



STATE OF TEXAS

COUNTY OF WILLIAMSON

**DECLARATION OF
COVENANTS, CONDITIONS, AND
RESTRICTIONS**

ESTRELLA

Dated as of March 27, 2007

By

OAKLAND HILLS, L.P.

A TEXAS LIMITED PARTNERSHIP

“Declarant”

DECLARANT’S ADDRESS:

Oakland Hills, L.P.

c/o Waterstone Development Group

4314 W. Braker Lane, Suite 250

Austin, Texas 78759

PROPERTY:

ESTRELLA

ESTRELLA

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

INTRODUCTION

UNDERSTANDING THIS DECLARATION

This Declaration has important rules which affect every homeowner in Estrella. There are rules which limit what you can build on your lot and which restrict the activities which you can conduct on your property. There are other provisions that also impact owning a home in this community. This Introduction is intended to be a “plain English” overview of what is in this Declaration. Reading this Introduction does not substitute for reading the Declaration. You should read all of this Declaration and understand *your legal rights and responsibilities*, because some of these rules may not allow you to do something you want to do. Also, *if you do not pay your assessments, you can lose your home*. Assessments are essentially “dues” to be a member of the homeowners association (and you must be a member of the association if you own a lot or house in Estrella).

PRIMARY PURPOSES OF THE DECLARATION

Generally, this Declaration is intended to establish uniform rules and standards for homes and activities in Estrella in order to make it a better, more attractive and more livable community. While there are many rules and restrictions, these should benefit you and make your neighborhood and community better. This Declaration serves four primary purposes with respect to homeowners: the creation of a mandatory homeowners association, a set of rules as to what may and may not be built in Estrella, restrictions about what kind of activities can take place in Estrella, and assessments which every owner must pay.

Association & Common Areas. This Declaration establishes a mandatory homeowner’s association which has the right and ability to own and maintain common areas, facilities, and amenities for the benefit of all owners in Estrella. Every homeowner must be a member and pay dues. These include, for example, the entryway to Estrella and its landscaping and irrigation, as well as the right-of-way landscaping and irrigation in the public streets. The Association has the right to enforce this Declaration and has other responsibilities which are described in this Declaration.

Building, Architectural, and Landscaping Requirements This Declaration describes a variety of requirements for every house or other building in Estrella; for example, what materials the exterior of house can be made of and the required types of fences and landscaping. There is an Architectural Review Committee that reviews and approves plans for houses and which has the right to make builders and homeowners comply with the architectural and design requirements set forth in this Declaration.

Restrictions on Activities & Uses. There are various rules and restrictions as to what can and cannot be done on each homeowner’s property; these include the covenants, conditions, and restrictions which are in Article V.

Assessments. The Estrella Owners Association is a “mandatory homeowners association”. If you own a lot in Estrella, you must be a member of the association and pay assessments. The association uses assessments for a number of purposes, but one is to pay for upkeep and maintenance of the common areas which each member or owner has the right to use and enjoy. If someone doesn’t pay his/her assessments, then the association can take that person’s house away from his/her by foreclosing on it.

ESTRELLA
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

ESTRELLA SUBDIVISION

(RESIDENTIAL)

THE STATE OF TEXAS

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KNOW ALL BY THESE PRESENTS:

COUNTY OF WILLIAMSON

Oakland Hills, L.P., (“*Declarant*”), is the owner of the Property described and defined below which Declarant proposes to develop for residential purposes.

Declarant desires to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future owners of the Property, and to convey the Property subject to certain protective covenants, conditions, easements, restrictions, liens and charges hereinafter set forth.

Declarant desires to create a homeowner’s association for the purpose of administering and enforcing this Declaration, and collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, it is hereby declared (i) that all the Property shall be held, sold, conveyed and occupied subject to the following liens, easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and shall run with, the Property, shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, and their heirs, successors, and assigns, and shall inure to the benefit of each such party; and (ii) that each contract or deed or mortgage which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to the following liens, easements, covenants, conditions and restrictions regardless of whether or not the same are set forth or referred to in said contract or deed.

