Georgetc Title Company, Inc.
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENDERO SPRINGS, SECTION ONE

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

THIS Declaration of Covenants, Conditions and Restrictions (this "**Declaration**"), is made on the date hereinafter set forth by HY-LAND NORTH JOINT VENTURE, a Texas joint venture ("**Declarant**") as set forth before;

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property known as SENDERO SPRINGS, SECTION ONE, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded as Document # 2001046864 in Cabinet U, Slides 318-322 of the Plat Records of Williamson County, Texas;

WHEREAS, it is deemed to be in the best interests of Declarant and any other persons who may purchase Lots (as defined below) in the SENDERO SPRINGS, SECTION ONE subdivision that there be established and maintained a uniform plan for the improvement and development of said Lots and said subdivision; all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property. These easements, covenants, restrictions, and conditions shall run with said real property and be binding upon all parties having or acquiring any right, title or interest in a Lot, their respective heirs, legal representative, successors, successors-in-title and assigns, and shall inure to the benefit of each and every owner of all or any portion thereof.

NOW, THEREFORE, Declarant hereby declares that the real property described in Article 3 is and shall be held, transferred, sold, conveyed, used, occupied, mortgaged or otherwise encumbered, and enjoyed subject to the covenants, restrictions, easements, charges, assessments and liens (sometimes referred to herein collectively as these "**covenants and restrictions**") hereinafter set forth.

1 ARTICLE 1

DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

1.1 "**Articles**" shall mean and refer to the Articles of Incorporation of the Association, as the same may be amended from time to time.

1.2 "**Association**" shall mean and refer to Sendero Springs Homeowners Association, Inc., a Texas nonprofit corporation.

1.3 "**Board**" shall mean and refer to the Board of Directors of the Association.

1.4 "**Bylaws**" shall mean and refer to the Bylaws of the Association, as the same may be amended from time to time.

1.5 "**Committee**" shall mean and refer to that committee constituted under Article 4 herein for the review of Development Plans (as hereinafter defined) and to perform the other functions as provided in this Declaration.

1.6 "**Common Properties**" shall mean and refer to either fee simple or an easement interest in any property that is conveyed or granted to the Association, or property that is designated as a "Common Area" or "Common Property" by Declarant for the benefit of the Association and the Members thereof, or property that is otherwise owned or maintained by the Association (including any medians or other landscaped areas within public rights-of-way maintained under the terms of a License Agreement or other agreement with the governmental authority with jurisdiction over such public rights-of-way) from time to time and shall include, but is not limited to, all parks and community facilities, all subdivision identification signs and entry improvements, and all fences, walls, lighting, trees, landscaping, sprinkler systems, pipes, wires, conduits, and other public utility lines situated thereon.

1.7 "**Declarant**" shall mean and refer to HY-LAND NORTH JOINT VENTURE, a Texas joint venture, its successors and assigns; provided that any assignment of the rights of Declarant must be expressly set forth in an instrument in writing executed by Declarant and filed of record in the Official Records of Williamson County, Texas, designating the successor Declarant hereunder. Upon such specific designation of a successor Declarant, all rights of the former Declarant in and to the status of "Declarant" hereunder shall cease. The mere conveyance of one or more Lots or a portion of the Subdivision without such specific written assignment of rights of Declarant hereunder and without specific designation of the successor Declarant as provided herein shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

1.8 "**Development Plan**" shall mean and refer to that plan to be submitted to the Committee pursuant to Article 4.

1.9 "**Improvement**" shall mean and refer to every building, structure or fixture and all appurtenances thereto of every type and kind, including but not limited to, the residential dwelling (the "**principal residence**"), buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, exterior air conditioning, tanks, utility lines and meters, antennas, television satellite reception discs, and any facilities used in connection with water, sanitary sewer, wastewater, storm sewer, drainage, gas, electric, telephone, regular or cable television, or other utilities.

1.10 "**Lot**" and/or "**Lots**" shall mean and refer to each of the lots shown upon the Subdivision Plat, but shall not include any Common Properties, as defined in Section 1.3 above.

1.11 "**Member**" shall mean and refer to every person or entity who holds a membership in the Association.

1.12 "**Modifications Committee**" shall mean the committee appointed by the Board in accordance with Section 4.8 for the review of plans for the alteration or modification of the Improvements on a Lot after the initial construction of the initial Improvements.

1.13 "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, and any contract purchaser under a contract for deed or other executory contract granting the purchaser rights of possession and occupancy of any Lot; but notwithstanding any applicable theory of the mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. However, the term "Owner" shall include any mortgagee or lienholder who acquires fee simple title to any Lot through judicial or nonjudicial foreclosure. Owner includes the Declarant unless otherwise stated. When matters within this Declaration require a vote of the Owners, each Owner shall be entitled to one (1) vote for each Lot so owned. When a Lot is held jointly or in common by more than one (1) Owner, the joinder of all such Owners shall be required to vote with respect to such Lot, unless such Owners designate in writing one or more Owner(s) among them who shall be entitled to cast such vote and no other person shall be authorized to vote in behalf of Lot.

1.14 "**Properties**" shall mean and refer to the real property described in Article 3 hereof which are subject to this Declaration.

1.15 "**Subdivision**" shall mean and refer to SENDERO SPRINGS, SECTION ONE, according to the map or plat thereof recorded as Document # 2001046864 in Cabinet U, Slides 318-322 of the Plat Records of Williamson County, Texas, and any other real property brought within the scheme of this Declaration pursuant to Article 3, including without limitation all or portions of other subdivisions being or to be developed by Declarant or affiliated or subsidiary entities.

1.16 "**Subdivision Plat**" shall mean and refer to the map or plat of SENDERO SPRINGS, SECTION ONE recorded as Document # 2001046864 in Cabinet U, Slides 318-322 of the Plat Records of Williamson County, Texas, and the recorded plat(s) of any other real property brought within the scheme of this Declaration pursuant to Article 3.

2 ARTICLE 2

EASEMENTS

2.1 Existing Easements. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, certain streets and easements shown thereon, and the Subdivision Plat further establishes dedications, limitations, reservations and restrictions applicable to the Properties. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be

construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Properties. The Declarant hereby expressly reserves the right to designate various private persons, firms, corporations and other entities who may use the easements set forth on the Subdivision Plat for purposes of installing, servicing, repairing and replacing audio and video communication equipment and cables.

2.2 Changes and Additions. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility and audio-video communications purposes (including, without limitation, gas, water, electricity, cable television, telephone and drainage), in favor of any person or entity furnishing or to furnish such services to the Properties, along and on either or both sides of any side Lot line, which are necessary in connection with the development of the Properties or any portion thereof.

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

2.4 Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the public utility easement areas affecting the Properties for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, telephones, cable television, electricity, gas and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto, on, above, across and under the Properties within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this paragraph, no sewer, electrical lines, water lines or other utilities or appurtenances thereto may be installed or relocated on the Properties until approved by Declarant. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Subdivision Plat, and to trim overhanging trees and shrubs located on portions of the Properties abutting such easements. Any utilities within the Subdivision shall be underground (other than overhead electric lines at the perimeter of the Properties providing service to the Subdivision) and it shall be the obligation of each Owner to provide such underground lines, connections and appurtenances from the easement to point of attachment on the structure, at Owner's cost and in accordance with all rules, regulations and requirements of the entity furnishing such utility and any governmental agency having jurisdiction.

2.5 Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles and other service vehicles to enter upon the Properties in the performance of their duties.

2.6 Underground Electric Service. An underground electric distribution system will be installed within the Properties. The Owner of each Lot shall, at such owner's cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on the customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at such owner's cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. All electric service to any Lot shall be single phase, 120/140 volt, three wire, 60 cycle, alternating current.

2.7 Surface Areas. The surface of easement areas for under-ground utility services may be used only for planting of shrubbery, trees, lawns or flowers, and for driveways and sidewalks. However, neither Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner for any damage done by them or either of them, or their respective agents, employees, servants, or assigns, to any of the aforesaid vegetation, driveways or sidewalks as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

2.8 Common Properties. Subject to the provisions hereof, every Owner shall have an easement of access and a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot owned by such Owner. Such easements and right of enjoyment are subject to the following:

(a) The right of the Association to charge a reasonable admission and other fees for the use of any recreational facilities situated on the Common Properties;

(b) The right of the Association to establish reasonable rules and regulations governing the use and enjoyment of the Common Properties and any recreational facilities located thereon, and the right of the Association to suspend the right to use the recreational and other facilities owned or operated by the Association for such period of time as the Board may from time to time determine to appropriate for any infraction of such rules and regulations;

(c) The right of the Association to suspend a Member's voting rights, the easements and right of enjoyment of the Common Properties, and/or the right

to use the recreational and other facilities owned or operated by the Association for any period during which any assessment against an owner's Lot or any other sum due the Association by such Owner remains unpaid in excess of thirty (30) days;

(d) The right of the Association to dedicate, sell, or transfer all or any part of the Common Properties to any public entity, agency or authority or to any municipal utility district or to any other quasi-governmental agency or authority;

(e) The right of the Association to borrow money and to mortgage, pledge or encumber any or all of the Common Properties as security for money borrowed or debts incurred;

(f) The right of the Association to grant or dedicate easements in portions of the Common Properties to public or private utility companies and/or municipal utility districts; and

(g) The right of the Association to enter into agreements pursuant to which individuals who are not Owners or Members are granted the right to use any or all of the Common Properties and/or the recreational facilities located thereon on such terms and conditions as the Board may determine to be appropriate.

Any Owner may delegate such Owner's right of enjoyment of the Common Properties and facilities located thereon to members of such Owner's immediate family, such Owner's contract purchasers who actually reside on such Owner's Lot, and/or such Owner's guests or other persons as may be permitted by the Association. An Owner shall be deemed to have delegated all of such Owner's rights to use the Common Properties and the facilities located thereon to such Owner's tenants. The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot, by acceptance of a Deed therefor, whether it shall be express in the Deed or the evidence of the conveyance, is deemed to covenant that any lease executed on a Lot shall be in writing and contain provisions binding any lessee thereunder to the terms of this Declaration and any rules and regulations published by the Association applicable to the Common Properties and further providing that noncompliance with these terms of the lease shall be a default thereunder.

2.9 Telecommunications Services. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more companies, utility suppliers and/or providers of telecommunication services, including without limitation, telephone, voice mail, cable television, central home systems for fire and burglary detection, electronic data transmission, and other similar telecommunication services. Declarant shall have the right and power in such agreement or agreements to grant such company or companies the uninterrupted right to install and maintain telecommunications cable and related ancillary equipment and appurtenances within the utility easements or rights-of-way reserved and dedicated herein and in the Subdivision Plat. Declarant may, at Declarant's option and without any obligation or liability to do so, transfer and assign any such agreement to the Association, and in the event of such assignment, the Association shall have the sole and exclusive right to obtain and retain all income, revenue, and other things of value paid or to be paid by such company or companies

pursuant to any such agreements between Declarant or the Association and such company or companies. The Committee shall have the right to promulgate from time to time standards as may be required by or that are consistent with the standards required by the supplier(s) of such telecommunication services for the wiring and other facilities required to be installed. The installation of such systems and/or wiring within any Improvement shall not obligate the Owner to accept or pay for such services.

2.10 Management Agreement; Amenities Agreement. Each Owner hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association for the management of the Common Properties and the facilities located thereon, and/or for the maintenance of landscaping within any public right-of-way pursuant to a license agreement or other agreement entered into with the governmental authority having jurisdiction over such public right-of-way, and any agreement entered into by the Association for the use and enjoyment of amenities owned, operated or managed by another homeowner association. A copy of all such agreements shall be available for review by each Owner. Any and all management agreements entered into by the Association shall provide that the Association may cancel said management agreement by giving the other party thirty (30) days written notice when so authorized by the vote of a majority of the membership votes in the Association entitled to be cast at a meeting of the Members or otherwise. In no event shall such management agreement be cancelled prior to the time the Association or the Board negotiate and enter into a new management agreement which is to become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or the Board to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be for a term not to exceed one (1) year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type.

2.11 Community Mailboxes. Mailboxes for one or more Lots may be provided at one or more locations within the Subdivision consistent with the rules and regulations of the United States Post Office Department. Subject to such rules and regulations, all community mailboxes and associated access or other related facilities and any other roadside mailboxes shall be subject to the approval of the Committee. To the extent any community mailboxes or access facilities are located on any Lot, the Owners and occupants of the Lots serviced by such mailboxes shall have an easement over and across such portion of the Lot on which such mailboxes and facilities are located limited solely to the extent reasonably necessary to obtain access to and from such mailboxes and the public right-of-way nearest to such mailboxes. For purposes of this Declaration, the structures in which such community mailboxes are located and the associated access or other related facilities shall be considered part of the Common Properties to be maintained by the Association; provided the Owner of the Lot(s) on which such facilities are located or the Lot(s) adjacent to such facilities if located in public rights-of-way shall be responsible for the lawn maintenance around such community mailbox structures or facilities.

