;
- (b) Any Permitted Flagpole must be no longer than five feet (5') in length and any Freestanding Flagpole must be no more than twenty feet (20') in height;
- (c) Any Permitted Flag displayed on any flagpole may not be more than three feet in height by five feet in width (3'x5');
- (d) With the exception of flags displayed on common area owned and/or maintained by the Association and any Unit which is being used for marketing purposes by a builder, the flag of the United States of America must be displayed in accordance with 4 U.S.C. Sections 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;
- (e) The display of a flag, or the location and construction of the flagpole must comply with all applicable zoning ordinances, easements and setbacks of record;
- (f) Any flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;
- (g) A flag or a flagpole must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed;
- (h) Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which shall not be aimed towards or directly affect any neighboring property; and
- (i) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

ATTACHMENT 5

DISPLAY OF CERTAIN RELIGIOUS ITEMS POLICY

1. **Display of Certain Religious Items Permitted.** An Owner or resident is permitted to display or affix to the entry door or door frame of the Owner's unit (which may not extend beyond the outer edge of the door frame) one or more religious items, 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 to the entry door or door frame of the Owner's unit.

2. **General Guidelines.** Religious items may be displayed or affixed to the entry door or door frame of the Owner's unit (which may not extend beyond the outer edge of the door frame); provided, however, that individually or in combination with each other, the total size of the display is no greater than twenty-five square inches (5"x5" = 25 square inches).

3. **Prohibitions.** No religious item may be displayed or affixed to the entry door or door frame of the Owner's unit (which may extend not beyond the outer edge of the door frame): (a) threatens the public health or safety; (b) violates applicable law; or (c) 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 door frame of the Owner's unit (which may not extend beyond the outer edge of the door frame). 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 door frame of the Owner's unit or make an alteration to the entry door or door frame that is not otherwise permitted pursuant to the Association's governing documents.

4. **Removal.** The Association may remove any item which is in violation of the terms and provisions of this Policy.

5. **Covenants in Conflict with Statutes.** To the extent that any provision of the Association's recorded covenants 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 this Policy shall hereafter control.

STATE OF TEXAS §
COUNTY OF WILLIAMSON §

AMENDMENT TO RULES AND REGULATIONS
OF
GARDENS AT TERAVISTA OWNERS ASSOCIATION, INC.
(Regarding Fines Policy and Schedule)

Document reference. Reference is hereby made to that certain Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, filed as Document No. 2007052711, in the Official Public Records of Williamson County, Texas, (together with all supplements and amendments, the "Declaration").

Reference is further made to those certain By-Laws of Gardens at Teravista Owners Association, Inc., filed in Document No. 2007068037, in the Official Public Records of Williamson County, Texas, (together with all supplements and amendments, the "Bylaws").

Reference is further made to that certain Fining Policy ("Fining Policy"), filed with other rules and policies (cumulatively, the "Rules") in Document No. 2007068037 in the Official Public Records of Williamson County, Texas.

WHEREAS the Declaration provides that owners of lots subject to the Declaration are automatically made members of Gardens At Teravista Owners Association, Inc. (the "Association");

WHEREAS the Association, acting through its board of directors (the "Board"), is authorized to adopt and amend rules and regulations governing the property subject to the Declaration and the operations of the Association pursuant to Section 5.2 of the Bylaws and/or State law, and has previously adopted the Rules; and

WHEREAS the Board has voted to APPROVE and ADOPT the Fines Policy and Schedule attached as Exhibit "A" in order to amend and supplement the previously-adopted Fining Policy;

THEREFORE the Fining Policy is hereby *amended and supplemented* with the Fine Policy and Schedule attached as Exhibit, "A" which has been, and by these present is, ADOPTED and APPROVED. Subject solely to the amendments provided herein, the Rules remain in full force and effect.

GARDENS AT TERAVISTA HOMEOWNERS ASSOCIATION, INC.

Acting by and through its Board of Directors

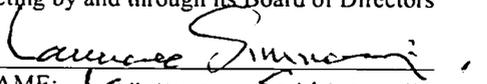
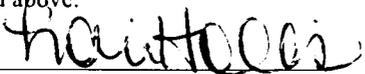

NAME: Laurence Simmeny
TITLE: President

Exhibit "A": Fining Policy and Schedule

Acknowledgement

STATE OF TEXAS §
COUNTY OF Williamson §

This instrument was acknowledged before me on the 20th day of September, 2016, by Laurence Simmeny in the capacity stated above.


