

STATE OF TEXAS §

COUNTY OF TRAVIS §

ADOPTION OF RULES AND REGULATIONS OF COVENANT ESTATES AT REGENTS HILLS HOMEOWNERS ASSOCIATION, INC.

Document reference. Reference is hereby made to that certain Master Declaration of Covenants, Conditions and Restrictions for Covenant Estates at Regents Hills Phase I, filed as Document No 2002216642 in the Official Public Records of Travis County, Texas (together with all amendments and supplemental documents thereto, the "Declaration").

WHEREAS the Declaration provides that owners of lots subject to the Declaration are automatically made members of Covenant Estates at Regents Hills Homeowners 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 Article V Section 5(g) of the Declaration and/or State law; and

WHEREAS the Board has voted to adopt the Rules attached as Exhibit "A";

THEREFORE the Rules attached as Exhibit "A" have been, and by these presents are, ADOPTED and APPROVED

COVENANT ESTATES AT REGENTS HILLS HOMEOWNERS ASSOCIATION, INC.

Acting by and through its Board of Directors

Signature: [Handwritten Signature]
Printed Name: Brandon Parrish
Title: President

Exhibit "A": Rules

Acknowledgement

STATE OF TEXAS §

COUNTY OF Travis §

This instrument was executed before me on the 27 day of December, 2011, by Brandon Parrish in the capacity stated above.

[Handwritten Signature]
Notary Public, State of Texas

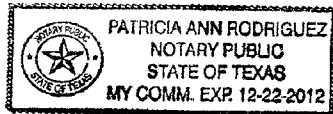


EXHIBIT "A"

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DEFINITIONS

1. "Owner:" an owner as defined in the governing documents, or a "Member" as defined in the governing documents. If there are no such definitions, an owner means a person or entity holding a fee simple interest in any portion of the property that is subject to the Declaration (other than common area).
2. "Managing agent:" the entity responsible for managing the affairs of the Association, or the "Association manager "

SECTION I. FLAGS

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary.
2. General. An Owner may display flags only on his or her Lot and only in compliance with this Section. An Owner may not display flags on the Common Areas, or on any other lands owned or maintained by the Association, for any reason or at any time. An Owner may have one flagpole, or one residence-mounted flag mount, but not both.
3. Approval Required. All flagpoles, flag mounts, and related installations (e.g., flag lighting) must be approved in advance by the Association's Architectural Control Committee (the "Committee"). An Owner desiring to display a permitted flag must submit plans to the Committee for each installation, detailing the dimensions, type, location, materials, and style/appearance of the flagpole, flag mount(s), lighting and related installations. The Association's Committee shall have the sole discretion of determining whether such items and installations comply with this Section, subject to any appeal rights that may exist elsewhere in the Association's governing documents or under State law. The Owner may not begin construction or installation until the Owner receives written approval from the Committee.
4. Additional Requirements Related to Flags
 - a. Flags must be displayed on an approved flag mount or flagpole. Flags may not be displayed in any other manner.
 - b. No more than one flag at a time may be displayed on a flag mount. No more than two flags at a time may be displayed on a flagpole.