2.12 Security Services. The Declarant may install security system improvements as part of the telecommunication services or otherwise and/or the Association may provide security services for any or all of the Common Properties or for the Subdivision, and shall be authorized to enter into contracts for such purposes. Neither the Declarant nor the Association shall have any obligation or liability to provide any

security system or services, and nothing contained herein is a representation as to what services will or will not be provided. NEITHER DECLARANT, ANY SUCCESSOR DECLARANT, NOR THE ASSOCIATION SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE SUBDIVISION. NEITHER DECLARANT, ANY SUCCESSOR DECLARANT, NOR THE ASSOCIATION SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF THE FAILURE TO INSTALL ANY OR AN ADEQUATE SECURITY SYSTEM, TO PROVIDE ANY OR ADEQUATE SECURITY SERVICES, OR THE FAILURE OR INEFFECTIVENESS OF ANY SECURITY SYSTEM OR MEASURES THAT MAY BE UNDERTAKEN OR PROVIDED. ALL OWNERS AND OCCUPANTS OF ANY LOT ACKNOWLEDGE THAT NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER HAVE BEEN MADE BY DECLARANT, ANY SUCCESSOR DECLARANT OR THE ASSOCIATION AND NONE HAVE BEEN RELIED UPON BY ANY OWNER, TENANT, OCCUPANT, GUEST OR INVITEE ,WITH RESPECT TO ANY FIRE, THEFT OR SECURITY SYSTEM OR SIMILAR MEASURES TO BE UNDERTAKEN OR PROVIDED, AND DECLARANT, FOR ITSELF AND ANY SUCCESSOR DECLARANT AND THE ASSOCIATION, EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTY WHATSOEVER WITH RESPECT TO ANY FIRE OR BURGLAR ALARMS OR OTHER SECURITY SYSTEMS.

3 ARTICLE 3

PROPERTY SUBJECT TO THIS DECLARATION

3.1 Description

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration consists of the following:

> All of SENDERO SPRINGS, SECTION ONE, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded as Document # 2001046864 in Cabinet U, Slides 318-322 of the Plat Records of Williamson County, Texas (or any subsequently recorded plat thereof).

3.2 Additions to Existing Property. Declarant, its successors and assigns, shall have the unilateral right (but not the obligation) at any time and from time to time to bring within the scheme of this Declaration additional properties in future stages of the development (including, without limitation, subsequent sections or phases of the SENDERO SPRINGS subdivision and all or portions of other subdivisions being or to be developed by Declarant or affiliated or subsidiary entities), in its sole discretion. Nothing contained herein shall require or obligate Declarant to annex any of the balance of the Sendero Springs subdivision, or any other land it or its affiliates may own, to this Declaration. Any additions authorized under this section shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property. Such Supplemental Declaration must impose an annual maintenance charge assessment on the property covered thereby, on a uniform,

per lot basis, substantially equivalent to the maintenance charge and assessment imposed by this Declaration, if any, at that time, but may otherwise contain such additions, deletions and/or modifications of the covenants and restrictions contained in this Declaration as may be determined by Declarant to be appropriate for such additional lands.

4 ARTICLE 4

ARCHITECTURAL CONTROL COMMITTEE

4.1 Creation of Committee. There is hereby created an Architectural Control Committee (the "**Committee**"). The Committee may adopt such procedural and substantive rules. standards, policies and development guidelines, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties and the orderly development of the Subdivision, including but not limited to architectural guidelines, landscaping guidelines, and other similar codes or guidelines as it may deem necessary and desirable. Such rules, standards, policies, procedures and development guidelines shall be binding and enforceable against each Owner in the same manner as any other restriction set forth herein. Nothing contained herein shall be deemed to affect any approval granted by the Committee in accordance with the terms of this Declaration prior to the amendment of such rules, standards, policies, procedures or development guidelines.

4.2 Approval of Development Plan. No Improvement, including without limitation, any antenna or any mechanism or devise that provides for the collection, storage or distribution of solar or wind energy for use as thermal, mechanical or electrical energy and that is not part of a building or residence shall be commenced, erected, constructed, placed or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made, unless and until a Development Plan shall have been submitted in accordance herewith to and approved by the Committee.

4.3 Committee Membership. The initial Committee shall be composed of three (3) members selected by Declarant, who by majority vote may designate a representative or representatives to act for them. The term "Committee" as used herein shall refer to such individuals, those assignees as permitted herein, or the Committee's designated representatives. In the event of death or resignation of any member or members of the Committee, subject to change by Declarant so long as Declarant is the Owner of a Lot within the Subdivision and/or any Lot is subject to a right of repurchase by Declarant (the "**Committee Appointment Period**") or by the Board after the expiration of the Committee Appointment Period, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full right, authority and power to carry out the functions of the Committee as provided herein, or to designate a representative with like right, authority and power.

4.4 Transfer of Authority. Any member of the Committee may be removed, with or without cause, by the Declarant during the Committee Appointment Period. Any member of the Committee may resign therefrom, and the remaining members of the Committee shall appoint his successor, subject to change by Declarant during the Committee Appointment Period or by the Board after the expiration of the Committee

Appointment Period. No member of the Committee or its designated representative(s) shall be entitled to any compensation for services performed pursuant to this Article. The Committee may, however, employ one or more architects, engineers, attorneys, or other consultants to assist the Committee in carrying out its duties hereunder, and the Association shall pay such consultants for such services as they render to the Committee.

4.5 Development Plan. The Development Plan to be submitted in accordance herewith shall be submitted to the Committee and shall consist of the following:

(a) a copy of a plat or map drawn to scale of one inch (1") equal twenty feet (20') depicting the following:

(i) existing property lines, rights-of-way and easements on the Lot and all adjacent Lots (including drainage easements), public and private streets abutting the Lot, creeks, existing vegetation (with existing trees and shrubs of diameter in excess of six inches (6") spotted), finish grade elevation of Lot, the finished floor elevation of the slab or ground floor, and other existing natural features and Improvements; and

(ii) the location on the Lot and the dimensions and shape of any and all proposed structures and other Improvements, including buildings, garages, sidewalks, garbage facilities, signs, clothes drying facilities, private waste disposal systems, dog runs, and other pet care facilities, exterior lights, bridges, culverts, pools, cabanas, walkways, patios, fences and walls.

(b) a complete set of plans and specifications for all Improvements to be constructed;

(c) an enumeration of the exterior color scheme and samples of materials to be used; and

(d) such other information and detail as the Committee shall reasonably require.

4.6 Procedure for Submission and Approval of Development Plan. The Development Plan to be submitted hereunder shall be submitted to the Committee at 211 East 7th Street, Suite 709, Austin, Texas 78701, or such other address as the Committee may designate in writing. The approval or disapproval by the Committee of any Development Plan submitted shall be communicated in writing to the Owner. If notice of approval or disapproval is not given to the Owner within thirty (30) days of the submission of any Development Plan, such Development Plan, insofar as such Development Plan complies with the requirements and limitations set forth herein, shall be deemed approved; provided, that any portion of the Development Plan which is in violation of a specific requirement or limitation set forth herein shall be automatically disapproved unless the Committee grants a specific variance as described in Section 4.7. The Committee, or its representative, shall review each Development Plan submitted, and in considering such Plan shall be free to take into account any number of factors, including, but not limited to:

(a) compliance with minimum building and construction standards;

(b) the appearance and aesthetics of the contemplated improvements, including, but not limited to, color scheme, shape, location on the Lot and similarity to other structures in the Subdivision; and

(c) the impact of the contemplated improvements upon the environment and neighboring Lots, including, but not limited to, considerations of view, drainage and solar exposure.

The decision of the Committee with respect to any Development Plan shall be final, and the Committee shall have broad discretion in approving or disapproving any Development Plan submitted. Each application shall be considered on its own merit, and approval of specific elements for one Lot shall not necessarily be approval for another Lot. The Committee is authorized and empowered to consider and review any and all aspects of construction, construction of other Improvements and location, quality and quantity of landscaping on the property, which may, in the reasonable opinion of the Committee, adversely affect the living enjoyment of one or more Owner(s) or the general value of the Subdivision. Also, the Committee is permitted to consider technological advances in design and materials and such comparable or alternative techniques, methods or materials that may be permitted, in accordance with the reasonable opinion of the Committee. The Committee is authorized to request the submission of samples of proposed construction materials. Meetings of the Committee need not be regularly scheduled, and need not be open to the public or to the Owner submitting any Development Plan. The Committee shall maintain written records reflecting its consideration and action with respect to any Development Plan submitted. The vote or written consent of a majority of the members of the Committee shall constitute the act of the Committee.

4.7 Variances. The Committee may grant variances from compliance with any of the provisions of this Declaration (other than the use restrictions set forth in Sections 6.1, 6.2, 6.13 and 6.16), when, in the opinion of the Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property, and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and must be signed by at least two (2) of the voting members of the Committee. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Lots for any purpose except as to the particular property and in a particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

4.8 Modifications Committee. The Board shall have the right (but not the obligation) at any time to create a separate committee known as the "Modifications Committee" to perform the obligations of the Committee with respect to the review of an amendment or modification to an approved Development Plan for any alternation, modification, addition or replacement of Improvements on a Lot after the completion of the construction of the initial Improvements on such Lot, or to otherwise review and approve any plans for such an alteration, modification, addition or replacement of any completed Improvements. In the event such Modifications Committee is created, it shall

have at least three (3) members appointed by the Board, and the Board shall have the power to remove and replace any member at any time. The Modifications Committee shall have all of the powers of the Committee with respect to the alternation, modification, addition or replacement of completed Improvements unless and until the Board determines there should no longer be a separate Modifications Committee, at which time the Modifications Committee shall be abolished and all its duties and powers shall be restored to the Committee.

4.9 No Implied Waiver or Estoppel. No action or failure to act by the Committee, the Modifications Committee or by the Board shall constitute a waiver or estoppel with respect to future action by the Committee, the Modifications Committee or Board with respect to the construction of any improvements within the Subdivision. Specifically, the approval by the Committee, the Modifications Committee or Board of any such residential construction shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar residential construction or any similar proposals, plans, specifications, or other materials submitted with respect to any other residential construction by such person or other Owner.

4.10 Nonliability. Neither the Committee nor any member thereof, nor the Board, nor any member thereof, shall be liable to the Association or to any Owner or to any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration, unless due to the willful misconduct or gross negligence of such person. Neither the Committee nor any member thereof shall be liable to any Owner due to the construction of any Improvement within the Subdivision.

5 ARTICLE 5

BUILDING REQUIREMENTS AND RESTRICTIONS

5.1 Compliance with Approved Development Plan. No building, structure or other improvement shall be constructed, erected or placed upon any Lot, or occupied or used on any Lot, unless it is in accordance with the Development Plan approved by the Committee pursuant to Article 4 hereof. All requirements hereunder, including but not limited to all requirements regarding fences under Section 5.8, all requirements regarding sidewalks under Section 5.18 and all requirements regarding landscaping under Section 5.20 shall be completed and/or satisfied prior to occupancy or use of any building, structure or other improvement on any Lot. No Improvement shall be altered, modified, added to or replaced unless an amendment or modification of the approved Development Plan reflecting such alteration, modification, addition or replacement has been approved by the Committee, or the Modifications Committee, if applicable.

5.2 New Materials. Only new materials shall be utilized in constructing any structures situated upon a Lot, unless approved by the Committee pursuant to Article 4 hereof.

5.3 Garages. Lots 1 and 2, Block F of the Subdivision are restricted to a side loading garage or a detached garage located to the rear of the principal residence, unless otherwise approved by the Committee. Except as otherwise approved by the Committee, garage doors for front loading garages shall be located at least five (5) feet behind the

front elevation or side of the primary residence; all garage doors shall be single wide doors; any garage door may be metal, but all metal garage doors must be painted to match the masonry color of the primary residence on the Lot; and natural wood garage doors must be stained or sealed. Garages are to be primarily used for temporary daily storage of licensed and operating motor vehicles. Garages are not to be closed in for the purposes of additional living or storage space in lieu of vehicle parking. Eighty foot (80') and one-hundred (100") lots are to include side load and/or detached garages, unless otherwise varied by the Committee.

5.4 No Window Units. No window or wall type air conditioner which is visible from any street in the Subdivision shall be permitted to be used, placed or maintained on or in any building in any part of the Properties.

