

RECORDED BY
NORTH AMERICAN TITLE

Declaration of Condominium Regime
of The Courtyard at the Preserve Condominiums

THE STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§



DECLAR

2004076954

71 PGS

WITNESSETH:

WHEREAS, **Cardinal Hills Investor, LTD.** (referred to herein as "Declarant") is the owner of the following described real property located in Travis County, Texas, and all improvements located thereon, being more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Land");

WHEREAS, the purpose of this instrument is to preserve so far as possible the beauty of the Land, to avoid harsh contrasts between structures and landscape, to guard against the erection of poorly designed or proportioned structures and the use of unsuitable materials, to encourage and ensure the erection of attractive improvements which are harmonious with their sites and, in general, to enhance the environmental quality and economic value of the Land; and

WHEREAS, Declarant desires to convey the Land subject to all of the covenants, conditions, restrictions and provisions hereinafter set forth and to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future owners of the Land, and, in furtherance thereof, Declarant hereby adopts and establishes the following declaration of covenants, conditions and restrictions to apply uniformly to the ownership, encumbrance, lease, use, occupancy, enjoyment and conveyance of the Land.

NOW, THEREFORE, it is hereby declared that all of the Land shall be owned, encumbered, leased, used, occupied, enjoyed and conveyed subject to the following covenants, conditions and restrictions, which are for the purpose of protecting the value and desirability of, and which shall run with the Land and shall be binding on all parties having any right, title or interest in or to the Land or any part thereof, their heirs, administrators, legal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

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 after them unless the context shall expressly provide otherwise:

- a. "Act" shall mean the Texas Uniform Condominium Act as set forth in Chapter 82 of the Texas Property Code, as same may be amended/modified/supplemented from time to time.
- b. "Association" shall refer to The Courtyard at the Preserve Homeowners Association, Inc."
- c. "Board" or "Board of Directors" shall refer to the Board of Directors of the Association.
- d. "Building" or "Buildings" shall refer to any one or more of the buildings built or to be built on the Property.
- e. "Common Assessment" means the charge against each Owner of a Unit for his/her allocable portion of the Common Expenses.
- f. "Common Elements" or "Common Area" means and includes all portions of The Courtyard at the Preserve other than the Units. Common Elements shall consist of the General Common Elements and the Limited Common Elements.
- g. "Common Expenses" means and includes:
 - (1) all expenses incurred by the Association for promoting the health, safety, welfare and recreation of the Owners of the Units and in particular for the ownership, administration and management of The Courtyard and the maintenance, operation, repair, replacement, insuring of, improvement of and addition to the portions of the Common Elements for which the Association has the maintenance, operation, repair, replacement, insuring and improvement obligation, including special assessments and amounts assessed to maintain an adequate reserve for a replacement fund and to cover costs incurred by the Association to participate in, prosecute or defend any condemnation or other suit or other expenses or liabilities;
 - (2) Expenses declared to be Common Expenses by provisions of this Declaration or by the Bylaws of the Association.
- h. "Completed Dwelling" means a completely finished Dwelling, including, but not limited to, the installation of all appliances and utilities, rendering it ready for occupancy by an Owner other than the Declarant.
- i. "Construction Period" means that period during which Declarant is developing and constructing The Courtyard and selling the Units, including Units which may be created hereafter, which Construction Period shall terminate no later than four (4) years after the date of the filing of this Declaration.

- j. "The Courtyard" means and includes in the aggregate the Property, the Buildings, and all improvements and structures thereof and thereto, including, without limitation, the Common Elements and all rights, easements, and appurtenances belonging thereto, all of which comprise the residential condominium project hereby established.
- h. "Declarant" shall mean Cardinal Hills Investors, Ltd., or their successors or assigns, as the developers of The Courtyard at the Preserve as a condominium under the Act.
- i. "Declaration" shall mean this Declaration of Condominium Regime of The Courtyard at the Preserve Condominium.
- j. "Mortgage" shall mean a lien evidenced by a mortgage or deed of trust executed by an Owner covering a Unit or Units to secure the repayment of a loan granted to an Owner.
- k. "General Common Elements" means all Common Elements that are not Limited Common Elements.
- l. "Mortgagee" shall mean the holder of a Mortgage.
- m. "Limited Common Elements" shall mean the portion of the Common Elements that are reserved for the exclusive use of either an individual Owner of a Unit or a certain number (but less than all) of individual Owners of Units, consisting of the following
 - (1) any areas containing a pad or slab for the support of heating, ventilation and air-conditioning compressors and equipment appurtenant to a Unit, but located outside a Unit, and the attic space immediately above a Unit; and
 - (2) areas shown on the Map or described otherwise in this Declaration as Limited Common Elements.
- n. "Majority of Unit Owners" means those Owners, which at the relevant time own over 50% of the votes entitled to be cast by all Owners (including Declarant).
- o. "Map" or "Plan" or "Plat" means or includes the map, plan or plat of the Property, locating thereon the Units, the Common Elements and/or all of the improvements associated therewith, as attached hereto as **Exhibit "B"** and incorporated herein by reference and as may be recorded in the Condominium Plat Records of Travis County, Texas.
- p. "Member" shall mean a member of the Association.

- q. "Occupant" means a person or collectively the persons in possession of a Unit at the relevant time, regardless of whether said person is a Unit Owner, lessee, guest or otherwise
- rt. "Owner" means a person, firm, corporation, partnership, association, trust, or legal entity or any combination thereof, including, without limitation, the Declarant, who owns, or record, fee simple title to one or more Units.
- s. "Property" or "Premises" means and includes in the aggregate the Land, the Buildings, and all improvements and structures thereof and thereto, including, without limitation, the Common Elements and all rights, easements, and appurtenances belonging thereto. See also "The Courtyard".
- t. "Unit" shall mean the physical portion of each Building in The Courtyard designated for separate ownership or occupancy as an individual Unit, as well as any other portions of The Courtyard shown as part of a Unit in the Map. The actual physical boundaries of the Units shall be the improvements constructed on the Land within the Building footprints reflected on the Map attached as Exhibit "B" and incorporated herein by reference, which boundaries shall be conclusively presumed to be its proper boundaries, regardless of settling, rising or lateral movement of the Building or Land in or on which such Unit is located and regardless of variances between boundaries shown on the Map and the actual boundaries of such Building. Each Unit shall further include the interior and exterior construction, roof, masonry, partitions, appliances, fixtures and improvements that are intended to serve exclusively the Unit, such as walls, floor coverings, interior finish-out materials, closets, cabinets, shelving, individual bathroom and kitchen fixtures, plumbing and appliances, individual lighting, wiring, ceiling materials, doors, trim, and electrical fixtures, and other separate items of personal property exclusively serving the Unit, any of which may be removed, replaced, disposed of, otherwise treated without affecting any other Unit or the ownership, use or enjoyment thereof. In addition, all devices and/or mechanical systems or fixtures located outside of the Unit that provide service to only the Unit, including, but not limited to, heating, air-conditioning and ventilation equipment and systems, plumbing equipment and systems, wiring and conduits shall also be the property of a Unit. The definition of a "Unit" in this section shall override the definition of a "Unit" as set forth in Section 82.052 of the Act. Upon the substantial completion of each Unit, the Declarant may record an amendment of this Declaration more specifically locating the newly completed Unit on the ground in relation to the original Building envelope shown on **Exhibit B**, if Declarant deems this advisable.
- v. "Unit Owner" shall mean an Owner of a Unit.

ARTICLE II. UNIT 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 may be recorded in the Condominium Plat Records of Travis County, Texas. The Map contains:

- a. the legal description of the surface of the Property;
- b. the linear measurements and location, with reference to the exterior boundaries of said Property, of the Units and all other Improvements constructed, or to be constructed, on said Property by Declarant.
- c. the location of the Units, showing the exterior boundaries and number of the Units, and any other data necessary for the identification of the Units.
- d. the location of Limited Common Elements and the identification of the Units to which the same relate. Declarant may amend the Map, from time to time, to ensure that the same conform to the actual location of any of those items and to establish, vacate, and relocate easements, access road easements, and on-site parking areas.

Each purchaser of a Unit agrees that any dimensions, measurements or designations of area, square footage or other measurement described in this Declaration, on the Map or in other materials given by Declarant in connection with a Unit are approximations only, and that Declarant has not warranted, represented or guaranteed that any such dimensions, measurements or designations are true and correct. Each purchaser of a Unit waives any claim, demand, damage or liability which such purchaser may have against Declarant or any other person or entity on account of any difference, shortage or discrepancy in connection with any such dimension, measurement or designation.

2.2 DESIGNATION OF UNITS; GENERAL COMMON ELEMENTS. The Courtyard consists of separately designated Units on which residential dwellings are to be built and in which the Owners shall own fee simple title. Only one Unit may be built in each Building, and a Unit may not be subdivided. Each Unit is identified by a number on the Map. The Common Elements shall be owned in common by the Owners. The Owners of each Unit shall own an undivided interest in the Common Elements, the percentage or fraction thereof attributable to each Unit being as shown on **Exhibit "C"** attached hereto and incorporated herein by reference.

2.3 LIMITED COMMON ELEMENTS. Portions of the Common Elements are set aside and reserved for the exclusive use and possession of certain Owners, such areas being Limited Common Elements as defined hereinabove. Such Limited Common Elements are described on the Map and/or **Exhibit "D"** attached hereto and incorporated herein by reference, and such Limited Common Elements shall be

used in connection with the particular Unit or Units described, to the exclusion of the use thereof by the other Owners.

- 2.4 REGULATION OF COMMON AREAS.** Portions of the Common Areas are intended as landscaped areas and may be altered only as authorized by two-third's (2/3) vote of the Association members. Rules and regulations governing the use of such Common Areas by Owners and by their respective families, relatives, guests, invitees, tenants, and contractors shall be promulgated by the Declarant, or by the Board of Directors of the Association after the same has been elected. All Owners shall be furnished with a copy thereof at the direction of the Board. Each Owner shall be required to comply strictly with said rules and regulations and shall be responsible to the Association for compliance there with the members of their respective families, relatives, guests, invitees, tenants, and contractors, both minor and adult.
- 2.5 INSEPARABLE UNITS.** Each Unit and its corresponding interest in and to the Common Elements appurtenant thereto shall be inseparable and may not be conveyed, leased, or encumbered separately, and shall at all times remain indivisible.
- 2.6 DESCRIPTIONS.** Every deed, lease, mortgage, deed of trust, or other instrument may legally describe a Unit by its identifying Unit number, as shown on the Map, followed by the words "The Courtyard at the Preserve Condominiums" and a reference to this recorded Declaration. Every such description shall be deemed good and sufficient for all purposes to also convey, transfer, encumber, or otherwise affect the undivided interest of the Unit Owner in the Common Elements, including the Limited Common Elements reserved for and associated with such Unit.
- 2.7 ENCROACHMENTS.** If any portion of the Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portions of a Unit or Units encroach upon the Common Elements, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist.
- 2.8 TAXES.** The Association shall give written notice to the Travis County Appraisal District of the establishment of the Condominium Regime with respect to The Courtyard, as is provided by law, so that each Unit and its percentage or fraction of undivided interest in the Common Elements shall be deemed separate parcels and subject to separate assessment and taxation.
- 2.9 USE AND OCCUPANCY RESTRICTIONS.**
- a. *Residential Purposes.* Subject to the other provisions of this Declaration, The Courtyard may be used for no purposes other than residential housing and the related common purposes for which The Courtyard was designed. Each Unit shall be used for residential purposes only. The foregoing restrictions as to use for residential purposes shall not, however, be constructed in such manner as to prohibit an Owner from:

- (1) maintaining his or her personal, professional library,
 - (2) keeping his or her personal business or professional records or accounts;
 - (3) handling his or her personal business or professional telephone calls or correspondence, which uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions; or
 - (4) renting or leasing his or her Unit in strict compliance with the Declaration, Bylaws, and rules and regulations.
- b. *Common Elements.* The Common Elements or portions thereof as described herein are intended for use for the purposes of affording vehicular and pedestrian movement within The Courtyard, and of providing access to the Units; providing recreational use by the Owners and occupants of Units; and providing for the beautification of The Courtyard and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. Except in connection with Declarant's construction activities in connection with the Units, no part of the Common Elements shall be used for general storage purposes, nor shall anything be done on the Common Elements in any manner which shall be used for general storage purposes, nor shall anything be done on the Common Elements in any manner which shall increase the rate for hazard and liability insurance covering said area and improvements situated thereon.
- c. *Other Use Restrictions.* Without limiting the generality of the foregoing provisions of this Paragraph, use of The Courtyard by the Owners shall be subject to the following restrictions:
- (1) Nuisances and Safety. No unsafe, noxious, offensive, or illegal activity, is permitted in The Courtyard. No activity shall be conducted on the Property that in the judgment of the Board of Directors might reduce the desirability of The Courtyard for quality of living. No exterior loudspeakers or flashing lights shall be allowed. No person may do anything that will increase insurance rates for The Courtyard or any portion thereof 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. If by reason of the occupancy or use of any Unit the rate of insurance shall be increased, canceled, suspended or modified, the Owner of such Unit shall be personally liable to the Association for any damages, increased premiums or other liability in connection therewith and shall pay such sums to the Association

promptly, which sums shall be dealt with otherwise in the same manner as Common Assessments.

