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DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
BELLA STRADA

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Recitals

This is the Declaration of Covenants, Conditions, and Restrictions for Bella Strada (the "Declaration"). The Declaration applies to Bella Strada Subdivision, a subdivision according to the plat recorded in 200600040, Plat Records of Travis County, Texas. The property subject to this Declaration is further described in Exhibit A (the "Property"). Bella Strada Development, Inc., who is the Declarant, is the Owner of the Property at the time of recordation of this Declaration. No Lots have been conveyed at the time of recordation of this Declaration.

**SUBJECT TO THIS DECLARATION, INCLUDING ALL EXHIBITS.** The Declaration establishes a plan for individual ownership of Lots (as defined herein) and ownership in the common area and common facilities. Each Owner shall have exclusive ownership of, possessory interest in, and responsibility for the area or space contained within such Owner's Lot, subject to the covenants, conditions, and restrictions contained in this Declaration. The various Lots are subject to the provisions of restrictive covenants, easements, and other provisions set forth in the exhibits to this Declaration.

**SUBJECT TO THE PLATS.** The property is subject to all easements and plat notes shown on the plats of Bella Strada.

**SUBJECT TO LAWS.** The property is subject to all applicable state and local statutes and ordinances governing residential subdivision homeowner associations in Travis County, Texas.

ARTICLE I. DEFINITIONS AND TERMS

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

(a) "Architectural Committee" or "AC" means the Committee formed under Section 4.8. In absence of the Committee, the Board shall serve as the Committee.

(b) "Association" means the "Bella Strada Homeowners Association, Inc."

(c) "Bella Strada" means in the aggregate the Property, the Buildings, and all improvements and structures thereof and thereto, including, without limitation, the Common Areas and all rights, easements, and appurtenances belonging thereto. See also "Property."

(d) "Board" or "Board of Directors" means the Board of Directors of the Association.

(e) "Building" means any one of the Homes or accessory structures such as garages to be built on the Lots set forth on the map of Bella Strada attached as Exhibit B, hereinafter (the "Map"), and incorporated herein for all purposes.

(f) "Common Assessment" means the charge against each Owner of a Lot for his/her allocable portion of the Common Expenses, and any other amount due to the Association from the Owner under any governing document.

(g) "Common Area" or "Common Area Lots" means: the entry area and roads as further described in the map attached as Exhibit B. Common areas include Bella Strada Drive (Lot 20 on the plat), the stone wall along Oak Grove Blvd., the entry gate, and the stone tower at entry. The Common Area includes the Common Area Facilities.

(h) "Common Area Facilities" means the improvements in the Common Areas, including any entrance signs, access gate(s) and associated improvements.

(i) "Common Expenses" means:

(1) all expenses incurred by the Association for enforcing the governing documents of the association or promoting the health, safety, welfare and recreation of the Lot Owners and for the administration and management, ownership, maintenance, operation, repair, replacement, or improvement of and addition to the Common Areas (including unpaid special assessments and amounts assessed to maintain a reserve for replacement

fund and to cover costs incurred by the Association to participate in any condemnation suit, as provided in Paragraph 6.3); and

(2) expenses declared to be Common Expenses by provisions of this Declaration or by the Bylaws of the Association, including all expenses necessary to maintain the Common Areas and Common Area Facilities in accordance with prudent care practices and with City of Austin regulations; and

(j) "Completed Home" means a completely finished Home, including, but not limited to, the installation of all appliances and utilities, rendering it ready for occupancy by an Owner other than the Declarant.

(k) "Construction Period" or "Declarant Control Period" means that period during which Declarant or successor developer is developing and constructing Bella Strada and/or selling the Homes or Lots, which period shall extend until (1) all residential lots have Homes constructed on them and have been sold to persons for occupancy or (2) earlier at the option of Declarant.

(l) "Declarant" shall mean "Bella Strada Development, Inc.," or his successors or assigns, as the developer of Bella Strada as a subdivision.

(m) "Declaration" shall mean this Declaration instrument and future amendments or supplements

(n) "First Mortgagee" shall mean the holder of a first lien purchase-money mortgage, an initial construction mortgage or the holder of a purchase-money mortgage, or deed of trust lien-voluntarily granted on any Lot in Bella Strada, which have first priority over all other voluntary liens encumbering such Lot(s).

(o) "Home" shall mean an individual home constructed on a Lot.

(p) "Improvement" shall mean every 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, tennis or sport courts, recreational facilities, swimming pools, putting greens, garages, driveways, parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, patios, decks, walkways, mailboxes, yard art, poles, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, walls, 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.

(q) "Lot" or "Lots" shall mean any parcel or parcels of land within the Property shown as a subdivided Lot for residential purposes on a plat of the subdivision and on which the building of a Home is allowed, together with all improvements located thereon.

(r) "Majority of Homeowners" or "Majority of Owners" means those Owners, which at the relevant time own over 50% of the votes entitled to be cast by all Owners (including Declarant).

(s) "Map" or "Plat" means the recorded plat of Bella Strada Subdivision as shown on Exhibit B.

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

(u) "Owner" or "Homeowner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, including, without limitation, the Declarant, who owns, of record, fee simple title to one or more Lots in Bella Strada. An Owner shall automatically be a member of the Association and remain so for the duration of his ownership.

(v) "Property," "Project," or "Subdivision" means and includes in the aggregate the land, the Buildings, and all improvements and structures thereof and thereto, including, without limitation, the Common Areas and all rights, easements, and appurtenances belonging thereto that are located in Bella Strada Subdivision.

(w) "Restrictions" or "Governing Documents" mean this Declaration, Bylaws, Rules, and any other document adopted pursuant thereto.

## ARTICLE II. HOME DESIGNATIONS AND DESCRIPTIONS

2.1 RECORDATION OF PLAT. A reduced copy of the Map is a part of Exhibit B. The large original Map is contained in the Association's records and is recorded in the Plat Records of Travis County, Texas. The Map contains the legal description of the surface of the Property described in Exhibit A.

2.2 DESIGNATION OF LOTS. Bella Strada consists of 19 separately designated Lots on which residential dwellings are to be built and Common Area as described herein. Only one dwelling may be built on each residential Lot. Accessory buildings (such as guest houses) may be constructed only with prior approval of the Architectural Committee.

2.3 REGULATION OF COMMON AREAS. The Common Area may be altered only as authorized with prior written consent of the Board, after a vote of the Board.

2.4 INSEPARABLE LOTS. No Lot may be further subdivided, but two or more contiguous Lots may be combined and one Home built on the combined Tract, in which case any setback restrictions shall be applied to the Tract as if it were one Lot.

2.5 DESCRIPTIONS. Every deed, lease, mortgage, trust deed, or other instrument may legally describe a Lot by its identifying Lot number, as shown on the Map, followed by the words "Bella Strada" and a reference to this recorded Declaration. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber, or otherwise affect the undivided interest in the Common Areas appurtenant to such Home.

2.6 ENCROACHMENTS, PERIMETER FENCE EASEMENTS, SIDEWALKS. If any portion of the Common Area Facilities encroaches upon a Lot or Lots, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. The fences and gates to be constructed by Declarant and maintained by the Association along Oak Grove Blvd. and the entry to the Subdivision may meander around trees and landscaping on the lots abutting those roadways for a distance of up to 15 feet from the road right of way. The Association shall have an easement for this purpose (an easement over all Lots directly affected by construction of, and other lots as needed for maintenance of, the Common Area Facilities). Sidewalks are not required to be constructed unless required by a governmental entity.

2.7 TAXES. The Association shall timely file or cause to be filed the appropriate income tax returns for the Association.

#### 2.8 USE AND OCCUPANCY RESTRICTIONS.

(a) *Residential purposes.* Subject to other provisions of this Declaration, no part of Bella Strada may be used for purposes other than housing and the related common purposes for which Bella Strada was designed. Each Lot and Home shall be used for residential purposes or such other uses permitted by this Declaration, and for no other purposes. Conducting any business, trade, or similar activity is prohibited, except that an Owner or occupant residing in a home may conduct business activities commonly conducted within residential areas within the home so long as: (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the home; (2) the business activity conforms to all zoning requirements for the Property (3) the business activity does not involve visitation of the home by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Property; and (4) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or hazardous or offensive use, or threaten the security, safety, enjoyment or use of other residents of the Property, as may be determined in the sole reasonable discretion of the Board.

(b) *Common Areas.* The Common Areas are intended to be used for the purposes of: affording vehicular and pedestrian movement within Bella Strada, and for providing access to the Lots and providing for the beautification of Bella Strada and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the Common Areas shall be obstructed or damaged so as to interfere with its intended use or for its maintenance and operations; no part of the Common Areas shall be used for storage purposes, nor shall anything be done on the Common Areas in any manner which shall increase the rate for hazard and liability insurance covering said area and improvements situated thereon.

(c) *Drainage Easements.* Any Drainage Easements are shown on the Plat.

(d) *Use Restrictions.* Without limiting the generality of the foregoing provisions of this Paragraph 2.8, use of Bella Strada by the Lot Owners and/or tenants, if any, shall be subject to the following restrictions:

(1) *Nuisances and safety.* No unsafe, noxious, offensive, or illegal activity or odor is permitted in Bella Strada. No activity shall be conducted on the property which in the judgment of the Board of Directors might reasonably be considered as annoying to neighbors of ordinary sensibilities, or that might be reasonably calculated to reduce the desirability of the property for quality of living. No exterior loudspeakers or flashing lights shall be allowed. No person may do anything that will increase insurance rates for Bella Strada without the prior written consent of the Board or which may cause such Improvements to be uninsurable or which may cause any policy to be canceled, or suspended or materially modified by the issuing company.

(2) *Barbecue grills.* Except for barbecue grills and exterior fireplaces, no exterior fires are permitted. Barbecue grills may not be operated within 10 feet of any Building, Home or other Improvement unless such use is authorized under the applicable fire code or building code.

(3) *Noise.* Home Owners and occupants shall refrain from playing radios, televisions, stereos, and other electrical or mechanical devices so loud that they may be heard outside their Lot.

(4) *Animals.* Dogs, cats, fish, birds and other animals may be kept in Lots only in compliance with Association rules. Animals may not make excessive noise (in the sole judgment of the Board). Animals may not be bred for commercial purposes. Animals (except cats, fish, and birds) must be kept on the Lot or on a leash when outside the Lot. Leashes may not be tied to objects and must be held by a person who can control the animal at all times. An Owner of a Home where an animal is housed has the responsibility to immediately clean up after such animal has defecated in Common Areas, streets, rights of way, or on Lots of other Owners. Owners shall timely clean animal defecation by such animals on their own Lots. If an animal or Homeowner is in violation of these restrictions, the Declarant or Board may in its sole discretion require the permanent removal of the animal from the Property.

(5) *Liability for animals.* The Home Owner and the pet owner are both jointly liable to all other Home Owners and their respective families, guests, tenants and invitees for injury and all damage caused by any animals brought or kept in Bella Strada by a Home Owner or member of his or her family, tenants or guests -- with or without permission of the Board. Home Owners agree, for themselves, and their respective families, guests, tenants and invitees, that neither the Board members nor the Association shall have any liability for any injury or damage caused by any animal brought or kept in Bella Strada, with or without the permission of the Board, by a Home Owner or members of the Home Owner's family, tenants or guests.

(6) *Signs.* Except for model home signs approved by the Declarant, only one "for sale" sign or one "for lease" sign, no larger than 2' x 2', is permitted on each Lot. All other signs are prohibited except as otherwise provided in the Association Bylaws, rules, or other governing documents. Board members and management company representatives may enter, without prior notice, and remove and throw away prohibited signs. The foregoing shall be subject to Declarant's rights reserved under this Declaration, particularly in Paragraph 2.10. Owners must comply with all signage requirements of the City of Lakeway and other governmental authorities, and in the event of a conflict between the Restrictions and Lakeway or other governmental requirements, the more restrictive requirement will prevail.

(7) *Window coverings.* No foil shall be placed in or next to any window or sliding glass door. Burglar bars that may be seen from the street are prohibited. If burglar bars are installed, they must be hinged and must open inward and comply with applicable building and fire codes.

(8) *Storage/garage sales.* No personal property may be stored temporarily or permanently on sidewalks, Common Areas or other areas visible from the street or other Lots within the Subdivision. Garage sales and estate sales are not allowed. Storage of boxes and personal property in garages is prohibited if such storage prevents the parking of the Owner's or Occupant's vehicle(s) in the garage.

(9) *Garage doors and garage parking.* Garage doors shall remain closed at all times except when opened for vehicle entry or exit or for working in the garage. At all times, garages must have working garage doors and door openers. Garage doors shall be maintained by Owner. Nothing may be stored in garages to prevent parking of a vehicle in the parking space(s) inside a garage if such storage prevents a car parked outside from parking inside the garage. Vehicles must be parked inside a garage or in the required auxiliary parking spaces next to the garages, whenever possible. An enclosed side entry garage for two vehicles (or more) is required for each Lot, however the ACC shall have the authority to approve a variance to the side entry requirement when in its reasonable discretion such a variance is appropriate. Garages may not be converted into porches or air conditioned space. Carports are not permitted.

(10) *Vehicle repair.* Except in an emergency when a vehicle is inoperable, no vehicle may be worked on outside of a garage or with the garage door open. Otherwise, vehicles must be serviced or repaired off the Property. Vehicles which have expired license plates, expired inspection stickers, flat tires or which are inoperable or otherwise parked in violation of the governing documents of the Association may be removed by the Association from the Property at the Owner's expense. Vehicle fluids and materials must be disposed of offsite in a proper manner.

(11) *Parking.*

(a) Parking of vehicles, motorcycles and bicycles in grass areas, dirt areas, flower beds, or sidewalks is prohibited. An Owner may not park on any streets on the Property. Owners and occupants shall park vehicles in their respective garages or driveways on their Lots. No Home Owner or occupant may park, store, operate or keep within or adjoining Bella Strada any commercial-type vehicle (including any vehicle with commercial-type lettering), truck larger than a pick-up truck, motorcycle, motorbike, motor scooter, recreational

vehicle (e.g. camper unit, motor home, trailer, boat, mobile home, golf cart), or other similar vehicle unless same is kept solely within the garage of such Owner's Home. Bicycles and similar items may not be stored outside a dwelling or on balconies or patios or in a manner visible from a street.

(b) Guest parking is in the Home's driveway or on the street. Guests may not park on the street for more than 24 hours in a seven day period without prior written approval from the Board.

(c) No vehicles may be parked or unattended in such a manner as to block the passage of other vehicles on the private roadway for Bella Strada or in driveways to Homes. No vehicle shall be left parked and unattended in such a manner as to prevent the ingress and/or egress of emergency vehicles (i.e., fire, EMS) or service vehicles (i.e., refuse trucks). No inoperable vehicle may be parked or stored in Bella Strada.

(d) The Board may adopt parking regulations and restrictions to resolve unanticipated parking problems, provided they are not in conflict with the Declaration.

(12) *Anti-theft alarms.* Owners and occupants who have vehicles with anti-theft systems shall not allow the alarms or horns to go off and disturb other persons in Bella Strada for more than three minutes; and any vehicle violating the three-minute rule shall be deemed to be illegally parked and subject to immediate towing, without prior notice to the vehicle owner or operator, by the Association, at Owner's expense under the Texas towing statutes. The Association may, without liability to the owner or operator of the vehicle, cut or disconnect any power source to an alarm or horn that is violating the above 3-minute rule in order to avoid having the vehicle towed.