5.5 Minimum Floor Area. The total living area of each principal residence erected on any Lot having approximately sixty (60) feet of frontage on the adjacent street shall have a floor area of not less than two thousand (2,000) square feet or more than three thousand five hundred (3,500) square feet. The total living area of each principal residence erected on any Lot having approximately eighty (80) feet of frontage on the adjacent street shall have a floor area of not less than two thousand six hundred (2,600) square feet or more than four thousand (4,000) square feet. The total living area of each principal residence erected on any Lot having approximately one hundred (100) feet of frontage on the adjacent street shall have a floor area of not less than three thousand (3,000) square feet or more than five thousand (5,000) square feet. The total living area of the principal residence shall be measured to the perimeter of the walls of the residence, but shall not include any rooms or structures that are not air conditioned with the main living quarters.

5.6 Roofing Materials. The only types of roofs which shall be permitted are (i) dimensional asphalt or composition shingles of a weight equal to 240 pounds or more per square with a minimum 25-year warranty, or (ii) cement fiber shingles, or (ii) clay or slate tiles. Any other type of roof must be approved by the Committee pursuant to Article 4 hereof.

5.7 Design. No structure may exceed two (2) stories, or thirty-five feet (35') in height or may have a garage which is intended to shelter more than three (3) cars.

5.8 Fences. Fences must be of ornamental iron, wood or masonry construction. No chain link or wire mesh fences shall be permitted. Any swimming pool or other attractive nuisance shall be adequately fenced by a fence at least four feet (4') in height and suitable to preventing access by children. No wall, fence or hedge greater than three (3) feet in height shall be erected or maintained nearer to the front property line of any Lot than the building setback lines on such Lot. No fence shall be located nearer to the front elevation of the principal residence than ten (10) feet behind the front elevation of the principal residence unless a lesser setback distance is required to screen mechanical equipment, or as otherwise approved by the Committee. The Owner of any corner Lot shall construct and maintain a six foot (6') high fence or wall of ornamental iron, wood or masonry construction along the side and rear property lines, and between the side property lines and the residence built thereon.

Notwithstanding the foregoing, the Builder for a Lot the rear of which Lot adjoins Lot 4, Block L and Lot 30, Block M of the Subdivision (as subdivided or subsequently resubdivided), or a karst feature, or a floodplain, shall construct and maintain a six (6) foot wrought iron or aluminum rail fence along such rear lot line, and a wrought iron or aluminum rail fence or a privacy fence along the side lot lines. The iron or aluminum fence along the rear Lot line adjacent to karst features, floodplain or park is mandatory, must be painted black, and must be constructed prior to closing with the homebuyer. The intent of this Article is to insure that a complete fence (no gaps) be constructed on the rear lot line of all lots backing onto a karst feature, floodplain or park. The Lots are, but not limited to, K/100 (partial), K/101, 102, 106, 107, 108, 113, 114 (partial), L/13 (partial), L/14. M/1, M/5-12, M/26-29.

No wall, fence or hedge shall be more than six feet (6') in height, unless otherwise varied by the Committee. Any wall, fence or hedge erected on a Lot by Declarant or its assigns shall be conveyed with title to the Lot and thereafter the Owner of the Lot shall be responsible for its maintenance or repair. Wood fences may be stained and/or waterproofed only with clear or wood based colors. Wood fences shall not be painted. The color of any ornamental iron or masonry fence materials, including the color of the painting or repainting of such fences, shall be subject to the prior approval of the Committee. Wood fencing shall be constructed with #2, no knot cedar 1x6 pickets and #2, 0.4 pressure treated southern yellow pine posts and rails, with pickets attached with eight penny, hot-dipped galvanized, screw shank nails on a string line guide. Fencing on interior side lot lines shall be alternating 8-foot long panels of solid pickets and exposed nailers. If there is only one finished side, the finished side must be on the side of all fences facing or adjacent to public right-of-way.

5.9 Antennae; Satellite Discs. One conventional television antenna or satellite reception disc not exceeding one meter in diameter shall be permitted on each Lot. Such antenna or disc must be erected in such a manner so that it is not visible from the street, so that to the extent such location does not prevent the receipt of television signals, such antennae shall be located to the rear of the roof ridge line, gable line or center line of the residence if attached to such structure and shall be located to the rear of the rear wall of the principal dwelling structure if it is a freestanding antenna. No other antenna or other device for the transmission or reception of television signals, radio signals or any other form of electromagnetic radiation shall be erected, used or maintained on any Lot.

5.10 Wires and Lines. No lines, wires or devices for the communication or transmission of electric current, cable television or telephone shall be erected, placed or maintained upon any Lot unless the same shall be contained in conduit or cable installed and maintained underground or concealed in, under or on buildings; provided, however, that this section shall not forbid the erection or use of temporary power or telephone lines incidental to the construction of building upon a Lot.

5.11 Solar Collectors. No solar collectors shall be installed without the prior written approval of the Committee. Such installation shall be in harmony with the design of the residence. Whenever reasonably possible, solar collectors shall be installed in a location that is not visible from the public street in front of the residence or to the side from any other residence.

5.12 Chimney Chase. All chimneys shall be covered by a chimney chase of masonry, stucco, hardiplanks (not hardisheets or plywood) construction architecturally compatible with the materials used in the construction of the dwelling. No metal chimney flues, spark arrestors, or smoke stacks shall be left uncovered. Spark arrestors must be screened from view from the public street in front of the residence or to the side from any other residence.

5.13 HVAC Equipment. All heating and air conditioner compressors and outside units must be screened from view from the public street in front of the residence or to the side from any other residence by landscaping or fencing.

5.14 Masonry. At least seventy-five percent (75%) of the entire surface area of the front elevation (ground floor and the second floor, if any) and at least seventy-five percent (75%) of the surface area of the ground floor of the side elevations of each structure erected on any Lot shall be constructed of masonry materials. Additionally, Lots 19 through 25 and Lot 30, Block B; Lot 8, Block D; Lots 108, Lots 113 through 116, and Lots 120 through 135, Block K; and Lots 1 thorough 12 and Lots 15 through 20. Block M, of the Subdivision at least sixty percent (60%) of the surface area of the second story of the side elevations, and at least sixty percent (60%) of the entire surface area of the rear elevations (ground floor and the second floor), shall be constructed of masonry materials. Gables, roofing, windows and doors shall be excluded in the calculation of such front, side and rear elevations of the structure. Brick, natural stone and stucco shall be considered to be masonry for purposes of this section. Concrete or other masonry materials having the appearance of wood shall not be considered to be masonry for purposes of this section, and cement fiber siding on the front and side elevations of a dwelling shall not be considered to be masonry for purposes of this section. Unless otherwise prohibited, wood or cement fiber siding or Hardy plank may be used on the second story of the sides of the structure and may be used on the first story and the second story of the rear of the structure, even though such siding is not considered to be masonry for purposes of this section, so long as such siding or planks are of a horizontal, lap or smooth type. However, siding must stop at least five feet (5') short of any front elevation, whereupon the front masonry must extend around to the side elevation for at least five feet (5') on the upper level (and lower level) and said masonry to be designed and/or detailed to include the elements of a column. No aluminum, metal, vinyl, sheet plywood or other plastic siding shall be used on any exterior wall of a dwelling. The Committee shall approve all combinations of materials and the proportion thereof upon submission of a specific design. The final decision shall be that of the Committee. The exposed exterior of foundations in excess of eighteen (18) inches above finished grade must be constructed of or covered by masonry materials so that no more than eighteen (18) inches of an unfinished or uncovered exterior of the foundation may be exposed above finished grade. It is an intent of this Article that homes within view of each other demonstrate a distinctive variety and difference in design, style, masonry, colors and heights.

5.15 Location of Improvements. No buildings or other Improvements shall be located on any Lot within the setback lines as shown on the Subdivision Plat and/or as reflected in any note or restriction on the Subdivision Plat. The front of the residence shall face the front of a similar structure across the street whenever feasible. It shall be the responsibility of the Committee to resolve any conflicts arising from this requirement and to make the final determination with regard to the orientation of the front facing of

the residence upon any Lot. No building shall be located on any Lot nearer than fifteen (15) feet to any side or rear Lot line adjacent to a street. Unless the building is to be located on more than one Lot, no building, structure or other Improvement shall be located nearer than five (5) feet to an interior side or ten feet (10) to a rear Lot line. For the purposes of this covenant or restriction, eaves, steps and unroofed terraces shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot. Notwithstanding the general guidelines herein set forth as to location of improvements upon the Lot, it is the intention of Declarant to establish the importance of locating Improvements with respect to preserving existing natural trees, vegetation and topography to the greatest extent possible and practical. The Committee shall be specifically empowered to require or to grant variances with respect to these guidelines in accord with the review procedures set forth herein, so long as the resulting location of the Improvements will not encroach upon any other Lot, utility easement, or public right-of-way or result in any building being located closer than ten (10) feet from the primary dwelling structure on another Lot.

5.16 Swimming Pools and Spas. Portable or permanent, above-ground swimming pools are prohibited. Smaller, prefabricated, installed above-ground spas or hot tubs are permitted it they are any integrated part of the deck system. Above-ground spas or hot tubs, visible from public view or from other lots must be skirted, decked, screened or landscaped to hide all plumbing, heaters, pumps, filters and other equipment. Privacy screening shall not exceed a maximum height of six (6) feet above the adjacent grade prior to the installation of the above-ground spa or hot tub. Privacy screening must be a masonry wall (compatible with the principal residence), a wood fence (with finished side out), or other materials approved by the Committee. Privacy screens must be landscaped to conceal them from public view or from adjacent Lots. Swimming pool appurtenances, such as rock waterfalls and sliding boards, shall not exceed six (6) feet in height. Skimmer nets, long-handle brushes, pool chemical, filters, pumps, heaters, plumbing and other swimming pool tools and equipment must not be visible from public view or from adjacent Lots. Swimming pool walls shall not encroach on utility or drainage easements. Swimming pools must be fenced as required by Section 5.8 and as otherwise required by applicable law, ordinance, or governmental rule or regulation.

5.17 Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site, with the privilege of placing or constructing improvements on such site by obtaining the prior written approval of the Committee. In cases of such consolidation of Lots, setback lines shall be measured from the two side Lot lines existing after consolidation, rather than from the Lot lines shown on the recorded plat. The Owner may not thereafter resubdivide the consolidated Lots or reconvey the consolidated Lots separately without the prior written approval of the Committee.

5.18 Removal of Trees. It shall be the responsibility of the Owner and/or builder of the improvements on any Lot to take all reasonable measures to locate the improvements and conduct the construction of the improvements and landscaping of the Lot in such a way as to minimize damage to existing trees. During construction, existing trees shall be protected in accordance with the requirements of the City of Round Rock tree protection ordinances, rules and regulations. No trees equal to or greater than eight (8) inches in diameter measured three (3) feet from natural grade shall be cut or removed

except to provide room for construction of improvements or to remove dead or diseased trees and then only following the obtaining of written approval for such cutting from the Committee, given in its sole discretion.

5.19 Sidewalks. The Owner of each Lot is hereby required to construct or cause to be constructed a concrete sidewalk in the public street right-of-way adjacent to such Lot in accordance with the specifications set forth below, in conjunction with and at the time of construction of the principal residence on such Lot. The sidewalk must be completed for each Lot prior to the completion of the principal residence on such Lot, and no such structure shall be occupied unless and until the adjacent sidewalk has been completed. The sidewalk shall be four (4) feet in width and with its edge closest to the street being parallel to and approximately four (4) feet from the back of the street curb. Sidewalks shall be extended from Lot line to Lot line and shall follow the pattern of the incoming sidewalks (as proposed or built) on adjacent Lots. Placement of sidewalks in public rights-of-way around the terminus of cul-de-sac streets shall follow the pattern of the incoming sidewalk (as proposed or built) on adjacent Lots and shall be placed four (4) feet from the street curb line. If the Owners of all Lots adjacent to a cul-de-sac circle agree, the sidewalk within the cul-de-sac circle may be placed immediately adjacent to the back of the curb so long as a reasonable transition at least five (5) feet in length is provided to the incoming and exiting sidewalks along the street. The intent of this guide is to insure a continuous walk around the terminus. Owner of corner Lots shall install such a sidewalk parallel to the front Lot line and the side street Lot line. If not otherwise provided, the Owners of corner Lots shall extend sidewalks parallel to the front Lot line and side Lot line into the street to a terminus at the street curb in accordance with all applicable Federal, State, County and City regulations respecting construction and/or specifications, if any. It shall be the responsibility of the Owner to assess the effect of the above requirements with respect to possible removal of or damage to existing trees by construction of said sidewalks and to comply with the preceding section. The public utility easements provided along front and side Lot lines may be used for construction of the sidewalks provided that the resulting proposed layout receives the prior approval of the Committee and any utility companies furnishing utility service through the easement. Each Owner shall be responsible for the maintenance and repair of the sidewalk adjacent to his Lot after construction.