I.

INTRODUCTION & GENERAL INFORMATION

Generally, this Declaration establishes various requirements and restrictions for houses and other buildings built on the Property; it restricts owners, tenants, and guests from certain activities; and it requires that every Owner pay Assessments in order pay for the costs of operating the Estrella Owners Association, Inc. and to maintain the common areas, facilities, and amenities which the Association owns for the benefit of the Owners. There are other agreements and documents which impose rules, regulations, conditions, and restrictions on the Property; these include, but are not limited to, the various Association documents described below (including by way of example, rules which may be adopted by the Architectural & Design Review Committee and the Bylaws of the Association).

A. **Introduction.** The Introduction which is set forth on Page A is for information purposes only.

B. **Defined Terms.** Certain words and terms have particular meanings when used in this Declaration, and the definitions of those words are in Addendum I, Glossary of Defined Terms.

II.
DEVELOPMENT OF THE PROPERTY

A. **Development by Declarant.** Declarant may divide or subdivide the Property into several areas and the lots, develop some of the Property, and, at Declarant's option, sell any portion of the Property free of these restrictions. Each Owner acknowledges that Declarant has a substantial interest in ensuring that improvements within the Property maintain and enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market and sell all or any portion of the Property. Declarant will act solely in Declarant's interest and shall owe no duty to any other Owner. Each Owner acknowledges that the Owner is choosing to acquire a Lot or a portion of the Property by the Owner's free will and with full knowledge of the contents and effect of this provision and this Declaration.

B. **Addition, Withdrawal, and/or Exemption of Land.** Declarant may, without the joinder of any Person, at any time and from time to time, add or annex or withdraw and/or exempt land from this Declaration, as more fully set forth in Article IX below.

III.
THE ASSOCIATION

A. **Organization.** Declarant has caused or will cause the formation and incorporation of the Association. The Association shall be a nonprofit corporation named "Estrella Owner's Association", created for the purposes, charged with the duties, and vested with the powers prescribed in its Articles and Bylaws, in this Declaration, and by applicable law. Neither the Articles nor the Bylaws shall for any reason be prepared, amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

B. **Membership.** Every Person upon becoming an Owner of a Lot automatically and concurrently shall become a Member of the Association. Declarant shall be a Member of the Association so long as Declarant owns any Lot. Membership shall be appurtenant to and shall run with the property interest which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with the title to such property interest.

C. **The Board.** The Association shall have a Board of Directors "The Board" which shall be elected as provided in the Articles and Bylaws. The initial Board is comprised of Robert D. Wunsch, Theresa Canchola, and Joseph Rutledge.

D. **Voting Rights.** The right to cast votes and the number of votes which may be cast for election of the Board, and on all other matters to be voted on by the Members, shall be calculated as provided below. Owners entitled to votes pursuant to (a) below are hereinafter sometimes referred to as "*Class A Members*". Declarant, which is entitled to vote pursuant to (b) below, is hereinafter sometimes referred to as the "*Class B Member*".

1. The Owner (other than Declarant) of each Lot within the Property shall have one (1) vote for each Lot so owned and each such Owner is a Class A Member.
2. Declarant, as the Class B Member, shall have two hundred fifty (250) votes until such time as Declarant no longer owns any Lots within the Property, any other portion of the Property, or any of the Contingent Property. Thereafter, the Class B membership shall cease to exist.
3. Any property interest entitling its Owner to vote as a Class A Member and which is held jointly or in common by more than one Owner shall require that such Owners designate, in writing to the Board, a single Owner 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 shall be filed with the Board before any

such vote may be cast, and, upon the failure of the Owners to file such designation, such vote shall neither be cast nor counted for any purpose whatsoever.