- (2) Barbecue Grills. Except for barbecue grills and exterior fireplaces, no exterior fires are permitted. Barbecue grills may not be operated within 5 feet of any Building or Unit. Barbecue grills may only be used in the back yards of Units.
- (3) Noise. Unit owners and occupants shall refrain from playing radios, televisions, stereos, and other electrical or mechanical devices (or yelling) so loud that they may be heard outside the Unit. Doors and windows must be shut when playing televisions, stereos, and similar sound equipment at sound levels objected to by any Owner, occupant, tenant, or Association or management representative.
- (4) Pets. Domesticated dogs, cats, fish, birds, and other animals may be kept in Units only in compliance with Association rules. Except for birds and fish, no more than four animals may be kept in a Unit. Animals may not make excessive noise (in the sole judgement of the Board). Animals may not be bred for commercial purposes. Animals including cats must be kept on a leash when outside a Unit. Leashes may not be tied to objects and must be held by a person who can control the animal at all times. Animals may not be left alone outside a Building or a Unit. Owners of a Unit where an animal is housed has the responsibility to immediately clean up after such animals have defecated in Common Areas or in outside balconies, patios, or enclosed courtyards. If an animal or Unit Owner is in violation of these restrictions, the Declarant or Board may remove the animal from The Courtyard and place the animal with the local humane society. Deer feeders and bird feeders are prohibited.
- (5) Liability for Pets. The Owner of a Unit and the pet owner are both jointly liable all other Unit Owners and their respective families, guests, tenants and invites for injury and all damage caused by any animals brought or kept in The Courtyard by a Unit Owner or their respective family members, guests, tenants or invitees – with or without permission of the Board. Unit 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 The Courtyard, with or without the permission of the Board, by a Unit Owner or their respective family members, guests, tenants and invitees.
- (6) Signs. No Owner shall have the right to place any sign on the exterior of any Unit or in any Common Element or elsewhere in The Courtyard, without the prior written consent of the ACC, which consent may be withheld for any reason. The ACC, the

Board and the management company representatives may enter any part of The Courtyard, without prior notice, and remove and throw away any signs in violation of this provision or other rules and regulations that may be promulgated with regard to signs. The foregoing shall be subject to Declarant's rights reserved under this Declaration, particularly in Paragraph 2.11. Declarant shall have the right to place such signs in The Courtyard as Declarant deems appropriate, so long as Declarant is the Owner of any Unit in The Courtyard. Declarant shall further have the right to grant unto a homebuilder the right to place such signs in The Courtyard as Declarant deems appropriate.

- (7) 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 or other material objectionable in the reasonable judgment of the Board of Directors or the Architectural Control Committee shall be placed in or next to any window or sliding glass door. Burglar bars that may be seen from the outside are prohibited.
- (8) Storage. Boxes and property may not be stored temporarily or permanently on sidewalks, balcony walkways, stairs, stair landings, parking lots, porches, balconies, or other common areas. Potted plants, porch swings or similar furniture for customary outdoor seating are permitted. 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. Nothing may be stored in Common Areas except in building or screened areas approved by the Board.
- (9) Garage doors. 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. Nothing may be stored in garages to prevent parking of a vehicle on the parking space(s) inside the garage.
- (10) 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 that has 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 obviously inoperable due to missing parts are prohibited. If not moved by the Owner promptly, they may be removed from the property by the Association or the management representative at such Owner's expense.
- (11) Parking.

(a) A parking space or spaces will be constructed for each Unit as a Limited Common Element associated with such Unit, as reflected on the Map. Each Owner shall have exclusive use and control of the parking space(s) located directly in front of such Owner's Unit. Any common driveway connecting such parking spaces to the street shall be deemed to be a Common Element for the benefit of the Owners of Units in that Building. Parking rights do not include parking privileges in the street in front of Units. Owners shall not park vehicles in the common areas so as to block or hinder movement of traffic or other vehicles. Other parking areas or rights may be designated or assigned by Declarant or the Board in their sole discretion. Parking of vehicles, motorcycles and bicycles in grass areas, dirt areas, flowerbeds, pedestrian areas, or sidewalks is prohibited. Owners and occupants must park vehicles in their respective garages or designated parking spaces. No Unit Owner or occupant shall park, store, operate or keep within or adjoining The Courtyard any commercial-type vehicle, truck, van, motorcycle, motorbike, motorscooter, recreational vehicle (e.g. camper unit, motor Unit, trailer, boat, mobile Unit, golf cart), or other similar vehicle unless same is kept solely within the garage of such Owner's Unit and such vehicle physically will be fully enclosed in the garage so that the garage door can close. No Unit Owner or occupant shall park, store, operate or keep within or adjoining The Courtyard any vehicle over 18 feet long. Motorcycles, bicycles and similar items may not be parked or stored outside of the exterior walls of a Unit or on balconies, patios or stairwells.

(b) No vehicles may be parked or unattended in such a manner as to block the passage of other vehicles on the roadways in The Courtyard or in driveways to Units, unless designated on the Map. No vehicle shall be left parked and unattended, in the street, along the curb, or in driveway areas in such a manner as to prevent the ingress and/or egress of emergency vehicles (i.e., fire, EMS) or service vehicles (i.e., waste disposal trucks). No inoperable vehicle may be stored or parked in The Courtyard.

(c) The Board may assign parking spaces to accommodate disabled persons. If someone is physically disabled, the Board will accommodate special requests for wheelchair parking if possible. Handicap parking signs must be honored.

(d) The Board may adopt parking regulations and restrictions to resolve any parking issues, provided that are not materially in conflict with this Declaration.

- (12) Anti-theft alarms. Owners and occupant who have vehicles with anti-theft systems shall not allow the alarms or horns to go off and disturb other persons in The Courtyard 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 under the Texas towing statutes. The Association may, without liability to the owner or operator of the vehicle, cut or disconnect any power source to such alarm or horn.

- (13) Towing illegally parked vehicles. Vehicles parked in violation of the parking rules set forth herein or as set forth otherwise by the Association may be removed and stored without permission of the vehicle's owner or operator. Notice and removal shall be in accordance with statutory requirements. A Unit owner is liable for all costs of towing and storing illegally parked vehicles of the Unit Owner, his or her family, guests, tenants or invitees.
- (14) Trash. The Board may designate required areas for trash receptacles and required types of receptacles.
- (15) Pest Control. The Association does not have responsibilities for pest control inside Units. Unit Owners are responsible for taking whatever measures are necessary to control pests inside the Units.
- (16) Lighting. All exterior lighting for Buildings or Units must be approved by the ACC prior to their installation.
- (17) Antennas; Cable; Satellite dishes. No exposed television or radio antennas, cable or satellite dishes may be installed anywhere on The Courtyard unless approved by the ACC. Exterior antennas or other exterior structures for receiving or transmitting signals are not permitted unless approved by the ACC. If approved by the ACC, all such items and the wiring and installation thereof shall fully comply with all rules, regulations and requirements of all state, local, federal and other governmental authorities.
- (18) No Alterations. Except by approval of the ACC and except as otherwise provided in this Declaration, (a) no Owner or other person shall make any alteration, modification, or improvement to the Common Elements, including trimming of trees or other vegetation, (b) no additional lighting, awnings, patio covers, or other devices may be added to the Common Elements, and (c) no structure, equipment, or object may be added or removed to the Common Elements by any Owner or other person.
- (19) No Drilling. No development, exploration, drilling, digging, mining or production of oil, gas or other minerals shall be permitted in The Courtyard. No development, exploration, drilling, digging, quarrying, mining or any similar operation of any sort shall be permitted in The Courtyard.

- (20) Care during construction. An Owner who is having improvements in a Unit or other structure worked on, repaired, or remodeled shall take reasonable and necessary precautions to prevent damage to the Common Areas (including any streets) caused by construction companies, workmen, suppliers, or service companies working on or delivering materials to or removing materials from the work site on the Owner's Unit. Such Owner shall be liable to the Association for any damages to the Common Areas 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 and the Association shall have the right to repair such damage at such Owner's expense, in which event the cost of repair shall be owed to the Association by the Unit Owner who caused the damage or whose construction company, workmen, suppliers, or service company caused the damage.
- (21) No Temporary Structures. No structure of a temporary character, mobile home, manufactured housing, trailer, tent, shack, garage, shed, barn, storage building or other outbuilding is permitted in The Courtyard, temporarily or permanently, except with the prior written consent of the Board. However, temporary structures may be used in connection with the construction, repair or rebuilding of any Building or other Common Elements.
- (22) Criminal Activity. While on any part of The Courtyard, no person may violate criminal laws, health codes or other applicable laws. No tampering with water, lighting, sprinklers, pool equipment or other equipment used in connection with the Common Elements is allowed by anyone other than personnel authorized by the Board.
- (23) Persons who may use General Common Elements. General Common Elements may only be used by Declarant (during construction of Units and other improvements), Unit Owners and their tenants, family, guests and invitees.
- (24) Declarant Rights. In order that Declarant may develop and sell The Courtyard or Units in The Courtyard, no Unit Owner nor the Association shall do anything to interfere with the Special Declarant rights contained in Paragraph 2.11.
- (25) Landscaping. Landscaping plans shall be included with all Plans and Specifications and shall be subject to the approval of the ACC. ACC approval of Plans and Specifications containing such landscaping plans shall be required prior to any disruption, cutting or clearing of existing vegetation.

2.10 RESTRICTIVE COVENANTS, EASEMENTS, AND ENCUMBRANCES EXISTING PRIOR TO DEVELOPMENT. The Courtyard is subject to several

recorded documents which predate the creation of this Declaration. Those documents are described in and attached as **Exhibit "E"** and incorporated herein by reference.