- c. Flags on flagpoles must be hoisted, flown, and lowered in a respectful manner
 - d. Flags must never be flown upside down and must never touch the ground.
 - e. No mark, sign, insignia, design, addition (such as a mesh extension), or advertising of any kind may be added to a flag.
 - f. If both the U.S. and Texas flags are displayed on a flagpole, they must be of approximately equal size
 - g. If the U.S. and Texas flags are flown on one pole, the U.S. flag must be the highest flag flown and the Texas flag the second highest.
 - h. Only all-weather flags may be displayed during inclement weather
 - i. Flags must be no larger than 3'x5' in size.
 - j. Flags may not contain commercial material, advertising, or any symbol or language that may be offensive to the ordinary person.
 - k. A pennant, banner, plaque, sign or other item that contains a rendition of a flag does not qualify as a flag under this Section
5. Materials and Appearance of Flag Mounts and Flagpoles. A flag mount attached to a dwelling or a freestanding flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials (per the discretion of the Committee) used in the construction of the mount or flagpole and harmonious with the dwelling
6. Additional Requirements for Flagpoles. The following additional requirements shall apply to flagpoles installed on Lots:
- a. No more than one flagpole may be installed on a Lot;
 - b. The flagpole must be free-standing and installed vertically;
 - c. The flagpole must be no greater than 20 feet in height measured from grade level;
 - d. The flagpole must have a dull or dark finish;
 - e. The location and construction of the flagpole must comply with applicable zoning ordinances, may not be located in any easements (including drainage easements), and comply with all building setback requirements;
 - f. Unless otherwise approved by the Committee, pole must be located within 10 feet of one of the side-most building lines of the home, and within 10 feet of the front-most building line of the home (so that the distance between the pole and the side-most point of the home is no more than 10 feet, and the distance between the pole and the front-most point of the home is no more than 10 feet) The Committee may require the pole to be installed on a particular side or otherwise require a particular location;
 - g. No trees may be removed for pole installation; and
 - h. An Owner must ensure that external hardware, halyards (hoisting ropes), trucks, rings, and snaps used in combination with a flagpole do not create an unreasonable amount of noise.
7. Lighting of Flag Displays. An Owner desiring to install any light(s) for the purpose of illuminating a flag must include plans (in accordance with Paragraph 3 above) to the Committee and receive the Committee's written approval before beginning installation. Such light installations must be of a reasonable size and intensity and placed in a reasonable location for the purpose of ensuring that the lights do not unreasonably disturb or distract other individuals. All flag illumination lighting must be specifically dedicated to that purpose. No other lighting, whether located inside or outside of the residence, may be directed toward a displayed flag for purposes of illuminating the flag. Security flood lights, spot lights, or any other light not specifically installed to illuminate a flag (and included in the Owner's submission of plans to the Committee and approved in writing by the Committee) may not be oriented toward a displayed flag.
8. Maintenance. An Owner is responsible for ensuring that a displayed flag, flagpole, flag mount(s), lighting and related installations are maintained in good and attractive condition at all time at the Owner's expense. Any flag, flagpole, flag mount, light, or related installation or item that is in a

deteriorated (torn, faded, holes, or frayed) or unsafe condition as determined by the Board must be repaired, replaced, or removed promptly upon the discovery of its condition

SECTION II. SOLAR ENERGY DEVICES

1. Conflict with Other Provisions Per state law, this Section controls over any provision in any other Association governing document to the contrary.
2. Approval Required. An Owner may install solar energy devices only on property solely owned and solely maintained by the Owner, and only in accordance with the restrictions provided herein. Owners may not install solar energy devices except in accordance with the restrictions provided herein. Prior to installation of any solar energy device, the Owner must submit plans for the device and all appurtenances thereto to the Committee. The plans must provide an as-built rendering, and detail the location, size, materials, and color of all solar devices, and provide calculations of the estimated energy production of the proposed devices. The Owner may not begin construction or installation until the Owner receives written approval from the Committee.
3. Definition In this section, "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. All solar devices not meeting this definition are prohibited.
4. Prohibited Devices Owners may not install solar energy devices that:
 - a. threaten the public health or safety;
 - b. violate a law;
 - c. are located on property owned by the Association;
 - d. are located in an area owned in common by the members of the Association;
 - e. are located in an area on the property Owner's property other than:
 - i. on the roof of the home (or of another structure on the Owner's lot allowed under the Association's governing documents); or
 - ii. in a fenced yard or patio owned and maintained by the Owner;
 - f. are installed in a manner that voids material warranties;
 - g. are installed without prior approval by the Committee; or
 - h. substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. *This determination may be made at any time, and the Committee may require removal of any device in violation of this or any other requirement*
5. Limitations on Roof-Mounted Devices. If the device is mounted on the roof of the home, it must:
 - a. extend no higher than or beyond the roofline;
 - b. be located only on the back of the home - the side of the roof opposite the street. The Committee may grant a variance in accordance with state law if the alternate location is substantially more efficient¹;
 - c. conform to the slope of the roof, and have all top edges parallel to the roofline; and
 - d. not have a frame, a support bracket, or visible piping or wiring that is any color other than silver, bronze, or black tone commonly available in the marketplace

¹ If an alternate location increases the estimated annual energy production of the device more than 10 percent above the energy production of the device if located on the back of the home, the Association will authorize an alternate location in accordance with these rules and state law. It is the Owner's responsibility to determine and provide sufficient evidence to the Committee of all energy production calculations. All calculations must be performed by an industry professional.

6. Limitations on Devices in a Fenced Yard or Patio If the device is located in a fenced yard or patio, it may not be taller than the fence line
7. Solar shingles. Any solar shingles must:
 - a. Be designed primarily to:
 - i. be wind and hail resistant;
 - ii. provide heating/cooling efficiencies greater than those provided by customary composite shingles; or
 - iii. provide solar generation capabilities; and
 - b. When installed:
 - i. resemble the shingles used or otherwise authorized for use on property in the subdivision;
 - ii. be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use on property in the subdivision; and
 - iii. match the aesthetics of the property surrounding the Owner's property.