5.20 Other Building Requirements and Restrictions. The Committee may, in conjunction with its review of Development Plans, apply other building requirements and restrictions, which the Committee, in its sole discretion, deems relevant to its purposes. The Committee may, but is not required to do so, promulgate and make available to Owners an outline of applicable building standards which shall constitute guidelines only and shall not be binding upon the Committee.

5.21 Landscaping Requirements. Landscaping shall be required on all sites concurrent with completion of the other Improvements, but in no event later than sixty (60) days after first occupancy or completion of the residence, whichever shall first occur. All landscaping shall conform to a landscaping plan which shall be submitted as part of the Development Plan and which shall meet the following requirements:

(a) at least seventy-five percent (75%) of the front yard of each structure built on a Lot and the side yard of each structure built upon a corner Lot shall be sodded with St. Augustine, Bermuda, or Buffalo grass to the curb; Ivy or similar

types of ground cover is acceptable as an addition to the minimum landscaping requirements. Hydro-mulch shall not constitute sodding for purposes hereof.

(b) unless expressly otherwise approved by the Committee, all front yard landscaping shall include at least three existing or newly planted trees:

(i) at least one of which shall be a hardwood (either a Red Oak, Live Oak, Sherwood Oak, Burr Oak, Red Maple, Drake Elm, Pecan, Sycamore or other hardwood approved by the Committee) of at least two and one-half (2.5") inches in diameter when measured at a point located twelve (12) inches above the ground; and

(ii) at least one of which shall be an ornamental (being either a Redbud, River Birch, Honey Locust, Crepe Myrtle, Star Magnolia, Mountain Laurel, Rusty Viburnia, Loquat or other ornamental approved by the Committee) with at least three trunks and a minium size of 30 gallons.

It is intended that all landscaping shall recognize, utilize and supplement the existing landscape and visual resources by retaining the natural character of the Subdivision, and that all landscaping introduced shall be viable, of a consistent quality and provide for visual harmony through color and textural variety. Native landscaping and drought tolerant plant species should be used to the maximum extent reasonable practicable. Existing trees in excess of eight (8) inches in diameter measured three (3) feet from natural grade shall be preserved and protected to the maximum extent reasonably possible. All Owners shall be required to landscape all areas that are disturbed by an construction on the Lot; the yard area between the residence and the adjacent street, the back and side yards, and adjacent to the foundations of all buildings and structures located on the Lot. Trees, shrubs, ground covers, seasonal color and turf grass shall be used in these areas to achieve the landscape intent of this Declaration. Either permanent turf grass or Winter Rye shall be established in all turf areas shown on the approved landscape plan by the Owner or builder prior to the occupancy of the residence constructed on a Lot. Winter Rye shall be considered a temporary measure to minimize soil erosion through the winter season, and shall be completely replaced with turf grass according to the approved landscape plan by May 1 of the following year. Trees, shrubs and turf areas (as provided above) shall be planted by the Owner or builder prior to the occupancy of any residence constructed on a Lot, the season notwithstanding. The permanent turf grass shall be of a type and within standards prescribed by the Committee. Grass and weeds shall be kept mowed to prevent unsightly appearance, and in no event allowed to exceed a height of three inches (3") at any time. Wildflowers may exceed three inches (3"), but shall be trimmed or mowed after they have bloomed to prevent unsightly appearance. Dead or damaged trees or other shrubbery, which might create a hazard to the property or persons within the Subdivision shall be promptly removed and repaired, and if not removed by Owner within thirty (30) days after written request by the Declarant of the Association, the Declarant or the Association may remove or cause to be removed such trees and/or shrubbery at the Owners expense and shall not be liable for damage caused by such removal. Vacant lots shall be mowed and maintained in appearance by the Owner.

Any variance from the landscaping requirements discussed above must be approved by the Committee prior to landscaping.

5.22 Drainage. No grading of Lots, contouring or landscaping shall cause or allow the release of stormwater runoff from a Lot to adjacent Lots, rights-of-way, greenbelts or properties greater than the flows, volumes and velocities occurring from the Lot prior to such grading, contouring or landscaping, or that otherwise violates federal, state or local laws, ordinances, rules or regulations.

6 ARTICLE 6

BUILDING AND USE RESTRICTIONS

6.1 Residence, Buildings and Garages. No building or other structure shall be built, placed, constructed, reconstructed or altered on any Lot other than a single-family residence with appurtenances, and no structure shall be occupied or used until the exterior construction thereof is completed.

6.2 Single-Family Residential Use. Other than Lots comprising Common Areas, each Lot (including land and all Improvements) shall be used and occupied for single-family residential purposes only. No Owner or other occupant shall use or occupy his Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single-family residence for the Owner or his tenant and their families. The term "family" as used herein shall mean a group of people related by blood or marriage or living together as a single household unit. As used herein the term "single-family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of Lots for duplex apartments, garage apartments, rooming houses, hostels, communes, or other apartment use. No Lot shall be used or occupied for any business, commercial, trade or professional purpose either apart from or in connection with the use thereof as a private residence, whether for profit or not. This section shall not prohibit the housing in the principal residence of full-time servants employed by the Owner of the Lot. No rooms in the principal residence and no space in any other structure on any Lot shall be let or rented; provided, that this shall not preclude the principal residence from being leased or rented in its entirety as a single residence to one family or person.

6.3 Common Properties Excluded. Notwithstanding anything contained in this Declaration to the contrary, land within any Common Properties shall be improved, used or occupied in such manner as shall have been approved by the Committee, in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy and improvement. The Common Properties shall not be used for any commercial purposes; however, this provision shall not preclude the Association from charging reasonable fees for the use of the recreational facilities which are part of the Common Properties.

6.4 Temporary and Other Structures. Portable buildings used for accessory or storage purposes may be permitted if they do not exceed 120 square feet of floor space and a roof peak height of eight (8) feet and are in harmony with the other structures on the Lot and are constructed with exterior materials similar to or the same as those on the primary residence on the Lot. Such storage buildings shall be included in a Development Plan and shall be submitted to the Committee for approval. No other structure of a

temporary character, no trailer, no mobil, modular or prefabricated home, no tent, shack, barn or any other structure or building, other than the residence to be build thereon, shall be placed on any Lot, either temporarily or permanently, and no residence, garage or other structure appurtenant thereto shall be moved upon any Lot from another location, except, however, that Declarant reserves the exclusive right to erect, place and maintain, and to permit builders to erect, place and maintain, such facilities in and upon the Properties as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and selling of residences and constructing other improvements on the Properties. Such facilities may include, but shall not necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities and sales office. Declarant and builders shall also have the temporary right to use a residence situated on a Lot as a temporary office or model home during the period of and in connection with construction and sales operations on the Properties, but in no event shall a builder have such right for a period in excess of one (1) year from the date of substantial completion of his last residence on the Properties. All sales offices or other marketing or similar uses of a garage in a model home must be removed and the garage use and appearance restored prior to the sale of the Lot.

6.5 Nuisance.

(a) No noxious or offensive activity shall be carried on or permitted upon any Lot or upon any other location within the Properties, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood or to other Owners. No trucks larger than one ton, motor vehicles not currently licensed, trailers, campers, motor or mobile homes or other vehicles shall be permitted to be parked on any Lot (except in a closed garage) or on any street (except properly licensed and fully operating passenger cars and trucks smaller than one ton may be temporarily parked on the street in front of the Lot for a period not to exceed eighteen (18) hours in any twenty-four (24) hour period). No boats or other watercraft shall be kept on any Lot, except in a closed garage or otherwise completely screened from view from the adjoining streets or Lots. No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway or other portion of the Properties. The use or discharge of firearms, firecrackers or other fireworks on the Properties is prohibited. No motor bikes, motorcycles, motor scooters, "go-carts" or other vehicles shall be permitted to be operated on the Properties if such operation, by reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance.

(b) As part of the Development Plans, the Owners shall submit a lighting plan for any exterior lighting to be installed or placed on a Lot, showing locations, spacing, standard types and light type and sizes, provided reasonable Christmas lighting and displays shall be permitted during the month of December without prior approval; provided all such lighting shall be removed by January 15 of each year. Exterior lighting shall be designed and shielded to minimize affect on other Lots and any Common Properties. No exterior lighting shall be installed or maintained that is found to be objectionable, and upon notice that the Committee that such lighting is objectionable, such lighting shall be removed or modified in such manner so that it is no longer objectionable to surrounding Owners.

(c) No exterior speakers, horns, whistles, bells, klaxons, musical loud speakers, outdoor telephone bells, or other sound devices shall be placed or used on any Lot without the prior written approval of the Committee.

(d) Garage doors visible from any street shall be kept in the closed position when the garage is not being used by the Owner or occupant. Garages are to be primarily used for daily temporary parking of licensed vehicles, not for storage of other items.

6.6 Recreational Equipment. No recreational equipment, including but not limited to swing sets, basketball courts or nets (whether portable or permanent), sport courts, or swimming pools, shall be located between the front of the residence and the street. Notwithstanding the foregoing, basketball goals and nets may be permitted to be installed on a free-standing pole located on the principal driveway and positioned no closer than thirty (30) feet from the nearest curb of an adjacent street; provided such goals and nets are maintained in a neat and attractive condition so that the goal, rim and visible supporting structures are in a freshly painted condition and the nets are maintained in a functional, non-tattered condition.

6.7 Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as unreasonably to interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Subdivision. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of permitted signs or similar activities, provided that such construction (i) has been permitted by the appropriate governmental authorities, (ii) is conducted during daylight hours, but not earlier than 7:00 a.m. or later than 8:00 p.m., and (iii) is pursued to completion with reasonable diligence and conforms to construction practices customary in the area. In the event of any dispute regarding such matters, a temporary waiver or limited variance of the applicable provision may be granted by the Committee, provided that such waiver shall be only for the reasonable period of such construction.

6.8 Time for Construction. All exterior construction of the primary dwelling structure, garage, porches and any other appurtenances or appendages of every kind and character on any Lot and all interior construction shall be completed not later than one (1) year following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set.

6.9 Signs. Except for signs, billboards or other advertising devices displayed by Declarant for so long as Declarant or any successors or assigns of Declarant to whom the rights of Declarant under this section are expressly transferred, shall own any portion of the Properties, no sign of any kind shall be displayed to the public view on any Lot or the Common Properties, except:

(a) each builder who has signed a contract to purchase at least one Lot from Declarant in the Subdivision and who has no sales office or model home in the Subdivision may place one identification sign in the Subdivision not to exceed eight (8) square feet of surface area; each builder who has signed a contract to purchase at least one Lot from Declarant in the Subdivision and who has a sales

office and/or model home(s) in the Subdivision may place one identification sign at the sales office/model home complex not to exceed thirty-two (32) square feet of surface area. In addition, one sign not to exceed six (6) square feet of surface area may be displayed at each model home for the purpose of identifying that model, and two (2) temporary flag poles may be installed on the Lot on which a model home is constructed (which poles shall be removed upon the sale of such model home);

(b) any Owner may display one (1) sign of not more than (4) square feet on a Lot improved with a residential structure to advertise the Lot and residence for sale or rent; and, on the day and during the hours of any "open house" conducted in such residence on such Lot, one (1) sign of not more than four (4) square feet on which the words "Open House" are printed.

(c) signs required for legal proceedings; and

(d) permanent entrance signs for the Subdivision and a 16' X 24' directional and advertising sign on which each builder who has contracted to purchase at least ten (10) Lots within the Subdivision is represented, as well as standardized directional signs not to exceed four (4) square feet of surface area to direct visitors to model homes, to be designed, located and erected by Declarant, in Declarant's sole discretion and in Declarant's sole judgment.

All signs described in subsections (a)-(c) above must be set back from the curb line at least ten feet (10') and the bottom of each such sign must not be higher than two feet (2') above the ground level. Except as expressly allowed by this Section 6.5, no other form of signage or advertising will be allowed in or adjacent to the Subdivision.

6.10 Animals. No animals of any kind, including without limitation, livestock, poultry, snakes and exotic animals, shall be raised, bred or kept on any Lot or on any portion of the Properties, except that dogs, cats or other common household pets (not to exceed two (2) adult animals) may be kept if not bred or kept for commercial purposes. Any such permitted household pets (i) shall be restrained from entering any other Lot than the Owner's, (ii) shall enter any street or sidewalk only when controlled on a leash, (iii) shall not bred or kept for commercial purposes, and (iv) shall not be allowed to create an annoyance of any kind (such as noise, odor or physical harm) to Owners in the Subdivision. Declarant, Williamson County or any other public agency having jurisdiction or an interest and any Owner affected by a violation of this section shall have the right to enforce this section.