2.11 RESERVATION OF SPECIAL DECLARANT RIGHTS.

a. The Declarant reserves the following Special Declarant Rights, notwithstanding anything in the Declaration to the contrary:

- (1) The exclusive right but not the duty to amend the Map and to vary the size, shape, boundaries, physical layout, or location of any unsold Unit or Units, and to record an amended Map or plat reflecting such changes, without the necessity of the joinder of any Owners;
- (2) the right to do what is reasonably necessary or advisable in connection with the completion of improvements indicated on the Map;
- (3) the right to construct and maintain the Common Elements and Units owned or controlled by Declarant, its successors or assigns, or its or their contractors or subcontractors, as may be reasonably necessary for the conduct of its or their business of completing any work and developing, selling, leasing, or managing of the Units in The Courtyard;
- (4) the right to maintain and operate one or more onsite model Units, sales offices, management offices and leasing offices, the size, number, location, and relocation of which shall be determined solely by Declarant;
- (5) the right to maintain a sign or signs in the Courtyard for the purpose of advertising and marketing the Units in The Courtyard;
- (6) the sole right to approve or reject any plans and specifications submitted by a Unit Owner for approval as provided in Paragraph 3.8;
- (7) the special voting rights contained in Paragraph 4.5;
- (8) the assessment payments rights and duties as set forth in Paragraph 5.12, as permitted by the Act;
- (9) the right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act and the Declaration;
- (10) the right to modify the landscaping as provided in Paragraph 4.9;
- (11) the right to appoint or remove any officer or director of the Association or member of the ACC;
- (12) the right to create additional Units up to a total of one-hundred thirty (130) Units in The Courtyard, including the right to add additional real property to The Courtyard sufficient to create all or a portion of such additional

Units, including any Common Elements to be created in connection with any such additional Units, as well as the right to withdraw any Units from the Courtyard (in the event any additional Units are created or any Units are withdrawn, the undivided interests of Unit Owners in the Common Elements shall be re-allocated on a pro-rata basis so that each Unit Owner owns an equal undivided interest in the Common Elements; for example, if 2 Units are withdrawn so that only 4 Units remain, each remaining Unit Owner shall own a 1/4 undivided interest in the Common Elements and if 4 Units are added to an existing 6 Units, each Unit Owner shall own a 1/10 undivided interest in the Common Elements);

- (13) as to portions of the Common Elements marked on the Map as "Common Areas" or "Common Elements", portions of those may be allocated as Limited Common Elements. Those portions may include, without limitation, vehicle parking areas and portions of the Buildings which may be used for storage purposes or other uses, and Declarant reserves the right to allocate specific areas which constitute a part of these Common Areas or Common Elements as Limited Common Elements for the exclusive use of the owners of Units to which these specified areas shall become appurtenant. The Declarant may assign such Common Areas or Common Elements as Limited Common Element areas pursuant to the provisions of Section 82.058 of the Act (i) by making such an allocation in a recorded instrument, or (ii) in the deed to the Unit to which such Limited Common Element may be appurtenant, or (iii) by recording an appropriate amendment to this Declaration. Such allocations by the Declarant may be to Units owned by the Declarant. Subsequent to three (3) years from the date of the filing of this Declaration, the right of allocation pursuant to this Section shall pass from the Declarant to the Board and the Declarant may not thereafter exercise such right.

b. Any mortgage of the Declarant's interest in The Courtyard 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.

c. A conveyance by the Declarant shall not convey any Special Declarant Rights unless expressly so provided and unless the transferee also executes the conveyance instrument, as required by the Act.

d. The reservation made by Declarant under this paragraph shall not work to readjust or reallocate any vested interests in the Common Elements appurtenant to any Units.

e. Unless sooner terminated by a recorded instrument signed by Declarant, these Special Declarant Rights shall terminate three (3) years after the date of the filing of this Declaration.

f. Declarant's approved homebuilder is undertaking or will undertake the construction of the Units on the Land for sale and use for residential purposes. The completion of that work and sale or other use of the Units is essential to the

establishment and welfare of The Courtyard for its intended purposes. Consequently, nothing in this Declaration shall be understood or construed to:

(1) Prevent Declarant's approved homebuilder, its employees, agents, representatives, mortgagees, contractors, or subcontractors from taking whatever actions on the Land or in any Unit as is reasonably necessary or advisable in connection with the completion of such work; or

(2) Prevent Declarant's approved homebuilder or its representatives from erecting, constructing and maintaining on any part or parts of the Land such structures as may be reasonable and necessary for the conduct of its business and completing such work and establishing The Courtyard and disposing of the Units by sale, lease or otherwise; or

(3) Prevent Declarant's approved homebuilder from maintaining a representative, or sign or signs on the Land as may be necessary for the sale, lease or disposition of thereof

ARTICLE III OWNERSHIP AND MAINTENANCE

- 3.1 OWNERSHIP.** A Unit will be owned by its Unit Owner as 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.** Except as provided by applicable law, the Common Elements are not subject to partition. No Owner shall bring any action for partition or division of the Common Elements other than that as specifically provided in Paragraph 6.2. Nothing in this Declaration shall be construed as limiting the right of partition of a Unit between the Owners thereof, but such partition shall not affect any other Unit.
- 3.3 EXCLUSIVE OWNERSHIP.** Each Owner shall be entitled to exclusive ownership and possession of his or her Unit. Each Owner may use the Common Elements in accordance with the purposes for which they are intended and without hindering or encroaching upon the lawful rights of the other Owners, subject to the rules and regulations adopted from time to time by the Declarant or the Board for the purpose of facilitating such common use and enjoyment by all Owners and subject to the rights of Unit Owners to exclusive use of Limited Common Elements designated for their Unit.
- 3.4 RESIDENTIAL DWELLING.** Each Unit shall be occupied and used or leased by the Owners only as and for a residential dwelling for the Owner, his or her family or tenants.
- 3.5 MECHANIC'S AND MATERIALSMAN'S LIENS.** Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in a Unit, notwithstanding the consent or

request of the Owners, their agent contractor or subcontractor, shall be the basis for filing of a lien against the interest in the Common Elements owned by the other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of the other Owners or against their interest in the Common Elements for construction performed or for labor, materials, services, or other products incorporated in such Owner's Unit.

3.6 MAINTENANCE. The Association shall maintain the Common Elements, other than the Limited Common Elements to be maintained by an Owner as specifically described herein, in good condition and repair at all times. Each Owner shall maintain his or her respective Unit (including the portions thereof which are not located within the physical boundaries of the Unit, but exclusively serve the Unit) and the Limited Common Elements assigned to such Owner's Unit in good condition and repair at all times, including but not limited to, fences enclosing back yards (Unit Owners sharing a fence will have equal responsibility for maintaining such fence), exterior glass surfaces, doors, windows, interior party walls, interior ceilings, heating, ventilation and air conditioning slabs, pads, equipment and systems (including ductwork, wiring and interior or exterior equipment and lines connecting the Unit to individual utility meters or otherwise associated therewith), water heaters, utilities equipment and installations serving only the Owner's Unit, including electricity, water, gas, television antennas and cable service, electrical and water lines and systems, including such lines connecting the Unit to the main utility lines servicing the Land, electrical distribution systems; any portion of cable lines and telephone service lines servicing the Unit but not maintained by the providers of such services, all walls, flooring, ceilings, window coverings, and other improvements within the Unit; parking spaces designated for use in connection with a Unit, sidewalks, balconies, stairs and decks exclusively serving a Unit, maintenance of landscaping in the back yards of Units including maintenance of all grass, shrubbery and trees in the back yards (including those inside a Limited Common Element) and such other maintenance as may be set forth by Rules and Regulations of the Association.

a. An Owner shall be obligated to repair and replace promptly any broken or cracked windows, doors, or glass forming a boundary of such Unit, subject to the Association's right to control the exterior finish and color of the doors. Pipe leaks which are due to breaks, faulty connections, freeze damage, overflows, nails, or protrusions into pipes or appliances which exclusively serve the Owner's Unit are the maintenance responsibility of the Owner and shall be repaired by the Owner.

b. No Owner shall have the right to modify, alter, repair, decorate, redecorate, or improve the exterior of any Unit, or to take any such action with respect to the interior or exterior of any of the General Common Elements or the Limited Common Elements, without first obtaining the written consent of the ACC, which consent may be withheld if deemed not in the best interests of the Regime.

c. Each Owner shall have the right to modify, alter, repair, decorate, redecorate, or improve the interior of such Owner's Unit, provided that such action does not

change the appearance of the Unit from the outside, impair the structural integrity, weaken the support, or otherwise adversely affect any of the Buildings or any Limited Common Elements or General Common Elements, and provided that all such action is performed in good and workmanlike manner. An Owner may furnish a balcony or deck with outdoor furniture and plants.

d. If any Owner shall fail to so maintain a Unit or the Limited Common Elements assigned to such Unit, or any portion thereof, the Association shall have the right (but not the obligation) to perform such work and the cost thereof shall be deemed a debt of such Owner to the Association in the same manner as for Common Expense assessments as set out in this Declaration. Under no circumstances shall any Owner do any act nor allow any condition to exist which will adversely affect other Owners and their use of the General Common Elements.

3.7 RESTRICTION OF OWNERSHIP. 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 Unit.

3.8 LIABILITY FOR NEGLIGENT ACTS. If the need for maintenance or repair to any portion of The Courtyard is caused through the willful or negligent act of an Owner, his family, guests, tenants or invitees and is not covered or paid for by insurance either on such Owner's Unit or the Common Elements, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Unit is subject, pursuant to Article IV.

3.9 SUBJECT TO DECLARATION AND BYLAWS. Each Owner and the Association shall comply strictly with the provisions of this Declaration, the Bylaws of the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. In the event there is a failure to comply with any of such items, the Association may institute a legal proceeding on behalf of the Owners or, in proper cause, an aggrieved Owner may institute a legal proceeding against another Owner or against the Association.

3.10 SEPARATE TAXES. Taxes, assessments and other charges of federal, state or local governmental authorities or of any political subdivision, or any special improvement district or other taxing or assessing authority, shall be assessed by such authorities against and collected on each individual Unit, which shall include such Unit's percentage of the Common Elements, each of which shall be carried on the tax books as a separate distinct entity for that purpose and not on the The Courtyard as a whole, as more particularly provided for in the Act. Each Unit Owner shall be individually responsible for payment of the separate taxes, assessments and charges. In addition, if any Owner's use of a Unit directly or indirectly causes an increase in the ad valorem taxes on the Common Elements or a portion thereof that ordinarily would not have been assessed against same but for said Owner's use thereof, then said Owner shall be obligated to pay said increased taxes promptly upon demand.

**ARTICLE IV.
MANAGEMENT AND ADMINISTRATION**

4.1 AUTHORITY TO MANAGE; ASSOCIATION DUTY TO MAINTAIN.

Except as otherwise provided in the Declaration, the affairs of The Courtyard shall be managed and administered by the Association. The Association shall have all rights, powers and duties provided in the Act, and shall manage the maintenance, repair, replacement, and administration of The Courtyard, including Common Elements, to the degree and in the manner as provided in this Declaration, the Bylaws, and the rules and regulations of the Association. The Association shall maintain the Common Elements and Common Area, except as specifically provided in this Declaration. The Association shall not be responsible for owner maintenance obligation outlined in Paragraph 3.7.

a. The Association shall have authority to grant and modify easements within the Common Area and to expend Association monies to maintain the Common Areas which are the responsibility of the Association to maintain.

b. The business and affairs of the Association shall be managed by the Board, and the Association may 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 of Directors of the Association shall consist of three persons who need not be Unit Owners. Declarant shall appoint the initial Board and Declarant may thereafter continue to appoint the Board for a period terminating not later than the 120th day after conveyance of 90% of the Units that may be created to Unit Owners other than Declarant, when not less than one-third of the members of the Board must be elected by Unit Owners other than Declarant. Declarant's control of the Association shall terminate on the earlier of (a) three years from the date of filing of this Declaration, or (b) when Declarant voluntarily relinquishes control in writing. The election of Directors and determination of the number of directors shall be conducted at each annual meeting of members.

b. Each member shall be entitled to cast his or her total number of votes, as calculated in the manner provided in paragraph 4.7(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. 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.

c. **The members of the Board shall serve for a term of one year** 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 two-thirds 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 The Courtyard 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. Each of the foregoing documents may be amended or changed only in accordance with the amendment procedures contained in the respective documents. An Owner of a Unit, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of his or her ownership. In the event of a conflict between this Declaration and the Bylaws or the rules and regulations, this Declaration shall control.