Notary Public, State of Texas

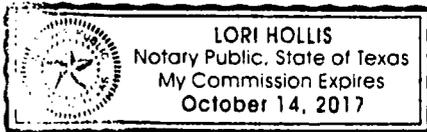


EXHIBIT "A"

**Gardens at Teravista
Homeowners Association**

FINES POLICY AND SCHEDULE

The Board of the Gardens at Teravista has adopted the following general Schedule of Fines. It reflects the fine policy and amounts that are within the Greater Teravista Community Manual.

The number of notice set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Restrictions.

The Board may elect to pursue additional remedies at any time in accordance with applicable law.

The Board also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation. The fines outlined below are simply the default schedule in absence of board determination otherwise.

The management company, Association attorney, and other authorized agents of the Association are granted authority to send violation notices, levy fines according to the Standard Fine Schedule, and levy property damage assessments, all in accordance with this Enforcement Policy. Such parties may act without any explicit direction from the Board and without further vote or action of the Board. The enforcing party shall communicate with the Board and/or certain designated officers or agents on a routine basis with regard to enforcement actions. The foregoing notwithstanding, the Board reserves the right to make decisions about particular enforcement actions on a case-by-case basis if and when it deems appropriate.

GENERAL FINES:

Fine Amounts for New or Repeat Violations:

1st Notice Warning

2nd Notice \$25.00

3rd Notice \$50.00

4th Notice \$100.00

Each subsequent Notice: \$125.00

After recording, please return to:
Niemann & Heyer, L.L.P.
Attorneys At Law
Westgate Building, Suite 313
1122 Colorado Street
Austin, Texas 78701

FileServer:CLIENTS:Gardens@Teravista:RuleAmendFinesPolicy 8-11-16

**ELECTRONICALLY RECORDED
OFFICIAL PUBLIC RECORDS**

2016094267

Pages: 4 Fee: \$34.00
10/05/2016 04:02 PM



Nancy E. Rister

Nancy E. Rister, County Clerk
Williamson County, Texas

**Agreement for Landscape Maintenance Responsibility
Gardens at Teravista**

The Declaration and of Condominium Regime for Gardens at Teravista, A Condominium Community, is recorded in Document No. 2007052711 of the Official Public Records of Williamson County, Texas, (together with all amendments and supplements the “**Condominium Declaration**”) and establishes the Gardens at Teravista Owners Association, Inc. (“**Condominium Association**”) as the governing body for the property further described in the Condominium Declaration.

The Amendment and Restatement of the Declaration of Covenants, Conditions and Restrictions for Teravista is recorded in Document No. 2001080404 of the Official Public Records of Williamson County, Texas (together with all amendments and supplements, the “**Master Declaration**”), and establishes the Teravista Community Association Inc. (“**Master Association**”) as the governing body for the property described in the Master Declaration.

The Master Association is the grantee of a non-exclusive easement to install and maintain landscaping in all or part of the area described in Exhibit A hereto¹. The Condominium Association and Master Association wish to further document agreement regarding maintenance of a certain area(s) further described herein.

For good and valuable consideration, the receipt of which is hereby acknowledged, with consideration including both party’s consent to this clarifying agreement, the parties agree as follows:

The Master Association will maintain all landscaped areas, including irrigation and plantings, adjacent to Condominium Association property and which lie outside of the Condominium Association access gate/fence area, as further described in Exhibit A (see cross-hatched area; a full copy of the plat in Exhibit A may be found in an exhibit to the Condominium Declaration). Such area will be maintained in a neat and attractive manner consistent with the general standards of maintenance to which other Master Association-maintained areas are maintained. The Condominium Association will maintain all landscape areas (excepting areas made the responsibility of Condominium Association owners under the Condominium Declaration or other Condominium Association dedicatory instrument) which lie inside the Condominium Association access gate/fence area, as further described in Exhibit A.

This agreement may only be amended by mutual written consent of both parties. It shall run with the land described herein and is binding on the parties and their successors and assigns.

¹ See Landscape Easement filed of record in Document No. 2007040517 of the Official Public Records of Williamson County, Texas.

Master Association:

Teravista Community Association, Inc.
A Texas non-profit corporation

By: *R. Ficken*

Printed name: Rainer Ficken

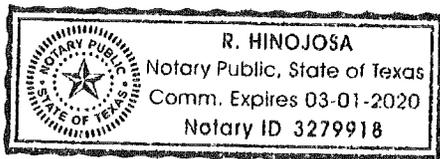
Title: President

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 7th day of August, 2018, by Rainer Ficken, President of the Teravista Community Association, Inc., a Texas non-profit corporation, on behalf of said non-profit corporation.