6.11 Removal of dirt. The digging of dirt or the removal of any dirt from any Lot, and the alteration of the grade of any Lot, is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

6.12 Garbage and Refuse Storage and Disposal. All Lots and the Properties shall at all times be kept in a healthful, sanitary and attractive condition. No Lot or any part of the Properties shall be used or maintained as a dumping grounds for garbage, trash, junk or other waste matter. All trash, garbage or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials, with tightly-

fitting lids, which shall be maintained in a clean and sanitary condition and screened from public view. No Lot shall be used for open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which these materials shall either be removed from the Lot, or stored in a suitable enclosure on the Lot. No garbage, trash, debris or other waste matter of any kind shall be burned on any Lot.

6.13 Access. No driveways or roadways may be constructed on any Lot to provide access to any adjoining Lot unless the express written consent of the Committee first shall have been obtained.

6.14 Utilities. Each residence situated on a Lot shall be connected to utility lines as soon as practicable after same are available at the Lot line.

6.15 Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. The preceding prohibition shall not prohibit bona fide archeological investigations with the prior written permission of Declarant or its assigns, and the owner of the property in question. Such bona fide archeological investigations shall provide an adequate plan for restoration of the excavated area.

6.16 Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner.

(a) In no event shall any Lot be used for the storage of equipment and materials except as for normal residential requirements or the reasonable and necessary requirements in the construction of improvements. The accumulation of garbage, trash, or rubbish of any kind thereon shall not be permitted nor the burning of anything (except by use of an incinerator and then only permitted during such hours as permitted by law and the permission of the Board).

(b) The drying of clothes in full public view is prohibited and the Owners or occupants of any Lots where the rear yard or portion of the Lot is visible to full public view shall construct and maintain a suitable enclosure to screen the following from public view: the drying of clothes, yard equipment, refuse containers, wood piles, or storage piles which are incident to the normal residential requirements of a typical family in the Subdivision.

(c) Each Lot owner is responsible for lawn maintenance both in front of and to each side of his Lot including areas between adjoining sidewalks and street curbs. All landscaping must be maintained in a viable condition. Vegetation must be regularly watered and maintained, and grass must be mowed on a regular basis and in no event shall exceed three (3) inches in height.

Wildflowers may exceed three (3) inches in height, but shall be trimmed or mowed after blooming.

(d) In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements, or any of them, such default continuing after ten (10) days' written notice thereof, the Board, Declarant or its successors and assigns may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause to be cut such weeds, grass or wildflowers past bloom, and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with this Declaration in order to place said Lot in a neat, attractive, healthful and sanitary condition (permission and an easement for such entry being hereby granted for such purposes), and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of such Lot to pay such statement immediately upon tender thereof. To secure payment of such charges, a vendor's lien is herein reserved against the Lots in favor of the Association and/or Declarant, whether specifically mentioned in each deed or not, said lien to be inferior to any purchase money lien.

6.17 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant on any portion of the Properties then owned by Declarant of any structures or other improvements necessary or convenient to the development, sale, operation or other disposition of the Properties owned by Declarant at the time such structures or improvements are erected or maintained.

6.18 Resubdivision. No Lot within the Subdivision shall be further subdivided or separated into smaller parcels by any Owner, and not less than all of such Lot shall be conveyed or transferred by any Owner. Minor lot line adjustments and building setback line adjustments may be made by the Declarant, subject to compliance with all applicable state laws and city ordinances governing the subdivision of real property, so long as the total number of lots within the Subdivision does not increase.

6.19 Visual Obstructions. No object shall be placed, planted or permitted on any corner Lot within the Subdivision or the street rights-of-way adjoining any such Lot, within a triangular area, the apex of which is formed by the intersection of the streets running in front and at the side of such Lot and the base of which is formed by a line running between such front and side street curb lines and intersecting such front and side street curb lines, respectively, at a point twenty-five feet (25') from the apex, if such object obstructs sight lines at elevations between two feet (2') and six feet (6') above the surface of the street.

6.20 Environmental Protections. Certain karst features have been identified as as environmental protection areas. Declarant, and his successors and assigns, have established, or will establish as necessary, install, monitor, and maintain buffer zones, berms, fencing, signage, gating, natural vegetation buffers, maintenance programs, monitoring programs, fire ant mitigation, and public education programs. Owners of the Lots are to abide by and cooperate with the requirements of the environmental protections as established or modified from time to time.

7 ARTICLE 7

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

7.1 Organization. The Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association. The Association shall be a nonprofit corporation created for the purposes, charged with the duties, and invested with the powers as prescribed by law or as set forth in this Declaration.

7.2 Membership. Each Owner of a Lot shall automatically become a Member of the Association. Membership shall be appurtenant to and shall run with the property interest which qualifies the owner thereof for membership. Membership may not be separated from, or in any way transferred, pledged or alienated, except together with the title to the said property interest.

7.3 Voting Rights. The right to cast votes, and the number of votes which may be cast, for election of Members to the Board voted on by the Members shall be calculated as provided herein. The Association shall have two classes of voting membership:

7.31 Class A Members. Class A Members shall be all Owners, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned on each matter coming before the Members at any meeting or otherwise, unless their voting rights have been suspended by the Board as provided in Section 2.8(b) or Section 8.6(f) of this Declaration. In the event that more than one person, corporation, partnership, or other such entity holds an interest in any Lot, all such persons or entities shall be considered Members of the Association. Such common Owners of any single Lot may collectively determine the manner in which the vote for each such Lot shall be exercised, provided that no more than one vote shall be cast with respect to any Lot.

7.32 Class B Member. The Class B Member shall be the Declarant, its successors or assigns. Declarant shall be entitled to three votes for each Lot owned. In the event that the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or alternatively, on December 31, 2010, whichever occurs earlier (the "**Conversion Date**"), the Class B membership shall cease and be converted to Class A membership. Upon this occurrence, Declarant shall be entitled to one vote for each Lot owned. If Declarant loses its right to three votes pursuant to this subparagraph, it may thereafter regain them by the subdivision of Lots from within the Subdivision or through the addition of additional property covered by Section 3.2 of this Declaration.

Any property interest entitling the owner thereof to vote as herein provided that is held jointly or in common by more than one Member shall require the joinder of all such Members to vote with respect thereto, unless such Members designate, in writing, one or more such Member(s) among them, or a third party by proxy, who shall be entitled to cast such vote and no other person shall be authorized to vote in behalf of such property interest. A copy of such written designation or proxy shall be filed with the Board before any such vote may be cast, and, upon the failure of such Members to file such designation, such vote shall neither be cast nor counted for any purpose whatsoever.

7.4 Duties of the Association. Subject to and in accordance with this Declaration, the Association acting through the Board shall have and perform each of the following duties:

(i) accept, own, operate, and maintain any Common Properties and all Improvements thereon and all appurtenances thereto;

(ii) pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by the Association and any Common Properties, to the extent that such taxes and assessments are not levied directly upon the Owner of any Lot on which an easement for any Common Properties is located; and the Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments;

(iii) obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the functions of the Association;

(iv) make, establish, promulgate, and in its discretion amend or repeal and reenact the Bylaws and such rules not in conflict with this Declaration as it deems proper, covering any and all aspects of its functions, including the use and occupancy of any Common Properties;

(v) keep books and records of the Association's affairs and make such books and records, together with a current copy of this Declaration, available for inspection by the Owners upon request during normal business hours; and

(vi) carry out and enforce all duties of the Association set forth in this Declaration.

7.5 Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration. Without in any way limiting the generality of the two preceding sentences, the Association and the Board, acting on behalf of the Association after the incorporation thereof, shall have the following power and authority at all times.

(i) The Association shall have the power and authority to levy assessments in accordance with and as provided in this Declaration.

(ii) The Association shall have the power and authority to enter at any time in an emergency (or in a non-emergency after twenty-four (24) hours written notice to the Owner of the affected Lot), without being liable to any Owner, upon any Lot or any Common Properties for the purpose of enforcing this Declaration or for the purpose of maintaining or repairing any Lot, Common Properties, Improvement, or other facility so as to conform to this Declaration. Notwithstanding any provision herein to the contrary, the Association may not alter or demolish any items of construction in enforcing this Declaration before judicial proceedings are instituted by the Association. The expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the affected Lot, shall be a lien upon such Lot and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided herein for regular and special Assessments.

(iii) The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of an Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin any breach or threatened breach of, this Declaration. The Association is also authorized to settle claims, enforce liens, and take all such action as it may deem necessary or expedient to enforce this Declaration; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

(iv) The Association shall have the power and authority to grant and convey to any person or entity any property owned by the Association or any Common Properties, and/or any interest therein, including fee title, leasehold estates, easements, rights-of-way, liens or security interests, out of, in, on, over, or under any of same for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder:

(a) pools, playscapes and other recreational equipment within any park or recreational area;

(b) walks, driveways, trails, and paths;

(c) caves, karst features, buffers, conservation areas, greenbelts, and floodplains;

(d) lines, cables, wires, conduits, pipelines, or other devices for utility purposes;

(e) sewer, wastewater and water systems, storm water drainage systems, sprinkler systems, and pipelines; or

(f) any similar Improvements or facilities.

Nothing in this subparagraph (iv) shall be construed to permit the use or occupancy of any Improvement or other facility in any way which would violate other provisions of this Declaration.

(v) The Association shall have the power and authority to retain and pay for the services of a manager to manage and operate the Association and/or any Common Properties or the improvements located thereon, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the manager. To the extent permitted by law, the Association and the Board may delegate any duties, powers, and functions to the manager. The Members of the Association hereby release the Association and the members of the Board from liability for any omission or improper exercise by the manager of any such duty, power, or function so delegated.

(vi) The Association shall have the further power and authority:

(a) to retain and pay for legal and accounting services necessary or proper in the operation and affairs of the Association;

(b) to pay for water, sewer, garbage removal, landscaping, gardening, and all other utilities or services to and all maintenance of any Common Properties in accordance with this Declaration,

(c) to maintain medians, rights-of-way, greenbelts, flood plains and/or easements adjacent to or in the vicinity of the Properties pursuant to a license or other appropriate agreement;

(d) to obtain and pay for any other property and services and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law or this Declaration;

(e) to construct, install, repair, replace, and relocate Improvements or additions on or to any Common Properties or rights-of-way or other property covered by a license agreement, subject to the approval of the Committee;

(f) to obtain and pay for all insurance for the Common Properties and the improvements located thereon as required by this Declaration and as the Board may additionally determine to be appropriate;

(g) to enter into contracts with Declarant and/or with any other person on such terms and provisions as the Board shall determine, and to acquire, own, and dispose of all manner of real and personal property, whether by grant, deed, easement, lease, gift, or otherwise; and

(h) to borrow money and to mortgage, pledge or hypothecate any or all property owned by the Association as security for money borrowed or debts incurred subject to the limitation set forth in this Declaration.

(vii) The Association, acting through the Board, shall further have the power and authority:

(a) to enter into such contracts or other agreements with any other homeowners association, entity or person for the use and enjoyment of any of the Common Properties and the recreational facilities located thereon and/or any other common areas or other property owned, operated, managed or maintained by the Association, on such terms and conditions as the Board may determine:

(b) to enter into such contracts or other agreements to provide for the collection of garbage and trash within the Subdivision; and

(b) to enter into a franchise or other agreement with one or more telecommunication companies to provide for telephone, cable television, electronic data transmission, fire protections and alarm, security or similar telecommunications and related services within the Subdivision, and to accept the assignment of such a franchise or other agreement entered into by Declarant pursuant to Section 2.8.

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

8 ARTICLE 8

COVENANT FOR MAINTENANCE ASSESSMENTS

8.1 Assessments. The assessments levied by the Association shall be used exclusively for the purpose of (i) promoting the comfort, recreation, health, safety, and welfare of the Owners, (ii) maintaining, improving, operating and managing the Common Properties and the Association Property, (iii) providing for the payment of taxes, expenses and obligations lawfully incurred by the Association, and (iv) promoting the purposes of the Association as stated herein or as otherwise provided in the Articles or Bylaws; it being understood that the judgment of the Board in establishing annual assessment, special assessments and other charges, and in the expenditure of funds, shall be final and conclusive so long as said judgment is exercised in good faith and within the authority granted by this Declaration and the Articles and Bylaws. The Board shall adopt an annual budget prior to the beginning of ach and every calendar year to cover the proposed operating expenses of the Association necessary to accomplish the purposes set forth in this Section, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Both annual or special assessments may be collected on a monthly or annual basis, or at the discretion of the Board.