(13) *Towing illegally parked vehicles.* Vehicles parked in violation of Association governing documents (including Declaration, Bylaws, or rules) may be removed and stored without permission of the vehicle's owner or operator. Notice and removal shall be in accordance with statutory notice and other statutory requirements. A Home Owner is liable for all costs of towing illegally parked vehicles of the Home Owner, the Home Owner's family, guests or tenants.

(14) *Trash.* The Board may designate required areas for trash receptacles and required types of receptacles. Trash shall be kept at all times in a covered container, and any such container shall be kept within an enclosed structure or appropriately screened from view from the street, except such containers may be left out on the day of trash collection, no later than 5:00 p.m. the day before trash collection day, and no later than 10:00 am the morning after trash collection day.

(15) *Lighting.* All exterior lighting must be approved in advance by the Architectural Committee. No exterior lighting of any sort in Bella Strada shall be installed or maintained on a Lot where the light source is offensive or a nuisance to an Owner (except reasonable security or landscape lighting that has been approved by the Architectural Committee). Upon being given notice by the Association that any such lighting is objectionable, the Owner shall take all necessary steps to properly shield same or remove same to afford consideration to those Owners disturbed thereby. All holiday lighting and other holiday decorations must comply with any rules and regulations for the Subdivision.

(16) *Antennas.* Satellite dishes and receiving antennas shall be installed in a manner to minimize their visibility from the streets or Common Areas to the extent that this requirement does not interfere with reception capabilities. Exterior antennas or other exterior structures with transmitting capabilities are not allowed, with the exception of satellite dishes and receiving antennas. Receiving antennas and satellite dishes on Homes must be installed in accordance with Association rules or community policies. Satellite dishes over one meter in diameter are prohibited.

(17) *No common area alteration without prior permission.* Except by approval of the Architectural Committee, no Owner or other person, other than the Declarant as permitted by this Declaration, shall make any alteration, modification, or improvement to the Common Areas, including trimming of trees or other vegetation in or overhanging the Common Areas; no additional lighting, awnings, patio covers, signs, alteration or Improvement of any kind, may be made on or added to the Common Areas; and no structure, equipment, or object may be added to or removed from the Common Areas by any Owner or other person. Nothing may be done to adversely affect the structural integrity of the Common Area Facilities along Oak Grove Blvd. and Bella Strada Drive. For alterations involving areas other than common area, see generally Section 3.9.

(18) *No drilling.* No drilling, digging, quarrying, or mining operation of any sort shall be permitted on the Property.

(19) *Care during construction.* An Owner who is having improvements in a Home or other structure worked on, repaired, or remodeled shall take reasonable and necessary precautions to prevent damage to the Common Area (including any streets) caused by construction companies, workmen, suppliers, or service companies working on or delivering materials to or removing materials from the work site on the Owner's Home. Such Owner shall be liable to the Association for any damages to the Common Area and for costs of cleaning up or replacing



property in the Common Area destroyed or damaged by such construction companies, workmen, suppliers, or service companies. Such Owner shall be liable to respective Home Owners for any damage to another Owner's Home or Lot and for any costs of cleaning up or replacing property which may be destroyed or damaged by such construction companies, workmen, suppliers, or service companies and the Association shall have the right to repair such damage at the Association's expense, in which event the cost of repair shall be paid to the Association by the Home Owner who caused the damage or whose construction company, workmen, suppliers, or service company caused the damage.

(20) *No temporary structures.* No structure of a temporary character, trailer, tent, shack, garage, barn, tool shed, or other outbuildings is permitted in Bella Strada, temporarily or permanently, except with the prior written consent of the Board. No prefabricated structures are allowed. However, temporary structures may be used in connection with the construction, repair or rebuilding of any Building or Common Area with prior written consent of the Board. Such temporary structures must be promptly removed when the construction, repair, or rebuilding is complete.

(21) *Declarant rights.* In order that Declarant may develop and sell Bella Strada, no Homeowner nor the Association shall do anything to interfere with special Declarant rights contained in Paragraph 2.10.

2.9 ACCESS GATES. No owner may tamper with or in any way modify the Property's controlled access gate. "Piggybacking" is not allowed. No Owner may disclose any access code to a non-owner other than a family member, tenant or lawful occupant of the Property.

## 2.10 RESERVATION OF SPECIAL DECLARANT RIGHTS.

(a) During the Construction Period and not afterward, the Declarant reserves the following rights, notwithstanding any provision in the Declaration to the contrary:

(1) the exclusive right, but not the duty, to amend the Map and to vary the size, shape, physical layout, or location of any unsold Lot or Lots, or to vary in any manner the plans for the Common Areas;

(2) the right to do what is reasonably necessary or advisable in connection with the completion of the Improvements;

(3) the right to construct and maintain the Common Areas and Homes owned or controlled by Declarant, its successors, assigns, or its contractors or subcontractors, as may be reasonably necessary for the conduct of its business or the completion of any work and developing, selling, leasing, or managing the Lots in Bella Strada;

(4) the right to maintain or allow others to maintain, for the above purposes, one or more onsite model Homes and offices, the size, number, location, and relocation of which shall be determined solely by Declarant;

(5) the right to maintain or allow others to maintain a sign or signs for the purpose of marketing the Homes or Lots in Bella Strada, and such signs shall not be subject to Section 2.8(d)(6);

(6) the sole right to approve or reject any plans and specifications submitted by a Lot Owner for approval as provided in Paragraph 3.9;

(7) the special voting rights contained in Paragraph 4.5;

(8) the assessment payment rights and duties as set forth in Paragraph 5.12;

(9) the right of exclusive use of any sales office(s) and storeroom(s) located in Common Areas or on any Lot;

(10) the right to modify the landscaping as provided in Paragraph 4.8;

(11) notwithstanding any other provision of this Declaration, the exclusive right for the duration of the Construction Period to amend the Restrictions in good faith.

(b) Any mortgage of the Declarant's interest in Bella Strada shall be deemed to include Declarant's special rights in this Declaration; and any foreclosure sale pursuant to such mortgage shall automatically convey such Declarant rights.

2.11. CONSTRUCTION OF COMMON AREA IMPROVEMENTS BY DECLARANT. The Declarant shall be responsible for the initial construction of: (1) an interior road on the Property; (2) a perimeter wall abutting the entrance to the Property; (3) controlled access gate at the entrance to the property; and (4) a "tower" structure at

the entrance to the Property, and shall be responsible for installation of landscaping in the Common Area at the Property entrance. The Association shall subsequently maintain such improvements, including the vegetation in the Common Areas.

### ARTICLE III. RIGHTS AND OBLIGATIONS OF OWNERSHIP

3.1 **OWNERSHIP.** A Lot will be a fee simple estate and may be held and owned by any person, firm, corporation, or other entity singularly, as joint tenants, as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

3.2 **PARTITION.** The Common Areas shall be owned by the Association and shall remain undivided, and no Owner shall bring any action for partition or division of the Common Areas other than that as specifically provided in Paragraph 6.2, "Judicial Partition." Nothing in this Declaration shall be construed as limiting the right of partition of a Home or Lot between the Owners thereof, but such partition shall not affect any other Home or Lot.

3.3 **EXCLUSIVENESS OF OWNERSHIP.** Each Owner shall be entitled to exclusive ownership and possession of a Lot and/or Home. Each Owner may use the Common Areas in accordance with the purposes for which they are intended and without hindering or encroaching upon the lawful rights of other Owners, subject to the rules and regulations adopted from time to time by the Board for the purpose of facilitating such common use and enjoyment by all Owners.

3.4 **RESIDENTIAL DWELLING.** Each Home shall be occupied and used or leased by the Owner only as a residential dwelling for the Owner, the Owner's family, social guests or tenants.

3.5 **LANDSCAPE EASEMENT.** The Association shall have a landscape easement on Lots 1 and 19 as shown on the map attached as Exhibit G. The Association shall maintain the landscaping in this easement area.

3.6 **RIGHT OF ENTRY / ASSOCIATION RIGHT TO CURE.** The Association shall have the right to have access to each Lot from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of Common Areas, or at any time for making emergency repairs therein necessary to prevent damage to the Common Areas or to adjacent Lots or Homes. The Association shall also have the right to, after at least 10 days notice to the owner, enter the Lot and cure any violation of the governing documents of the association, in which case the Lot Owner shall be assessed all costs, including reasonable administrative overhead costs, and such assessment shall be collectable in the same manner as other assessments under this Declaration, including lien and foreclosure rights.

3.7 **MAINTENANCE BY OWNER.** An Owner shall maintain and keep in good repair an Owner's Home and Lot and all improvements thereon, including the exterior and interior features of such improvements, including any security system, air conditioning compressor, fans, ductwork, heating unit and cooling coils, utilized in and for an Owner's Lot, as well as other fixtures appurtenant to such Lot which are situated within or installed into or on the Lot such as an air conditioning compressor, swimming pool, pool yard enclosure, together with all pipes, wiring, ducts, and other equipment appurtenant thereto.

An Owner shall be obligated to repair and replace promptly any broken or cracked windows, doors, or glass forming a boundary of an Owner's Home, subject to the Association's right to control exterior finish and color. An Owner, when exercising the right and responsibility of repair, maintenance, replacement, or remodeling shall not alter in any manner the exterior appearance of a Home without prior approval of the Architectural Committee.

If an Owner fails to comply with an Owner's repair and maintenance duties of landscaping or otherwise maintains a deed restriction violation on his lot, the Association may cure the violation and the Owner in question shall immediately reimburse the Association for all costs associated with such cure. If an Owner fails to reimburse Association within 30 days of demand, such costs shall be treated as and collectible as unpaid assessments under Section 5.9. See also Exterior Design Criteria in Exhibit F.

3.8 **LANDSCAPING.** An Owner shall fully sod and install irrigation at the sides and front yard of his Home prior to initial occupancy of the Home. An Owner shall be responsible for all landscaping on an Owner's Lot. An Owner must maintain, with reasonable frequency and care, all landscaping on his or her Lot, including but not limited to lawn mowing, edging and trimming, watering, removing dead limbs from trees, removing and replacing dead plantings, weeding, and other such items. Owners may not alter any grades affecting drainage without written approval from the Architectural Committee. No vegetable gardening shall be permitted without the written approval of the Architectural Committee.

No Lot Owner may alter any berms, swales, vegetative buffers, fences, or drainage facilities for the Property without prior written consent from the Architectural Committee. If such alteration is made without the

Association's consent, the Lot Owner on whose Lot the alternation is made shall reimburse the Association for all expenses related to restoring same. See also Section 3.5 for the Association's landscape easement rights.

### 3.9 CONSTRUCTION STANDARDS; APPROVAL FOR CONSTRUCTION, ALTERATION, OR MODIFICATION.

Minimum construction standards shall be set forth in Exhibit G.

No Owner may construct a Home or any Improvement or make any exterior modifications to a Home or Lot or Improvement (including without limitation altering exterior colors or material) or plant trees, shrubs, vines or grasses without the prior written approval of the plans therefore by the Declarant or the Architectural Committee (see Section 4.8 of this Declaration). No Owner may construct, alter, modify, add to, or otherwise perform any work whatsoever upon any of the Common Areas without the prior written approval of the plans therefore by the Declarant or the Architectural Control Committee,

Any proposed construction, alteration, or modification of a completed Home or Lot or the Improvements shall be in harmony with the external design and location of the surrounding structures and topography, and shall not be commenced until submission to the Architectural Committee of complete plans and specifications showing the nature, kind, shape, size, materials, color, location, and any other information requested by the Committee for all proposed work, and until the Committee has approved the plans in writing. During the Construction Period, Declarant shall have the sole right to approve or reject any plans and specifications submitted by a Homeowner for approval.

An Owner shall do nothing that will impair the structural soundness or integrity of the Common Areas and Facilities or impair any easement or appurtenance.

3.10 RESTRICTION OF OWNERSHIP; GAS AGREEMENT. As a restriction of the ownership provisions set forth in Paragraph 1.1, an Owner shall not be deemed to exclusively own any area or improvement outside his Lot. An Owner shall own, maintain, and repair his Home and any other improvements on his Lot unless otherwise specified in this Declaration. Lots shall be bound by all Restrictions, including the restrictions regarding gas attached hereto as Exhibit H.

3.11 LIABILITY FOR NEGLIGENT ACTS. If the need for maintenance or repair to any portion of Bella Strada is caused through the willful or negligent act of an Owner, family, guests, tenants or invitees, such Owner shall be liable for the cost of all repairs. Such cost, if not paid by Owner, shall be added to and become a part of the assessment to which the Lot is subject, and shall be collectible as an assessment. The Association has no duty to make a claim under its insurance policy, but if it chooses to and the claim is paid, such Owner shall be responsible for all of the deductible and any shortfall in insurance proceeds. These amounts shall also be collectible as assessments.

3.12 SUBJECT TO DECLARATION, RULES, AND BYLAWS. Each Owner and the Association shall comply strictly with the provisions of this Declaration, Association rules, the Bylaws of the Association (together with any other governing documents, the "governing documents", and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover damages or for injunctive relief, or both, maintainable by the Association on behalf of the Owners or, in proper cause, by an aggrieved Owner against another Owner or against the Association.

3.13 SWIMMING POOLS AND EXTERIOR SPAS AND HOT TUBS. Each Owner may construct one swimming pool within a Board-approved distance of that Owner's Home. Each Owner desiring to so construct a pool or spa must submit detailed plans for the proposed pool or spa in writing to the ACC and must receive written ACC approval before undertaking construction.

Any pool constructed on a Lot must be in-ground. No above-ground pools will be permitted. Pools and exterior spas and hot tubs must be enclosed with a fence or other enclosure device completely surrounding the yard in which a swimming pool or spa is located, with self-closing and self-latching gates with the latch installed no lower than 5 feet above ground level. Lot owners shall comply with all applicable governmental regulations concerning construction of swimming pools and exterior spas and hot tubs, as well as pool, spa, and hot tub enclosures. All swimming pools and exterior spas and hot tubs must also comply with Architectural Guidelines. Dwelling doors opening into the pool yard or spa yard area must comply with applicable governmental requirements for locks, latches, or self-closing devices.

## ARTICLE IV. MANAGEMENT AND ADMINISTRATION

4.1 MAINTENANCE AND MANAGEMENT BY THE ASSOCIATION. Except as otherwise provided in the Declaration, the affairs of Bella Strada shall be managed and administered by the Association. Declarant shall

form the Association within six months after the recordation of this Declaration. The Association shall have all rights, powers and duties of, and shall constitute the "Association." The Association shall have the authority to provide for the maintenance, repair, replacement, and administration of Improvements on the Property for which it has maintenance responsibility under the Declaration or other applicable law.

The Association shall maintain at the Association's expense:

- (1) the Common Area and Common Area Facilities, including the interior private roads, the entrance landscaping, and the access gate(s);
- (2) the wall and "tower" installed by the Declarant (part of the Common Area Facilities), and
- (3) the landscape easements.

The Association shall have an easement over any Lot necessary in the Association's reasonable judgment to gain access to areas that the Association is required to maintain. No Lot Owner may alter any berms, swales, vegetative buffers, fences, or drainage facilities that are a part of the drainage plan for the Property. If such alteration is made without the Association's consent, the Lot Owner on whose lot the alteration is made shall reimburse the Association for all expenses related to restoring same.

The business and affairs of the Association shall be professionally managed, and the Association shall enter into a management agreement upon the terms and conditions approved by the Board and consistent with this Declaration.

#### 4.2 BOARD OF DIRECTORS.

(a) The Board shall consist of three persons who shall be members of the Association. In the event that a Lot is owned by a corporation or other business entity, an officer, director, or employee of such entity may serve as a Director. The election of Directors shall be conducted at each annual meeting of members.