E. **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:

1. accept, own, operate, and maintain all personal and real property conveyed to or leased by the Association ("*Association Property*"), together with all Improvements thereon and all appurtenances thereto;
2. pay all real and personal property taxes and other taxes and assessments levied upon or with respect to the Association Property, to the extent that such taxes and assessments are not levied directly upon the Members; and the Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments;
3. obtain and maintain in effect any policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the functions of the Association;
4. 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 the Association Property;
5. 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 and the Mortgagees upon request during normal business hours; and
6. carry out and enforce all duties powers, and authority of the Association set forth in this Declaration.

F. **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, shall have the following power and authority at all times.

1. The Association shall have the power and authority to levy Assessments in accordance with and as provided in this Declaration and take such action as the Board deems necessary or prudent to collect such assessments.
2. 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 for the purpose of enforcing this Declaration or maintaining or repairing any Lot or Improvement so as to conform with this Declaration, as more particularly provided in Section 5.02 of this Declaration.
3. The Association shall also 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 levy assessments or expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

4. The Association shall also have the power and authority to grant and convey to any person or entity any Association Property and/or any interest therein, including fee title, leasehold estates, easements, rights-of-way, or Mortgages, out of, in, on, over, or under any of same for any purpose or reason deemed by the Board as necessary or prudent or in the best interest of the members including but not limited to, for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder:

- a) roads, streets, walks, driveways, parking lots, trails, and paths;
- b) lines, cables, wires, conduits, pipelines, or other devices for utility purposes;
- c) sewers, water systems, storm water drainage systems, water quality facilities, sprinkler systems, and pipelines; or
- d) any similar Improvements or facilities.

Nothing in this subparagraph (d) 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.

5. The Association shall also have the power and authority to retain and pay for the services of a manager to manage and operate the Association, including the Association Property, 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. **THE MEMBERS OF THE ASSOCIATION HEREBY AGREE TO RELEASE, INDEMNIFY, AND HOLD HARMLESS 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.**

6. The Association shall have the power and authority:

- a) to retain and pay for legal and accounting services necessary or proper in the operation of the Association;
- b) to pay for water, sewer, garbage removal, landscaping, gardening, and all other utilities or services to and all maintenance of the Association Property, in accordance with this Declaration;
- c) 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;
- d) to construct new Improvements or additions to the Association Property, subject to the approval of the ADRC;
- e) to enter into contracts with Declarant and 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, lease, gift, or otherwise; and

f) to borrow money and to mortgage, pledge or hypothecate any or all of the Association Property as security for money borrowed or debts incurred subject to the limitation set forth in this Declaration.

G. **Indemnity.** To the maximum extent permitted by Article 2.22A of the Texas Non-Profit Corporation Act (the "*Act*") (without regard, however, to Section Q of such Article), the Association shall indemnify any person who is or was a director or officer of the Association against any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with a proceeding (as defined in Article 2.22A) because of that person's service or status as a director or officer. Further, the Association shall pay or reimburse reasonable expenses incurred by a director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by Article 2.22A; provided, however, that payment or reimbursement of expenses pursuant to the procedures set out in Section K of Article 2.22A may be conditioned upon a showing, satisfactory to the Board in its sole discretion, of the financial ability of the officer or director in question to make the repayment referred to in such Section. Further, the Association may indemnify, and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Article 2.22A and other applicable law, as the Board may from time to time determine. The provisions of this Section shall not be deemed exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this Section shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Association in accordance with the provisions of this Section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

IV.

ARCHITECTURE AND DESIGN REVIEW COMMITTEE

EACH OWNER ACKNOWLEDGES THAT DECLARANT HAS A SUBSTANTIAL INTEREST IN ENSURING THAT IMPROVEMENTS WITHIN THE PROPERTY MAINTAIN AND ENHANCE DECLARANT'S REPUTATION AS A COMMUNITY DEVELOPER AND DO NOT IMPAIR DECLARANT'S ABILITY TO MARKET AND SELL ALL OR ANY PORTION OF THE PROPERTY. DECLARANT WILL ACT SOLELY IN DECLARANT'S INTEREST AND SHALL OWE NO DUTY TO ANY OTHER OWNER.