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 and regulations, charges, and liabilities imposed by the provisions of this Declaration, the Articles of Incorporation, the Bylaws, or the rules and regulations. 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 for governing the use and maintenance of the Property and obtaining compliance by Owners and their families, guests, invitees 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, including those relating to uses of Units, Common Areas, construction, repairs, parking, garage doors, unsightly objects, relationships between Owners, tenants and/or the Association, enforcement, and other subjects reasonably affecting The Courtyard. The rules must be consistent with and not in conflict with this Declaration.

b. *Late Charges; other penalties and remedies.* The Board may adopt late charges and other penalties and remedies, 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 Areas 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, and all other meetings.

f. *Fines.* The Board or the Association's manager may assess fines against an Owner for violations by the Owner or his family, guests, invitees, or tenants of standards of conduct contained in the Declaration and the Association rules. Fines may also be assessed for violation of suspended common facility use rights. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owners.

g. *Remedies against tenants.* The Board shall have authority to evict tenants of Owners, after reasonable notice, for violations of this Declaration, the bylaws or Association rules and regulation. The Board shall have authority to enforce all rules against the Owner's tenants, including collection of fines for violations by the tenants of this Declaration, the bylaws or rules and regulations.

h. *Tenants may pay.* If an Owner is delinquent in the payment for any sum due the Association for a period of 30 days or more, a tenant of the Owner occupying the Unit may pay any sums due to the Association by the Owner in order to avoid suspension of Common Area use rights; and the Tenant may deduct same from rent due to the Owner. 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 Unit. For example, (1) registration of tenant names, work phones, Unit phones, and emergency contact persons, and (2) requiring or recommending that a particular lease form be used, provided that members are free to modify or amend such lease form as they deem proper. No Unit may be leased for hotel or transient purposes or for less than 30 days. Association rules and regulations must be attached to the lease. All leases of any Unit must (i) be in writing, and (ii) provide that such leases are specifically subject in all respects to the provisions of this Declaration and the Bylaws of the Association, and any rules and regulations adopted by the Association or the Board. Should any lessee or occupant under any lease not comply with this Declaration or such Bylaws, rules and regulations, the Board shall have the right to cancel and terminate such lease, without any liability imposed upon the Board or Association, and for such purpose the Board shall be regarded as the Owner's agent, fully authorized to take such steps as may be necessary to effect the cancellation and termination of such lease. The Board may resort to any remedies available to it, including a proceeding in forcible entry and detainer and other remedies, to enforce the provisions of this paragraph.

The management company managing the Association does not have authority to act for the Association in leasing or managing individual Units. A Unit owner may contract with the same management company, which manages the Association to lease or manage a Unit owned by the Owner. Additionally, in such case the Unit owner shall inform the tenant that in leasing or managing the Owner's Unit, the management company is not acting on behalf of the Association.

j. *Interest.* All sums due the Association by Owners shall bear interest from due date at the highest non-usurious lawful rate, compounded annually.

k. *Fees for special services.* Fees chargeable to Owners for special services (such as furnishing resale certificates, eligibility, 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. *Parking limitations.* Vehicle owners shall reimburse the Association for any costs incurred in towing vehicles illegally parked provided notice required in applicable statutes is complied with in accordance with applicable statutes regarding illegal parking. Owners shall be responsible for parking violations of their family members, tenants, guests and invitees.

m. *Pets.* The Board may, from time to time, designate specific areas for pet defecation to the extent pets are allowed. Limitation of kind of pets allowed in a Unit shall be set from time to time by the Board and shall uniformly apply to all Owners, their family, guests, and tenants. Any rules regarding pets shall not be in conflict with Paragraph 2.9(c) regarding pets.

n. *Publication of delinquencies.* The Board may disclose and publish to Association members and mortgage lenders 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.

o. *Name and address of new Owners.* An Owner may not sell or convey his Unit without all monies due and owing to the Association being paid in full; and if such Owner does sell, convey, or transfer his Unit 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 Unit and fails to notify the Association of the transfer, the selling or transferring Owner shall remain responsible for all monies due to the Association 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.

- p. *Change of Address.* Owners shall keep the Association timely informed of their current residential and mailing addresses and any change of addresses.
- q. *Names and addresses of tenants.* Owners shall notify the Association of current names and addresses of tenants of their respective Units.
- r. *Lien of the Association.* The Association shall have a lien on an Owner's Unit, including any rentals and insurance proceeds relating to the Unit; to secure payment of all monies owed by the Owner to the Association. The lien and foreclosure of the lien is addressed further in Section 5.9
- s. *Security devices on exterior doors and windows.* All Unit Owners must comply with the Texas Property Code requirements for security devices on doors and windows to the same extent that the Texas Property Code requires residential landlords to provide security devices, even if the Owner's Unit is not rented.
- t. *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 Elements 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.
- u. *Attorney's fees.* If delinquent accounts or other violations are turned over to the Association's attorney, the Owner shall be liable for all attorney's fees incurred by the Association in collections, filing liens, foreclosing liens, releasing liens, prosecuting lawsuits, and/or otherwise enforcing the Declaration, Bylaws, and rules.
- v. *Notices to multiple Owners, tenants, mortgagees.* Notice to or from one multiple Owners or tenants of a Unit shall be deemed as notice to or from all Owners or tenants of that Unit. If an Owner is more than 60 days delinquent, the Association may send to the Owner's tenant a copy of any association notices or communications with the Owner.
- w. *Assignment of revenues.* The Association shall have the power to convey a security interest in its revenues to a lender for purposes of obtaining loans necessary for the operation and/or improvement of The Courtyard. No such security interests may be given without being approved by a vote of two-thirds of the Association members.
- x. *Other powers.* The Association shall have all other powers necessary and proper for the government and operation of the Association, including but not limited to those powers described in the Act.

4.5 MEMBERSHIP AND VOTING.

a. *Membership.* All Owners of Units shall be Members of the Association and the Members are 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 the The Courtyard Condominiums) of the Units of The Courtyard. The Class B membership of the Association shall be composed of Declarant or any successor developer, as the Owner of one or more of the Units of The Courtyard.

Membership in the Association shall be appurtenant to the legal, fee title to the Units of The Courtyard, and upon the transfer of title to a Unit in The Courtyard, the membership appurtenant thereto shall be deemed to be transferred to the grantee of such Unit, upon recordation of the deed or other conveyance thereof in the Real Property Records of Travis County, Texas; provided, however, that the transfer of the legal, fee title to a Unit 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 Unit in The Courtyard is owned by more than one person, firm, corporation, or other entity, the membership in the corporation appurtenant to such Unit shall be owned in the same manner and to the same extent as the Unit, with all the Owners of such Unit being collectively the Member in the Association. If a Unit is reacquired by Declarant before the last Unit 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 Unit in The Courtyard by a Class A Member entitles the Owner or Owners (collectively) thereof to one (1) vote. Ownership of a Unit in The Courtyard by a Class B Member shall entitle the Owner to five (5) votes until three (3) years from the date of filing of this Declaration, unless Declarant relinquishes this right earlier. The purpose of the foregoing is to give control of The Courtyard to Declarant during construction and initial operation of The Courtyard.

If a Unit is owned by more than one person, the Owners who own fractional interests in such Unit aggregating more than 50% of the whole ownership thereof shall appoint one member who shall be entitled to exercise the votes pertaining to that Unit at any meeting of the 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 Unit.

If a Unit is owned by more than one Owner and there is a dispute as to which Owner is entitled to exercise the voting right attributable to that Unit, then none of such Owners shall be allowed to exercise the voting rights attributable to such Unit unless such Owners concur upon the manner in which such votes will be cast. Failure of such Owners to concur shall result in that Unit being excluded in all

respects in determining whether a requisite number of votes has been cast with respect to the matter upon which such vote is being taken.

All Members of the Association may be present at any meeting of the 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 Units, the voting rights to which the Owner thereof otherwise would be entitled shall be exercised as directed by majority vote of the Owners in attendance at the meeting, in person or by proxy.

c. *Completed and uncompleted improvements on Units.* The membership and voting rights referred to above shall accrue to an Owner of a Unit, regardless of whether the improvements on the Unit have been constructed or completed.

4.6 INSURANCE. The Association shall have authority to and shall obtain insurance, to the extent reasonably available, for the Common Elements in The Courtyard as follows:

a. *Fire and Extended Coverage and Liability Insurance.* Such policy shall insure against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions in a total amount of at least 80 percent of the replacement cost or actual cash value of the Common Elements, and against such other hazards and for such amounts as the Board may deem advisable, which may include the full insurable replacement cost of the Common Elements.

b. *Liability Insurance.* The Association shall also 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 Elements, including, but not limited to walkways, terraces, passageways, driveways, roadways, stairs, or property adjoining The Courtyard, 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.

c. *All insurance required by Section 82.111 of the Act.*

d. *Worker's compensation insurance as may be necessary to comply with applicable laws.*

e. *Employer's liability insurance and other insurance in such amounts as the Board may deem desirable.*

All of the above insurance policies shall contain provisions complying with Section 82.111 of the Act. All of the above insurance policies, to the extent applicable,

shall provide that they cannot be cancelled or substantially modified by either the insured under the policy or policies shall not prejudice his, her, or their action or actions against another named insured. Such insurance policies shall also provide that it cannot be canceled or substantially modified by either the insured or the insurance company until after 10 days prior written notice to each Mortgagee, to the extent allowed by law. This liability coverage does not insure the individual Unit Owner for liability or damages arising out of the use of his or her individual Unit as distinguished from the Common Elements of The Courtyard. The insurance policies shall be carried in blanket policy form naming the Association, the Owners and all Mortgagees of Units (of whose lien interest the Association receives written notice) as the insureds. In addition, each policy or policies shall identify the interest of each Unit Owner and shall provide for a standard, noncontributory mortgage clause in favor of each Mortgagee.

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.

Each Owner shall secure and maintain adequate insurance on the improvements and finish-out of their own Unit and limited common units, as well as the contents, furnishings, wall and floor coverings, appliances and all parts of the Unit which are not Common Elements, and personal property therein, including replacement value fire and extended coverage.

- 4.7 ACCOUNTING AND AUDIT.** The Board shall keep or cause to be kept books of detailed account of the receipts and expenditures affecting The Courtyard and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of The Courtyard 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 by all Owners at convenient hours on working days and the Board shall cause to be established and announced for general knowledge the days and hours within such books shall be available for inspection. All such books and records shall be kept in accordance with generally accepted accounting procedures, consistently applied, and shall be audited at least once a year by an outside auditor selected by the Board unless directed otherwise by the Association at the annual membership meeting. The fiscal year of the Association shall be the calendar year unless another period is established by resolution of the Board.

4.8 ARCHITECTURAL CONTROL COMMITTEE.

a. Establishment and Composition of Architectural Control Committee. There is hereby established an Architectural Control Committee ("ACC"). Declarant shall serve as the ACC until all of the Buildings and Units are built, including those additional Units that may be created as provided in this Declaration or until three (3) years after the date this Declaration is filed, whichever occurs first. Thereafter, the ACC shall consist of three (3) members, which members will be appointed by the Board. Members of the ACC shall serve without salary or pay and none of the

members shall be required to be an architect or to meet any other particular qualifications for membership.

b. Voting; Alternate Members. Except as otherwise provided herein, a vote or written consent of a majority of the regular members of the ACC at a meeting or otherwise shall constitute the act of the ACC. Except as hereinafter provided, alternate members shall not be entitled to vote. In the event of absence or disability of one (1) or more regular members, the remaining member or members, even though less than a quorum, may designate an alternate member to act or substitute for the absent or disabled regular member for the duration of such absence or disability. The alternate member so designated shall be entitled to vote in place of the regular member for whom he or she so substitutes. Notwithstanding the foregoing provisions, the ACC is not authorized to act unless at least one (1) regular member is present, or in the event action is taken without a meeting, unless at least one (1) regular member consents in writing thereto.

c. Terms of Members . After the term of the initial ACC has terminated as provided above, successor members of the ACC shall be elected for the periods of time indicated below, and until appointment of their respective successors:

The term of each member of the ACC shall expire on the death, resignation or removal of the persons named to such positions. Thereafter, the term of each ACC member appointed shall be for a period of four (4) years and thereafter until the appointment of a successor. Any new member appointed to replace a member who has resigned or been removed shall serve for a period of four (4) years, or if shorter, for the duration of the unexpired term of the member who resigned or who was removed. Members who have resigned or whose terms have expired may be reappointed.

d. Appointment and Removal. Except as to the Declarant and except as provided in this Section, the right to appoint and remove all regular members and alternate members of the ACC at any time, with or without cause, shall be, and hereby is, vested solely in the Board of the Directors of the Association **who shall appoint all regular and alternate members of the ACC in accordance with the procedures set forth in the Bylaws of the Association for removal of members of the Association.**

e. Resignations. Any regular member or alternate member of the ACC may resign at any time from the ACC by giving written notice thereof to the Directors of the Association.

f. Vacancy. Vacancies on the ACC, however caused, shall be filled by the Board of Directors as provided herein. A vacancy shall be deemed to exist in the case of death, resignation or removal of any regular or alternate member.

g. Transfer of Authority to the Association. The duties, rights, powers and authority of the ACC constituted hereby may be assigned at any time, at the sole

election of a majority of the regular members of the ACC, to the Directors of the Association, and from and after the date of such assignment, and the acceptance thereof by the Directors of the Association, such Directors shall have full right, authority and powers, and shall be obligated to perform the functions of the ACC as provided herein (and in the Bylaws of the Association).

h. Address. The address of the ACC shall be P.O. Box 28938, Austin, Texas 78755, or such other place as may from time to time be designated by the ACC by written instrument referring to and identifying the Declaration by its recording data and recorded in the Real Property Records of Travis County, Texas; and the last instrument so recorded shall be deemed the ACC's proper address.

i. Duties.