(b) Each member shall be entitled to cast his total number of votes, as calculated in the manner provided in Paragraph 4.5(b) of this Declaration. No member shall cast for any one candidate more than the total number of votes that member has. The candidates receiving the highest number of votes up to the number of vacancies shall be deemed elected. All votes shall be cast by written ballot. Members shall not vote cumulatively for the election of Directors.

(c) The presence of a majority of Directors at a meeting of Directors shall constitute a quorum for the transaction of business. The action of a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board. A meeting of the Board shall be held each year promptly after the annual meeting of the members, at the place of such annual meeting of members, for the election of officers and the consideration of any other business that may properly be brought before such meeting. Regular meetings of the Board shall be held at such times and places as the Board shall determine.

(d) The members of the Board shall serve for a term as designated in the Bylaws, commencing at the time of their election, or until their death, resignation, removal, or until they are no longer members of the Association, whichever is earlier. Any member of the Board may be removed from membership on the Board, with or without cause, by the affirmative vote of a majority of the votes represented at a quorum meeting of the Members called to consider such action or at an annual meeting of the Members.

4.3 ARTICLES OF INCORPORATION AND BYLAWS. The administration of Bella Strada shall be governed by this Declaration, the Articles of Incorporation of the Association, and the Bylaws of the Association, and the resolutions of and rules and regulations adopted by the Board. The initial Articles of Incorporation of the Association and initial Bylaws of the Association are contained in Exhibit C and Exhibit D, respectively. Each of the foregoing documents may be amended or changed only in accordance with the amendment procedures contained in the respective documents.

4.4 ADMINISTRATION AND ENFORCEMENT OF DECLARATION, BYLAWS AND RULES. The Association or any Owner may utilize any of the rights and remedies set forth below, for the enforcement of all restrictions, conditions, covenants, reservations, liens, bylaws, rules, charges, and liabilities imposed by the provisions of this Declaration, the Articles of Incorporation, the Bylaws, or Rules. Failure of the Association or any Owner to enforce shall not be deemed a waiver of the right to do so thereafter.

(a) *Rules and regulation authority.* The Board may adopt rules and regulations (which may be referred to as Community Policies) for governing the use and maintenance of the Property and obtaining compliance by Owners and their families, guests, and tenants with the Declaration and with Association bylaws, rules, and regulations, provided that same are not prohibited by this Declaration or Texas law. The rules may address any subject relating to uses of Lots, Homes, Common Areas, construction, repairs, parking, garage doors, unsightly objects, relationships between Owners, tenants and/or the Association, enforcement, and other subjects reasonably

affecting Bella Strada. The rules must be consistent with and not in conflict with this Declaration. The initial Rules (or Community Policies) are attached as Exhibit E.

(b) *Late charges.* The Board may adopt late charges, from time to time, for late payment by the Owners of monies owed to the Association.

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

(d) *Non-assessment items first.* All monies received from an Owner may be applied first to non-assessment obligations of the Owner, such as fines, late charges, returned check charges, user fees, damages, etc., regardless of notations on checks and transmittal letters.

(e) *Suspension of voting rights and use rights.* An Owner's right to vote and the right to use common facilities when the Owner is more than 30 days delinquent on any sum owed to the Association shall be automatically suspended without notice. Such suspension rights shall extend to general or special membership meetings, mail ballots, committee meetings, board meetings, and all other meetings.

(f) *Fines.* The Board may assess fines against an Owner for violations by the Owner or his or her family, guests, agents, or tenants of standards of conduct contained in the Declaration, Bylaws, and the Association rules or other governing documents. Fines may also be assessed for damaging the Common Area and Facilities. Each day of violation may be considered a separate violation if the violation continues after written notice to an Owner. Owners are responsible for the fines or property damage of their tenants.

(g) *Remedies against tenants.* The Board shall have authority to evict tenants of Owners, after reasonable notice, for substantial or repeated violations of Association Declaration or rules. The Board shall have authority to enforce all rules against an Owner's tenants, including collection of fines for violations of the Declaration or Bylaws by the tenants. Owners are liable for all fines levied against their tenants.

(h) *Tenants may pay.* If an Owner is delinquent in the payment of any sum due the Association for a period of 30 days or more, any tenant of an Owner occupying a Home may pay any sums due to the Association by an Owner in order to avoid suspension of Common Area use rights; and a Tenant may deduct same from rent due to an Owner. The Association may enter into indemnity agreements to protect tenants who pay money to the Association under authority of this section.

(i) *Leasing.* The Board may adopt reasonable requirements for leasing a Home. For example, the Board may require registration of tenant names, work phones, home phones, and emergency contact persons and may require or recommend that a particular lease form be used, provided that members are free to modify or amend such lease form as they deem proper. No Home may be leased for hotel or transient purposes or for less than 30 days. Association rules and regulations must be attached to any lease.

(j) *Interest.* All sums due the Association by Owners shall bear interest from the due date at the highest lawful rate, or 18%, whichever higher, compounded annually.

(k) *Fees for special services.* Fees chargeable to Owners for special services (such as furnishing resale certificates, eligibility certificates, copies of declarations, copies of information sent to mortgagees, copies of accounting records, etc.) shall be set by the Board from time to time.

(l) *Animals.* The Board may, from time to time, designate specific areas for animal defecation. Limitation of kind of animals allowed in a Home shall be set from time to time by the Board in accordance with this Declaration and shall uniformly apply to all Owners, their family, guests, and tenants. Any rules regarding animals shall not be in conflict with Paragraph 2.8(d)(4) regarding animals.

(m) *Publication of delinquencies.* The Board may disclose and publish to Association members and mortgagees the financial condition of the Association, including a list of names and amounts of any delinquencies. The Board may notify mortgage lenders and tenants of delinquent monies owed by such Owners to the Association. Mortgage lenders may notify the Board of any delinquencies in the payment of mortgages.

(n) *Name and address of new Owners.* An Owner may not sell or convey a Lot until all monies due and owing the Association are paid in full; and if such Owner does sell, convey, or transfer a Lot without paying such monies, such selling Owner shall remain liable for all monies accruing to the Association thereafter until such monies are paid in full. If an Owner sells or transfers ownership of his Home and fails to notify the Association in writing, in a format acceptable to the Board or its agents, of the sale, the selling Owner shall continue to be liable for Assessments accruing after the sale or transfer until such time as the selling or transferring Owner notifies the Association in writing of the name and address of the new Owner. The new Owner shall also be liable from the date of such new Owner's acquisition of title. The selling or transferring Owner shall have a right of indemnity against the new Owner for recovery of any sums paid by the selling or transferring Owner under this paragraph.

(o) *Change of address.* Owners shall keep the Association timely informed of their current mailing addresses and any change of mailing addresses.

(p) *Names and addresses of tenants.* Owners shall notify the Association of current names and addresses of tenants of their respective Homes.

(q) *Lien of the Association.* The Association shall have a lien on an Owner's Home, including any rentals and insurance proceeds relating to the Home, to secure payment of all monies owed by the Owner to the Association under any of the governing documents (including assessments, fines, damage charges, NSF check fees, and late fees). The lien and foreclosure of the lien is addressed further in Section 5.9.

(r) *Security devices on exterior doors and windows.* The Association may but is not required to require confirmation of compliance with the Texas Property Code requirements for security devices on doors and windows if the Owner's Home is rented.

(s) *Venue and lawsuit authority.* All obligations of Owners, tenants, and the Association arising under this Declaration, the Bylaws, or Rules shall be performed in Travis County, Texas, and venue for any lawsuits relating thereto shall be in Travis County, Texas. The Association shall have the right to file and defend a suit (including injunctions) and recover on behalf of the Owners in any cause of action based on damages to the common facilities or Common Area or based on liabilities of Owners and their families, guests, agents, tenants, or third parties accruing to Owners and/or the Association.

(t) *Attorneys fees.* If delinquent accounts or other violations are turned over to the Association's attorney, an Owner shall be liable for all attorneys fees incurred by the Association in collections, filing liens, foreclosing liens, releasing liens, prosecuting lawsuits, and/or otherwise enforcing the Declaration, Bylaws, and rules.

(u) *Association Entry.* Emergency utility leaks on a Lot affecting other Lots may be repaired by the Association at a Lot Owner's expense without prior notice. All other utility leaks for which an Owner is responsible under the Declaration, Bylaws, or rules may be repaired by the Association at the Owner's expense with prior notice delivered to the Home Owner if the Owner fails to promptly repair them.

(v) *Abandoned Home.* If an Owner of a Home has abandoned it the Association may notify the Owner's first lien mortgagee, if any, of such abandonment. Provided, however, such may be done only after 10 days notice, sent certified mail to the Owner's last known address, along with a copy of this Section of the Declaration; and provided further that such may not be done if the Owner delivers written objection to the Association at any time after the alleged abandonment.

(w) *Notices to multiple Owners, tenants, mortgagees.* Notice to or from one of multiple Owners or tenants of a Home shall be deemed as notice to or from all Owners or tenants of that Home. If an Owner is more than 60 days delinquent, the Association may send to the Owner's mortgagee and the Owner's tenant a copy of any association notices or communications with the Owner.

(x) *Assignment of revenues.* The Association shall have the power to convey a security interest in its revenues to a lender for purposes of obtaining loans necessary for the operation and/or improvement of Bella Strada. No such security interest may be given without being approved by a vote of a majority of the Association members voting in person or by proxy at an Association meeting.

(y) *Other powers.* The Association shall have all other powers necessary and proper for the government and operation of the Association.

#### 4.5 MEMBERSHIP AND VOTING.

(a) *Membership.* The Association shall have members, divided into two classes. The Class A membership of the Association shall be composed of the Owners (other than Declarant or any successor developer of Bella Strada) of the Lots of Bella Strada. The Class B membership of the Association shall be composed of Declarant or any successor developer of Bella Strada, to the extent that Declarant, or such successor developer, is the Owner of one or more of the Lots of Bella Strada. The term "successor developer" means any entity that succeeds Declarant in its rights, obligations, and interests as the developer of Bella Strada, as evidenced by a written instrument specifically conveying Declarant rights and Class B membership to the successor developer for the Lots in question. Any transfer by the Declarant to anyone other than a successor developer automatically converts the Home or Lot to Class A membership status.

Membership in the Association shall be appurtenant to the legal fee title to the Lots of Bella Strada, and upon the transfer of title to a Lot in Bella Strada, the membership appurtenant thereto shall be deemed to be transferred to the grantee of such Lot, upon recordation of the deed or other conveyance thereof in the Real Property Records of Travis County, Texas; provided, however, that the transfer of the legal fee title to a Lot by Declarant to

other than a successor developer shall not transfer the Class B membership appurtenant thereto, which shall cease and be permanently retired (except as stated below), but shall result in the new Owner becoming a Class A member.

No membership in the Association may be conveyed or transferred in any other manner. When the title to a Lot in Bella Strada is owned by more than one person, firm, corporation, or other entity, the membership in the corporation appurtenant to such Lot shall be owned in the same manner and to the same extent as the Lot, with all the Owners of such Lot being collectively the member in the Association. If a Lot is reacquired by Declarant before the last Lot owned by the Declarant is sold, the Class B membership which was originally appurtenant thereto shall be reinstated until it is again conveyed to other than a successor developer.

(b) *Voting.* Ownership of each Lot in Bella Strada by a Class A member entitles the Owner or Owners (collectively) thereof to one vote. Ownership of a Lot in Bella Strada by a Class B member shall entitle the Owner to 10 votes for every one vote held by a Class A member, until the end of the Construction Period. The purpose of the foregoing is to give control of Bella Strada to Declarant during the Construction Period for an orderly construction and initial operation of Bella Strada.

If a Lot is owned by more than one person, the Owners who own fractional interests in such Lot aggregating more than 50% of the whole ownership thereof shall if requested by the Association appoint one member who shall be entitled to exercise the votes pertaining to that Lot at any meeting of the members of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual notice to the Board of Directors or upon the death or judicially declared incompetence of any one of the Owners of such Lot.

If a Lot is owned by more than one member claiming to be entitled to exercise the voting right attributable to that Lot, then none of such members shall be allowed to exercise the voting rights attributable to such Lot unless such members concur upon the manner in which such votes will be cast. Failure of such Owners to concur shall result in that Lot being excluded in all respects in determining whether a requisite number of votes has been cast with respect to the matter upon which such vote is being taken. All members of the Association may be present at any meeting of the members and may act at such meetings in person or by proxy (whether physically present or not). If at any time the Association shall hold legal title to one or more Lots, the voting rights to which the Owner thereof otherwise would be entitled shall be exercised as directed by majority vote of the Owners in attendance at the meeting, in person or by proxy.

(c) *Completed and uncompleted improvements on Lots.* The membership and voting rights referred to above shall accrue to a Lot Owner, regardless of whether any Improvements on a Home have been constructed or completed.

#### 4.6 INSURANCE.

(a) *Fire and Extended Coverage.* The Association shall obtain and maintain at all times insurance on the Common Area Facilities of the type and kind required by this Declaration. However, the Association may self-insure in lieu of obtaining casualty insurance on the Common Area (but is required to carry general liability and directors and officers insurance). The insurance shall be carried in blanket policy form naming the Association as trustee for the benefit of the Owners and for the benefit of all mortgagees of Homes as the insured. The Association or any insurance trustee is required to hold any proceeds of insurance in trust for Home Owners and first mortgage holders as their interests may appear of record. Further, the policy shall insure against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard, if possible, extended coverage provisions for the full insurable replacement cost of the Common Area improvements (less reasonable deductibles), and against such other hazards and for such amounts as the Board may deem advisable.

In the event of a casualty on the Owner's Lot, Owners must rebuild and repair promptly, including demolition and rebuilding. The AC shall determine in its sole discretion what is considered a prompt rebuilding/demo schedule considering the extent of the damages.

Any insurance obtained by the Association or a Home Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Home Owners Association and its respective servants, agents, employees or guests.

If a Home Owner fails to rebuild within a reasonable time as determined by the Board, the Association may rebuild any structure that is covered by insurance and that is destroyed due to casualty, or may install screening or landscaping to block the view of the structure, and the Home Owner in question shall immediately reimburse the Association for all costs incurred and related to the rebuilding or landscape/screening installation.

(b) *Liability Insurance.* The Association shall maintain a policy of comprehensive public liability insurance and property damage insurance against claims for personal injury or death, or property damage suffered by the public, or any Owner or Occupant, family, agent, employee, or invitee of an Owner or Occupant, occurring in, or about the Common Areas, including, but not limited to roadways, which public liability and property damage



insurance shall afford protection to such limits and extent as the Association deems desirable; provided that the policy limit shall not be less than an amount approved at the Association annual membership meeting covering all claims for personal injury and/or property damage arising out of a single occurrence. In no event shall the liability policy amount be less than \$1,000,000. In the event that there are multiple named insureds on a liability policy, such insurance policy shall also contain a cross-liability endorsement wherein the rights of a named insured under the policy or policies shall not prejudice his, her, or their action or actions against another named insured. Such insurance policy shall also provide that it cannot be canceled or substantially modified by either the insured or the insurance company until after 30 days prior written notice to each First Mortgagee, to the extent allowed by law. This liability coverage does not insure the individual Homeowner for liability or damages arising out of the use of his individual Home as distinguished from the Common Areas and Facilities of Bella Strada.