[SEAL]

R. Hinojosa
Notary Public, State of Texas



Condominium Association:

Gardens at Teravista Owners Association, Inc.

By: Martha Hoflich

Title: HOA Board President

Printed name: Martha Hoflich

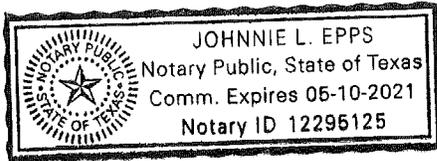
STATE OF TEXAS §

§

COUNTY OF TRAVIS §

§

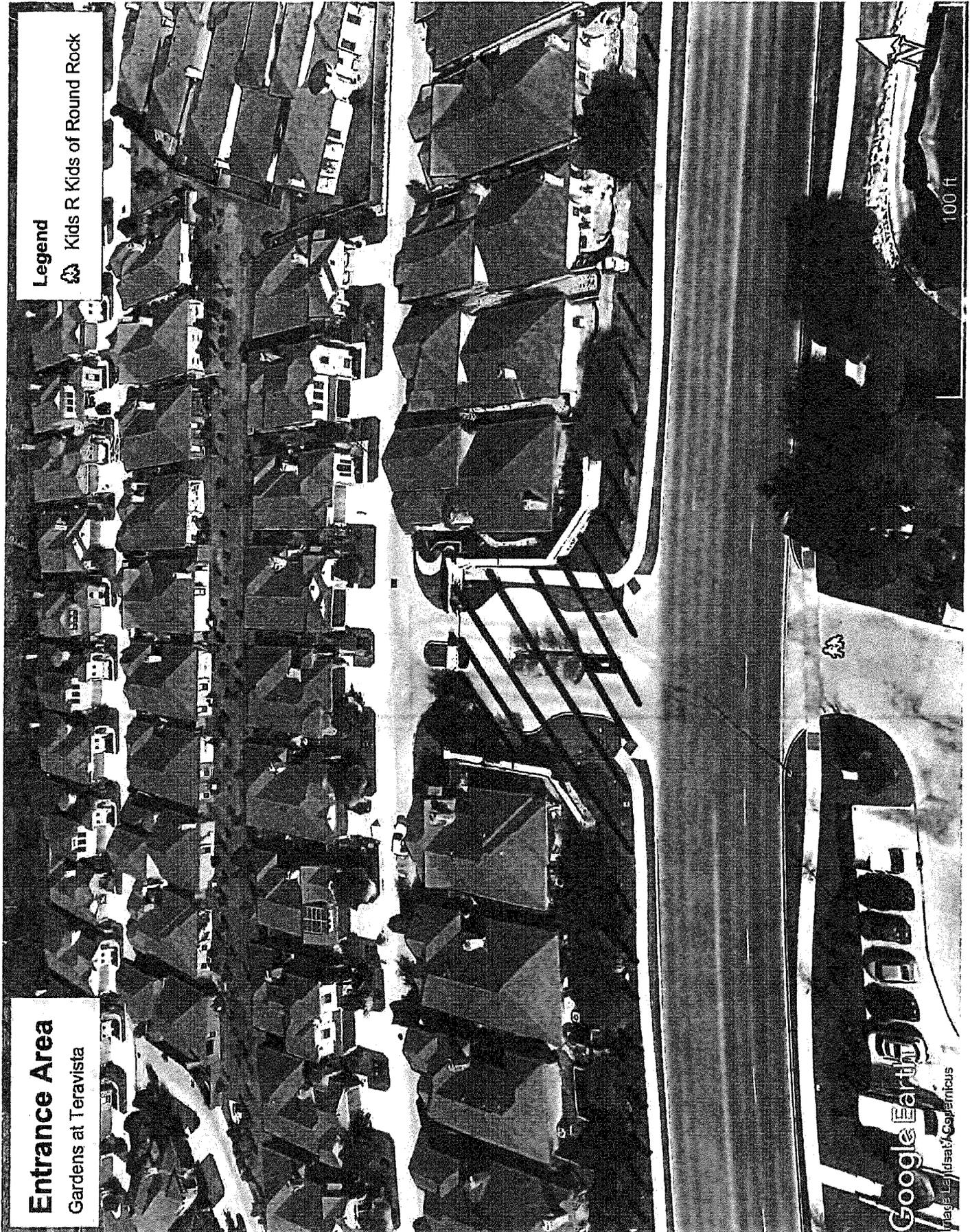
This instrument was acknowledged before me on the 10th day of August, 2018, by MARTHA HOFLICH in the capacity stated above.