(1) General: It shall be the duty of the ACC to receive, consider and act upon all proposals, plans, complaints, requests for determination, development plans or other matters submitted pursuant to the terms of the Declaration, as amended, and to carry out all other duties imposed on it hereunder or by the Declaration. Any proposed construction, alterations, or modification of a Building, Unit or Common Element or the improvements thereon shall be in harmony with the external design and location of the surrounding structures and topography, and shall not be considered until submission to the Association of complete plans and specifications showing the nature, kind, shape, size, materials, color, location, and any other information requested by the Board for all proposed work. Declarant shall have the sole right to approve or reject any plans and specifications submitted by a Unit Owner for approval for a period of three (3) years from the date of filing of this Declaration, or until Declarant voluntarily relinquishes this right in writing. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the Units, Buildings, or Common Elements or impair any easements or appurtenance.

(2) Consultants: The ACC, may, but need not, hire specialized consultants and incur expenses up to \$500 per submission, to aid it in reviewing plans and their incidents. The cost of such specialized consultants and expenses shall be considered to be a cost of the Unit Owner and payment of such costs shall be considered a filing requirement of the development plan and such plan will not be considered unless and until such costs are paid. The expense cap for the consultants' fees may be increased or decreased from time to time by the Directors of the Association, in their discretion. Any increase in such expense cap shall be evidenced of record in the same manner as provided for changes of address.

j. Meeting. The ACC shall meet from time to time as necessary to perform its duties hereunder. Except as otherwise provided in this Declaration, the vote or written consent of a majority of the regular members at a meeting or otherwise,

shall constitute the act of the Committee. The Committee shall keep and maintain written records of all actions taken by it at such meetings or otherwise.

k. Action Without Formal Meeting. The ACC may take action without formal meeting by unanimously consenting in writing on any matter which they might consider at a formal meeting. Such unanimous written consent shall constitute the act of Committee. For the purpose hereof, unanimous written consent shall mean a writing by the three (3) regular members of the ACC except as otherwise specifically provided in this Declaration.

l. Procedure for Submission and Approval of Development Plan.

(a) Submission and approval of a development plan shall be in accordance with the Rules promulgated by the ACC.

(b) If the ACC fails to approve or disapprove any material or development plan submitted to it hereunder within thirty (30) days after the date shown on the submittal receipt or to give notice of its actions as above required, it shall be conclusively presumed that the ACC has approved such materials as submitted. If the ACC requests additional or amended materials or an amended development plan during the initial 30 day period, or approves on condition that certain additional or amended materials be submitted, such period shall automatically be extended to fifteen (15) days following the date upon which such additional or amended materials are delivered to and received, receipted for by the ACC. Additional fifteen (15) day extensions shall occur if further, additional or amended materials are requested or required during any subsequent extension period. If the additional or amended materials are not received on or before the required date, then the development plan shall be automatically disapproved.

m. Waiver and Estoppel. The approval of the ACC of any development plan, specifications or drawings or any materials accompanying it for matters requiring approval of the ACC shall not be deemed to, constitute a waiver of, or create any right of estoppel against the ACC's right to withhold approval of any similar development plan, drawing, specification or matter subsequently submitted for approval.

n. ACC Rules.

(1) The ACC shall have the authority to adopt, amend, add to, replace and rescind, from time to time, procedural or substantive rules to make more definite and certain, and to carry out the purpose and intent of the provisions hereof or of the provisions of the Declaration pertaining to matters over which the ACC has power and approval authority. Any conflict between such rules and any provision hereof or of the Declaration shall be resolved in favor of the provision hereof, or if there are no provisions, the provisions of the Declaration. A copy of such rules, as in

effect from time to time, shall be provided to any Owner requesting the same in writing.

(2) Unless and until a political subdivision of the State of Texas regulates such matters by law respecting the Land, the rules promulgated by the ACC may include building codes governing all types of construction on the Land, a fire code, a housing code, and other similar codes as the ACC deems necessary and desirable. To the extent possible, these codes shall (i) be performance based, (ii) encourage the use of new technologies, techniques and materials, and (iii) be compatible with the codes of governing authorities and the Uniform Building Code to the extent that is consistent with (i) and (ii) of this section. The adoption of a nationally recognized model code shall be deemed to comply with these criteria when adopted. These building codes and other codes shall be printed and made available for inspection or purchase to all Owners through the ACC.

o. Decisions Conclusive. All decisions of the ACC shall be delivered in written form to the Owner and to the Directors of the Association. Unless the Owner and the ACC are notified in writing of disapproval by the Directors of the Association within fifteen (15) days of delivery of the ACC's decision, the decision by the ACC shall be final and conclusive, and no Owner or any other person, association or entity shall have any recourse against the ACC, or any member thereof, for its or such member's approval or refusal to approve all or any portion of a development plan or of any materials submitted therewith, or for any other decision rendered under the authority granted hereunder.

p. Liability. Neither the ACC nor any member thereof shall be liable to any Owner, or any other person, association, or entity, for any damage, loss or prejudice suffered or claimed on account of: (i) the approval or disapproval of any development plan or any materials submitted therewith, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to an approved development plan or any materials submitted therewith; (iii) the development of the Land; (iv) the structural capacity or safety features of the proposed improvement or structure; (v) whether or not the location of the proposed improvement or structure on the building site is free from possible hazards from flooding, or from any other possible hazards whether caused by conditions occurring either upon or off the Land; (vi) soil erosion causing sliding conditions; (vii) compliance with governmental laws, ordinances and regulations; any decision made or action taken or omitted to be taken under the authority granted hereunder; or (ix) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member of the ACC, such member has acted in good faith on the basis of such information as may be possessed by him or her. Without in any way limiting the generality of any of the foregoing provisions of this Section, the ACC, or any member thereof, may, but is not required to, consult with or determine the view of any other Owner with respect to any development plan, or any materials submitted to the ACC.

q. Modifications and Waivers. The ACC, upon such terms and conditions, upon the payment of such fees or expenses, and for such procedures, as it may prescribe, may, but is not required to, adopt, review and approve or disapprove, in whole or in part, with or without conditions, applications for the modification or waiver of any requirement of the ACC rules, applicable to any improvement or use of, in, on or abutting any Unit. Such applications shall contain such information as the ACC may prescribe, and shall affirmatively show that the application of such requirements, under the circumstances, creates unnecessary and undue hardship, and that its modification or waiver will not be detrimental (esthetically, economically, or otherwise) to the Owner of any other Unit. The ACC may decide the matter upon the application and any materials or written statements accompanying it, or may allow oral presentations in support of, or in opposition to the application prior to the decision, at its discretion. The ACC shall render a decision in writing, which decision need not contain any reasons, findings, or conclusions for the decision and shall forward one copy to the applicant, and retain one copy in its records.

r. Governmental Agency Approval. Nothing contained herein shall relieve or be interpreted as purporting to relieve any Owner from also securing such approval(s), certificate(s) or permit(s) of any governmental agency or entity with jurisdiction as may be required by law as a condition to the commencement, construction, maintenance, addition, change or alteration to or of any improvement, and the ACC may require that a copy of such approval(s), certificate(s) or permit(s) be provided to the ACC as a final condition to approval of a development plan, or as additional insurance to the ACC that the improvements and uses of an approved development plan meet governmental requirements, or for both such purposes.

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. While in The Courtyard, each Owner and other persons have 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, electronic security device or other security devices or systems are presently intended to be provided to The Courtyard; if such security devices or systems are provided in the future, please note that such security devices or systems can not provide protection against crime at every moment of the day or night. Even elaborate security

systems are subject to mechanical malfunction, tampering, human error or personnel absenteeism, and can be defeated or avoided by clever criminals. Therefore, Owners and all other persons in The Courtyard should not rely on such systems and should always protect themselves and their property as if no security. The best safety measures are those precautions that can be performed as a matter of common sense and habit.

c. If security systems or security devices are ever provided in The Courtyard, no representation is made by Declarant or the Association that such systems, devices, or services will prevent injury, theft or vandalism. Any individuals or companies providing security services in The Courtyard may not carry weapons and have no greater authority under the law to restrain or arrest criminals or to prevent crime than the ordinary citizen. Neither Declarant nor the Association promises, warrants, or guarantees that any such systems, devices, or services do in fact discourage or prevent breaches of security, intrusions, thefts, or incidents of violent crime. Declarant and the Association reserve the right to reduce, modify or eliminate any security system, security devices, or services (other than any that are statutorily required) at any time; and such action shall not be a breach of any obligation or warranty on the part of Declarant or the Association. "Neighborhood Crime Watch" signs, if any, do not imply safety or security.

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

e. **Protecting Owners, their families, occupants, tenants, 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 of any common area locks, latches, lighting, or 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 or security. Declarant and the Association shall not be responsible for damage or injury resulting from improper use of or malfunction of security systems or security devices.**

4.10 MANAGEMENT AGREEMENTS. The Association may enter into a management agreement or management agreements for the management of The Courtyard. A management certificate, in compliance with the requirements of The Act, shall be timely filed with the County Clerk of Travis County, Texas. Any agreement for management of The Courtyard 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 the period of three years. If a management agreement is terminated, the Association shall enter into a new management agreement with a new management company prior to the effective date of the termination of the old management agreement.

ARTICLE V. ASSESSMENTS

5.1 ASSESSMENT FOR COMMON EXPENSES.

a. All Owners shall be obligated to pay the estimated Common Assessments imposed by the Association to meet the Common Expenses. Upon recordation of this Declaration, the Board shall establish a budget for the operation and maintenance of The Courtyard for that portion of the calendar year then remaining. Such budget, and all successive budgets, shall set forth the Board's estimate of all Common Expenses which the Association will incur in such operation and maintenance of The Courtyard for the applicable budget year, which budget shall include a reasonable allowance for contingencies, including ad valorem taxes, and shall establish a reasonable replacement reserve Fund for maintenance, repairs, and replacements to Common Elements for which the Association is responsible. After the initial budget is established, the Board shall meet annually in the last quarter of the calendar year and establish a budget for the next succeeding calendar year. After each budget is adopted by the Board, the Board shall determine the Common

Assessment charge required as well as the allowance required for contingencies and the replacement reserve fund for the calendar year in question, and the portion thereof allocable to each Owner. Each Owner shall be obligated to pay monthly, in advance, one-twelfth (1/12) of the portion of the Common Assessment so allocated to such Owner. The Common Association shall be allocated among those Owners obligated by the Declaration to pay same, according to the Owner's respective percentage ownership interest in the Common Elements. Common Assessments for the estimated Common Expenses shall be due monthly in advance on or before the first day of each calendar month. By resolution of the Board, the frequency of collection of Common Assessments may be altered to a different frequency. If an Owner fails to pay the Common Assessment applicable to his Unit by the fifth day after such assessment is due, the Board shall have the right to impose and assess a late charge and/or interest to accrue on such unpaid amounts (not to exceed any applicable usury limit) as may be established by the Board from time to time.

b. On the date that a Unit is initially purchased from Declarant, the first Owner of such Unit shall make a contribution to the replacement reserve fund of the Association equal to two months' regular assessments, in addition to paying the monthly assessment.

5.2 PURPOSE OF ASSESSMENTS. The Common Assessments levied by the Association shall be used for the purposes of promoting the health, safety, welfare, and reception of the Owners of the Units, and in particular for the improvement, maintenance, operation, administration, replacement, repair and preservation of The Courtyard, as well as any other purposes set forth in this Declaration.

5.3 DETERMINATION OF ASSESSMENTS. The Common Assessments to be paid by all of the Owners, including Declarant, shall be determined by the Board of Directors based upon the requirements necessary to provide for the payment of all Common Expenses. Examples of Common 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, 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 the management company 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 the contingency fund and replacement reserve fund. **Owners having exclusive use of Limited Common Elements shall not be subject to any special charges or assessments for the repair or maintenance thereof.** The omission or failure of the Board to fix the assessment for any time period shall not be deemed a waiver, modification, or release of the Owners from the obligation to pay Common Assessments.