SECTION III. RAIN BARRELS AND RAINWATER HARVESTING SYSTEMS

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary.
2. Approval Required. Owners may install rain barrels or rainwater harvesting systems only with pre-approval from the Association's Committee (see Paragraph 4 below), and only in accordance with the restrictions described in this Section.
3. Prohibited Locations. Owners are prohibited from installing rain barrels or rainwater harvesting systems, or any part thereof, in the following locations:
 - a. on property owned by the Association;
 - b. on property owned in common by the members of the Association; or
 - c. on property between the front of the Owner's home and an adjoining or adjacent street
4. Approval Required for All Rain Barrels or Rainwater Harvesting Systems. Prior to any installation of any rain barrel or rain harvesting system (or any part thereof), prior written permission must be received from the Committee

Owners wishing to install such systems must submit plans showing the proposed location, color(s), material(s), shielding, dimensions of the proposed improvements, and whether any part of the proposed improvements will be visible from the street, another lot, or a common area (and if so, what part(s) will be visible). The location information must provide information as to how far (in feet and inches) the improvement(s) will be from the side, front, and back property line of the Owner's property

5. Color and Other Appearance Restrictions. Owners are prohibited from installing rain barrels or rainwater harvesting systems that:
 - a. are of a color other than a color consistent with the color scheme of the Owner's home;
 - b. display any language or other content that is not typically displayed by such a barrel or system as it is manufactured; or
 - c. are not constructed in accordance with plans approved by the Association
6. Additional Restrictions if Installed in Side Yard or Improvements are Visible. If any part of the improvement is installed in a side yard, or will be visible from the street, another lot, or common area, the Association may impose restrictions on the size, type, materials, and shielding of, the improvement(s) (through denial of plans or conditional approval of plans)

SECTION IV. RELIGIOUS DISPLAYS

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary
2. General State statute allows owners to display certain religious items in the owner's entry, and further allows the Association to impose certain limitations on such entry displays. The following rule outlines the limitations on religious displays in an owner's entry area. Notwithstanding any other language in the governing documents to the contrary, residents may display on the entry door or doorframe of the resident's dwelling one or more religious items, subject to the restrictions outlined in Paragraph 3 below. Allowed religious displays are limited to displays motivated by the resident's sincere religious belief
3. Prohibited Items. No religious item(s) displayed in an entry area may:
 - a. threaten the public health or safety;
 - b. violate a law;
 - c. contain language, graphics, or any display that is patently offensive to a passerby;
 - d. be located anywhere other than the main entry door or main entry door frame of the dwelling;
 - e. extend past the outer edge of the door frame of the door; or
 - f. have a total size (individually or in combination) of greater than 25 square inches
4. Remedies for Violation of this Section. Per state statute, if a religious item(s) is displayed in violation of this Section, the Association may remove the offending item without prior notice. This remedy is in addition to any other remedies the Association may have under its other governing documents or State law.
5. Seasonal Religious Holiday Decorations. Except as expressly provided herein, this rule will not be interpreted to apply to otherwise-permitted temporary seasonal religious holiday decorations such as Christmas lighting or Christmas wreaths. The Board has the sole discretion to determine what items qualify as Seasonal Religious Holiday Decorations and may impose other restrictions on the display of such decorations. Unless otherwise provided by the Declaration, Seasonal Religious Holiday Decorations may be displayed no more than 30 days before and no more than 21 days after the holiday. Seasonal Religious Holiday Decorations must comply with all other provisions of the governing documents.
6. Other displays. Non-religious displays in the entry area to an owner's dwelling and all displays (religious or otherwise) outside of the entry area to an owner's dwelling are governed by other applicable governing document provisions.

SECTION V. RECORD PRODUCTION

1. Effective Date. Notwithstanding any language to the contrary and regardless of date of adoption of these rules, the effective date of this Section is January 1, 2012.
2. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary to the extent of any conflict
3. Request for Records. The Owner or the Owner's authorized representative requesting Association records must submit a written request by certified mail to the mailing address of the Association or authorized representative as reflected on the most current filed management certificate. The request must contain:
 - a. sufficient detail to describe the books and records requested, and
 - b. an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records.