(c) *Fidelity Bond and Directors and Officers Insurance.* The Association may maintain or cause to be maintained an adequate blanket fidelity bond covering all persons handling or responsible for funds of or administered by the Association and that such bond shall be of a kind and in an amount the Association deems necessary for the protection of the Owners. The Association shall have the right, but not the obligation, to purchase Directors and Officers insurance with Association funds.

(d) *Coverage Not Limited.* Nothing in this Declaration shall in any way limit the insurance coverage of the property.

(e) *Waiver of Subrogation.* All subrogation rights of the Association's insurance carriers are waived. All subrogation rights of a Home Owner's insurance carrier regarding insurance relating to the Owner's Lot are waived.

4.7 ACCOUNTING AND AUDIT. The Board shall keep or cause to be kept books of detailed account of the receipts and expenditures affecting Bella Strada and its administration and specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred by or on behalf of Bella Strada or the Association. Both the books of accounts and all vouchers supporting the entries made therein shall be available for examination at the office of the Association or its agent by all Owners at convenient hours on working days. All such books and records shall be kept in accordance with generally accepted accounting procedures, consistently applied, and may be audited or reviewed at least once a year by an outside auditor selected by the Board unless directed otherwise at the annual Association membership meeting by a majority of those voting in person or by proxy. The fiscal year of the Association shall be the calendar year unless another period is established by resolution of the Board.

At all times, the Association shall have and maintain current copies of the Declaration, Articles of Incorporation, Bylaws, and Association rules, along with books, records, and financial statements, available for inspection by Lot Owners or by holders, insurers, guarantors of any first mortgage that is secured by a Lot in the Project, and/or any prospective purchaser on submission of a written request for it.

4.8 ARCHITECTURAL COMMITTEE. Declarant shall serve as the Architectural Control Committee until all Lots are sold to an individual or entity other than Declarant, or until Declarant relinquishes this right in writing, whichever is sooner. If the Declarant resigns at an earlier date, the Architectural Control Committee shall be appointed by the Board. Thereafter, such committee shall serve as the Architectural Control Committee for the Association, approving or disapproving construction, alteration, and other modifications pursuant to this Declaration. The committee shall have the right to designate a representative to act on its behalf in all matters arising hereunder. Neither the Declarant nor an appointed Architectural Control Committee may waive the requirements of the Declaration. An Owner may appeal any decision of the Architectural Control Committee in writing to the Board within 30 days of notification of the Architectural Control Committee's decision. In case of appeal, the Board's decision shall be final. The Committee members serve at the pleasure of the Board. After the Declarant relinquishes or loses its right to serve as the ACC, the Board shall serve as the Architectural Control Committee in the absence of appointment of an ACC.

#### 4.9 SECURITY POLICIES.

(a) Neither Declarant nor the Association promises, warrants, or guarantees the safety or security of Owners, occupants, family, tenants, guests, or their agents or contractors or their personal property against the criminal actions of others. Each Owner and other person in Bella Strada has the responsibility to protect himself or herself and to maintain insurance to protect his or her belongings. Owners and tenants should contact an insurance agent to arrange appropriate fire and theft insurance on their personal property.

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



(c) If security systems, security devices, access gates, or walk-through/drive-through services are utilized in Bella Strada, no representation is made by Declarant or the Association that such systems, devices, or services will prevent injury, theft or vandalism. Any companies or individuals walking or driving the community on behalf of an Owner, by law, may not carry weapons and have no greater authority under the law to restrain or arrest criminals or to prevent crime than does an ordinary citizen. Neither Declarant nor the Association promises, warrants, or guarantees that any such systems, devices, or services do in fact discourage or prevent breaches of security, intrusions, thefts, or incidents of violent crime. Declarant and the Association reserve the right to reduce, modify or eliminate any security system, security devices, or services (other than what is statutorily required) at any time; and such action shall not be a breach of any obligation or warranty on the part of Declarant or the Association. "Neighborhood Crime Watch" signs approved by the Board, do not imply safety or security.

(d) It is the responsibility of Owners and their tenants to promptly notify the Association in writing of any known problem, defect, malfunction or failure of lighting of the access gates and other security-related devices in the Common Area. Each Owner and tenant should report to the Association any crime that he or she is aware of and that occurs in an Owner's Home or in Common Areas near an Owner's Home. If an Owner's Home is equipped with an intrusion alarm, the Owner is responsible for all fines and other charges resulting from or attributable to the alarm, including false-alarm charges—even if caused by the Owner's tenant, family, guests or contractors. The Association has the right to enter a Home for purposes of cutting off a security system in which the intrusion alarm is continuing to run and is disturbing other Owners or their tenants.

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

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

4.10 REPRODUCTION AND COMMUNICATION POLICIES. The Association may impose reasonable charges for all copies of documents. Notice from the Association to a Lot Owner and notice from a Lot Owner to the Association via facsimile shall be binding, provided that confirmation generated by the facsimile machine is retained by the sender.

## ARTICLE V. ASSESSMENTS

5.1 ASSESSMENTS FOR COMMON EXPENSES. All Owners except the Declarant shall be obligated to pay the estimated Common Assessments imposed by the Association to meet the Common Expenses. Common Assessments for the estimated Common Expenses shall be set by the Board and due in advance on or before the first day of each calendar year. If an Owner fails to pay the Common Assessment applicable to his Home by the thirtieth day after such assessment is due, the Board shall have the right to impose and assess a late charge in such amount as may be established by the Board from time to time. Common Assessments for the first year of the Association's operation shall be \$700/Lot.

5.2 PURPOSE OF ASSESSMENTS. The Common Assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety, welfare, and recreation of Home Owners, including deed restriction enforcement, and in particular for the improvement, maintenance, operation, administration and preservation of Bella Strada.

5.3 DETERMINATION OF ASSESSMENTS. The Assessments to be paid by Home Owners, including Declarant, shall be determined by the Board of Directors based upon the cash requirements necessary to provide for the payment of all Common Expenses. Examples of expenses that will be taken into account in making this determination include, among other items, taxes, governmental assessments, landscaping and grounds care, Common Area lighting, street repairs and renovation, garbage collections, wages, water charges, legal and accounting fees, insurance, management costs and fees, expenses and liabilities incurred by the Association or managing agent under or by reason of this Declaration, expenses incurred in the operation and maintenance of recreation and administrative facilities, payment of any deficit remaining from a previous period and the creation of a reserve contingency fund. The omission or failure of the Board to fix the assessment for any calendar year shall not be deemed a waiver, modification, or release of the Owners from the obligation to pay Common Assessments.

#### 5.4 OWNER OBLIGATIONS FOR ASSESSMENTS AND MID-YEAR ALTERATIONS OF ASSESSMENTS.

(a) All Owners except Declarant shall be personally obligated to pay the Common Assessments imposed with respect to his Lot by the Association to meet the Common Expenses. The Common Assessments shall be imposed equally on a per-Lot basis. The foregoing is subject to Section 5.7 regarding Lots owned by Declarant.

(b) If the Board determines at any time during the calendar year that an increase in the amount of the Common Assessment is required to adequately perform the duties and responsibilities of the Association and pay all expenses thereof, then the Board shall call a special meeting of the Owners. By the assent of a majority of Owners, present in person or by proxy at the meeting, the amount of the Common Assessment for the remainder of such year may be altered. The new Common Assessment shall remain in effect until a new amount is established either under this Paragraph 5.5 or under Paragraph 5.7.

5.5 SPECIAL ASSESSMENTS FOR IMPROVEMENTS. In addition to the regular Common Assessments authorized by this Declaration, the Board of Directors may levy in any calendar year a special Common Assessment or Assessments applicable to that calendar year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction or unexpected major repair or replacement of a described capital improvement constituting or to constitute part of the Common Areas. Such special assessment may be for the necessary fixtures and personal property related thereto, or for the purchase of any movable or personal property for the common use of all the Owners, or for such other purpose or purposes as the Declarant or the Board of Directors may consider appropriate and for the common benefit of all of the Owners.

Any special Assessment shall be imposed upon all Owners except Declarant equally on a per-Lot basis; provided however, that no such special Common Assessment shall become effective until the same has received the affirmative vote of at least two-thirds of the total votes cast, in person or by proxy, at a special meeting of the members of the Association to be called for the purpose of such vote, notice of which special meeting shall be given to each member in accordance with the provisions of the Bylaws of the Association regarding notices of special meetings. At any such meeting the membership may by the required affirmative vote, amend or modify any such special Common Assessment proposed by the Declarant or the Board of Directors. The pro rata share of each Owner of any such special Common Assessment shall be due and payable as provided in the resolution adopting or approving any such special Common Assessment.

5.6 NO EXEMPTION. No Owner may exempt himself from liability for contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General or Limited Common Areas or by abandonment of his Home.

#### 5.7 LIEN FOR ASSESSMENTS AND OTHER SUMS DUE.

(a) All sums due and unpaid by a Lot Owner under the Declaration, Bylaws, Rules, or other governing documents, shall be secured by an express contractual lien (which is hereby created, granted and reserved, with power of sale) on such Lot and all improvements and any insurance proceeds and rents relating to such Home, which lien shall be superior and prior to all other liens and encumbrances, except only for:

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

(2) All liens securing sums due or to become due under any duly recorded and valid first lien mortgage, or initial construction mortgage, including all unpaid obligatory sums as may be provided by such encumbrance and including additional advances made thereon.

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

(c) Suit to recover a money judgment against an Owner for unpaid sums shall be maintainable without foreclosing or waiving a lien securing same.

(d) Any lien holder of a Lot may pay any unpaid sums due with respect to such Lot, and upon such payment, lien holder shall have a lien on such Lot for the amount paid of the same rank as the lien of its encumbrance.

(e) A lien for any assessment shall not be affected by the sale or transfer of a Lot, unless a foreclosure of a first mortgage is involved, in which case the foreclosure will extinguish the lien for any Assessments that were payable before the foreclosure sale, but will not relieve any subsequent Owner from paying further Assessments.

5.8 SUBORDINATION OF THE LIEN TO MORTGAGES. The contractual lien securing monies owed to the Association shall be subordinate to the lien of any first lien purchase-money mortgage or initial construction mortgage voluntarily granted or created by the Owner on his Lot to the extent such is recorded with the Clerk of Travis County, Texas prior to the due date of the amount(s) owed to the Association. The holder of such a mortgage is referred to as a "First Mortgagee." Sale or transfer of any Lot pursuant to a foreclosure or a deed in lieu of foreclosure shall not affect the contractual lien as to the amounts secured thereby which were due and payable prior to the recording of the mortgage being foreclosed; provided, however, that the sale or transfer of any Lot according to a foreclosure under a superior lien shall not extinguish the Association's contractual lien on amounts becoming due and after such foreclosure. No such foreclosure shall relieve such Lot, or an Owner thereof, from liability for monies owed by the Owner to the Association.

5.9 STATEMENT OF ASSESSMENTS. Upon payment to the Association of a reasonable fee calculated to reimburse the Association for the cost of providing same, and upon the written request of any Owner, lien holder, or prospective purchaser of a Lot, the Association, by its Board of Directors or its managing agent, shall issue a written statement setting forth: (1) the unpaid Common Assessments and other sums due, if any, with respect to the subject Lot; (2) the amount of the current Common Assessments; and (3) other information required by statute in a resale certificate which shall be conclusive upon the Association in favor of the addressee of such statement.

## ARTICLE VI. DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS

6.1 DESTRUCTION OR OBSOLESCENCE. Repair and reconstruction of the Common Areas, as used in the succeeding subparagraphs, means restoring the Common Areas to substantially the same condition as they existed prior to any damage. The proceeds of any insurance collected shall be made available to the Association for the purpose of repair, restoration or replacement.

(a) If damage to or destruction of Common Areas is due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the damaged Common Areas shall be applied by the Association to such reconstruction, and the damaged Common Areas shall be promptly repaired and reconstructed.

(b) If the insurance proceeds are insufficient to repair and reconstruct the damaged Common Areas, such damage or destruction shall be promptly repaired and reconstructed by the Association using the proceeds of insurance and the proceeds of a Common Assessment to be made against all of the Owners and their Homes. Such Common Assessment shall be a special Common Assessment (for which the approval of two thirds of the Owners pursuant to Paragraph 5.6 is not required) made pro rata according to each Owner's proportionate interest in and to the Common Areas and shall be due and payable within 30 days after written notice thereof is given to the Owners. The Association shall have the authority to cause the repair or restoration of the damage using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the Common Assessment. The Common Assessment shall be a debt of each Owner and secured by the contractual lien on an Owner's Home and may be enforced and collected as is provided in Article V.

6.2 JUDICIAL PARTITION. There shall be no judicial partition of the Common Areas, nor shall Declarant or any person acquiring any interest in Bella Strada or any part thereof seek any such judicial partition, until the happening of the conditions set forth in Paragraph 6.1 in the case of damage or destruction or unless the Declaration has been terminated.

6.3 CONDEMNATION. If all or part of Bella Strada is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Owner shall be entitled to participate in proceedings incident thereto. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all First Mortgagees known to the Association to have an interest in any Lot. The expense of participation in such proceedings by the Association shall be a Common Expense.

The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for such

taking shall be deposited with the Association, to be held in trust for the Lot Owners and their first mortgage holders as their interests may appear, and such damages or awards shall be applied as provided below. If an action in eminent domain is brought to condemn a portion of the Common Areas, the Association in addition to the general powers set out in this Declaration, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto; or to convey the Property to be condemned to the condemning authority in lieu of such condemnation proceedings. With respect to any such taking of the Common Areas, all damages and awards shall be paid to the account of each Owner proportionately in accordance with such Owner's interest in the Common Areas.

The Association, if it deems advisable, may call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible, the Common Areas so taken or damaged. If it is determined that such Common Areas should be replaced or restored by obtaining other land or building additional structures, this Declaration and the Map shall be duly amended by instrument executed by the Association on behalf of all Owners.

## ARTICLE VII. PROTECTION OF MORTGAGEES

7.1 MORTGAGE PRIORITIES. Any Owner shall have the right from time to time to mortgage or encumber his Lot by deed of trust, mortgage or other security instrument.

7.2 NOTICE TO ASSOCIATION. Upon request by the Association, an Owner who mortgages his Lot shall notify the Association, giving the name and address of his mortgagee. Each mortgagee shall be permitted to notify the Association of the fact that such mortgagee holds a deed of trust or mortgage on a Lot. The Board shall maintain such information in its records.

7.3 NOTICE OF DEFAULT; LAPSE IN INSURANCE. The Association shall notify a mortgagee of a Lot in writing, upon written request of such mortgagee, who also provides the Association with its name and address and the number of the Lot on which it holds its lien, of any default by the Owner of such Lot in performing such Owner's obligations, as set forth in the Declaration, which are not cured within 30 days after written notice to do so has been given. The Association, upon written request, shall notify a First Mortgagee of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

7.4 EXAMINATION OF BOOKS. Upon request, the Association shall permit Lot Owners and their mortgagees to examine current copies of the Declaration, Bylaws, other rules concerning Bella Strada, and the books and records of the Association during normal business hours.

7.5 RESERVE FUND. The Association shall establish adequate reserve funds for replacement of Common Areas and Facilities and fund the same by regular Common Assessments rather than by special Common Assessments. The purpose of the fund is to pay for unforeseen expenditures or to acquire additional equipment for services deemed necessary or desirable by the Board. The reserve fund shall be funded in part by collecting, at each transfer of ownership of a Lot (with the exception of transfers from the Declarant to a builder intending to construct the initial home on the lot and sell it promptly to a third party) a fee of \$350, or the equivalent of one half of the current year's Common Assessment, whichever is greater. Such fee is the responsibility of the buyer. Any amount paid into this fund is not to be considered as advance payments of regular assessments. The reserve fund shall be held in the name of the Association at all times. Otherwise, the reserve fund shall be funded out of regular monthly assessments to the extent reasonably possible.