5.4 UTILITIES. Each Owner shall pay for his own facilities which are separately metered and billed to each Unit Owner by the respective utility companies or the Association. Utility expenses which are not separately metered and billed shall be

part of the Common Expenses and each Unit Owner shall pay his or her pro-rata share thereof as in the case of other Common Expenses.

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

a. All Owners shall be personally obligated to pay the Common Assessments imposed with respect to his or her Unit by the Association to meet the Common Expenses. The Common Assessments shall be imposed based upon each Owner's proportionate or percentage interest in and to the Common Elements described in **Exhibit C**.

b. If the Board determines at any time during the calendar year that an increase or decrease in the amount of the Common Assessment is required to adequately perform the duties and responsibilities of the Association and pay all Common Expense, then the Board shall be authorized to raise the Common Assessment for the remainder of such year. 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.

5.6 SPECIAL ASSESSMENTS FOR IMPROVEMENTS. In addition to the regular Common Assessments authorized by this Declaration, the Declarant or 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 Elements or for failure of all Owners to timely pay the Common Assessment. The Declarant or Board may make special assessments up to the amount of Five Thousand Dollars (\$5,000.00) in the aggregate, during any one calendar year without the requirement of a vote of the Members of the Association. Any special assessment estimated to exceed the amount of Five Thousand Dollars (\$5,000.00) must be approved by Members holding at least fifty-one percent (51%) of the votes in the Association. All special assessments shall be deemed to part of the Common Assessment and shall be payable (and the payment hereof may be enforced) in the manner herein specified for the payment of the Common Expense Charge. Such special assessment shall be imposed upon the Owners in proportion to the respective ownership interests in the Common Elements as set out in this Declaration.

5.7 COMMENCEMENT OF ASSESSMENTS. One-twelfth (1/12) of the portion of the Common Assessment assessed against each Owner shall be due and payable, in advance on the first day of each calendar month during the year for which the Common Assessment in question has been assessed. Any such amount not paid by the fifth (5th) day of such month shall be deemed delinquent and shall bear interest at the lesser of the rate of (a) sixteen percent (16%) per annum, or (b) the maximum non-usurious interest rate allowed by law, from the date originally due until paid. The assessments shall be prorated if the ownership of a Unit commences on a day other than the first day of a calendar month. The Board shall fix the

amount of the regular Common Assessments applicable to the Units at least 30 days prior to January 1st of each year.

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

5.9 LIEN FOR ASSESSMENTS AND OTHER SUMS DUE.

a. All sums due and unpaid by a Unit Owner shall be secured by an express contractual lien (which is hereby created, granted and reserved) on such Unit and any uninsured proceeds and rents relating to such Unit, which lien shall be superior and prior to all other liens and encumbrances, except for those liens described in Section 82.113(b) of the Act.

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 the Owner of the Unit and a description of the Unit. 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 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 or the Act. Each Owner, by accepting a deed to his or her Unit, shall be deemed to have expressly granted to the Association a power of sale upon his or her Unit to secure payment of the Common Assessments thereafter imposed upon the Owner. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Association shall have the right to bid on the Unit at foreclosure sale. 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. Any Mortgagee acquiring title to a Unit whether pursuant to the remedies provided for in its mortgage, foreclosures or procedures in lieu thereof, shall not be liable for the unpaid portion of the Common Assessment attributable to the Unit in question that arose prior to such acquisition. In addition to the lien hereby retained, in the event of nonpayment by any Owner of such Owner's portion of the Common Assessment or failure of an Owner to pay the maintenance cost for which such Owner is responsible, the Association may, upon ten (10) days' prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law or otherwise, restrict the rights of such nonpaying Owner to use the Common Areas and Limited Common Element (except that use of a Limited Common Element appurtenant to an entire Building or appurtenant to a Unit owned by a single Owner may not be restricted) in such manner as the Association deems fit or appropriate. If the Association shall incur any legal expense, including attorney's fees, to enforce any rights of the Association against any Owner, such Owner shall be liable to the Association for such expenses and fees and the Owner shall promptly pay to the Association all such amounts upon

receipt of an invoice from the Association (any such unpaid amounts shall also be secured by a lien in favor of the Association as provided herein). Except as otherwise provided by applicable law, no sale or transfer shall relieve such Unit or the Owner thereof from liability for the Common Assessment or maintenance obligation thereafter becoming due or from lien thereof. If an Owner conveys such Owner's Unit and Common Assessments against the Unit are unpaid or any required maintenance has not been accomplished, the Owner shall pay the past due Common Assessments and shall pay for the cost of such required maintenance out of the sales price of the Unit or if the contract of sale so provides, the purchaser shall pay such Common Assessments and maintenance costs.

c. Suit to recover a money judgment against the Owner for unpaid sums shall be maintainable without foreclosing on or waiving said lien securing same.

d. Any lienholder on a Unit may pay any unpaid sums due imposed with respect to such Unit, and upon such payment, such lienholder shall have a lien on such Unit for the amount paid, with the same priority as the lien granted herein.

5.10 RESALE CERTIFICATE. Not later than the 10th day after receipt of a written request of any Owner or Mortgagee or prospective Owner of a Unit, the Association shall issue a resale certificate containing all of the information and in the form required by Section 82.157 of the Act. The Association shall have the right to charge a reasonable fee for preparation of such resale certificate.

5.11 STATEMENT OF ASSESSMENTS. Upon payment to the Association of a reasonable fee calculated to reimburse the Association for the cost of providing same, and upon the written request of any Owner or any lienholder or prospective purchaser or lienholder of a Unit, the Association, by its Board of Directors or the management company, shall issue a written statement setting forth the unpaid Common Assessments and other sums due, if any, with respect to the subject Unit, the amount of the current Common Assessments, the date the next of such Common Assessments becomes due and payable, which shall be conclusive upon the Association in favor of the addressee of such statements.

5.12 PAYMENT OF ASSESSMENTS BY DECLARANT. For the period of time provided in the Act, Declarant will pay either (a) all operational expenses for the Association less the Common Assessments collected from Unit Owners, or (b) the Common Assessment liability allocated to each Unit owned by Declarant.

ARTICLE VI. DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS

6.1 JUDICIAL PARTITION. There shall be no judicial partition of the Common Elements, nor shall Declarant or any person acquiring any interest in The Courtyard 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 Courtyard has been terminated.

6.2 CONDEMNATION. If all or part of The Courtyard 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 Mortgagees known to the Association to have an interest in any Unit. The expense of participation in such proceedings by the Association shall be a Common Expense.

a. 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 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 Elements, the Association in addition to the general powers set out in this Declaration, shall have the sole authority to determine whether to defend or 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 Elements, all damages and awards shall be paid to the account of each Owner proportionately in accordance with such Owner's interest in the Common Elements.

b. In the event that an action in eminent domain is brought as to the Limited Common Elements or a portion of the Limited Common Elements that are exclusively limited to the use of one Owner or one Unit, the Owner or Owners of said Unit, shall have the sole authority to determine whether to defend any such proceedings, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceedings. With respect to any such taking of the Limited Common Elements or portion thereof, all damages and awards shall be shared equally between said Owner and the Association after the Owner has been reimbursed for all reasonable costs incident to procuring such awards or damages.

c. In the event that any eminent domain proceeding results in the taking out for damage to one or more Units, then the damage and awards for such taking and the payment thereof, and the regrouping of ownership interest, shall be determined in accordance with the following:

(1) The Owners of any Units not directly affected by the condemnation shall vote on whether it is reasonably practicable to operate the remaining Units and Limited Common Elements (including those which may be tenable or usable) in the manner provided in this Declaration. Unless all such Owners agree in writing that it is reasonably practical to operate such remaining units and Limited Common Elements, The Courtyard shall terminate (if permitted by the Act) but each Owner shall retain an easement for the use of the General Common Elements and Limited Common

Elements on the same basis as that which existed prior to the condemnation and such easements shall run with the land.

(2) The Members of the Units directly affected by the taking in part or in whole shall share in proportion of their ownership interests in the Common Elements (it being presumed that any Unit condemned in part is condemned in whole) and any damages or awards shall be shared in after payment of any taxes or assessments by any governmental authorities past due and unpaid with respect to the Unit, payment of any amounts due under any mortgages, to the amount of the pro rata share which each such mortgage unit is entitled to receive, and the payment of any unpaid Common Assessments charged to or made against the Unit, but the balance being paid to the Owner of such Unit and the receipt and acceptance of such payment by the Owner constituting a waiver of any further claims in the remaining Units, General Common Elements, and Limited Common Elements in the portion of the condominium not condemned (unless said member is an owner of another Unit or Unit not directly affected by the condemnation, in which event, he or she shall be entitled to the same privileges as the owner of any other Unit not directly affected).

(3) If the Owners of the Units remaining after condemnation elect to operate under the terms of The Courtyard, then any payments made to the Association by reason of condemnation of General Common Elements or Limited Common Elements shall be applied to the repair and reconstruction of the surviving Units and the General Common Elements and Limited Common Elements thereof as the Association may determine. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the owners of the units remaining in The Courtyard for the repair of any General Common Elements and for the repair of Limited Common Elements. Additional funds required shall be assessed directly against those Owners having the exclusive right to use of the Limited Common Elements which are being made usable. The percentage interest of the remaining Units of The Courtyard shall be adjusted pro rata, but in no event, will ownership in any Unit or Building be diminished.

(4) If any Building which is owned entirely by one Owner shall be the subject of condemnation proceedings, the Owner of said Building shall have absolute discretion to deal directly with the condemning authority, and accept directly any awards made for condemnation of said Owner's Building. If a portion of the award for condemnation is designated for condemnation of a General Common Element or Limited Common Element outside of such Building, the owner shall receive only its percentage ownership share in the Common Elements and the balance of the award shall be directly paid to the Association. Such Owner will, however, be obligated to pay any unpaid Common Assessments charged against the Building through the date of condemnation and the Association shall be entitled to a lien on the proceeds of such condemnation in the

amount of the Common Assessments unless and until such charges are paid

(5) 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 Elements so taken or damaged. If it is determined that such Common Elements 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 the Owners.

ARTICLE VII. PROTECTION OF MORTGAGEES

- 7.1 SUBORDINATION OF THE LIEN TO MORTGAGES.** The contractual lien securing monies owed to the Association shall be subordinate to the lien of any Mortgage voluntarily granted or created by the Owner on his or her Unit. Sale or transfer of any Unit pursuant to a foreclosure or a deed in lieu of foreclosure shall not effect said contractual lien as to the amounts secured thereby which became due and payable prior to the recording of the mortgage being foreclosed; provided, however, that the sale or transfer of any Unit pursuant to a foreclosure pursuant to a superior lien shall not extinguish the Association's contractual lien on amounts becoming due and after such foreclosure. No such foreclosure shall relieve such Unit, or the Owners thereof, from liability for monies owed by the Owner to the Association.
- 7.2 NOTICE TO ASSOCIATION.** An Owner who mortgages his or her Unit shall promptly notify the Association in writing, giving the name and address of the Owner's 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 Unit. 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 Unit in writing, upon written request of such Mortgagee, who also provides the Association with is name and address and the number of the Unit on which it holds its lien, of any default by the Owner of such Unit 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 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 Unit Owners and their Mortgagees to examine current copies of the Declaration, Bylaws, other rules concerning The Courtyard, and the books and records of the Association during normal business hours. Copies will be made available upon written request and payment of reasonable copy charges.