Without limiting the foregoing, the total assessments accumulated by the Association, insofar as the same may be sufficient, shall be applied toward the payment of the Association's obligations under any agreement with another association for the use of parks, recreational facilities, common areas, or other property, all taxes, insurance premiums and repair, maintenance and acquisition expenses incurred by the Association and at the option of the Board for any or all of the following purposes: lighting, improving and maintaining karst features, environmental protections, streets, alleyways, sidewalks, paths, parks, parkways, and esplanades in the Subdivision and in other subdivisions within its jurisdiction; collecting and disposing of garbage, ashes, rubbish, and materials of a similar nature; payment of legal and all other expenses incurred in connection with the collection, enforcement and administration of all assessments and charges and in connection with the enforcement of this Declaration; fogging and furnishing other general insecticide services; providing for the planting and upkeep of trees, shrubbery and landscaping on esplanades and in the Common Properties; acquiring and maintaining any amenities or recreational facilities that are or will be operated in whole or in part for the benefit of the Owners; the fees and expenses under any agreement for the management of the Common Properties; and doing any other thing necessary or desirable in the opinion of the Board to keep and maintain the property in the Subdivision and in other subdivisions within its jurisdiction in neat and good order or which they consider of general benefit to the Owners or occupants of the Subdivision and in other subdivisions within its jurisdiction, including the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance, and other charges as specified herein. Such funds may also be used to repair, maintain and restore abandoned or neglected residences and Lots as hereinafter provided. It being understood that the judgment of the Board in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

8.2 Regular Annual Assessments. Assessments established by the Board pursuant to Article 8 shall be tied to an annual budget and levied on a uniform basis against each Lot upon which a structure has been built ("**Occupied Lot**") and on a uniform basis against each Lot upon which no structure has been built ("**Vacant Lot**").

8.21 If sums collected prove inadequate for any reason, the Association may at any time levy further assessments provided however, that the Board may not fix an annual assessment at an amount in excess of the maximum provided hereunder.

8.22 The annual assessment shall commence as to all Lots on the first day of the month following the initial determination of the annual assessment by the Board. Such first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter, the Board shall fix the amount of the annual assessment by not later than December 1 of each year for the immediately following calendar year. Written notice shall be sent to every Lot owner subject thereto.

8.23 Annual assessments are due and payable to the Association on or before January 2nd of each and every calendar year. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by the Treasurer of the Association setting forth whether assessments on a specific Lot have been paid. A properly executed certificate of the Association regarding the status of the assessments on the Lot is binding upon the Association as of the date of its issuance.

8.24 If any assessment, whether Regular or Special, is not paid before delinquent, the Owner responsible for the payment thereof may be required by the Board to pay a late charge at such rate the Board may designate from time to time, and the said late charge shall be a charge upon the Lot or Lots owned by said Owner, collectible in the same manner as herein provided for collection of assessments, including foreclosure upon the Lot; provided, however, such charge shall never exceed the maximum charge permitted under applicable law.

8.3 Maximum Annual Assessment. The maximum annual assessment which may be imposed for the remainder of the calendar year in which the initial determination of the annual assessment is made shall not exceed the sum of Four Hundred Dollars ($400.00) for an Occupied Lot and One Hundred Dollars ($100.00) for a Vacant Lot.

8.31 Thereafter, the maximum annual assessment may be increased each calendar year by an amount not to exceed ten percent (10%) above the maximum assessment for the previous year. In addition, the maximum annual assessment may be increased above ten percent (10%) if so approved by written ballot or written proxy filed with the Secretary of the Board of at least fifty-one percent (51%) of each class of Members who are eligible to vote.

8.32 The maximum annual assessment may not exceed Four Hundred Dollars ($400.00) for an Occupied Lot or One Hundred Dollars

($100.00) for a Vacant Lot without the affirmative vote of two-thirds (2/3) of the Membership of the Association.

8.4 Special Assessments. In addition to the annual assessments authorized in Section 8.2 and Section 8.3 above, the Association may levy, in any assessment year, a special assessment whenever in the Board's opinion such special assessments are necessary to defray, in whole or in part, the cost of construction, reconstruction, repair, or replacement of a capital improvement essential to carrying out the Association's purpose as defined in Section 7.4. The amount of any special assessment shall be at the reasonable discretion of the Board and based on a budget which represents the intended use of the funds. The amount of any special assessment against each Vacant Lot shall not exceed one-third (1/3) of the amount of any special assessment against each Occupied Lot. No special assessment may be levied without the assent of a majority of the votes of each class of membership who are eligible to vote in person or by proxy at a meeting duly called for this purpose.

8.5 Owner's Personal Obligation for Payment of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants and agrees, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association any and all annual and special assessments as established and collected as herein provided. Such annual and special assessments shall be the personal and individual debt of the Owner of the Lot covered by such assessments at the time such assessments became due. The personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless the successor expressly assumes such debt. In the event that an Owner defaults in his obligation to pay the assessments, he shall be obligated to pay interest at the rate of eighteen percent (18%) per annum on such debt, together with all costs and expenses of collection, including reasonable attorney's fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot or non-use of any Common Properties.

8.6 Assessment Lien.

(a) All sums assessed in the manner provided in this Article but unpaid, shall, together with interest as provided in Section 8.5 hereof and the cost of collection including reasonable attorneys fees, thereupon become a continuing lien and charge on the Lot covered by such assessment, which shall bind such Lot in the hands of the Owner and such Owner's heirs, devisees, personal representatives, successors or assigns.

(b) The obligation to pay assessments hereunder is part of the purchase price of each Lot when sold to an Owner, and an express vendor's lien is hereby retained to secure the payment of the assessments or charged hereby levied, and is hereby transferred and assigned to the Association, which lien shall be enforceable through appropriate judicial and nonjudicial proceedings by the Association. Additionally, a lien with a power of sale is hereby granted and conveyed to the Association to secure the payment of such assessments. Such liens shall be superior to all other liens and charges against such Lot, except only for tax liens and the lien of any first lien Deed of Trust of record and securing sums borrowed for the acquisition or improvement of such Lot.

(c) To evidence any assessment liens hereunder, the Association may prepare a written Notice of Assessment Lien setting forth the amount of the unpaid assessments, the name of the Owner of the Lot subject to such assessments and a description of such Lot, which shall be signed by an officer of the Association and may be recorded in the Office of the County Clerk of Williamson County, Texas. Any assessment lien hereunder shall attach with the priority set forth herein from the date payment is due. By acceptance of a deed to any Lot, each Owner shall be conclusively deemed to have acknowledged and confirmed the validity of the liens retained and granted by this Declaration.

(d) The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for tax liens and all liens created or evidenced by any recorded first lien mortgage or deed of trust, securing in either instance sums borrowed for the acquisition, development, improvement, financing or any refinancing of the Lot in question. The Association shall have the power to subordinate the aforesaid assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish that lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall release such Lot from liability from any assessments thereafter becoming due or from the lien thereof.

(e) As additional security for payment of the assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants the Association a lien on such Lot which may be foreclosed on by nonjudicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with nonjudicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice President of the Association and filed for record in the Official Records of Williamson County, Texas. In the event that the Association has determined to nonjudicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the notice of Trustee's Sale not less than twenty-one (21) days prior to the date of which sale is scheduled by posting such notice through the U.S. Postal Service, postage prepaid, registered or certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Official Records of Williamson County, Texas. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount of default; third, any amounts required by law to be paid before payment to the Owner; and, fourth, the remaining balance shall be paid to such Owner. Following any such

foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

(f) In addition to foreclosing the lien hereby retained, in the event of nonpayment by any Owner of such Owner's portion of any assessment, the Association may, acting through the Board, 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 Properties, if any, in such manner as the Association deems fit or appropriate and/or suspend the voting rights of such nonpaying Owner so long as such default exists.

(g) No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Properties or abandonment of his Lot. In addition to the above, rights, the Association shall have the right to refuse to provide the services of the Association to any Owner who is delinquent in the payment of the above described assessments.

(h) Each Owner further, by acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce such lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to applicable law, and each Owner hereby grants to the Association a power of sale in connection with such lien. Promptly upon the purchase of a Lot, the new Owner shall furnish to the Board a true and correct copy of the recorded Deed or other instrument vesting the Owner with an interest or ownership in said Lot, which copy shall remain in the files of the Association.

8.7 Certificate. The Association shall, upon demand, for a reasonable charge furnish a Certificate signed by an officer of the Association set forth whether the assessments on the Lot have been paid. A properly executed Certificate as to the status of the assessments is binding upon the Association as of the date of its issuance. Further, upon the written request, the Association shall report to such holder of a first lien Deed of Trust against a Lot any assessments then unpaid with respect to any Lot on which such first lien holder is the beneficiary of a Deed of Trust.

8.8 Notice and Quorum. Written notice of any meeting called for the purpose of taking any action for which the approval of the Members is required under this Article 8 shall be sent to all Members not less than thirty days nor more than sixty days in advance of such meeting. At the initial meeting called for this purpose, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, a subsequent meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum for the immediately preceding meeting. Thereafter, the required quorum shall be fifty percent (50%) of all the votes of each class of membership.

9 ARTICLE 9

INSURANCE

9.1 The Association, through the Board, or its duly authorized agent, shall have the authority to obtain the following types of insurance policies:

9.11 Property insurance covering the Common Properties and all improvements thereon in an amount equal to the full replacement value of the improvements and facilities located upon the Common Properties and owned by the Association (including all building service equipment and the like) with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent and, if necessary an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" of the equivalent, affording protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in Texas, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and any such other risk as shall customarily be covered with respect to projects similar in construction, location and use;

9.12 A commercial policy of public liability insurance covering all of the Common Properties and insuring the Association, within such limits as it may consider acceptable (for all claims for personal injury and/or property damage arising out of a single occurrence); such coverage to include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and any other covering the Association deems prudent and which is customarily carried with respect to projects similar in construction, location and use; and

9.13 At the option of the Board, (i) a policy of fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all others who handle, or are responsible for handling funds of the Association; such fidelity bonds shall be of the kind and in an amount the Association deems necessary for the protection of the Owners; (ii) worker's compensation insurance; provided the Board shall obtain such insurance if and to the extent the same is required by law; and (iii) directors' and officers' liability coverage, as the Board may determine to be appropriate.

Premiums for all such insurance policies carried by the Association shall be a common expense payable from the annual assessments on all of the Lots. Liability and property insurance for Lots and the contents of residences shall be the responsibility of each individual Owner.

9.2 All proceeds from policies held by the Association shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured

by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least two (2) of the members of the Board, or by an agent duly authorized by the Board. In no event shall the insurance company or the bank or other financial institution holding proceeds on a policy issued in the name of the Association be authorized to distribute any proceeds therefrom to the Declarant. Proceeds from such policies shall be used by the Association only for the benefit of its Members and where such proceeds arise out of an occurrence in which a building or improvement owned by the Association is damaged or destroyed, they shall be used to repair, restore and rebuild such building or improvements. In the latter event, the Board shall advertise for sealed bids from licensed contractors, and upon acceptance of a bid received thereby, may negotiate with the contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed improvements or buildings. In the event the insurance proceeds are insufficient to pay all costs of repairing and/or rebuilding said improvements to their original condition, the Association shall levy a special assessment for capital improvements against all Owners to make up the deficiency. This shall be done only after compliance with all the requirements for imposition of special assessments.

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ARTICLE 10

GENERAL PROVISIONS

10.1 Duration. The covenants and restrictions of this Declaration shall run with and bind with the land, and shall inure to the benefit of and be enforceable by the Owner of any land subject to this Declaration, their respective legal representatives, heirs, executors, administrators, successors and assigns, for an initial term commencing on the effective date hereof and ending December 31, 2010. During such initial term the covenants and restrictions of this Declaration may be amended or extinguished only by an instrument signed by the then Owners of not less than seventy-five percent (75%) of all Lots in the Subdivision and properly recorded in the appropriate records of Williamson County, Texas. Upon the expiration of such initial term, said enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten-year periods, the covenants and restrictions of this Declaration may be amended or terminated only by an instrument signed by the then Owners of not less than seventy-five percent (75%) of all the Lots in the Subdivision and properly recorded in the appropriate records of Williamson County, Texas.

10.2 Enforcement. The Committee, Declarant, any public agency having jurisdiction or an interest herein, and any Owner shall have the right to enforce, by proceedings at law or in equity, all restrictions, covenants, conditions, reservations, liens, charges, assessments and all other provisions set out in this Declaration. Failure of the Committee, Declarant, any public agency, or any Owner to take any action upon any breach or default of or in respect to any of the foregoing shall not be deemed a waiver of their right to take enforcement action upon any subsequent breach or default. Reasonable attorney's fees shall be allowed to any party prevailing in any action in any court of competent jurisdiction to enforce any of the provisions of this Declaration.

10.3 Amendments by Declarant. Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein. or for the purpose of complying with any statute, regulation, ordinance, resolution, or order of the Federal Housing Administration, the Veterans Administration, or any federal, state, county, or municipal governing body, or any agency or department thereof; provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

10.4 Interpretation. If this Declaration or any work, clause, sentence, paragraph or other part thereof shall be susceptible of more than one interpretation or conflicting interpretations, then the interpretation that is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

10.5 Omissions. If any punctuation, work, clause, sentence or provision necessary to give meaning, validity or effect to any other work, clause, sentence or provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, work, clause, sentence or provision shall be supplied by inference.