7.6 MANAGEMENT AGREEMENTS. The Association shall be professionally managed. A management certificate shall if required by law be timely filed with the County Clerk of Travis County, Texas. Any agreement for professional management of Bella Strada will be terminable by the Association after the expiration of the Construction Period without cause and without payment of a termination fee upon 90 days written notice, and the term of such agreement will not exceed a period of three years. If a management agreement is terminated, the Association shall enter into a new management agreement with a new management agent prior to the effective date of the termination of the old management agreement.

7.7 MORTGAGEE REQUESTS. Mortgagee notice requests will be answered on a per-request basis, with answers reflecting the then-existing status quo according to Association records. The Association shall have no duty to update requests, but rather shall only have a duty to answer individual notice requests and respond in a timely manner with an expression of the then-existing status quo according to Association records.

## ARTICLE VIII. MISCELLANEOUS PROVISIONS

### 8.1 AMENDMENTS TO DECLARATION; APPROVAL OF OWNERS AND MORTGAGEES.

(a) The consent of Lot Owners to which at least two-thirds of the votes in the Association are allocated is required to amend this Declaration subject to any exceptions set forth herein (including exceptions noted in Exhibit H). Notwithstanding the above, the Declarant shall have the sole and unilateral right to amend the Declaration at any time during the Construction Period.

(b) The Board of Directors may, by unanimous vote, at any time amend this Declaration or the Bylaws by an instrument duly signed, acknowledged and filed for record, for the purpose of: (1) having the Declaration comply with financing eligibility requirements of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration, Federal Housing Administration, or comparable federal or state agencies; or (2) correcting typographical errors.

8.2 DIMENSIONS. The size and dimensions of each Lot as set out and shown in this Declaration or on the Map are approximate and are shown for descriptive purposes only, and that the Declarant does not warrant, represent, or guarantee that any Lot actually contains the area, square footage, or dimensions shown upon the Map thereof. A purchaser of a Lot shall have no claim or demand against the Declarant or any other person because of any difference, shortage, or discrepancy between the Lot as actually and physically existing and as it is shown on the Map. The existing physical boundaries of a Lot or of any Home reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be in the boundaries, regardless of settling, arising, or lateral movement of the Building and regardless of variance between the boundaries shown on the Map and those of the Buildings.

8.3 OWNERSHIP OF COMMON PERSONAL PROPERTY. No Owner shall have any other interest and right to personal property owned by the Association and all such right and interest shall absolutely terminate upon the Owner's termination of possession of his Lot.

8.4 CHANGE IN DOCUMENTS. Upon written request, the holder of any mortgage covering any of the Lots shall be entitled to written notification from the Association 30 days prior to the effective date of any change in this Declaration.

### 8.5 LIMITED LIABILITY AND INDEMNITY OF BOARD MEMBERS.

(a) *Nonliability and release.* THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS SHALL NOT BE LIABLE TO HOME OWNERS, THEIR TENANTS, AND PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, FOR PROPERTY DAMAGE, PERSONAL INJURIES OR HARM RESULTING AT ANY TIME FROM NEGLIGENT CONDUCT OF THE ASSOCIATION OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS RELATING TO ENFORCEMENT OR NONENFORCEMENT OF THE ASSOCIATION'S DECLARATION OR RULES. THIS INCLUDES BUT IS NOT LIMITED TO DECLARATION PROVISIONS AND RULES REGARDING PET LEASH REQUIREMENTS, TRAFFIC INTERSECTION SIGHTLINES, TRAFFIC SIGNS, VEHICLE PARKING, COMMON AREA LIGHTING OR FENCING, COMMON AREA SECURITY, HAZARDOUS MATERIALS STORAGE, ELECTRICAL LINES, GAS LINE OR SANITARY SEWER SYSTEM FAILURES, ETC. BY ACCEPTANCE OF A DEED OR LEASE, OWNERS AND TENANTS, AS WELL AS PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, ARE DEEMED TO HAVE RELEASED THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS FROM SUCH LIABILITY, TO THE EXTENT AUTHORIZED BY LAW. THE FOREGOING DOES NOT RELEASE AN OFFICER OR DIRECTOR FROM LIABILITY FOR ACTS OR OMISSIONS WHICH ARE (1) A BREACH OF THE OFFICER'S OR DIRECTOR'S DUTY OF LOYALTY AND FIDUCIARY DUTY TO THE ASSOCIATION OR ITS MEMBERS, (2) ACTS OR OMISSIONS NOT IN GOOD FAITH OR INVOLVING INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW, (3) A TRANSACTION FROM WHICH AN OFFICER OR DIRECTOR RECEIVES AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF THE DIRECTOR'S OFFICE, OR (4) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF THE DIRECTOR IS EXPRESSLY PROVIDED BY STATUTE.

(b) *Indemnity.* The Association shall indemnify all such Directors and Officers from all claims, demands, actions and proceedings and any expenses in connection therewith, except if such Director or Officer has acted in violation of the foregoing. The Board may purchase, but is not required to purchase, Directors & Officers liability insurance.

(c) *Directors and officers liability insurance.* The Board may purchase directors and officers liability insurance. Such insurance and any indemnification payments shall be treated as a Common Expense. The Board of Directors is authorized and directed to modify the Association's corporate charter to conform to this Section 8.5.

8.6 NOTICES. All notices, demands or other notices intended to be served upon an Owner may be sent by: (1) first-class or certified mail, postage prepaid; (2) by personal delivery addressed in the name of such Owner in care of the Home address of such Owner; or (3) by facsimile in compliance with Section 4.10. All notices, demands or other notices intended to be served upon the Board of Directors of the Association or the Association, may be sent by regular or certified mail, postage prepaid, or by personal delivery or facsimile to the management company for the Association, until such address is changed by a notice of address change duly recorded in the Official Public Records of Travis County Texas.

8.7 CONFLICT BETWEEN DECLARATION AND BYLAWS. Whenever the application of a provision of this Declaration conflicts with the application of any provision of the Bylaws adopted by the Association, the provisions or application of this Declaration shall prevail.

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

8.9 OMISSIONS. In the event of an omission from this Declaration of any word, sentence, clause, provision, or stipulation which shall be necessary for the accomplishment of the intent and purposes of this Declaration.

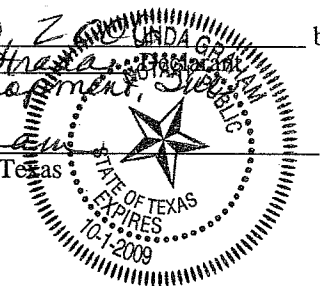
IN WITNESS WHEREOF, this Declaration has been executed as of the 30<sup>TH</sup> day of MAY 2006, 2006.

DECLARANT BELLA STRADA DEVELOPMENT, INC.  
By: [Signature]  
Printed Name: RUSSELL EPPRIGHT  
Title: PRESIDENT

STATE OF TEXAS  
COUNTY OF TRAVIS

This instrument was acknowledged before me on May 30, 2006 by Russell Eppright, as President of Bella Strada Development, Inc.

[Signature]  
Notary Public for the State of Texas



After recording, please return to:

Niemann & Niemann, L.L.P.  
Attorneys At Law  
Westgate Building, Suite 313  
1122 Colorado Street  
Austin, Texas 78701

LEGAL DESCRIPTION OF THE PROPERTY

Bella Strada subdivision, as further described in the plat recorded in TRV #200600040 of the Official Public Records of Travis County, Texas.

# BELLA STRADA SUBDIVISION CITY OF LAKEWAY, TEXAS

**SPECIAL NOTES:**

1. NO HEATED LIVING SPACE GARAGES OR ATTACHED STRUCTURES SHALL BE BUILT BETWEEN THE RESTRICTIVE BUILDING LINE AND THE REAR BUILDING LINE.
2. THE FOLLOWING IMPROVEMENTS ARE CONSIDERED NECESSARY TO COMPLY WITH THE CONSTRUCTION EASEMENT SO LONG AS THE IMPROVEMENTS ARE NOT CONSTRUCTED WITHIN THE LIMITS OF THE 100-YEAR FLOODPLAIN:
  - SWIMMING POOL AND DECK
  - SPORT COURT/TENNIS COURT
  - PATIOS/DECKS
  - GAZEBOS
  - PLAYSCAPES

**OWNER AND PRIMARY CONTACT:**  
 RUSSELL EPPRIGHT  
 8535 BEE CAVE ROAD  
 SUITE 400  
 AUSTIN, TX  
 78724

PROJECT NO.: 014-106  
 DRAWING NO.: 014-106-PL1  
 PLOT DATE: 07/22/03  
 PLOT SCALE: 1"=100'  
 DRAWN BY: COD  
 SHEET 03 OF 03

**Chaparral**  
 Professional Land Surveying, Inc.  
 Surveying and Mapping  
 2807 Manchaca Rd., Building 1  
 Austin, Texas 78704  
 512-443-1724

**Drainage Notes:**

1. All finish slab elevations in this subdivision shall be one foot minimum above the 100 year flood plain elevation. The following minimum slab elevations are hereby set for the affected lots:

Plot	Block	Elevation
1	A	803.0
2	A	798.0
3	A	793.0
4	A	783.0
5	A	786.0
6	A	780.0
7	A	781.0
8	A	791.0

2. No development or construction shall take place on any lot until construction plans for site drainage and water quality are approved by the City of Lakeway in accordance with the City of Lakeway's Development Ordinance.
3. On-site stormwater detention is required for all lots. Peak runoff after development shall not exceed the amount existing at the undeveloped status.
4. The property owner is responsible for maintenance of all water quality facilities, stormwater detention ponds, on-site drainage easements and roadside ditches in public rights-of-way once the lot abutting the right-of-way is developed. Maintenance shall be to the standards and specifications contained in the City of Lakeway Development Ordinance in effect at the time maintenance is required.
5. The owner of any lot receiving drainage from an adjacent property shall install the improvements necessary to convey the 100 year storm through the subject lot in the drainage easements designated on this subdivision plat.
6. The property owner shall provide for access to drainage easements as may be necessary and shall not prohibit access by government authority.

7. All public utility easements, dedicated along all side and rear residential lot lines shall also function as drainage easements and be free of obstructions.
8. No objects, including but not limited to buildings, fences or landscaping, shall be allowed in a drainage easement except as approved by the City of Lakeway.
9. The 100 year Flood Plain is fully contained within the drainage easements shown herein.

10. The construction and maintenance of all drainage improvements, including inlets, storm sewer piping and other appurtenances, shall be the responsibility of the developer, or the Subdivision Homeowner's Association.

**Certification by Water Control and Improvement District No. 17:**  
 The tract of land described on this plat is within the boundaries of Travis County Water Control and Improvement District (WCID) No. 17 and has water service available.

Dated: 8/19/05  
*Debra L. Kern*  
 President of the Board  
 WCID No. 17

**Recommendation for Approval by the Zoning and Planning Commission:**  
 This plat has been submitted to and considered by the Zoning and Planning Commission of the City of Lakeway, Texas and is hereby recommended for approval by the City Council.

Dated: 19 Sep 2005  
*Don Berger*  
 Chairman  
 Zoning and Planning Commission

Approved and authorized for record by the City Council of the City of Lakeway, Texas.

Date: 8-19-05  
*Don Berger*  
 Mayor, City of Lakeway, Texas

*Don Berger*  
 Mayor, City of Lakeway, Texas

**Certification by Code Official:**  
 This subdivision is within the City Limits of the City of Lakeway on this the 19th day of September, 2005.  
 Code Official  
 City of Lakeway, Texas

STATE OF TEXAS:  
 COUNTY OF TRAVIS:

I, Dana DeBruvoir, Clerk of Travis County, Texas do hereby certify that the foregoing instrument of writing and its certificate of authentication was filed for record in my office on the 15th day of February, 2005, O'Clock A.M., duly recorded on the 2005 Public Records of Travis County, Texas, Book 2009, Page 2009.  
 Witness my hand and seal of office of the County Clerk of Travis County, Texas on this 15th day of February, 2005.  
 Dana DeBruvoir, County Clerk  
 Travis County, Texas

*Mark A. Young*  
 Deputy County Clerk

**General Notes:**

1. Prior to construction of subdivision improvements (paving and drainage), plans, details, and specifications shall be submitted to the City of Lakeway for review and approval.

2. The building of streets, roads and other public thoroughfares shown on this plat (plan) and any bridges or connections necessary to be constructed or placed in such streets, roads, or other public thoroughfares or in tracts thereon, shall be the responsibility of the owner and/or developer of the tract of land covered by this plat (plan) in accordance with the plans and specifications prescribed by the City Council of the City of Lakeway, Travis County, Texas. The City of Lakeway does not assume any responsibility for the design, construction, or maintenance of traffic-control signs, such as speed limits, "STOP" and "YIELD" signs, etc. shall remain the responsibility of the developer. All curb cuts, entrances and exits onto public streets or highways shall first be approved by the City of Lakeway, Texas.

3. The construction of private roadways and subdivision drainage shall be in accordance with the City of Lakeway's Development Ordinance.

4. All private street rights-of-way are also public utility easements.

5. All governmental authorities, emergency services, utility company personnel, garbage collection contractors, etc. shall have full access to the subdivision via the private streets shown herein.

6. Traffic control signs (stop signs, etc.) to be installed by the developer will be located and determined as approved by the City of Lakeway Engineer and shall be indicated on the approved street construction plans for the subdivision.

7. Driveway grades shall be within the limits established by the City of Lakeway's Development Ordinance.

8. Commercial driveway locations shall be approved by the City.

9. Access is denied to Lot 1 and 19 from Oak Grove Boulevard.

10. Public sidewalks shall be constructed within the following rights-of-way: none

11. Building setback lines shall be in conformance with current City of Lakeway regulations.

12. All signs shall comply with the City of Lakeway Sign Ordinance in effect at the time of sign permit approval.

13. All development in this subdivision is subject to all covenants, conditions, and restrictions, as amended from time to time, and recorded by separate instrument in Document No. 2002240620, of the Travis County Plat (Ded) records.

14. Water Quality Facilities are required for all development with impervious cover in excess of 25% of the net site area of each lot.

**Water Quality Facilities:**  
 1. This subdivision is located in the Lake Travis watershed. Construction on slopes and impervious cover are limited by provisions of the City of Lakeway's Development Ordinance.

2. No construction will be permitted on slopes in this subdivision that exceed 25% unless a waiver or variance is granted by the City of Lakeway.

3. Cut and fill shall not exceed 6 feet of depth except where a variance is granted.

4. No fill shall be placed on any lot prior to issuance of a Site Development Permit.

5. Erosion controls are required for all site construction in accordance with the City of Lakeway's Development Ordinance.

6. Every lot in this subdivision is subject to the City of Lakeway's site clearance procedures. No site clearance, excavation, grading, or landfill shall commence unless a permit shall have first been issued for such work in accordance with the provisions of applicable ordinances.

7. Impervious cover shall not exceed the maximum percentage permitted under the City of Lakeway's Development Ordinance.

8. All development within this subdivision shall comply with the City of Lakeway's Development Ordinance.

9. Water Quality Facilities are required for all development with impervious cover in excess of 25% of the net site area of each lot.

**Utility Notes:**

1. Organized water and wastewater systems serving this subdivision shall be designed in accordance with WCID No. 17 criteria. Plans and specifications for improvements shall be approved by WCID No. 17 prior to construction.