4. Timeline for record production
 - a. If inspection requested. If an inspection is requested, the Association will respond within 10 business days by sending written notice by mail, fax, or email of the date(s) and times during normal business hours that the inspection may occur. Any inspection will take place at a mutually-agreed time during normal business hours, and the requesting party must identify any books and records the party desires the Association to copy.
 - b. If copies requested. If copies are requested, the Association will produce the copies within 10 business days of the request.
 - c. Extension of timeline If the Association is unable to produce the copies within 10 business days of the request, the Association will send written notice to the Owner of this by mail, fax, or email, and state a date, within 15 business days of the date of the Association's notice, that the copies or inspection will be available.
5. Format. The Association may produce documents in hard copy, electronic, or other format of its choosing.
6. Charges. Per state law, the Association may charge for time spent compiling and producing all records, and may charge for copy costs if copies are requested. Those charges will be the maximum amount then-allowed by law under the Texas Administrative Code. The Association may require advance payment of actual or estimated costs. As of July, 2011, a summary of the maximum permitted charges for common items are:
 - a. Paper copies - 10¢ per page
 - b. CD - \$1 per disc
 - c. DVD - \$3 per disc
 - d. Labor charge for requests of more than 50 pages - \$15 per hour
 - e. Overhead charge for requests of more than 50 pages - 20% of the labor charge
 - f. Labor and overhead may be charged for requests for fewer than 50 pages if the records are kept in a remote location and must be retrieved from it
7. Private Information Exempted from Production. Per state law, the Association has **no obligation** to provide information of the following types:
 - a. Owner violation history
 - b. Owner personal financial information
 - c. Owner contact information other than the owner's address
 - d. Information relating to an Association employee, including personnel files
8. Existing Records Only. The duty to provide documents on request applies only to existing books and records. The Association has no obligation to create a new document, prepare a summary of information, or compile and report data.

SECTION VI. RECORD RETENTION

1. Effective Date. Notwithstanding any language to the contrary and regardless of the date of adoption of these rules, the effective date of this Section relating to record retention is January 1, 2012.
2. Conflict with Other Provisions. Per state law, this Section relating to record retention controls over any provision in any other Association governing document to the contrary to the extent of any conflict.
3. Record Retention. The Association will keep the following records for at least the following time periods:

- a. Contracts with terms of at least one year; 4 years after expiration of contract
 - b. Account records of current Owners; 5 years
 - c. Minutes of Owner meetings and Board meetings; 7 years
 - d. Tax returns and audits; 7 years
 - e. Financial books and records (other than account records of current Owners); 7 years
 - f. Governing documents, including Articles of Incorporation/Certificate of Formation, Bylaws, Declaration, Rules, and all amendments; permanently
4. Other Records Records not listed above may be maintained or discarded in the Association's sole discretion.

SECTION VII. PAYMENT PLANS

1. Conflict with Other Provisions Per state law, this Section controls over any provision in any other Association governing document to the contrary
2. Effective date Notwithstanding any language to the contrary and regardless of date of adoption of these rules, the effective date of this Section relating to payment plans is January 1, 2012.
3. Eligibility for Payment Plan.

Standard payment plans. An Owner is eligible for a Standard Payment Plan (*see* Rule 4 below) *only if*:

- a. The Owner has not defaulted under a prior payment plan with the Association in the prior 24-month period;
- b. The Owner requests a payment plan no later than 30 days after the Association sends notice to the Owner via certified mail, return receipt requested under Property Code §209.0064 (notifying the owner of the amount due, providing 30 days for payment, and describing the options for curing the delinquency). Owner is responsible for confirming that the Association has received the Owner's request for a payment plan within this 30-day period. It is recommended that requests be in writing; and
- c. The Association receives the executed Standard Payment Plan and the first payment within 15 days of the Standard Payment Plan being sent via email, fax, mail, or hand delivered to the Owner.

Other payment plans. An Owner who is not eligible for a Standard Payment Plan may still request that the Association's Board grant the Owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the debt (i.e., the Association's manager or Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Association's Board.

4. Standard Payment Plans The terms and conditions for a Standard Payment Plan are:
 - a. Term Standard Payment Plans are for a term of 6 months. (See also Paragraph 7 for Board discretion involving term lengths.)
 - b. Payments. Payments will be made at least monthly and will be roughly equal in amount or have a larger initial payment (small initial payments with a large balloon payment at the end of the term are not allowed). Payments must be received by the Association at the designated address by the required dates and may not be rejected, returned or denied by the Owner's bank for any reason (i.e., check returned NSF).