A. **Membership.** The Architectural Design and Review Committee (ADRC) shall consist of not more than three (3) voting members. The initial three (3) voting members shall be Robert D. Wunsch, Theresa Canchola, and Joseph Rutledge.

1. **Declarant's Rights of Appointment.** Declarant shall have the right to appoint and remove all members of the ADRC. Declarant may delegate to the Board, in whole or in part, its right to appoint and remove members of the ADRC by written instrument so long as the Class B Membership exists.

2. **At such time that the Class B membership ceases to exist, the ADRC members shall be appointed by the Board of the Association.**

3. Term. Each member shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein.

B. Adoption of Rules. The ADRC 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 for the orderly development of the Property, including but not limited to architectural and 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 ADRC in accordance with the terms of this Declaration prior to the amendment of such rules, standards, policies, procedures or development guidelines.

C. Review of Proposed Construction. The ADRC shall have the right whenever its approval is required under this Declaration to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts and information which in its sole discretion are relevant. Except as otherwise specifically provided herein, before beginning construction of any Improvement on any portion of the Property, the Plans and Specifications for that Improvement, together with the review fee and landscape deposit, shall be submitted to the ADRC in two successive submittals, the Preliminary Submittal and the Full Submittal. The minimum requirements for each submittal are available from the ADRC upon request. Construction may not begin unless and until the ADRC has approved the Plans and Specifications in each submittal in writing. There shall be no revisions made to the approved Plans without first submitting the revised plans to the ADRC and receiving the ADRC's approval of the revision. The ADRC shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or from time to time by the Board, including without limitation, inspecting construction in progress to assure its conformance with Plans and Specifications approved by the ADRC. The ADRC may postpone review of any Plans and Specifications submitted for approval until it receives any information which it deems necessary. The ADRC shall have the authority to disapprove any proposed Improvement based upon this Declaration, and the decision of the ADRC shall be final and binding so long as it is made in good faith. The ADRC shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

D. Variance. The ADRC may grant variances from compliance with any restriction or requirement in Article V of this Declaration when, in its opinion and in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property or is justified due to aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument in recordable form, and must be signed by a majority of the members of the ADRC. **The granting of a variance shall not operate to waive or amend any of the terms and provisions of this Declaration applicable to the Lots for any purpose except as to the particular Lot and the particular matter covered by the variance, and such variance shall not be considered to establish a precedent, or a change or amendment of the terms and provisions hereof, or a future waiver of any similar matter.**

E. Actions of the ADRC. The ADRC, by resolution unanimously adopted in writing, may designate any of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the ADRC. In the absence of such designation, the vote of a majority of all members, which may be taken without a meeting, shall constitute an act of the ADRC.

F. **Duration of Approval.** The approval of the ADRC of any plans and specifications, whether by action or inaction, and any variances granted by the ADRC shall be valid for a period of ninety (90) days only. If construction in accordance with such plans and specifications or variance is not commenced within such ninety (90) day period and diligently prosecuted to completion thereafter, the owner shall be required to resubmit such plans and specifications or request for a variance to the ADRC, and the ADRC shall have the authority to re-evaluate such plans and specifications in accordance with this Section and may, in addition, consider any change in circumstances which may have occurred since the time of the original approval thereof. The construction of any single family residence on a Lot pursuant to approved plans and specifications and landscaping must be completed within eighteen (18) months after the plans and specifications have been approved by the ADRC.

G. **Failure to Act.** If a complete set of Plans and Specifications are submitted to the ADRC in the manner required by this Declaration, and the ADRC fails either to approve or reject such Plans and Specifications within thirty (30) days after such submission, such Plans and Specifications shall be deemed approved. For purposes of the preceding sentence, Plans and Specifications shall not be deemed submitted until the date upon which the ADRC has received any applicable review fee and all information which the ADRC requires be submitted to it in connection with its review of Plans and Specifications (including any supplemental information which the ADRC may request). In no event shall the ADRC's failure to act upon a request for a variance within thirty (30) days (or any other time period) be deemed a consent to, or approval of, a variance. Variances may be approved only by a written document signed by the ADRC.