Johnnie L. Epps
Notary Public, State of Texas

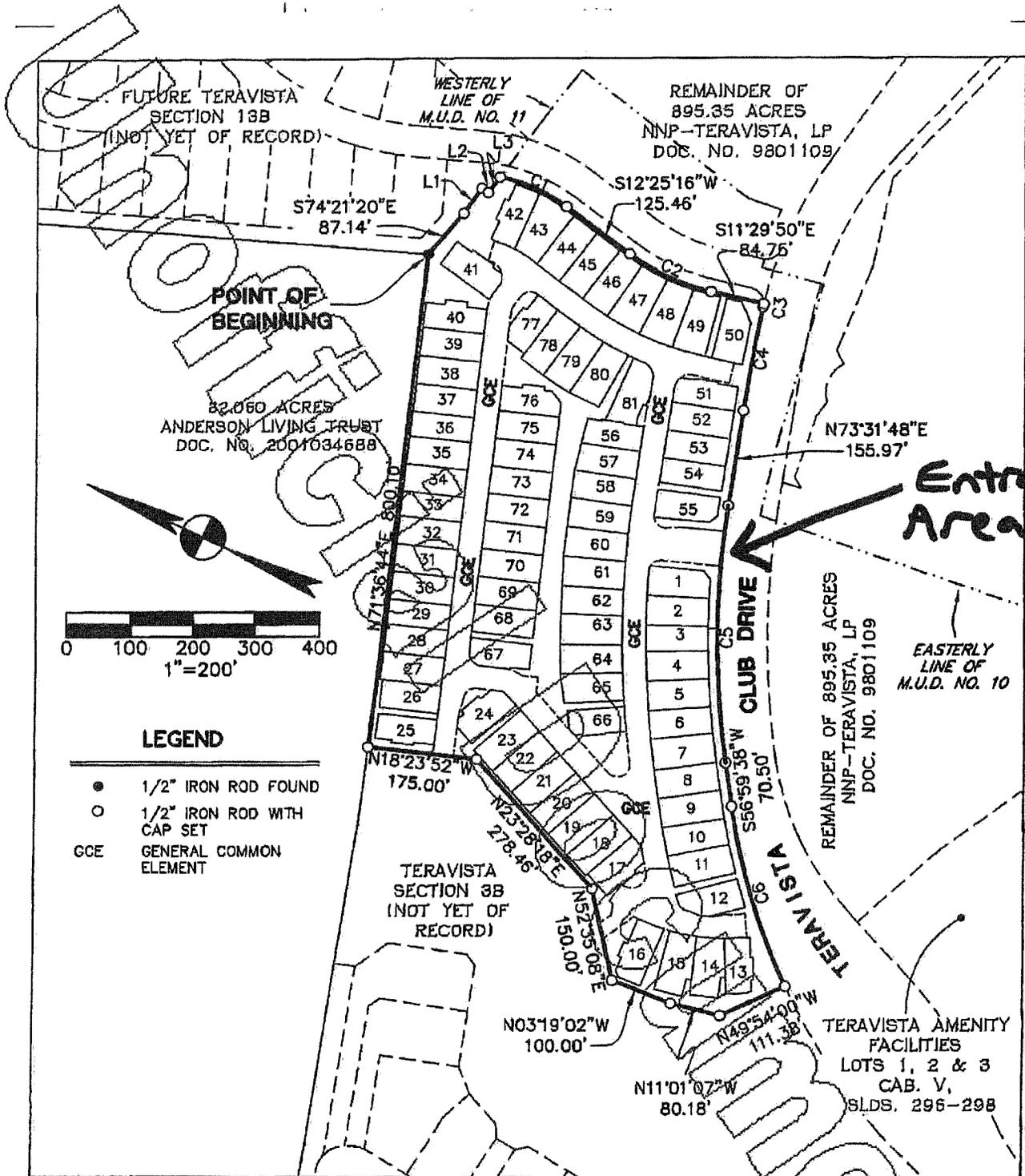
EXHIBIT A

Maps of landscape area



RECORDERS MEMORANDUM

All or parts of the text on this page was not clearly legible for satisfactory recordation



Bury+Partners
ENGINEERING SOLUTIONS
221 West Sixth Street, Suite 600
Austin, Texas 78701
Tel. (512)328-0011 Fax (512)328-0925
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EXHIBIT

OF 12.801 ACRES OF LAND OUT OF THE BARNEY C. LOW SURVEY, ABSTRACT NO. 385, BEING A PART OF THE REMAINING PORTION OF THAT CERTAIN 895.35 ACRE TRACT OF LAND CONVEYED TO NNP-TERAVISTA, LP BY DEED OF RECORD IN DOCUMENT NO. 8801109 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN WILLIAMSON COUNTY, TEXAS.