- c. Assessments and other amounts coming due during plan The Owner will keep current on all additional assessments and other charges posted to the Owner's account during the term of the payment plan, which amounts may but need not be included in calculating the payments due under the plan.
 - d. Additional charges The Owner is responsible for reasonable charges related to negotiating, preparing and administering the payment plan, and for interest at the highest rate allowed by applicable law then in effect, all of which shall be included in calculating the total amount due under the plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the owner is complying with all terms of a payment plan.
 - e. Contact information The Owner will provide relevant contact information and keep same updated.
 - f. Additional conditions The Owner will comply with such additional conditions under the plan as the Board may establish
 - g. Default The Owner will be in default under the plan if the Owner fails to comply with any requirements of these rules or the payment plan agreement
5. Account Sent to an Attorney/Agent for Formal Collections An Owner does not have the right to a Standard Payment Plan after the 30-day timeframe referenced in Paragraph 3(b). Once an account is sent to an attorney or agent for collection, the delinquent Owner must communicate with that attorney or agent to arrange for payment of the debt. The decision to grant or deny the Owner an alternate payment plan, and the terms and conditions of any such plan, is solely at the discretion of the Board.
6. Default If the Owner defaults under any payment plan, the Association may proceed with any collection activity authorized under the governing documents or state law without further notice. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. All late fees and other charges that otherwise would have been posted to the Owner's account may also be assessed to the Owner's account in the event of a default.
- Any payments received during a time an Owner is in default under any payment plan may be applied to any out-of-pocket costs (including attorneys fees for administering the plan), administrative and late fees, assessments, and fines (if any), in any order determined by the Association, except that fines will not be given priority over any other amount owed but may be satisfied proportionately (e.g. a \$100 payment may be applied proportionately to all amounts owed, in proportion to the amount owed relative to other amounts owed).
7. Board Discretion The Association's Board may vary the obligations imposed on Owners under these rules on a case-by-case basis, including curtailing or lengthening the payment plan terms (so long as the plan is between 3 and 18 months), as it may deem appropriate and reasonable. The term length set forth in Paragraph 4 shall be the default term length absent Board action setting a different term length. No such action shall be construed as a general abandonment or waiver of these rules, nor vest rights in any other Owner to receive a payment plan at variance with the requirements set forth in these rules.
8. Legal Compliance These payment plan rules are intended to comply with the relevant requirements established under Texas Property Code §209. In case of ambiguity, uncertainty, or conflict, these rules shall be interpreted in a manner consistent with all such legal requirements.

SECTION VIII. VOTING

1. Form of Proxy or Ballot. The Board may dictate the form for all proxies, ballots, or other voting instruments or vehicles. No form other than the form put forth by the Board will be accepted.
2. Deadline for Return of Voting Paperwork. The Board may establish a deadline, which may be communicated on the proxy form, absentee ballot, or otherwise communicated to the membership, for return of electronic ballots, absentee ballots, proxies, or other votes.

SECTION IX. TRANSFER FEES

1. Transfer Fees. In addition to fees for issuance of a resale certificate and any updates or re-issuance of the resale certificate, transfer fees are due upon the sale of any property in accordance with the then-current fee schedule, including any fee charged by the Association's managing agent. It is the owner/seller's responsibility to determine the then-current fees. Transfer fees not paid at or before closing are the responsibility of the purchasing owner and will be assessed to the owner's account accordingly. The Association may require payment in advance for issuance of any resale certificate or other transfer-related documentation.

If a resale certificate is not requested and a transfer occurs, all fees associated with association record updates related to the transfer will be the responsibility of the new owner and may be assessed to the unit's account at the time the transfer becomes known. These fees will be set according to the then-current fee schedule of the Association or its managing agent, and may be equivalent to the resale certificate fee or in any other amount.

The Association's fee schedule may include (without limitation) fees related to: issuance of a resale certificate, questionnaires requested from lenders/title companies, statements of account, resale certificate updates, working capital fee due at closing, or other such fees.

SECTION X. EMAIL ADDRESSES

1. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary.
2. Email Addresses. An Owner is required to keep a current email address on file with the Association if the Owner desires to receive email communications from the Association. Failure to supply an email address to the Association or to update the address in a manner required by these rules may result in an Owner not receiving Association emails. The Association has no duty to request an updated address from an Owner, in response to returned email or otherwise. The Association may require Owners to sign up for a group email, email list serve or other such email subscription service in order to receive Association emails.
3. Updating Email Addresses. An Owner is required to notify the Association when email addresses change. Such notice must be in writing and delivered to the Association's managing agent by fax, mail, or email. The notice must be for the sole purpose of requesting an update to the Owner's email address. For example, merely sending an email from a new email address, or including an email address in a communication sent for any other purpose other than providing notice of a new email address, does not constitute a request to change or add the Owner's email in the records of the Association.

SECTION XI. MANAGING AGENT'S ADDRESS

At the time these rules were filed, the current address of the Association's managing agent is:

Community Association Management, Inc.
11183 Circle Drive, Ste. D
Austin, TX 78736

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:CovenantEstates@RegentsHills:RulesAdoptPer2011LawRevised12-5-11 doc



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Dana Debeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

January 12 2012 03:31 PM

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