H. **No Waiver of Future Approvals.** The approval or consent of the ADRC to any Plans and Specifications shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different Person.

I. **Address.** Plans and Specifications shall be submitted to the ADRC (c/o Theresa Canchola, Waterstone Development Group, 4314 W. Braker Lane, Suite 250, Austin, Texas 78759), or such other address as may be designated by Declarant (or the Board, if Declarant has delegated such designation right to the Board) from time to time.

V.

COVENANTS, CONDITIONS, AND RESTRICTIONS

All of the Property, and any right, title or interest therein, shall be owned, held, encumbered, leased, used, occupied and enjoyed subject to the following limitations, covenants, conditions, and restrictions.

A. **Construction of Improvements.** No Improvements shall be constructed upon any of the Property without the prior written approval of the ADRC.

B. **Repair and Maintenance of Improvements.** Each Owner shall keep all shrubs, trees, grass, and plantings of every kind on such Owner's Lot cultivated, pruned, free of trash, and other unsightly material. All Improvements upon any Lot shall at all times be kept in good condition and repair and adequately painted or and maintained by the Owner of such Lot. Declarant, the Association, and the ADRC shall have the right at any reasonable time to enter upon any Lot to replace, maintain, and cultivate shrubs, trees, grass, or other plantings as deemed necessary; to paint, repair, or otherwise maintain any Improvements in need thereof; to repair, maintain, and replace all front yard irrigation systems, and to charge the cost thereof to the Owner of the Lot after notice of default and 30 days (thirty days) to cure in the same manner as provided for the Association in Articles VI and VII of this Declaration.

C. General Use Restrictions and Covenants.

1. Use. The Property shall be improved and used solely for single-family residential use, including related or ancillary uses approved by Declarant, except as otherwise set forth in this Declaration. “*Single-family*” means a group of persons related by blood, marriage or adoption and shall also include foster children and domestic servants. Notwithstanding the foregoing, any Owner who is a Homebuilder may construct a model home on any Lot owned by such Owner, and may conduct marketing, sales and interior design activities from such Lot(s) and Improvements thereon so long as such Owner owns or has a contractual right or option to purchase other Lots within the Property.
2. No Commercial Use. No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot; provided that, in connection with its development of the Property and sale of Lots, Declarant, or Declarant’s licensees, shall have the right to maintain model homes, temporary sales and marketing centers and offices, and conduct open houses or other marketing events, to which the general public may be invited. Notwithstanding anything in this Section or the Declaration to the contrary, Owner may conduct “discreet business activities” within a single family residence constructed upon a Lot so long as the existence or operation of the business activity is not apparent or detectable by sign, sound or smell from outside the residence; and the business activity does not involve regular visitation of the Lot or door-to-door solicitation of residents of the Property; and the business activity is consistent with the residential character of the Property and does not violate any term or provision of this Declaration.
3. Subdividing. No Lot shall be further divided or subdivided, and no easements or other interests therein less than the whole shall be conveyed by the Owner thereof, without the prior written approval of Declarant.
4. Insurance Rates. Nothing shall be done or kept on the Property which would increase the customary rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon without the prior written approval of Declarant.
5. Rubbish and Debris. No rubbish or debris of any kind (including weeds, brush or material of any nature deemed to be rubbish or debris by the ADRC) shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other portion of the Property or to its occupants. The ADRC shall determine what constitutes rubbish, debris or odors, and what conditions render any portion of the Property unsanitary, unsightly, offensive or detrimental to any other property or to its occupants, and the decisions of the ADRC shall be final and binding on all parties. Refuse, garbage and trash shall be kept at all times in covered containers with tightly fitting animal proof lids, which containers shall be maintained in a clean and sanitary condition and kept within enclosed structures or appropriately screened from view. In no event shall such containers be maintained so as to be visible from neighboring properties or the streets except to make the same available for collection, and then only for the shortest time reasonably necessary to effect such collection.
6. Noise or Nuisance. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any of the Property, except with the approval of the ADRC. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the

Property or to its occupants. No exterior lighting of any sort shall be installed or maintained on a Lot where the light source is offensive or a nuisance to neighboring property (except any reasonable security, landscape, tennis court, or other lighting that has approval of the ADRC). Upon being given notice by the ADRC that any lighting is objectionable, the Owner shall take all necessary steps to properly shield same.