2. No structure in this subdivision shall be occupied until connected to a public water system and a public wastewater system.

3. This subdivision shall be served by underground utilities.

4. Landscaping and other improvements constructed in a public utility easement that are damaged due to utility line maintenance or installation shall be replaced at the owner's expense.

5. The electric utility has the right to cut and trim trees and shrubbery and remove obstructions to the extent necessary to keep easements clear of obstructions.

6. Additional drainage, public utility or electrical easements may be required to be made available by the owner to the City of Lakeway and utility companies as reasonably required for development of this subdivision. Reasonable access for all easements shall be provided.

7. Every lot in this subdivision not on an organized wastewater system is subject to the regulations of the Lower Colorado River Authority (LCRA) or the Travis County Onsite Wastewater Facility Program (TCOWWF). Lot size requirements for on-site sewage treatment facilities shall conform to the requirements of the City of Lakeway and any other entity having approval authority. (08-18-03)

8. Special wastewater service note: Conditional upon the final finish floor elevation of individual lots, it is possible that certain lots in this subdivision could require installation of a private wastewater line. It is possible that certain lots in this subdivision could require installation of a private wastewater line. The installation, if required, of a private wastewater line shall be the responsibility of the lot owner, and not the responsibility of the Developer, City or wastewater service provider.

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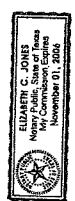
# BELLA STRADA SUBDIVISION CITY OF LAKEWAY, TEXAS

State of Texas §  
County of Tarrant §  
That RME Holdings Limited L.P., the undersigned owners of 25.316 acres of land in the J.B. Shopshire Survey No. 36, the H. Hoffmeister Survey No. 470 and the B.K. Stewart Survey No. 84 of Tarrant County, Texas, conveyed to us by deed recorded in Document No. 2004238143 of the Public Records of Tarrant County, Texas, the following described land, to-wit: the land herein as Bella Strada Subdivision of the City of Lakeway, Tarrant County, Texas, or its Extra-territorial Jurisdiction, hereby subdivides said 25.316 acres of land to be known as Bella Strada Subdivision and do hereby dedicate to the use of the public forever all streets, alleys, paths, easements, and public places thereon shown for the purpose and consideration therein expressed.

WITNESS MY HAND this 25<sup>th</sup> day of July, 2005

RME Holdings Limited L.P.  
By: [Signature]  
Russell Eppright, President  
RME Holdings Limited L.P.  
Suite 400  
Cave Road  
Austin, TX  
78734

State of Texas §  
County of Tarrant §  
Before me, the undersigned authority, on this 25<sup>th</sup> day of July, 2005, personally appeared Russell Eppright, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.  
I, [Signature], Under my hand and seal of office this 25<sup>th</sup> day of July, 2005.  
Notary Public in and for the State of Texas.  
My Commission Expires: 11/26/06



Engineers Certification:  
I, the undersigned professional engineer in the State of Texas, do hereby certify that to the best of my knowledge, that all required documents enclosed are accurate and complete and that the provisions contained on this plat comply with the development, welfare and local regulations in effect on this date.  
Date: 7/25/05  
Amron Googins, Registered Professional Engineer  
Registration No. 86730  
Googins & Associates, LLC  
3302 Entfield Road, Suite 103  
Austin, Texas 78703  
512-282-4632 T 512-480-8373 F



The 100 year Floodplain is fully contained within the drainage easements shown hereon.  
No portion of this subdivision is within a designated flood hazard area shown on FEMA map no. 4845300225 E, dated June 16, 1993.

Surveyor's Certification:  
I, the undersigned professional surveyor, am authorized under the laws of the State of Texas to practice the profession of surveying, and hereby certify that the plat and map of Bella Strada Subdivision of the City of Lakeway, Texas, and was prepared from a survey made on the ground under my direct supervision.

Date: 7-22-05  
Robert C. Waits, Jr.  
Registered Professional Land Surveyor  
Registration No. 4995  
Chaparral Professional Land Surveying, Inc.  
2807 Manchaca Road, Building 1  
Austin, Texas 78704  
512-443-1724 T 512-441-6987 F



CURVE TABLE			
NO.	DELTA	RADIUS	TAN ARC
C1	56.15.04"	65.00'	34.74'
C2	56.15.04"	65.00'	34.74'
C3	56.15.04"	25.00'	13.36'
C4	56.15.04"	25.00'	13.36'
C5	90.00.00"	25.00'	25.00'
C6	56.15.04"	25.00'	13.36'
C7	23.12.16"	25.00'	5.13'
C8	33.02.48"	25.00'	7.42'
C9	20.23.07"	65.00'	32.675'
C10	90.51.53"	65.00'	65.99'
C11	86.02.11"	65.00'	62.81'
C12	23.36.03"	65.00'	13.58'
C13	56.15.04"	25.00'	13.36'
C14	37.18.19"	275.00'	79.56'
C15	37.18.19"	325.00'	94.03'
C16	17.58.17"	325.00'	51.30'
C17	14.12.31"	325.00'	40.84'
C18	56.15.04"	25.00'	13.36'
C19	56.15.04"	25.00'	13.36'
C20	29.23.07"	65.00'	32.675'
C21	81.22.31"	65.00'	55.88'
C22	30.06.20"	65.00'	22.47'
C23	47.12.13"	65.00'	32.26'
C24	87.56.42"	65.00'	62.71'
C25	30.50.22"	65.00'	17.83'
C26	20.24.13"	275.00'	49.49'
C27	11.52.06"	275.00'	28.59'

LINE TABLE			(RECORD)		
NO.	BEARING	LENGTH	NO.	BEARING	LENGTH
L1	S55°49'48"E	24.70'	L1	S55°49'48"E	24.70'
L2	N49°01'43"W	216.28'	L2	N49°01'43"W	216.28'
L3	N80°29'29"W	99.52'	L3	N80°29'29"W	99.52'
L4	N44°53'56"W	106.90'	L4	N44°53'56"W	106.90'
L5	N11°54'42"W	160.19'	L5	N11°54'42"W	160.19'
L6	N53°41'55"W	82.90'	L6	N53°41'55"W	82.90'
L7	N06°03'15"W	28.40'	L7	N06°03'15"W	28.40'
L8	N12°44'05"W	41.15'	L8	N12°44'05"W	41.15'
L9	N45°24'26"E	205.67'	L9	N45°24'26"E	205.67'
L10	N68°49'38"E	27.86'	L10	N68°49'38"E	27.86'
L11	S59°09'39"E	27.96'	L11	S59°09'39"E	27.96'
L12	S31°45'44"E	45.71'	L12	S31°45'44"E	45.71'
L13	N31°26'50"E	110.12'	L13	N31°26'50"E	110.12'
L14	N35°12'28"E	46.37'	L14	N35°12'28"E	46.37'
L15	N35°28'29"W	74.83'	L15	N35°28'29"W	74.83'
L16	S35°28'29"W	74.83'	L16	S35°28'29"W	74.83'
L17	N86°47'50"W	37.18'	L17	N86°47'50"W	37.18'
L18	S86°47'50"E	37.18'	L18	S86°47'50"E	37.18'
L19	N62°50'00"E	63.98'	L19	N62°50'00"E	63.98'
L20	S64°35'57"E	19.97'	L20	S64°35'57"E	19.97'
L21	N53°07'31"W	314.04'	L21	N53°07'31"W	314.04'
L22	N63°14'55"W	67.66'	L22	N63°14'55"W	67.66'
L23	N36°15'58"W	82.56'	L23	N36°15'58"W	82.56'
L24	N60°50'48"E	209.34'	L24	N60°50'48"E	209.34'
L25	N62°07'48"E	296.15'	L25	N62°07'48"E	296.15'
L26	N72°10'14"E	147.33'	L26	N72°10'14"E	147.33'
L27	S87°01'35"E	180.54'	L27	S87°01'35"E	180.54'
L28	S87°01'35"E	116.06'	L28	S87°01'35"E	116.06'
L29	N23°00'25"E	192.17'	L29	N23°00'25"E	192.17'
L30	N48°13'21"E	101.62'	L30	N48°13'21"E	101.62'

OWNER AND PRIMARY CONTACT:  
RUSSELL EPPRIGHT  
RME HOLDINGS LIMITED L.P.  
SUITE 400  
CAVE ROAD  
AUSTIN, TX  
78734

**Chaparral**  
Professional Land Surveying, Inc.  
Surveying and Mapping

2807 Manchaca Road, Building 1  
Austin, Texas 78704  
512-443-1724

PROJECT NO.: 014-106  
DRAWING NO.: 014-106-PL1  
PLOT DATE: 07/22/05  
PLOT SCALE: 1"=100'  
DRAWN BY: COD  
CHECKED BY: COD  
SHEET 02 OF 03

- BENCHMARKS:**
- 1/2" IRON ROD FOUND AT THE NORTHEAST CORNER OF R.R. 620 AND ELEVATION=834.80
  - SQUARE CUT INTO TOP OF DRAINAGE STRUCTURE, +/- 75 FEET NORTHEAST OF CENTERLINE INTERSECTION OF OAK GROVE BLVD. AND R.R. 620. ELEVATION=851.96
  - TOP BOLI OF FIRE HYDRANT, +/- 27 FEET SOUTH OF CENTERLINE OF OAK GROVE BLVD., +/- 650 FEET WEST OF INTERSECTION OF OAK GROVE BLVD. AND R.R. 620. ELEVATION=851.19
  - SQUARE CUT INTO TOP OF CONCRETE DRAINAGE STRUCTURE, CENTERLINE OF PIPE, +/- 21 FEET NORTH OF CENTERLINE OF OAK GROVE BLVD., +/- 24 FEET WEST OF INTERSECTION OF SERVICE ENTRANCE TO WARD RD. ELEVATION=817.01

200600040



ARTICLES OF INCORPORATION OF  
BELLA STRADA HOMEOWNERS ASSOCIATION, INC.

ARTICLE ONE: NAME

The name of the corporation is "Bella Strada Homeowners Association, Inc."

ARTICLE TWO: NON-PROFIT

The corporation is a non-profit corporation.

ARTICLE THREE: DURATION

The period of its duration is perpetual.

ARTICLE FOUR: PURPOSES

The purpose for which the association is organized is to represent the interests of members of the Bella Strada Homeowners Association, Inc.

ARTICLE FIVE: MEMBERSHIP

The corporation shall be a membership corporation (all Bella Strada lot owners will be members of the corporation), with management by a board of directors. The qualifications for membership and rights, duties and obligations of members shall be contained in the bylaws of the corporation.

ARTICLE SIX: REGISTERED AGENT AND OFFICE

The name of its initial registered agent is Jack Baker, and the street address of the initial registered office of the corporation is 8400 Blazyk Drive, Austin, TX 78737.

ARTICLE SEVEN: BOARD OF DIRECTORS

The business and affairs of the corporation shall be managed by a Board of Directors in which shall reside all rights, powers, authority and responsibility with respect to the management and affairs of the corporation. The initial Board shall consist of three persons. The Board of Directors of the corporation shall, after the corporate charter has been issued, be elected pursuant to the Bylaws of the corporation at the first meeting of the general membership.

The initial members of the Board of Directors are:

Doug Clark  
Bob Gilmer  
Russell Eppright

The address for all directors is 6836 Bee Caves Road, Suite 400, Austin, TX 78746.

ARTICLE EIGHT: INDEMNIFICATION

The corporation shall indemnify any director, officer, or committee member, or former director, officer or committee member of the corporation for expenses and cost (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against the director, officer or committee member, by action in court or otherwise, by reason of being or having been the director, officer or committee member, except in relation to matters as to which the officer, director or committee member is guilty of gross negligence or willful misconduct in respect of the matter in which indemnity is sought.

ARTICLE NINE: LIMITED LIABILITY

The members of the Board of Directors, the officers of the corporation, and committee members of the Association shall not be liable to any member or any person claiming by or through any member for any act or omission of the director, officer or committee member in the performance of his duties unless the director's, officer's or committee member's act or omission is (1) a breach of a duty of loyalty to the corporation or its members, (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, (3) a transaction from which a director, officer or committee member receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office, or (4) an act or omission for which the liability of the director is expressly provided for by a statute. The corporation shall indemnify all such directors, officers and committee members from all claims, demands, actions and proceedings and any expenses in connection therewith except if the director, officer or committee member has acted in violation of the foregoing. The Board of Directors may purchase (but is not required to purchase) directors and officers liability insurance.

ARTICLE TEN: IRS EXEMPTION

The business and affairs of this corporation shall always be conducted so that the corporation does not exercise any power or engage directly or indirectly in any activity that would invalidate its status as a corporation which is exempt from federal income taxation under §501 (c) (4) of the Internal Revenue Code of 1986, as amended.

ARTICLE ELEVEN: INCORPORATOR

The Incorporator for the corporation is Connie Heyer, whose address is 1122 Colorado, Suite 313, Austin, Texas 78701.

Dated \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Connie Heyer

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 FOR BELLA STRADA  
 (applicable to all owners, occupants, and guests)

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

COMMUNITY POLICIES  
FOR BELLA STRADA  
(applicable to all owners, occupants, and guests)

**POLICIES.** Our Homeowners Association has adopted the following rules (policies) to help maximize enjoyment, maintain values, and assure the continued aesthetic beauty of our community. The rules apply to all Owners and their families, tenants, and guests. The rules are automatically a part of each lease (even if these rules are not attached to the lease), and each Owner is responsible for making sure tenants and occupants have a copy of the rules and follow them. You are encouraged to ask your neighbors to follow the rules.

**COMMUNICATIONS.** Please direct any repair requests, complaints, or rule violations to Jack Baker, the management company representative, at Community Association Management whose telephone number is 288-2376 and address is PO Box 92649, Austin, TX 78709. This avoids delay and telephone tag problems. You are encouraged to put your suggestions or complaints in the mail to the management company named above.

**ENFORCEMENT.** If the rules are violated by any Occupant or guest of the Owner's Home, the Owner will be responsible for corrective action, damages, and fines.

1. *Security, safety, and lighting; holiday lighting and decorations.* Neither the Association nor the Association's management company provides or warrants security. Each Occupant is responsible for the security of himself and his family and guests.

Owners and occupants are requested to report common area lighting problems or hazardous conditions immediately to the Association's management company representative. The Association cannot and does not check exterior lighting or the access gates on a daily basis. Home Owners and occupants must assume that electronic or mechanical devices may malfunction from time to time.

Holiday decorations other than Christmas and Hanukkah may be displayed no sooner than two weeks before the holiday in question and no later than one week after the holiday in question. Christmas and Hanukkah decorations may be displayed no sooner than the Friday after Thanksgiving and must be removed no later than January 15<sup>th</sup> of the following year.

2. *Exterior design covenants.* Each Lot Owner must comply with the attached Exterior Design covenants relating to construction of improvements on his Lot as contained in the Exterior Design Criteria (Exhibit F of the Declaration).

3. *Storage of property on Lots and Common Areas.* All personal property must be kept inside Homes (or inside exterior closets or storage rooms), or inside rear yards out of view from the street, including towels, bathing suits, mops, brooms, barbecue briquettes, fuel, wood, tools, carpeting, boxes, plastic bags, beverages, furniture, etc. All property stored in violation of this rule may be removed and disposed without prior notice by any Board member or management company representative.

No personal property may be stored temporarily or permanently on sidewalks, parking lots, or other common areas. Garage sales and estate sales are prohibited. Management company employees and service personnel, Board members and persons designated by them may remove and throw away any property stored in violation of this rule.