- 7.5 **RESERVE FUND.** The Association shall establish adequate reserve funds for replacement of Common Elements and fund the same by regular Common Assessments, as noted elsewhere in this Declaration.
- 7.6 **ANNUAL AUDITS.** Upon written request the Association shall furnish each Mortgagee an annual financial statement of the Association within 90 days following the end of each fiscal year of the Association upon payment of reasonable copy charges.
- 7.7 **NOTICE OF MEETINGS.** The Association shall furnish each Mortgagee upon written request by such Mortgagee, prior written notice of all meetings of the Association, and one such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.
- 7.8 **NOTICE OF DAMAGES OR DESTRUCTION.** Upon written request by a Mortgagee, the Association shall give such Mortgagee written notice of any proposed (i) termination of The Courtyard, (ii) condemnation or eminent domain proceedings affecting The Courtyard or any part thereof, (iii) any part of the Common Elements if such loss exceeds Ten Thousand Dollars (\$10,000.00), and (iv) any proposed change or Amendment to this Declaration which would affect the Mortgagee.
- 7.9 **ALTERATION AND DESTRUCTION OF IMPROVEMENTS ON UNITS.** The Association may not alter or destroy Limited Common Elements without consent of all Owners affected and the Mortgagee of all affected Owners.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

- 8.1 **AMENDMENTS TO DECLARATION; APPROVAL OF OWNERS AND MORTGAGEES.** In addition to the provisions for amendments provided by the Act or other law, except as otherwise specifically provided in this Declaration and except for the Special Declarant Rights granted in this Declaration, which provisions only the Declarant can amend, the provisions hereof may be amended by an instrument in writing, signed by Members having not less than two-thirds interest in the Common Elements, and if said Amendment alters or destroys a Unit or a Limited Common Element, by all Owners and Mortgagees who are affected thereby, but no such Amendment shall be effective until all requirements of Section 82.067 of the Act are met and an original thereof is duly recorded in the Real Property Records of Travis County, Texas. In addition the Declarant may, prior to the sale of any of the Units, amend the Declaration for any purpose. Subject to the limitations and requirements of the Act, as same may be amended from time to time, the Board is granted the authority and shall at all times have the right to amend this Declaration without the consent or approval of any person or entity other than the Mortgagee on any Unit:

(a) For the purpose of correcting any typographical or other error in this Declaration or to make this Declaration comply with the mandatory provisions of the Act, if it be deficient in any respect; or

(b) To conform with the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Unit Loan Mortgage Corporation, Veterans Administration, Federal Housing Administration or any similar governmental authority, with respect to condominium documentation.

No declaration amendments may be made which materially and adversely affect the interest of any Mortgagee of a Unit or the value of such Unit, such as altering, repealing and/or changing voting percentages, assessment allocations, reserve fund requirements, insurance provisions, use rights, maintenance and repair obligations, financial protections of association funds, or declaration amendment procedures, declaration termination and similar subjects.

No declaration amendments may be made which materially and adversely affect the rights of Declarant prior to the end of three (3) years from the date this Declaration is filed of record.

8.2 DIMENSIONS. The square footage, size, and dimensions of each Unit 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 Unit actually contains the area, square footage, or dimensions shown upon the Map thereof. A purchaser of a Unit shall have no claim or demand against the Declarant or any other person because of any difference, shortage, or discrepancy between the Unit as actually and physically existing and as it is shown on the Map. The existing physical boundaries of a Unit or any Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be in the boundaries, regardless of settling, arising, or lateral movement of the building and regardless of variance between the boundaries shown on the Map and those of the Buildings.

8.3 OWNERSHIP OF COMMON PERSONAL PROPERTY. No Owner shall have any interest and right to personal property owned by the Association. In any event, any such right and interest shall absolutely terminate upon the Owner's termination of ownership of his or her Unit

8.4 LIMITED LIABILITY AND INDEMNITY OF BOARD MEMBERS.

a. *Limited liability.* The members of the Board of Directors and officers of the Association shall not be liable to any Owner or any person claiming by or through any Owner for any act or omission of such Director or Officer in the performance of his or her duties unless such act or omission is (1) a breach of the Director's duty of loyalty and fiduciary duty to the Association 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 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 for by law. 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 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 the above.

b. *Indemnity.* The Association shall promptly indemnify any director or officer or former director or officer of the Association for expenses and costs (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against the director or officer, by action in court or otherwise, by reason of being or having been the director or officer, except in relation to matters described in (a).

8.5 INJURY TO PERSON OR PROPERTY. Owners acknowledge that the Declarant and the Association have no duty to Unit Owners or their guests: (1) to provide a supervisor at any time for minors or others, or (2) to fence or otherwise enclose any Limited Common Element, General Common Element or facility, or (3) to otherwise protect the Unit Owners and their guests, employees and invitees from harm or loss. Each Unit Owner shall be solely and exclusively responsible for supervising his or her own family members, tenants, guests and invitees. By accepting and recording the deed to his or her Unit, each Owner agrees that the foregoing is reasonable and constitutes the exercise of ordinary care by the Association and Declarant. Each Owner agrees to indemnify and hold harmless the Association and Declarant from any claim of damages, to person or property arising out of an accident or injury in The Courtyard caused by the acts or omissions of the Unit Owner, his or her guests, tenants, and invitees. Any intentional or unintentional damage caused by or repair work necessitated by the conduct of an Owner, and Owner's family, or an Owner's guests, tenants and invitees shall be the exclusive responsibility of such Owner, who hereby agrees to pay the full cost thereof. Such charges shall be specially assessed against such individual Owner and shall otherwise be due and payable and collectible in the same manner as the Common Assessments.

8.6 ENFORCEMENT. Declarant, the Association and any Owner shall have the right to enforce, by any proceeding at law or in equity, all terms and provision hereof. The violation of any rule or regulation promulgated by the Board, or the breach of any Bylaws, or the breach of any provision of the Declaration if the Board has requested in writing that a Unit Owner abate or remove the cause of a violation of the terms and provisions hereof or any rule or regulation promulgated by the Board or Association Bylaws, and such request is not complied with within three (3) business days (excluding the date notice is given), shall give the Board the right, in addition to any other rights set forth therein, (a) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. Failure by the Board, the Declarant or by any Owner to enforce any covenant or restriction shall in no event be deemed to be a waiver of the right to enforce such covenant or restriction thereafter.

- 8.7 RULES AND REGULATIONS.** The rules and regulations with respect to the day-to-day maintenance, operation, and enjoyment of the Common Elements and The Courtyard may be created and subsequently amended from time to time by the Board. The rules and regulations are of equal dignity with, and shall be enforceable in the same manner as the provision of this Declaration but, in the event of a conflict, this Declaration shall control. Each Owner, by accepting conveyance of a Unit, agrees to comply with and abide by the rules and regulations, as the same may be amended from time to time.
- 8.8 BINDING.** The terms and provisions hereof shall be deemed to be covenants running with the Land and shall be binding upon the Declarant, all Owners, and their heirs, legal representatives, successors and assigns.
- 8.9 MANDATORY PROVISIONS OF THE ACT.** Section 82.055 of the Act requires that a declaration for a condominium must contain certain statements and information. This section provides that information or makes reference to the information appearing in this Declaration. (1) The name of the condominium is The Courtyard at the Preserve Condominium, (2) the name of the county in which all of the condominium is located is Travis County, Texas, (3) a legally sufficient description of the real property included in the condominium is set forth on the attached Exhibit "A", (4) a description of the boundaries of each Unit created by the Declaration, including the Unit's identifying number is set forth on the attached Exhibit "B", (5) the maximum number of Units that the Declarant reserves the right to create is One Hundred Thirty (130), (6) a description of the Limited Common Elements is set forth on the attached Exhibits "B" and "C", (7) certain real property may be allocated subsequently as Limited Common Elements as noted in this Declaration, (8) an allocation to each Unit of its allocated interest is set forth on the attached Exhibit "C", (9) restrictions on use, occupancy or alienation of the Units is set forth in this Declaration, (10) a description of and the recording data for recorded easements and licenses appurtenant to or included in the condominium or to which any portion of the condominium is or may become subject by reservation in the Declaration is reflected on the Map and/or is described in Exhibit "E" attached hereto and incorporated herein by reference, (11) the method of amending the Declaration is set forth in Section 8.1 of this Declaration, (12) a plat or plan of The Courtyard is set forth on the attached Exhibit "B", (13) a statement of the Association's obligation under Section 82.111(i) to rebuild or repair any part of the condominium after a casualty or any other disposition of the proceeds of a casualty insurance policy are set forth in this Declaration, (14) a description of any development rights and other special Declarant rights reserved by the Declarant and a time limit within which each of those rights must be exercised is set forth in this Declaration, (15) development rights may be exercised with respect to different parcels of real property at different times, and no assurances are made in regard to fixing the boundaries of those portions and regulating the order in which those portions may be subjected to the exercise of each development right, and if any development right is exercised in any portion of the Land subject to that development right, that development right does not have to be exercised in all or in any other portion of the remainder of the Land

- 8.10 NOTICES.** Any notice permitted or required to be given hereunder may be delivered personally, by mail or by express overnight delivery service. If delivery is made by mail, it shall be deemed to have been delivered after deposit in the U.S. Mail, postage prepaid, addressed to the respective party at their address set forth herein (as to an Owner such address will be the address of his or her Unit or to such other address as the Owner may have given in writing to the Secretary of the Association for the purpose of service of notices). Any address for purposes of notice may be changed from time to time by notice delivered in writing to the Secretary of the Association.
- 8.11 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.
- 8.12 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 or unenforceability 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.
- 8.13 OMISSIONS.** In the event of the omission from this Declaration of any word, sentence, clause, provision, or stipulation which shall be necessary for the accomplishment of the intent and purposes of this Declaration, then such omitted matter shall be supplied by inference and/or by reference to the Act
- 8.14 CONSENT OF MORTGAGEE.** The lienholders holding liens on the Property at the time of recordation of this Declaration consent to the creation of The Courtyard and the provisions of this Declaration as evidenced by their signature below
- 8.15 EXHIBITS.** The following Exhibits are attached hereto and incorporated herein by reference.

Exhibit "A": Description of Land
Exhibit "B": Map or Plat
Exhibit "C": Percentage Ownership in Common Elements
Exhibit "D": Description of Limited Common Elements
Exhibit "E": Description of Existing Easements, Restrictions, etc.

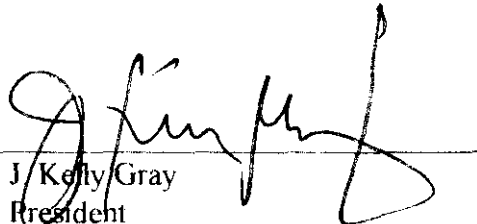
IN WITNESS WHEREOF, this Declaration has been executed as of the _____ day of April, 2004.

"DECLARANT"

Cardinal Hills Investors, LTD
A Texas Limited Partnership

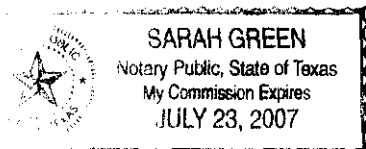
By: Cardinal Hills, Inc.
A Texas Corporation
Sole General Partner

By: _____


J. Kelly Gray
President

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the 23 day of April, 2004, by J. Kelly Gray, President of Cardinal Hills, Inc., a Texas corporation, on behalf of said corporation.





NOTARY PUBLIC, STATE OF TEXAS

Notary's Printed Name: Sarah Green

Notary's Commission Expires: 7-23-07

Consent of Mortgagee:

American Bank, N.A., as the owner and holder of the indebtedness secured by a Deed of Trust on the Land described in Exhibit "A" attached hereto, does hereby join in the execution of this Declaration of Condominium Regime of The Courtyard at the Preserve, for the purpose of evidencing its consent hereto and without subordinating or releasing any of the bank's liens on the Land or the obligations of the maker and any guarantors of debt to the bank secured by said liens, as they now exist or might be modified or extended in the future.

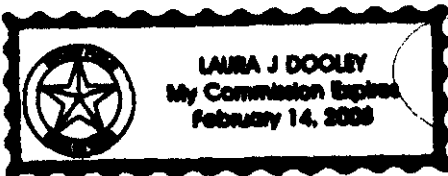
EXECUTED THIS 23 DAY OF April, 2004.

American Bank of Texas, N.A.

By: Kerry L. Wiggins
Kerry L. Wiggins
President-Austin Market

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the 23 day of April, 2004, by Kerry L. Wiggins, President-Austin Market of American Bank, N.A., a national banking association, on behalf of said association.