7. Hazardous Activities. No activities shall be conducted on the Property and no Improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property, and no open fires shall be lighted or permitted except within safe and well-designed interior fireplaces or within barbecue units while attended and in use for cooking purposes.

8. Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth.

9. Unightly Articles; Vehicles. No article deemed to be unsightly by the ADRC shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, personal watercraft, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall at all times, except when in actual use, be kept in enclosed structures or screened from view, and no repair or maintenance work shall be done on any of the foregoing or on any automobile (other than minor emergency repairs) except in enclosed garages or other structures. Each single family residential structure constructed within the Property shall have sufficient garage space, as approved by the ADRC, to house all vehicles to be kept on the Lot. No Owner shall keep more than two (2) automobiles in such manner as to be visible from any other portion of the Property for any period in excess of seventy-two (72) hours. No inoperable automobiles or other vehicles may be parked overnight on any roadway within the Property. No automobiles or other vehicles may be parked overnight on any roadway within the Property for more than two (2) consecutive nights. Service areas, storage areas, air conditioning units, compost piles, and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view; no facilities for hanging, drying or airing clothing or household fabrics shall be visible from any street or neighboring Lot. No lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse, or trash shall be kept, stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view. The ADRC shall have the Sole Discretion for determining whether an object is appropriately screened from view. This provision shall not prohibit the storage of new building materials used in the construction or remodeling of Improvements on a Lot during the period of construction, so long as the construction progresses without unreasonable delay.

10. Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes (except for mobile homes/trailers approved by Declarant for temporary use by home builders as sales or construction offices) shall be parked or placed on any Lot at any time, and no travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or public or private thoroughfares for any period in excess of forty-eight (48) hours.

11. Animals - Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property.

No Owner may keep on such Owner's Lot more than two (2) cats and dogs, in aggregate, not more than two (2) of which may be dogs. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large and all animals shall be kept within enclosed areas which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the ADRC, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property.

12. Rentals. Nothing in this Declaration shall prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes; provided that all rentals must be for terms of at least six (6) months. However, no "For Rent" or "For Lease" signs shall be allowed on the Property. Owner must submit a copy of the rental agreement to the Association.

D. **Restrictions on Houses**

1. Minimum Floor Area. The primary dwelling structure erected on any Lot shall contain at least three thousand (3,000) square feet of air conditioned area as measured to the exterior face of the perimeter walls. Measurement calculations shall be in accordance with generally accepted methods and techniques used by Real Estate Appraiser licensed by the State of Texas.

2. Design. Every Home shall comply with the following:

a) No structure may exceed two (2) stories in height.

b) The improvements located on any lot shall not exceed seven thousand six hundred (7,600) square feet of "impervious cover" as defined and measured by the rules and methods used by the City of Georgetown. No variances shall be given by the ADRC to this limitation.

c) Location of Improvements.

Orientation: The front of a primary dwelling structure shall face the front of a similar structure across the street whenever feasible, and the ADRC shall resolve any conflicts arising from this requirement and make the final determination with regard to the orientation of the front of Improvements upon any Lot. The ADRC will determine the orientation of the front of the improvements on all lots abutting two streets.