4. *Property inside Homes.* The Association has the right to control the visual attractiveness of the property, including the right to require removal of and/or remove objects which are visible from the common area and which detract from the property's appearance. Blinds and drapes must be in good repair, hung properly. Storage of boxes and personal property in garages is prohibited if such storage prevents the parking of the Owner's or Occupant's vehicle(s) in the garage.

5. *No clothes drying outside Homes.* No clothes, towels or other items may be hung anywhere outside. Clothes or other items must be dried inside Owner's Homes.

6. *Entry areas and sidewalks.* Entry areas, walkways, steps and landings visible from the street shall be kept clean and neat by the Owners using them.

7. *Trash.* Garbage, rubbish or cuttings shall not be left or deposited, even temporarily, on any Common Areas or Lot. All refuse must be placed in a covered or enclosed receptacle and placed near the curb for

pick-up not more than one day prior to a scheduled garbage or recycle pick-up day. Receptacles must be brought in from the curb area not more than one day after a scheduled garbage pick-up day.

8. *Animals.* Dogs, cats, fish, birds and other animals may be kept in Homes only in compliance with Association rules. Except for birds and fish, no more than four animals may be kept in a Home. Animals may not make excessive noise (in the sole judgment of the Board). Animals may not be bred for commercial purposes. Animals except cats must be kept on a leash when outside a dwelling. Leashes may not be tied to objects and must be held by a person who can control the animal at all times. Animals except cats may not be left alone outside a Home or on a patio or balcony area of a Home. Owners of a Home where an animal is housed has the responsibility to promptly clean up after such animal has defecated in Common Areas.

Home Owners shall be liable for damage caused to Common Areas by pets of the Owner or the Owner's tenants or guests. The Home Owner and the Owner's tenants and guests shall be responsible for immediate removal of pet defecation from Common Areas. The Board of Directors may require permanent removal of any pet when the pet or its Owner has repeatedly violated these rules or the pet has become objectionable in the opinion of the Board.

9. *Window coverings.* All exterior windows shall be covered by white, ivory or tan blinds or drapes or other coverings approved by the Architectural Control Committee. No foil shall be placed in or next to any window or sliding glass door. Exterior burglar bars visible from a street may not be installed.

10. *Signs.* "For sale" or "for rent" signs and all other signs are prohibited except for one 2' x 2' sign per Lot. Board members and management company representatives may enter, without prior notice, and remove and throw away prohibited signs. The policy regarding signs is subject to exceptions for the Declarant (developer) under the Declaration.

11. *Noise.* Home Owners and occupants shall refrain from playing radios, televisions, stereos, and other electrical or mechanical devices loudly enough that they may be heard outside their Home. Doors and windows must be shut when playing televisions, stereos and similar sound equipment at sound levels objected to by any Home Owner, tenant, or management representative.

12. *Mailboxes.* The Board of Directors has the exclusive right to designate the type, size and location, and signage on mailboxes.

13. *Nuisances.* No unsafe, noxious, offensive, or illegal activity, or odor is permitted in Bella Strada. No activity shall be conducted on the property which in the judgment of the Board of Directors might reasonably be considered as annoying to neighbors of ordinary sensibilities, or might be reasonably calculated to reduce the desirability of the property for quality of living. No exterior loudspeakers or flashing lights are allowed. No person may do anything that will increase insurance rates for common area improvements without the prior written consent of the Board or which may cause common area improvements to be uninsurable or which may cause any policy to be canceled, or suspended or materially modified by the issuing company.

14. *Children.* Each Owner is responsible for the conduct of children who are tenants or guests in his Home.

15. *Antennas and satellite dishes.* The following antennas and satellite dishes are not permitted:
- antennas or dishes that only transmit signals, similar to ham radio operator antennas;
  - antennas or dishes that interfere with reception of video signals by other Homes;
  - antennas or dishes mounted on roofs;
  - antennas or dishes in Common Areas; and
  - dishes greater than one meter in diameter.

Unless prohibited above, an antenna or satellite dish may be installed only: (1) inside the attic, garage or living area of a Home; or (2) outside in the back yard or side yard of a Home. Any other installation is allowed only if the plans and specifications for location, attachment, safety and screening are approved in writing by the Architectural Control Committee for compliance with the following standards:

The antenna or satellite dish must:

- be properly bolted and secured in a workmanlike manner;
- be located behind the Home or, as viewed from the street, behind a solid wall, fence or perennial landscaping in the side yard or back yard of a Home;
- be screened by the above fence or landscaping, to the greatest extent reasonably possible, in order to prevent the antenna or dish from being seen from any street, common area or neighboring Home; *and*
- be no higher than the fence or landscaping that screens it from view.

The Home Owner is liable for all damages to Association property, personal property, animals and persons caused by the Owner's installation of an antenna or dish.

Location, installation and screening requirements are based on aesthetics, non-interference with reception by neighbors, preservation of property values and safety, including avoidance of injury or property damage from improperly installed or otherwise dangerous antennas or dishes.

16. *Landscaping restrictions.* Owners must maintain their Lot's landscaping in good order in accordance with the Declaration.

17. *Vehicle repair.* Except in an emergency when a vehicle is inoperable, no vehicle may be worked on outside of a garage or in a garage with the garage door open. Otherwise, vehicles must be serviced or repaired off the Property. Vehicles which have expired license plates, expired inspection stickers, flat tires or which are inoperable are prohibited and may be removed from the Property at the Owner's expense. Such vehicles must be removed from the Property immediately upon notice from any Board member or management representative.

18. *Parking.*

(a) Parking of vehicles, motorcycles and bicycles in grass areas, dirt areas, flowerbeds, or sidewalks is prohibited. Owners and occupants may not park on Bella Strada streets. No Home Owner or occupant shall park, store, operate or keep within or adjoining Bella Strada any commercial-type vehicle, truck larger than a pick-up truck, motorcycle, motorbike, motor scooter, recreational vehicle (e.g. camper unit, motor home, trailer, boat, mobile home, golf cart), or other similar vehicle unless same is kept solely within the garage of such Owner's Home and such vehicle physically will be fully enclosed in the garage so that the garage door can close. No Home Owner or Occupant shall park, store, operate or keep within or adjoining Bella Strada any vehicle over 20 feet long. Bicycles and similar items may not be stored outside a dwelling so that they are visible from the street.

Guest parking is in a Home's driveway or on the street. Guests may not park on the street for more than a 72-hour period without prior written approval from the Board.

(b) No vehicles may be parked or unattended in such a manner as to block the passage of other vehicles on the private roadway for Bella Strada or in driveways to Homes. No vehicle shall be left parked and unattended in such a manner as to prevent the ingress and/or egress of emergency vehicles (e.g., fire, EMS) or service vehicles (e.g., refuse trucks). No inoperable vehicle may be parked within view of a street in Bella Strada.

19. *Anti-theft alarms.* Owners and occupants who have vehicles with anti-theft systems shall not allow the alarms or horns to sound and disturb other persons in Bella Strada for more than three minutes. Any vehicle violating the three-minute rule shall be deemed to be illegally parked and subject to immediate towing, without prior notice to the vehicle owner or operator, by the Association under the Texas towing statutes. The Association may, without liability to the owner or operator of the vehicle violating the three-minute rule, cut or disconnect any power source to such alarm or horn to avoid having to tow the vehicle.

20. *Towing illegally parked vehicles.* Vehicles parked in violation of these rules may be removed and stored without permission of the vehicle's owner or operator. Notice and removal shall be in accordance with state statutes. A Home Owner is liable for all costs of towing illegally parked vehicles of the Home Owner, his family, guests or tenants.

21. *Pesticides and insecticides.* The Association does not have responsibilities for pest control inside dwellings. However, the Association shall have the right to enter and exterminate an Owner's dwelling, at the Owner's expense, if the Owner's failure to control pests inside his dwelling adversely affects other Homes.

22. *Criminal activity.* No person may violate any criminal laws, health codes or other applicable laws in the Subdivision. No tampering with Common Area water, lighting, sprinklers, or other Common Areas is allowed.

23. *Utilities and leaks.* Each Owner shall be responsible for repairing leaks in all plumbing lines, plumbing fixtures, lavatories, sinks, tubs, and shower stalls inside his Home. A Home Owner will be strictly liable for paying for damages and repairs necessitated by water leaks or irrigation spray from his Lot to adjacent Homes, regardless whether the Home Owner is at fault. If the Association deems it necessary to repair any of these items inside an Owner's Home, the Owner shall reimburse the Association for the cost of repair, plus 33% for administrative overhead.

24. *Eviction of tenants.* Under the Declaration and with prior notice to the Owner, the Association has the right to evict an Owner's tenant who substantially or repeatedly violates the Association's rules and regulations.

25. *Common area modifications.* No Owner may construct, alter, modify, landscape, trim, or otherwise perform any work whatsoever upon any of the Common Areas without the prior written approval of the plans therefore by the Board of Directors.



26. *Common area repairs.* If the Common Area is in need of repair or maintenance, you are requested to contact the Association's management company immediately and leave a message about what needs to be repaired.

27. *Leasing.* The Declaration requires Owners to keep the management company informed of the names of all tenants and other occupants of a leased Home. Each Owner is liable for all damages to Common Area and Common Area Facilities caused by an Owner, family and guests, and by the Owner's tenants, and their family, or guests.

Leasing of Homes is allowed only if: (i) all leases are in writing and are subject to the provisions of the Declaration and community policies; (ii) a copy of the then-current community policies are provided by the Owner to the Owner's tenant at the beginning of the lease term; (iii) the Home is not leased for hotel or transient purposes or for less than 30 days; and (iv) the Owner and tenant comply with all applicable declaration provisions, rules and community policies.

28. *Leasing of homes with swimming pools or exterior spas or hot tubs.* For the safety of neighborhood children, tenants as well as owners of Homes with swimming pools or exterior spas or hot tubs shall be responsible for maintaining pool yard and spa yard enclosures at all times.

29. *Fines.*

(a) The Board may assess fines against an Owner for violations of restrictions or standards of conduct contained in the Declaration, Bylaws, or Association rules committed by an Owner, an Occupant of the Owner's Home, or the Owner or Occupant's family, guests, employees, contractors, agents, tenants, or invitees. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner.

(b) The Board may assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of Common Areas by the Owner or the Owner's family, guests, agents, occupants, invitees or tenants.

(c) The Association manager shall have authority to send notices to alleged violators, informing them of their violations and asking them to comply with the Rules and/or informing them of potential or probable fines or damage assessments. The Board may from time to time adopt a schedule of fines for minor or reoccurring violations, but the Board may vary any fine depending on the special circumstances of each case.

(d) The procedure for assessment of fines and damage charges shall be as follows:

(1) the Association, acting through an officer, Board member, or managing agent, must give the Owner written notice of the fine or damage charge;

(2) the notice of the fine or damage charge must describe the violation or damage;

(3) the notice of the fine or damage charge must state the amount of the fine or damage charge;

(4) the notice of a fine or damage charge must state that the Owner may, no later than 30 days after the date of the notice, request a hearing before the Board to contest the fine or damage charge; and

(5) the notice of a fine must allow the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months. A reasonable time to cure is not necessary in a notice of damage charge or in the event that the violation is not curable.

(e) Fine and/or damage charges are due immediately after the expiration of the 30-day period for requesting a hearing; or if a hearing is requested, such fines or damage charges shall be due immediately after the Board's decision at such hearing, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

(f) The minimum fine for each violation shall be \$25. Fines may be assessed for each day of violation.

30. *Late charges and collection fees.* The charge for late payment of monies to the Association shall be a one-time \$25 charge to cover the administrative costs and overhead of collection (excluding attorneys fees). After the due date, interest shall run on unpaid sums due the Association at the rate of 18% per year compounded annually. Owners shall also be responsible for all collection fees associated with collecting balances due on his account.

31. *Returned checks.* The charge for a returned check is \$25, plus bank charges incurred by the Association.

32. *Board access to Homes.* Emergency utility leaks on a Lot, or in a Home affecting other Lots or Homes may be repaired by the Association at the Lot Owner's expense without prior notice. All other utility leaks for which the Owner is responsible under the Declaration, Bylaws, or rules, may be repaired by the Association at the Owner's expense with prior notice delivered to the Home if the Owner fails to promptly repair. If a Home is vacant and for sale or lease, a Home Owner may furnish a key to the Home in a sealed envelope to the Association until it is sold or leased, such key to be used only in the event of suspected utility leaks or emergency repairs thereof.

33. *Delinquencies.* The Board and/or management company may disclose in newsletters and by other means, the names of Owners who are delinquent in any sums due the Association, the amount of the delinquencies, and the names of violators and disciplinary action taken against Home Owners. The right to vote and the right to use any common facilities of any Owner who is more than 30 days delinquent on any sum owed to the Association are automatically suspended without notice. If an Owner is delinquent in the payment of any sum due the Association for a period of 30 days or more, any tenant of the Owner occupying the Home may pay any sums due to the Association by the Owner in order to avoid suspension of Common Area use rights; and the tenant may deduct same from rent due to the Owner. If any Owner is delinquent in the payment of any sum due the Association for a period of 60 days or more, the Board may (so long as the default continues) demand and receive from any tenant occupying the Owner's Home the rent due or becoming due from the tenant to the Owner, up to an amount sufficient to pay all delinquent sums due to the Association by the Owner.

34. *Fees for special services.* Fees chargeable to Owners for special services (such as furnishing resale certificates, resale certificate updates, copies of declarations, copies of information sent to mortgagees, copies of accounting records, etc.) shall be set by the Board from time to time.

35. *Change of address.* Owners shall keep the Association timely informed of their current mailing addresses and any change of mailing addresses.

36. *Names and addresses of tenants.* Owners shall notify the Association of current names and addresses of tenants of their respective Homes.

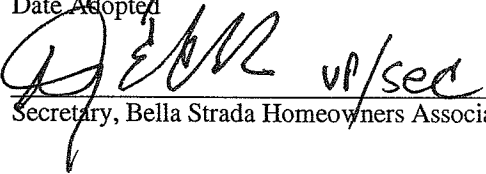
37. *Name and address of new Owners.* An Owner may not sell or convey his Lot without all monies due and owing to the Association paid in full; and if such Owner does sell, convey, or transfer his Lot without paying such monies, such selling Owner shall remain liable for all monies accruing to the Association thereafter on such until such monies are paid in full. If an Owner sells or transfers Ownership of his Home and fails to notify the Association of the sale, the selling Owner shall continue to be liable for the Assessments accruing after the sale or transfer until such time as the selling or transferring Owner notifies the Association in writing of the name and address of the new Owner.

38. *Declaration Provisions.* Many of these policies are directly from the Declaration of Covenants, Conditions, and Restrictions which apply to Owners and their occupants and guests. Some of the policies are in addition to those set out in the Declaration. All Declaration provisions apply—even if not set forth below. Except for provisions of these policies that come from the Declaration, the policies may be changed or added to by the Board.