10.6 Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Owner on the records of the County Clerk of Williamson County, Texas, at the time of such mailing.

10.7 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

10.8 Severability. Invalidation of any one or more of the covenants, restrictions, conditions or provisions contained in this Declaration, or any part hereof, shall in no manner affect any of the other covenants, restrictions, conditions or provisions hereof, which shall remain in full force and effect.

10.9 Dissolution. The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

10.10 Disclaimer of Warranty. **DECLARANT MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE SUBDIVISION, OR THE DEVELOPMENT OR ANY IMPROVEMENT TO OR IMPROVEMENTS**

WITHIN THE SUBDIVISION OR ON THE LOTS, THE CONDITION OF THE SUBDIVISION OR THE LOTS, THE SUFFICIENCY OF UTILITIES, THE WORKMANSHIP, DESIGN OR MATERIALS USED IN EVERY IMPROVEMENT, INCLUDING WITHOUT LIMITATION COMMON PROPERTIES AND INCLUDING WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, LIABILITY, FITNESS, OR SUITABILITY FOR ANY PARTICULAR PURPOSE OR USE OR ANY WARRANTY OF QUALITY. WHILE DECLARANT HAS NO REASON TO BELIEVE THAT ANY OF THE COVENANTS, TERMS OR PROVISIONS OF THIS DECLARATION ARE OR MAY BE INVALID OR UNENFORCEABLE FOR ANY REASON OR TO ANY EXTENT, DECLARANT MAKES NO WARRANTY OR REPRESENTATION AS TO THE PRESENT OR FUTURE VALIDITY OR ENFORCEABILITY OF ANY SUCH COVENANT, TERM OR PROVISION. ANY OWNER ACQUIRING A LOT IN RELIANCE ON ONE OR MORE OF SUCH COVENANTS, TERMS OR PROVISIONS SHALL ASSUME ALL RISKS OF THE VALIDITY AND ENFORCEABILITY THEREOF, AND BY ACQUIRING SUCH LOT AGREES TO HOLD DECLARANT HARMLESS THEREFROM.

10.11 FHA APPROVAL. Notwithstanding anything contained herein to the contrary, should the Declarant seek and obtain approval of the Federal Housing Administration ("**FHA**") for the Subdivision or any subsequent addition thereto, then so long as there is a Class B membership. the annexation of additional properties, mergers, and consolidations, the dedication of Common Properties, the mortgaging of Common Properties, dissolution, and the amendment of this Declaration of Covenants, Conditions, and Restrictions shall require the prior approval of the FHA.

IN WITNESS WHEREOF, the undersigned has executed this Declaration as of and effective the 31st day of DECEMBER, 2001.

DECLARANT:

HY-LAND NORTH JOINT VENTURE

By: HRI Development Corporation, a Texas corporation, General Partner

By: David C. Bodenman
David C. Bodenman, Vice President

By: Brushy Creek Development Corporation, a Texas corporation, General Partner

By: David C. Bodenman
David C. Bodenman, Vice President

ADDRESS OF DECLARANT:

211 East 7th Street, Suite 709
Austin, Texas 78701

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 31st day of DECEMBER, 2001, by David C. Bodenman, as Vice President of HRI Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and joint venture.

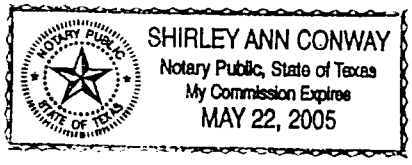
Shirley Ann Conway
NOTARY PUBLIC, State of Texas
Print Name: Shirley Ann Conway

SHIRLEY ANN CONWAY
Notary Public, State of Texas
My Commission Expires
MAY 22, 2005

U:\RAHaywoo\5152.71\Declaration, 12/28/01

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 31st day of DECEMBER, 2001, by David C. Bodenman, as Vice President of Brushy Creek Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and joint venture.



NOTARY PUBLIC, State of Texas
Print Name: Shirley Ann Conway

AFTER RECORDING, RETURN TO:

R. Alan Haywood
Graves, Dougherty, Hearon & Moody
P.O. Box 98
Austin, Texas 78767

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Nancy E. Rister

01-03-2002 03:55 PM 2002001226
ROSIE $87.00
NANCY E. RISTER ,COUNTY CLERK
WILLIAMSON COUNTY, TEXAS

U:\RAHaywoo\5152.71\Declaration, 12/28/01

02052784

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENDERO SPRINGS

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This First Amendment to Declaration of Covenants, Conditions and Restrictions for Sendero Springs, is made to be effective on the date hereinafter set forth by HY-LAND NORTH JOINT VENTURE, a Texas joint venture ("**Declarant**").

RECITALS:

A. By Declaration of Covenants, Conditions and Restrictions for Sendero Springs, Section One (the "**Declaration**") recorded as Document No. 2002001226 in the Official Public Records of Williamson County, Texas, Declarant imposed certain covenants, restrictions, charges and liens upon certain real property located in Williamson County, Texas as therein described.

B. Declarant is the owner of that certain real property known as SENDERO SPRINGS, SECTION TWO, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet W, Slides 103, 104, 105 & 106 of the Plat Records of Williamson County, Texas ("**Sendero Springs, Section Two**").

C. Section 3.2 of the Declaration provides that Declarant shall have the right at any time and from time to time to bring within the scheme of the Declaration additional properties in future stages of the development of the Sendero Springs subdivision and make such modifications of the Declaration as may be determined by Declarant to be appropriate for such additional property.

D. It is deemed to be in the best interests of Declarant and any other persons who may purchase lots out of Sendero Springs, Section Two that there be established and maintained a uniform plan for the improvement and development said lots and said subdivision for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property.

E. Declarant desires to bring Sendero Springs, Section Two within the scheme of the Declaration and to modify the Declaration as to Sendero Springs, Section Two as hereinafter set forth.

DECLARATIONS:

NOW, THEREFORE, Declarant hereby declares as follows:

1. Addition to Property Subject to Declaration. The following real property (collectively, the "**Additional Land**") is hereby added to the Properties subject to and covered by the Declaration:

All of the Lots within SENDERO SPRINGS, SECTION TWO, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet W, Slides 103, 104, 105 & 106 of the Plat Records of Williamson County, Texas.

2. Modification of the Declaration as to the Additional Land. The Additional Land shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, restrictions, charges and liens as set forth in the Declaration, provided that as the same relate to the Additional Land only, the terms and provisions of the Declaration are modified as follows:

(a) Section 5.8 of the Declaration is hereby deleted in its entirety, and the following is substituted in the place and stead thereof:

5.8 Fences. Fences must be of ornamental iron, wood or masonry construction. No chain link or wire mesh fences shall be permitted. Any swimming pool or other attractive nuisance shall be adequately fenced by a fence at least four feet (4') in height and suitable to preventing access by children. No wall, fence or hedge greater than three (3) feet in height shall be erected or maintained nearer to the front property line of any Lot than the building setback lines on such Lot. No fence shall be located nearer to the front elevation of the principal residence than ten (10) feet behind the front elevation of the principal residence unless a lesser setback distance is required to screen mechanical equipment, or as otherwise approved by the Committee. The Owner of any corner Lot shall construct and maintain a six foot (6') high fence or wall of ornamental iron, wood or masonry construction along the side and rear property lines, and between the side property lines and the residence built thereon. Notwithstanding the foregoing, the Builder of a Lot the rear of which Lot adjoins Lot 30-A and 30-B, Block M of the Sendero Springs, Section Two (as subdivided or subsequently resubdivided), or a karst feature, or a floodplain, shall construct and maintain a six (6) foot wrought iron or aluminum rail fence along such rear lot line and a privacy fence along the side lot lines. The iron or aluminum fence along the rear Lot line adjacent to karst features, floodplain or park is mandatory, must be painted black, and must be constructed prior to closing with the homebuyer. The intent of this Article is to ensure that a complete fence (no gaps) be constructed on the rear lot line of all lots backing onto a karst feature, floodplain or park. The Lots are, but not limited to, Lots 31, 41, 42, 43, 53, 54, 55, and 70—73, 75 - 83, and 85, Block K, and Lots 17 - 24, Block M of Sendero Springs, Section Two.

No wall, fence or hedge shall be more than six feet (6') in height, unless otherwise varied by the Committee. Any wall, fence or hedge erected on a Lot by Declarant or its assigns shall be conveyed with title to the Lot and thereafter the Owner of the Lot shall be responsible for its maintenance or repair. Wood fences

may be stained and/or waterproofed only with clear or wood based colors. Wood fences shall not be painted. The color of any ornamental iron or masonry fence materials, including the color of the painting or repainting of such fences, shall be subject to the prior approval of the Committee. Wood fencing shall be constructed with #2, no knot cedar 1x6 pickets and #2, 0.4 pressure treated southern yellow pine posts and rails, with pickets attached with eight penny, hot-dipped galvanized, screw shank nails on a string line guide. Fencing on interior side lot lines shall be alternating 8-foot long panels of solid pickets and exposed nailers. If there is only one finished side, the finished side must be on the side of all fences facing or adjacent to public right-of-way.

(b) Section 5.14 of the Declaration is hereby deleted in its entirety, and the following is substituted in the place and stead thereof:

5.14 Masonry. At least seventy-five percent (75%) of the entire surface area of the front elevation (ground floor and the second floor, if any) and at least seventy-five percent (75%) of the surface area of the ground floor of the side elevations of each structure erected on any Lot shall be constructed of masonry materials. Additionally, for Lots 17 - 24, Block M of the Sendero Springs, Section Two at least sixty percent (60%) of the surface area of the second story of the side elevations, and at least sixty percent (60%) of the entire surface area of the rear elevations (ground floor and the second floor), shall be constructed of masonry materials. Gables, roofing, windows and doors shall be excluded in the calculation of such front, side and rear elevations of the structure. Brick, natural stone and stucco shall be considered to be masonry for purposes of this section. Concrete or other masonry materials having the appearance of wood shall not be considered to be masonry for purposes of this section, and cement fiber siding on the front and side elevations of a dwelling shall not be considered to be masonry for purposes of this section. Unless otherwise prohibited, wood or cement fiber siding or Hardy plank may be used on the second story of the sides of the structure and may be used on the first story and the second story of the rear of the structure, even though such siding is not considered to be masonry for purposes of this section, so long as such siding or planks are of a horizontal, lap or smooth type. However, siding must stop at least five feet (5') short of any front elevation, whereupon the front masonry must extend around to the side elevation for at least five feet (5') on the upper level (and lower level) and said masonry to be designed and/or detailed to include the elements of a column. No aluminum, metal, vinyl, sheet plywood or other plastic siding shall be used on any exterior wall of a dwelling. The Committee shall approve all combinations of materials and the proportion thereof upon submission of a specific

design. The final decision shall be that of the Committee. The exposed exterior of foundations in excess of eighteen (18) inches above finished grade must be constructed of or covered by masonry materials so that no more than eighteen (18) inches of an unfinished or uncovered exterior of the foundation may be exposed above finished grade. It is the intent of this Article that homes within view of each other demonstrate a distinctive variety and difference in design, style, masonry, colors and heights.

EXECUTED this 11th day of July, 2002.

DECLARANT:

HY-LAND NORTH JOINT VENTURE

By: HRI DEVELOPMENT CORPORATION, a Texas corporation, General Partner

By: _____
David C. Bodenman, Vice President

By: BRUSHY CREEK DEVELOPMENT CORPORATION, a Texas corporation, General Partner

By: _____
David C. Bodenman, Vice President

ADDRESS OF DECLARANT:

211 East 7th Street, Suite 709
Austin, Texas 78701

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 11th day of July, 2002, by David C. Bodenman, as Vice President of HRI Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and said joint venture.

SHIRLEY ANN CONWAY
Notary Public, State of Texas
My Commission Expires
MAY 22, 2005

NOTARY PUBLIC, State of Texas

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 11th day of July, 2002, by David C. Bodenman, as Vice President of Brushy Creek Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and said joint venture.

SHIRLEY ANN CONWAY
Notary Public, State of Texas
My Commission Expires
MAY 22, 2005

NOTARY PUBLIC, State of Texas

Charge to: Gracy Title Company

AFTER RECORDING, RETURN TO:

R. Alan Haywood
Graves, Dougherty, Hearon & Moody
P.O. Box 98
Austin, Texas 78767

(11) Gracy

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Nancy E. Rister

07-15-2002 02:16 PM 2002053365
SUSAN $17.00
NANCY E. RISTER, COUNTY CLERK
WILLIAMSON COUNTY, TEXAS

C:\My Documents\SSTWO1stAmendtoCov042402.doc.

d 30.06

SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENDERO SPRINGS

THE STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This Second Amendment to Declaration of Covenants, Conditions and Restrictions for Sendero Springs, is made to be effective on the date hereinafter set forth by HY-LAND NORTH JOINT VENTURE, a Texas joint venture ("**Declarant**").