Laura J. Dooley
NOTARY PUBLIC, STATE OF TEXAS
Notary's Printed Name: _____

Notary's Commission Expires: _____

EXHIBIT "A"

(Description of Land)

Lot 27 A, The Courtyard at the Preserve Condominiums aka Replat of Lots 26-67 and 70-84 of Cardinal Hills Unit 4, a subdivision located in the City of Lakeway, Travis County, Texas (the "Property") according to the map or plat of record in Document No. 200300265, Plat Records of Travis County, Texas



LEGAL DESCRIPTION:
 THE COURTYARD AT THE PRESERVE
 REPLAT OF LOT 26 THRU 67 AND 70
 THRU 84 OF CARDINAL HILLS UNIT 4.
 OFFICIAL PUBLIC RECORDS OF TRAVIS
 COUNTY DOC. NO. 200300265

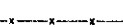
EXHIBIT B

PLAT OF THE COURTYARD AT THE PRESERVE
 CONDOMINIUM REGIME

DELSIE DRIVE



LEGEND

-  LIMITED COMMON ELEMENT
-  COMMON AREA
-  YARD FENCE
-  TREE WELL

LEGAL DESCRIPTION:
 THE COURTYARD AT THE PRESERVE
 REPLAT OF LOT 26 THRU 67 AND 70
 THRU 84 OF CARDINAL HILLS UNIT 4.
 OFFICIAL PUBLIC RECORDS OF TRAVIS
 COUNTY DOC. NO. 200300265

EXHIBIT B

PLAT OF THE COURTYARD AT THE PRESERVE
 CONDOMINIUM REGIME

EXHIBIT "C"

(Percentage Ownership in Common Elements)

PAGE 1 OF 8

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
1	10 White Magnolia Circle Austin, Texas 78734	1%
2	12 White Magnolia Circle Austin, Texas 78734	1%
3	10 Juniper Berry Way Austin, Texas 78734	1%
4	12 Juniper Berry Way Austin, Texas 78734	1%
5	14 Juniper Berry Way Austin, Texas 78734	1%
6	16 Juniper Berry Way Austin, Texas 78734	1%
7	10 Lariope Lane Austin, Texas 78734	1%
8	12 Lariope Lane Austin, Texas 78734	1%
9	20 Juniper Berry Way Austin, Texas 78734	1%
10	22 Juniper Berry Way Austin, Texas 78734	1%
11	24 Juniper Berry Way Austin, Texas 78734	1%
12	26 Juniper Berry Way Austin, Texas 78734	1%
13	29 Juniper Berry Way Austin, Texas 78734	1%

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
14	27 Juniper Berry Way Austin, Texas 78734	1%
15	25 Juniper Berry Way Austin, Texas 78734	1%
16	23 Juniper Berry Way Austin, Texas 78734	1%
17	21 Juniper Berry Way Austin, Texas 78734	1%
18	17 Juniper Berry Way Austin, Texas 78734	1%
19	15 Juniper Berry Way Austin, Texas 78734	1%
20	22 White Magnolia Circle Austin, Texas 78734	1%
21	24 White Magnolia Circle Austin, Texas 78734	1%
22	26 White Magnolia Circle Austin, Texas 78734	1%
23	28 White Magnolia Circle Austin, Texas 78734	1%
24	30 White Magnolia Circle Austin, Texas 78734	1%
25	32 White Magnolia Circle Austin, Texas 78734	1%
26	34 White Magnolia Circle Austin, Texas 78734	1%
27	36 White Magnolia Circle Austin, Texas 78734	1%

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
28	38 White Magnolia Circle Austin, Texas 78734	1%
29	40 White Magnolia Circle Austin, Texas 78734	1%
30	42 White Magnolia Circle Austin, Texas 78734	1%
31	44 White Magnolia Circle Austin, Texas 78734	1%
32	46 White Magnolia Circle Austin, Texas 78734	1%
33	48 White Magnolia Circle Austin, Texas 78734	1%
34	50 White Magnolia Circle Austin, Texas 78734	1%
35	52 White Magnolia Circle Austin, Texas 78734	1%
36	54 White Magnolia Circle Austin, Texas 78734	1%
37	56 White Magnolia Circle Austin, Texas 78734	1%
38	58 White Magnolia Circle Austin, Texas 78734	1%
39	60 White Magnolia Circle Austin, Texas 78734	1%
40	62 White Magnolia Circle Austin, Texas 78734	1%
41	64 White Magnolia Circle Austin, Texas 78734	1%

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
42	66 White Magnolia Circle Austin, Texas 78734	1%
43	68 White Magnolia Circle Austin, Texas 78734	1%
44	70 White Magnolia Circle Austin, Texas 78734	1%
45	72 White Magnolia Circle Austin, Texas 78734	1%
46	41 White Magnolia Circle Austin, Texas 78734	1%
47	43 White Magnolia Circle Austin, Texas 78734	1%
48	45 White Magnolia Circle Austin, Texas 78734	1%
49	47 White Magnolia Circle Austin, Texas 78734	1%
50	49 White Magnolia Circle Austin, Texas 78734	1%
51	51 White Magnolia Circle Austin, Texas 78734	1%
52	53 White Magnolia Circle Austin, Texas 78734	1%
53	57 White Magnolia Circle Austin, Texas 78734	1%
54	61 White Magnolia Circle Austin, Texas 78734	1%
55	65 White Magnolia Circle Austin, Texas 78734	1%

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
56	71 White Magnolia Circle Austin, Texas 78734	1%
57	73 White Magnolia Circle Austin, Texas 78734	1%
58	75 White Magnolia Circle Austin, Texas 78734	1%
59	77 White Magnolia Circle Austin, Texas 78734	1%
60	74 White Magnolia Circle Austin, Texas 78734	1%
61	76 White Magnolia Circle Austin, Texas 78734	1%
62	78 White Magnolia Circle Austin, Texas 78734	1%
63	80 White Magnolia Circle Austin, Texas 78734	1%
64	82 White Magnolia Circle Austin, Texas 78734	1%
65	84 White Magnolia Circle Austin, Texas 78734	1%
66	86 White Magnolia Circle Austin, Texas 78734	1%
67	88 White Magnolia Circle Austin, Texas 78734	1%
68	90 White Magnolia Circle Austin, Texas 78734	1%
69	92 White Magnolia Circle Austin, Texas 78734	1%

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
70	22 Cypress Knee Lane Austin, Texas 78734	1%
71	24 Cypress Knee Lane Austin, Texas 78734	1%
72	26 Cypress Knee Lane Austin, Texas 78734	1%
73	28 Cypress Knee Lane Austin, Texas 78734	1%
74	30 Cypress Knee Lane Austin, Texas 78734	1%
75	32 Cypress Knee Lane Austin, Texas 78734	1%
76	34 Cypress Knee Lane Austin, Texas 78734	1%
77	36 Cypress Knee Lane Austin, Texas 78734	1%
78	38 Cypress Knee Lane Austin, Texas 78734	1%
79	40 Cypress Knee Lane Austin, Texas 78734	1%
80	42 Cypress Knee Lane Austin, Texas 78734	1%
81	44 Cypress Knee Lane Austin, Texas 78734	1%
82	46 Cypress Knee Lane Austin, Texas 78734	1%
83	48 Cypress Knee Lane Austin, Texas 78734	1%

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
84	15405 Joseph Drive Austin, Texas 78734	1%
85	15403 Joseph Drive Austin, Texas 78734	1%
86	45 Cypress Knee Lane Austin, Texas 78734	1%
87	43 Cypress Knee Lane Austin, Texas 78734	1%
88	41 Cypress Knee Lane Austin, Texas 78734	1%
89	39 Cypress Knee Lane Austin, Texas 78734	1%
90	37 Cypress Knee Lane Austin, Texas 78734	1%
91	35 Cypress Knee Lane Austin, Texas 78734	1%
92	33 Cypress Knee Lane Austin, Texas 78734	1%
93	31 Cypress Knee Lane Austin, Texas 78734	1%
94	29 Cypress Knee Lane Austin, Texas 78734	1%
95	27 Cypress Knee Lane Austin, Texas 78734	1%
96	25 Cypress Knee Lane Austin, Texas 78734	1%
97	23 Cypress Knee Lane Austin, Texas 78734	1%

<u>Unit Number</u>	<u>Street Address</u>	<u>Percentage Ownership in Common Elements</u>
98	21 Cypress Knee Lane Austin, Texas 78734	1%
99	10 Cypress Knee Lane Austin, Texas 78734	1%
100	11 White Magnolia Circle Austin, Texas 78734	1%

EXHIBIT "D"

(Description of Limited Common Elements)

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
1	10 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
2	12 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
3	10 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
4	12 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
5	14 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
6	16 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
7	10 Lariope Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
8	12 Lariope Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
9	20 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
10	22 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
11	24 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
12	26 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
13	29 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
14	27 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
15	25 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
16	23 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
17	21 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
18	17 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
19	15 Juniper Berry Way Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
20	22 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
21	24 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
22	26 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
23	28 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
24	30 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
25	32 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
26	34 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
27	36 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
28	38 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
29	40 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
30	42 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
31	44 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
32	46 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
33	48 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
34	50 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
35	52 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
36	54 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
37	56 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
38	58 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
39	60 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
40	62 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
41	64 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
42	66 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
43	68 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
44	70 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
45	72 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
46	41 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
47	43 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
48	45 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
49	47 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
50	49 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
51	51 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
52	53 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
53	57 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
54	61 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
55	65 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
56	71 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
57	73 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
58	75 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
59	77 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
60	74 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
61	76 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
62	78 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
63	80 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
64	82 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
65	84 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
66	86 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
67	88 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
68	90 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
69	92 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
70	22 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
71	24 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
72	26 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
73	28 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
74	30 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
75	32 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
76	34 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
77	36 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
78	38 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
79	40 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
80	42 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
81	44 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
82	46 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
83	48 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
84	15405 Joseph Drive Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
85	15403 Joseph Drive Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
86	45 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
87	43 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
88	41 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
89	39 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
90	37 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
91	35 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
92	33 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
93	31 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
94	29 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
95	27 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
96	25 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
97	23 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

<u>Unit Number</u>	<u>Street Address</u>	<u>Limited Common Elements</u>
98	21 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
99	10 Cypress Knee Lane Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map
100	11 White Magnolia Circle Austin, Texas 78734	Driveway and portions of back yard and side yard, designated as L.C.E. on the Map

Limited Common Elements assigned to all Units:

1. Any areas containing a pad or slab for the support of heating, ventilation and air-conditioning compressors and equipment appurtenant to a Unit, but located outside a Unit.

EXHIBIT "E"

(Description of Existing Easements, Restrictions, etc.)

The following is a description of and the recording data for recorded easements and licenses appurtenant to or included in The Courtyard or to which any portion of The Courtyard is or may become subject by reservation in the Declaration is as follows:

A. Declaration of Covenants, Conditions and Restrictions for The Courtyard at the Preserve, Document No. 2003241173, Official Public Records of Travis County, Texas (RESTRICTIONS)

B. First Correction of Declaration of Covenants, Conditions and Restrictions for the Courtyard at the Preserve, Document No. 2004021627, Official Public Records of Travis County, Texas

C. Second Correction of Declaration of Covenants, Conditions and Restrictions for the Courtyard at the Preserve, Document No. 2004044517, Official Public Records of Travis County, Texas

D. The rights of TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT #17 to levy taxes and issue bonds.

E. PUBLIC UTILITY EASEMENT as set out in the instrument recorded in Document No. 2003269438, Official Public Records Travis County, Texas.

F. LATERAL SUPPORT easement granted to CITY OF LAKEWAY, as recorded under County Clerk's Document No. 2002194956, OFFICIAL PUBLIC Records of TRAVIS County, Texas

G. LATERAL SUPPORT easement granted to CITY OF LAKEWAY, as recorded under County Clerk's Document No. 2003275635, OFFICIAL PUBLIC Records of TRAVIS County, Texas

H. TERMS AND CONDITION OF THAT CERTAIN DESIGNATION OF LAND AS NOT ENTITLED TO WATER SERVICE, AS RECORDED IN VOLUME 11470, PAGE 4046, REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS.

I. ELECTRIC UTILITY easement granted to CITY OF AUSTIN, as recorded under County Clerk's Document No. 2004040637, Official Public Records of Travis County, Texas

RETURN TO:
NORTH AMERICAN TITLE
12301 Research, Building 4, Ste. 120
Austin, TX 78759

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2004 Apr 26 10:54 AM 2004076954

EVANSK \$154.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

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.