GARDENS AT TERAVISTA CONDOMINIUMS
SHEET 3 OF 18

**ELECTRONICALLY RECORDED
OFFICIAL PUBLIC RECORDS**

2018079611

Pages: 7 Fee: \$45.00
09/05/2018 03:01 PM



Nancy E. Rister

Nancy E. Rister, County Clerk
Williamson County, Texas



STATE OF TEXAS §

COUNTY OF WILLIAMSON §

**AMENDMENT TO RULES AND REGULATIONS
OF
GARDENS AT TERAVIDA OWNERS ASSOCIATION, INC.
(Regarding Collection Directive)**

Document reference. Reference is hereby made to that certain Supplemental Declaration and Declaration of Condominium Regime for Gardens at Teravista, a Condominium Community, filed as Document No. 2007052711, in the Official Public Records of Williamson County, Texas, (together with all supplements and amendments, the “**Declaration**”).

Reference is further made to those certain By-Laws of Gardens at Teravista Owners Association, Inc., filed in Document No. 2007068037, in the Official Public Records of Williamson County, Texas, (together with all supplements and amendments, the “**Bylaws**”).

Reference is further made to the rules and policies in Document No. 2007068037 and the Amendment to Rules and Regulations filed in Document No. 2016094267, both in the Official Public Records of Williamson County, Texas. (collectively, together with all amendments and additions thereto, the “**Rules**”)

WHEREAS the Declaration provides that owners of lots subject to the Declaration are automatically made members of Gardens At Teravista Owners Association, Inc. (the “**Association**”);

WHEREAS the Association, acting through its board of directors (the “**Board**”), is authorized to adopt and amend rules and regulations governing the property subject to the Declaration and the operations of the Association pursuant to Section 5.2 of the Bylaws and/or State law, and has previously adopted the Rules; and

WHEREAS the Board has voted to APPROVE and ADOPT the Collection Directive attached as Exhibit “A” in order to amend and supplement the Rules;

THEREFORE the Collection Directive attached as Exhibit “A” has been, and by these present is, ADOPTED and APPROVED as an additional Rule.

Subject solely to the amendment provided herein, the Rules remain in full force and effect.

GARDENS AT TERAVIDA HOMEOWNERS ASSOCIATION, INC.

A Texas nonprofit corporation

Acting by and through its Board of Directors

Filed of Record in accordance with Texas Property Code Chapter 202 by
Niemann & Heyer, LLP, attorneys and authorized agents

Signature: _____

Patrice Arnold, Of Counsel

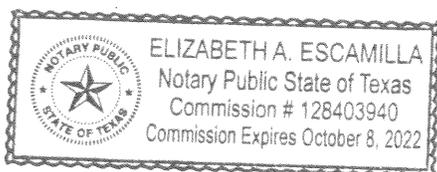
Exhibit “A”: Collection Directive

Acknowledgement

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 21st day of February, 2020, by Patrice Arnold, in the capacity stated above.

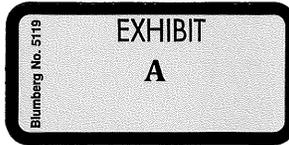


Elizabeth A. Escamilla

Notary Public, State of Texas

After recording, please return to:

Nieman & Heyer, L.L.P.
Attorneys At Law
Westgate Building, Suite 313
1122 Colorado Street
Austin, Texas 78701



COLLECTION DIRECTIVE

ASSOCIATION: GARDENS AT TERA VISTA

COLLECTION PROCESS	ACTION	LATE FEE	LATE INTEREST	LATE DATE	NOTES
Friendly Reminder	Mailed after late date with late fee/interest added	\$25/MONTH	10% PER ANNUM	5TH of each Month	Send until paid in full or trigger is reached
CMA Demand	Trigger: 2 MONTHS 35 Day Demand	\$25/MONTH	10% PER ANNUM	5TH of each Month	Certified & Regular Mail Legal Action Pending

ASSOCIATION ATTORNEY:

Niemann & Heyer

PAYMENT PLAN:

OTHER:
\$25 NSF

Board Signature

Phillip A. Sharpnack

Printed Name

12/12/2019
Date

PRESIDENT
Board Position