39. *Non-Liability and Release of the Association, Officers, and Directors.* AS PROVIDED IN THE DECLARATION APPLICABLE TO PROJECT, THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS SHALL NOT BE LIABLE TO HOME OWNERS, THEIR TENANTS, AND PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, FOR PROPERTY DAMAGE, PERSONAL INJURIES OR HARM RESULTING AT ANY TIME FROM NEGLIGENT CONDUCT OF THE ASSOCIATION OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS RELATING TO ENFORCEMENT OR NONENFORCEMENT OF THE ASSOCIATION'S DECLARATION OR RULES. THIS INCLUDES BUT IS NOT LIMITED TO ANY DECLARATION PROVISIONS AND RULES REGARDING PET LEASH REQUIREMENTS, TRAFFIC INTERSECTION SIGHTLINES, TRAFFIC SIGNS, VEHICLE PARKING, COMMON AREA LIGHTING OR FENCING, COMMON AREA SECURITY, HAZARDOUS MATERIALS STORAGE, ELECTRICAL LINES, GAS LINE OR SANITARY SEWER SYSTEM FAILURES, ETC. UNDER THE DECLARATION, BY ACCEPTANCE OF A DEED OR LEASE, OWNERS AND TENANTS, AS WELL AS PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, ARE DEEMED TO HAVE RELEASED THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS FROM SUCH LIABILITY, TO THE EXTENT AUTHORIZED BY LAW. THE FOREGOING DOES NOT RELEASE AN OFFICER OR DIRECTOR FROM LIABILITY FOR ACTS OR OMISSIONS WHICH ARE: (1) A BREACH OF THE OFFICER'S OR DIRECTOR'S DUTY OF LOYALTY AND FIDUCIARY DUTY TO THE ASSOCIATION OR ITS MEMBERS; (2) ACTS OR OMISSIONS NOT IN GOOD FAITH OR INVOLVING INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW; (3) A TRANSACTION FROM WHICH AN OFFICER

OR DIRECTOR RECEIVES AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF THE DIRECTOR'S OFFICE; OR (4) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF THE DIRECTOR IS EXPRESSLY PROVIDED BY STATUTE.

40. *Reproduction and communication.* The Association may impose reasonable charges for all copies of documents. Upon request and for a charge set by the Board, the Association shall provide any Lot owner an electronic word processor version or paper copies of the Declaration and applicable rules. Notices from the Association to a Lot Owner and notices from a Lot Owner to the Association via facsimile shall be binding, provided that confirmation is generated by the facsimile machine and retained by the sender.

5/30/06  
Date Adopted  
  
Secretary, Bella Strada Homeowners Association, Inc.

## EXTERIOR DESIGN CRITERIA

The exterior design criteria may be unilaterally modified by Declarant during the Construction Period. Thereafter, the exterior design criteria, as possibly modified by Declarant during the Construction Period, may not be changed except by Declaration amendment.

Pursuant to Sections 3.9 and 4.8 of the Declaration of Covenants, Conditions and Restrictions, all additions, modifications, construction, or removal of any Improvement made upon any lot must obtain prior written approval of the Architectural Committee (the "AC") prior to commencement of any construction or alteration. All Improvements may be inspected to verify compliance to the approved plans and specifications. Owners must submit all plans and specifications required by the AC with payment of the plan review fee. The ARC shall be entitled to determine, in its sole and absolute discretion, whether the Improvements altered, removed, maintained, or constructed on any lot comply with AC rules. The AC has adopted the following Rules and Design Guidelines.

All Improvements require prior written approval of the Architectural Committee (the "AC") and may be inspected to verify compliance to the approved plans and specifications. Owners must submit all plans and specifications required by the ARC with payment of the plan review fee and construction deposit if applicable.

A construction deposit in the amount of \$2,500.00 shall be charged for extensive projects such as but not limited to swimming pools and guesthouses. A fee of \$100 shall be charged in connection with the plan review of any project. This provision does not apply to the Declarant. The Architectural Committee shall have the power to adjust fees if in its discretion adjustment is warranted over time.

## BUILDINGS AND IMPROVEMENTS

1.1 *Building setbacks.* Front yard setback requirements for all Lots are as shown on the plat of Bella Strada. See also the map attached as Exhibit B. Side building setback lines for all Lots are 10 feet from the respective side property line, except 15 feet if adjacent to a side street, unless otherwise approved by the AC. However, in no event may a home be built closer than 15' from the neighboring home. Rear building setback lines are as per the plat. Fences adjacent to a side street shall be no closer than 20 feet from the curb.

1.2 *Masonry requirements.* All Homes shall have 100% of their exterior walls of stone or masonry construction. Limited wood components of the exterior walls, such as dormers, gables, windows, doors and other architectural features may be permitted with the Architectural Committee. Masonry is defined as brick, stone, or stucco. Concrete brick is not allowed. Fiber cement or Hardy Plank or similar materials are not considered masonry. The exposed exterior foundations in excess of twenty-four (24) inches above finished grade must be constructed of or covered by masonry materials so that no more than twenty-four (24) inches of an unfinished or uncovered exterior of the foundation may be exposed above the finished grade.

1.3 *Garages and driveways.* An enclosed side entry garage for two vehicles (or more) is required for each Lot, however the AC shall have authority to approve non-side entry garages when in its reasonable discretion circumstances so warrant it. Garages may not be converted into porches or air conditioned space. Garage location with respect to the Home is to be approved for each Lot by the Architectural Committee.

1.4 *Home size and height.* For any one-story Homes within the property, the floor area of the main structure, exclusive of open porches and garages, will not be less than 3,500 square feet of air conditioned space. For any two-story or split level Homes, the combined floor area of the main structure, exclusive of open porches and garages, will not be less than 4,000 square feet.

1.5 *Windows and exterior colors.* Exterior colors of Homes and other structures including walls, roofs, doors, and other exterior elements, must be approved by the Board or Architectural Committee. All windows must be wood.

1.6 *Roofs/Shingles.* All roofing material incorporated into any residence or garage must be tile, or non-reflective metal and must be approved by the AC. Roof vents, roof power vents, rain diverters, skylight housings, plumbing vent pipes, and non-copper flashing must be painted to blend with the roof shingles, except that flashing applied to vertical surfaces may be painted to blend with the vertical materials, if more appropriate.

1.7 *Exterior Lighting.* All exterior lighting must be approved by the Architectural Control Committee prior to construction and/or installation. Exterior lighting must be limited to areas within the immediate front and rear yards of individual residential Lots and not unreasonably illuminate adjoining Lots. Exterior lighting must be shielded and must not result in excessive glare and must not interfere with the privacy of occupants in nearby residences, all as determined by the Architectural Committee in its sole discretion.

1.8 *Driveways.* All driveways must be 100% concrete, brick, stone, pavers, or a combination of any of these materials.

1.9 *Fences/Walls.* (See also paragraph 1.1 above.) As with all exterior lot improvements, prior written permission from the Architectural Committee must be given before any fence or wall may be constructed. Fences and walls are not required on the Property, except that (1) air conditioning compressor units must be screened from view from any street, and (2) pool yards or spa yards of exterior pools, spas, and hot tubs must be enclosed; and such enclosure may consist of a wall(s) of a Home and/or a fence. If installed, fences shall be constructed in accordance with Architectural Committee specifications and applicable laws. All fencing must be wrought iron, and walls must be masonry (brick, stone or stucco,) or a combination of the two. No fence (other than structural retaining walls approved by the AC) shall be maintained in front of the front wall line of the main residential structure on the Lot.

1.10 *Basketball Goals.* Permanent basketball goals will be allowed provided they meet certain standards. Basketball goals must be approved by the Architectural Review Committee before they are installed. The pole must be metal, painted black and permanently installed in ground at least 10 feet back from the curb and perpendicular to the street. The backboard must be clear. The basketball goal must be properly maintained, with nets in good repair.

1.11 *Accessory Buildings.* Owners shall be permitted, with prior written approval of the AC, to erect one (1) accessory building on the lot meeting all AC requirements. No building previously constructed elsewhere shall be permitted on any lot. Accessory buildings and gazebos should complement the neighborhood and the existing residence on the lot.

Approved Improvements shall be built in a workman like manner, completed within a timeframe as approved by the AC, and in accordance with the approved plans and specifications. They must be maintained in a good condition.

## LANDSCAPING

2.1 *Landscaping by Association.* The Association is solely responsible for maintaining and has the sole right to maintain any landscaping in the Common Areas. This includes but is not limited to the landscaping for the Bella Strada entrance.

## ALTERATION, REMOVAL AND MAINTENANCE

Any alteration, removal, or maintenance of any Improvement which in any way alters the appearance of the Improvement, including changes to paint colors and exterior materials, must obtain prior written approval of the AC.



AGREEMENT REGARDING GAS AT BELLA STRADA

**Recitals**

1. Declarant is the owner of all that certain real property ("the Property") as described in the plat for Bella Strada Subdivision recorded in document number 200600040 of the Official Public Records of Travis County, Texas.
2. The Declarant has determined that a centralized underground propane distribution system serving all or any portion of the Property ("Gas System") would be beneficial to the Property, and has requested Propane Bella Strada System, LLC, its successors, licensees, or assigns (collectively, the "Gas Company") to provide such service.
3. In evaluating Declarant's request, Gas Company has determined that the request is not economically feasible unless all of the residential lots developed within the Property strictly comply with the covenants, conditions, and restrictions contained herein.
4. As a condition to contracting with Developer and committing to provide such service, the Gas Company, as the grantee of easements over portions of the Property, as well as, being the owner of the Gas System, has required certain restrictions to be placed upon the lots and certain covenants and conditions which affect each lot.
5. Therefore, in accordance with both the doctrines of restrictive covenants and reliance by the Gas Company, the Declarant desires to restrict the Property according to these covenants, conditions, and restrictions in order to obtain a Gas System.

NOW, THEREFORE, it is declared that all and any part of the Property shall be held, sold, and conveyed subject to the following:

**ARTICLE 1 – Restrictions**

1.01. The Property is restricted as follows: (i) All structures having more than 700 square feet of enclosed, temperature-controlled area built on the Property shall be completely plumbed for propane gas for all of the following: a) water heaters; b) furnaces and permanently attached air heating systems; c) fireplaces (if any); and d) swimming pool heating equipment (if any), and shall have a gas yard line installed from the service located near the street to the largest enclosed, temperature controlled structure constructed on each Lot; (ii) other than containers utilized on the Property by or for the benefit of Gas Company, no fuel storage containers (other than those permanently attached to an automotive vehicle and only if such container is used solely to fuel the vehicle) having more than a ten gallon capacity which contains propane, liquefied petroleum gas, butane, or any fuel of any type (except gasoline and diesel) shall be located, permitted, used or installed on the Property; (iii) other than piping utilized on the Property by or for the benefit of Gas Company, no underground piping carrying fuel of any type shall be located, permitted, used or installed on the Property. Water lines and electrical conduit used for electrical purposes only are expressly permitted; and (iv) any property owner's association or similar entity established for the Property or any portion thereof shall have no right to impose any costs, assessments, dues, tax or use fees against the owner or operator of any part of the Gas System or against any property interests related to the Gas System.

**ARTICLE 2 – Propane Fuel Use Covenant and Condition**

2.01. It is a covenant and condition encumbering each respective Lot that all structures built on each respective Lot shall exclusively utilize propane gas as fuel for a) all water heaters installed or utilized thereon; and b) all furnaces and permanently attached air heating systems installed or utilized thereon (the "Propane Use Requirements").

2.02. Each Lot is subject to the Propane Use Requirements set forth above in 2.01 unless and until a one-time waiver fee ("Waiver Fee") is received by the Gas Company and accompanied with written notice identifying the payment as the Waiver Fee for a specifically identified Lot within the Property.

2.03. Upon the occurrence of an "event of non-compliance" on a Lot, the Owner of the respective Lot is obligated to and shall pay to Gas Company the applicable Waiver Fee. For the purposes of this Declaration, an "event of non-compliance" shall mean installing or utilizing on a Lot either (i) a water heater or (ii) a furnace/permanently-attached air heating system, either of which does not exclusively utilize propane fuel for heating. The amount of the applicable Waiver Fee shall be as follows:

- a. If the Waiver Fee and requisite written notice is received by Gas Company within thirty of the occurrence of an event of non-compliance on the respective Lot, the Waiver Fee shall equal **\$1,950.00**;
- b. If the Waiver Fee and requisite written notice is not received within thirty days of the occurrence of an event of non-compliance on the respective Lot, Developer, and its successors and assigns acknowledge that the delay will cause damage to the Gas Company. As it is impossible to currently determine the damage to Gas Company if such payment is not paid within this period, Developer and its successors and assigns agree to pay as liquidated damages, and not as a penalty, the additional sum of \$500 for failure to make timely payment resulting in a total Waiver Fee of \$2,450.
- c. If the Waiver Fee and requisite written notice is not received within thirty days of the occurrence of the event of non-compliance on the respective Lot and the Gas Company refers the unpaid Waiver Fee obligation to a collection agent or attorney, the Waiver Fee shall be \$2,450 plus all costs incurred by the Gas Company to collect the Waiver Fee including, but not limited to, collection service fees, attorney's fees, and court costs. The Gas Company agrees to provide written notice regarding the current amount of such costs incurred within five business days of its receipt of a written request from the Lot's owner accompanied by a self-addressed, postage-paid envelope.

**ARTICLE 3 – General Provisions**

3.01. Gas Company shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations imposed by this Exhibit H to the Declaration. Failure to enforce any covenant or restriction shall not be deemed a waiver of the right of enforcement either with respect to the violation in question or any other violation. All waivers must be in writing and signed by an officer of the Gas Company.

3.02. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

3.03. These restrictions, covenants, and conditions are for the purpose of adding value to the Property and to enhance safety. Consequently, they shall run with the real property and shall be binding on all parties having any right, title, or interest in the Property in whole or in part, and their heirs, successors, and assigns. These covenants, conditions, and restrictions shall be for the benefit of the Property and the Gas Company.

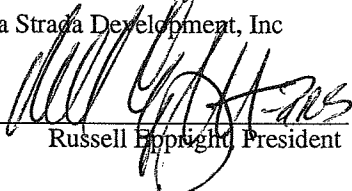
3.04. Notwithstanding any other language to the contrary in the Declaration, Exhibit H to this Declaration may be amended only by an instrument mutually agreed upon and signed by the Gas Company, the Declarant, and 74% of the owners of record of the Property. Neither any amendment nor any termination shall be effective until recorded in the appropriate real property records of Travis County, Texas, and all requisite governmental approvals, if any, have been obtained.

3.05. In the event Gas Company deems it necessary to file suit to enforce any portion of this Declaration and prevails to any extent, the losing party shall reimburse to Gas Company all of its expenses incurred in suit, including, but not limited to, collection fees, attorney fees, and court costs.

3.06. Notice to Gas Company shall be effective the day of deposit into the United States Postal Service if sent by postage prepaid, certified mail, return receipt requested, to both C. Lane Prickett – Attorney-at-law, PO Box 5370, Austin Texas, 78763 and to Propane Bella Strada System, LLC, P.O. Box 93183, Austin, Texas 78709.

This Declaration is executed this 30<sup>th</sup> day of MAY, 2006, at TRAVIS County, Texas.

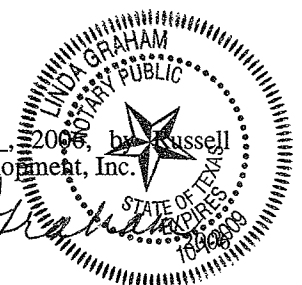
Bella Strada Development, Inc

By:   
Russell Eppright, President

STATE OF TEXAS  
COUNTY OF TRAVIS

§  
§

This instrument was acknowledged before me on the 30 day of May, 2006, by Russell Eppright, President of Bella Strada Development, Inc. on behalf of Bella Strada Development, Inc.







After recording please return to  
Niemann & Niemann LLP  
1122 Colorado, Suite 313  
Austin, TX 78701

**Recorders Memorandum**-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

**FILED AND RECORDED**

OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

2006 Jun 01 02:03 PM 2006101878

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DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