RECITALS:

A. By Declaration of Covenants, Conditions and Restrictions for **Sendero Springs, Section One** (the "**Declaration**") recorded as Document No. 2002001226 in the Official Public Records of Williamson County, Texas, Declarant imposed certain covenants, restrictions, charges and liens upon certain real property located in Williamson County, Texas as therein described.

B. By First Amendment to Declaration of Covenants, Conditions and Restrictions for **Sendero Springs, Section Two** (the "**First Amendment**") recorded as Document No. 2002053365 in the Official Public Records of Williamson County, Texas, Declarant brought Sendero Springs, Section Two within the scheme of the Declaration and modified the Declaration as to Section Two.

C. Declarant is the owner of that certain real property known as **Sendero Springs, Section Three**, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet , Slides of the Plat Records of Williamson County, Texas ("**Sendero Springs, Section Three**").

D. Section 3.2 of the Declaration provides that Declarant shall have the right at any time and from time to time to bring within the scheme of the Declaration additional properties in future stages of the development of the Sendero Springs subdivision and make such modifications of the Declaration as may be determined by Declarant to be appropriate for such additional property.

E. It is deemed to be in the best interests of Declarant and any other persons who may purchase lots out of Sendero Springs, Section Three that there be established and maintained a uniform plan for the improvement and development said lots and said subdivision for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property.

F. Declarant desires to bring **Sendero Springs, Section Three** within the scheme of the Declaration and to modify the Declaration as to **Sendero Springs, Section Three** as hereinafter set forth.

DECLARATIONS:

NOW, THEREFORE, Declarant hereby declares as follows:

1. Addition to Property Subject to Declaration. The following real property (collectively, the "**Additional Land**") is hereby added to the Properties subject to and covered by the Declaration:

> All of the Lots, excepting Lots 1 and 2, Block B, within **SENDERO SPRINGS, SECTION THREE**, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet , Slides of the Plat Records of Williamson County, Texas.

2. Modification of the Declaration as to the Additional Land. The Additional Land shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, restrictions, charges and liens as set forth in the Declaration, provided that as the same relate to the Additional Land only, the terms and provisions of the Declaration are modified as follows:

(a) Article 5.8 of the Declaration is hereby amended by retaining the language of Article 5.8 in its entirety with the exception that the language below is deleted from Article 5.8 as to Section Three:

> Article 5.8 Fences. Notwithstanding the foregoing, the Builder for a Lot the rear of which Lot adjoins Lot 4, Block L and Lot 30, Block M of the subdivision (as subdivided or subsequently subdivided), or a karst feature, or a floodplain, shall construct and maintain a six (6) foot wrought iron or aluminum rail fence along such rear lot line, and a wrought iron or aluminum rail fence or a privacy fence along the side lot lines. The iron or aluminum fence along the rear Lot line adjacent to karst features, floodplain or park is mandatory, must be painted black, and must be constructed prior to closing with the homebuyer. The intent of this Article is to insure that a complete fence (no gaps) be constructed on the rear lot line of all lots backing onto a karst feature, floodplain or park. The Lots are, but not limited to, K/100 (partial), K/101, 102, 106, 107, 108, 113, 114 (partial), L/13 (partial), L/14, M/1, M/5-12, M/26-29.
>
> The following language is added and incorporated within Article 5.8:
>
> Article 5.8 Fences. A seven-foot (7') privacy fence is required to be constructed and maintained on the rear property lines of Lots 7, 8, 9, 10, and 12 of Block C. Additionally, said fence is to be constructed along the side Lot line (south side Lot line) of Lot 1, Block C, beginning at the front setback line of the Lot, or ten feet behind the front elevation of the residence, whichever is furthest back from the street, and extending to the rear property line of Lot 1, Block C.

(b) Article 5.14 of the Declaration is hereby amended by retaining the language of Article 5.14 in its entirety with the exception that the language below is deleted from Article 5.14 as to Section Three.

> 5.14 Masonry. At least seventy-five percent (75%) of the entire surface area of the front elevation (ground floor and the second floor of the front elevation, if any) and at least seventy-five percent (75%) of the surface area of the ground floor of the side elevations of each structure erected on any Lot shall be constructed of masonry materials. Additionally, Lots 19 through 25 and Lot 30, Block B; Lot 8, Block D; Lots 108, Lots 113 through 116, and Lots 120 through 135, Block K; and Lots 1 and 12 and Lots 15 through 20, Block M, of the Subdivision at least sixty percent (60%) of the surface area of the second story of the side elevations, and at least sixty percent (60%) of the entire surface area of the rear elevations (ground floor and the second floor), shall be constructed of masonry materials.

(c) Article 5.15 of the Declaration is hereby amended by retaining the language of 5.15 in its entirety, and adding to and incorporating within Article 5.15 the following language:

> 5.15 Location of Improvements. No building, structure or other permanent residential structure may be located any nearer than fifty (50) feet from the rear Lot line of Lots 7, 8, 9, and 10 of Block C. No permanent residential structure may be located on Lot 28, Block C and uses shall be limited to those incidental to residential uses, such as a pool, play area, pavilion, storage shed, non-commercial shop, or garden. Lots 7, 8, 9, 10 and 12 of Block C are restricted to single story residences; no two-story (or more) residences may be constructed on these Lots.
>
> Notwithstanding the general guidelines herein set forth as to location of improvements upon the Lot, it is the intention of Declarant to establish the importance of locating Improvements with respect to preserving existing natural trees, vegetation and topography to the greatest extent possible and practical. For Lots 6, 7, 8, 9 and 10, the existing vegetation within the twenty-five (25) foot buffer shown on the Final Plat for Sendero Springs, Section Three is to be preserved to the greatest extent possible. The clearing or removal of trees from the rear-most fifty feet (50') of Lots 7, 8, 9 and 10, Block C is restricted, but the removal of underbrush or dead or diseased trees is permitted.

(d) Article 6.2 is hereby amended by retaining the language of 6.2 in its entirety and adding and incorporating into Article 6.2 the following language:

Article 6.2 Single-Family Residential Use. Lot 1, Block A, is restricted to be used only for park, recreational, greenbelt or single-family residential purposes.

EXECUTED this 25th day of October, 2004.

DECLARANT:

HY-LAND NORTH JOINT VENTURE

By: HRI DEVELOPMENT CORPORATION, a Texas corporation, General Partner

By: _____
David C. Bodenman, Vice President

By: BRUSHY CREEK DEVELOPMENT CORPORATION, a Texas corporation, General Partner

By: _____
David C. Bodenman, Vice President

ADDRESS OF DECLARANT:

211 East 7th Street, Suite 709
Austin, Texas 78701

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 25th day of October, 2004, by David C. Bodenman, as Vice President of HRI Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and said joint venture.

STEPHANIE E. GRANGER
MY COMMISSION EXPIRES
January 9, 2007

Stephanie E. Granger
NOTARY PUBLIC, State of Texas

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 25th day of October, 2004, by David C. Bodenman, as Vice President of Brushy Creek Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and said joint venture.

STEPHANIE E. GRANGER
MY COMMISSION EXPIRES
January 9, 2007

Stephanie E. Granger
NOTARY PUBLIC, State of Texas

AFTER RECORDING, RETURN TO:

David Bodenman
Highland Resources, Inc.
211 E. 7th Street, Suite 709
Austin, TX 78701

DECL 2004094487
4 PGS

4

THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENDERO SPRINGS

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS
COUNTY OF WILLIAMSON §

This Third Amendment to Declaration of Covenants, Conditions and Restrictions for Sendero Springs, is made to be effective on the date hereinafter set forth by HY-LAND NORTH JOINT VENTURE, a Texas joint venture ("**Declarant**").

RECITALS:

A. By Declaration of Covenants, Conditions and Restrictions for **Sendero Springs, Section One** (the "**Declaration**") recorded as Document No. 2002001226 in the Official Public Records of Williamson County, Texas, Declarant imposed certain covenants, restrictions, charges and liens upon certain real property located in Williamson County, Texas as therein described.

B. By First Amendment to Declaration of Covenants, Conditions and Restrictions for **Sendero Springs, Section Two** (the "**First Amendment**") recorded as Document No. 2002053365 in the Official Public Records of Williamson County, Texas, Declarant brought Sendero Springs, Section Two within the scheme of the Declaration and modified the Declaration as to Section Two.

C. By Second Amendment to Declaration of Covenants, Conditions and Restrictions for **Sendero Springs, Section Three** (the "**Second Amendment**") recorded as Document No. 2004086294 in the Official Public Records of Williamson County, Texas, Declarant brought Sendero Springs, Section Three within the scheme of the Declaration and modified the Declaration as to Section Three.

D. Declarant is the owner of that certain real property known as **Sendero Springs, Section Four**, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet Z , Slides 260-263 of the Plat Records of Williamson County, Texas ("**Sendero Springs, Section Four**").

C. Section 3.2 of the Declaration provides that Declarant shall have the right at any time and from time to time to bring within the scheme of the Declaration additional properties in future stages of the development of the Sendero Springs subdivision and make such modifications of the Declaration as may be determined by Declarant to be appropriate for such additional property.

D. It is deemed to be in the best interests of Declarant and any other persons who may purchase lots out of Sendero Springs, Section Three that there be established and maintained a uniform plan for the improvement and development said lots and said

subdivision for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property.

E. Declarant desires to bring **Sendero Springs, Section Four** within the scheme of the Declaration and to modify the Declaration as to Sendero Springs, Section Four as hereinafter set forth.

DECLARATIONS:

NOW, THEREFORE, Declarant hereby declares as follows:

1. Addition to Property Subject to Declaration. The following real property (collectively, the "**Additional Land**") is hereby added to the Properties subject to and covered by the Declaration:

> All of the Lots within **SENDERO SPRINGS, SECTION FOUR**, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet Z, Slides 260-263 of the Plat Records of Williamson County, Texas.

2. Modification of the Declaration as to the Additional Land. The Additional Land shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, restrictions, charges and liens as set forth in the Declaration, provided that as the same relate to the Additional Land only, the terms and provisions of the Declaration are modified as follows:

(a) Section 5.8 of the Declaration is hereby amended by retaining the language of Article 5.8 in its entirety with the exception that the language below is deleted from Article 5.8 Fences as to Section Four:

> The Lots are, but not limited to, K/100 (partial), K/101, 102, 106, 107, 108, 113, 114 (partial), L/13 (partial), L/14, M/1, M/5-12, M/26-29.

> The following language is added to Article 5.8 Fences as to Section Four:

> The Lots are, but not limited to, Block K, Lots 7 – 15, 19 – 21, and 25 – 27.

(b) Section 5.14 of the Declaration is hereby amended by retaining the language of Article 5.14 in its entirety with the exception that the language below is deleted from Article 5.14 as to Section Four.

> 5.14 Masonry Additionally, Lots 19 through 25 and Lot 30, Block B; Lot 8, Block D; Lots 108, Lots 113 through 116, and Lots 120 through 135, Block K; and Lots 1 and 12 and Lots 15 through 20, Block M, of the Subdivision at least sixty percent (60%) of the

surface area of the second story of the side elevations, and at least sixty percent (60%) of the entire surface area of the rear elevations (ground floor and the second floor), shall be constructed of masonry materials.

EXECUTED this 9th day of November, 2004.

DECLARANT:

HY-LAND NORTH JOINT VENTURE

By: HRI DEVELOPMENT CORPORATION, a Texas corporation, General Partner

By: _____
David C. Bodenman, Vice President

By: BRUSHY CREEK DEVELOPMENT CORPORATION, a Texas corporation, General Partner

By: _____
David C. Bodenman, Vice President

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 9th day of November 2004, by David C. Bodenman, as Vice President of HRI Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and said joint venture.

STEPHANIE E. GRANGER
MY COMMISSION EXPIRES
January 9, 2007

_____
NOTARY PUBLIC, State of Texas

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 9th day of November 2004, by David C. Bodenman, as Vice President of Brushy Creek Development Corporation, a Texas corporation, as General Partner of HY-LAND NORTH JOINT VENTURE, a Texas joint venture, on behalf of said corporation and said joint venture.

STEPHANIE E. GRANGER
MY COMMISSION EXPIRES
January 9, 2007

Stephanie E. Granger
NOTARY PUBLIC, State of Texas

AFTER RECORDING, RETURN TO:

David Bodenman
Highland Resources, Inc.
211 E. 7th Street, Suite 709
Austin, TX 78701

Gray-Jansing & Associates, Inc.
8217 Shoal Creek Blvd. Ste. 200
Austin, Tx 78757

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Nancy E. Rister
12/08/2004 09:45 AM
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NANCY E. RISTER, COUNTY CLERK
WILLIAMSON COUNTY, TEXAS