Front and Side Setbacks: No buildings or other Improvements shall be located on any Lot on or inside the setback line shown on any Plat. All buildings or structures must setback from any street right-of-way a minimum of 35 (thirty five) feet which shall supercede the street setback shown on the plat. No permitted accessory building shall be located nearer than seven and one-half feet (7.5') to an interior Lot line. For the purposes of this Declaration, 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 Residential Lot, it is the intention of Declarant to

establish the importance of locating the Improvements so as to preserve existing natural trees, vegetation and topography to the extent reasonable and practical. Except as to granting variances as to setbacks, the ADRC has the power to enforce, or to grant variances with respect to, these guidelines, so long as the location of the Improvements will not conflict with any Plat or zoning ordinance or encroach upon any other Residential Lot, utility easement, or public right-of-way or result in any building being located closer than ten feet (10') from the primary dwelling structure on another Lot.

d) All homes must have an attached side entry or swing in garage. **The doors of the garage can not face any street except as follows:** a secondary garage, if approved by the ADRC, may be a front entry; However, the front of the garage building must be positioned behind the rear of the side entry garage. The secondary garage can not shelter more than two (2) additional cars.

e) No garage shall be permitted to be used or enclosed for living purposes, but must be maintained for storage of automobiles and other vehicles and related purposes. All garages must have garage doors constructed or faced with wood siding or painted metal harmonious in quality and color with the exterior of the main residence.

3. Finishes. Every Home must comply with the following:

a) Masonry Requirements. The exterior walls all Houses shall be one hundred percent (100%) Masonry Veneer construction. "Masonry Veneer" means brick, stone, or stucco veneer construction. Masonry Veneer does not include fiber cement siding also referred to as Hardiboard, Hardiplank, Hardiboard shingles, and other proprietary names of similar siding. However, the ADRC may approve the use of fiber cement siding or other high quality wood lap type siding in lieu of Masonry Veneer under the following conditions:

(1) when it is deemed necessary by the ADRC, in its opinion, to achieve the intended architectural style of the home up to twenty percent (20%) of total exterior surface area ,

(2) second story walls over roofed areas not supported by Masonry Veneer below, such as dormers and similar elements.

(3) a chimney when it is located in the field of the roofed area in excess of ten (10) feet from the edge of the roof (i.e. a chimney that projects through the roof and not located along an exterior wall) is not required to be masonry veneer construction. If the fireplace and therefore the chimney is located along the exterior wall of the Home, it shall be made completely of masonry veneer construction on all four sides and above the roof.

b) High Foundation Sides. All exterior wall finish materials must begin within twenty-four inches (24") above finish grade on the front and each side of all foundation walls.

c) Garages Interior Walls. Interior walls and ceilings of all garages must be finished with either painted gypsum wall board or wood paneling.

d) Roofing Materials and Design. All roof shingles shall be fiberglass asphalt shingles, shingle with a Class A fire rating from Underwriter's Laboratories. The color for a shingle roof shall be Weatherwood or a

substantially similar color. The ADRC may approve other high quality roofing materials such as standing seam metal or tile provided the alternate material has a Class A fire rating. All roofs must have a slope of at least eight (8) inches of rise per twelve inches (12") of run (8:12), except porch roofs when necessary to accomplish a specific architectural style, may have a minimum slope of three (3) inches of rise per twelve (12") of run (3:12).

e) Exterior Lighting. Each home shall install and maintain two (2) natural gas lights at an appropriate location near the front door.

f) Underground Utility Lines. No utility lines (including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire) shall be erected, placed, or maintained anywhere in or upon any portion of the Property unless they are contained in conduit or cables installed or maintained underground. Temporary power or telephone structures incident to the construction of buildings or other Improvements which have been previously approved in writing by the ADRC are allowed.

4. Landscaping. Every Owner shall submit a three thousand dollar (\$3,000) refundable landscape deposit at the time the Owner requests ADRC review of their home construction plans. The deposit will be held by the Declarant until the Owner has installed landscaping substantially in accordance with the landscaping plan approved by the ADRC.

a) The Owner of each lot shall submit landscaping plans for review by the ADRC prior to the completion of the home construction. The ADRC may adopt rules and guidelines governing landscape design. A copy of the current guidelines may be obtained from the Declarant.

b) Every lot must be landscaped in accordance with the approved landscape plan within 60 days of the completion of home construction unless an extension is given to the Owner by the ADRC. Upon the complete installation of the landscaping shown in the approved plan, the Owner shall notify the ADRC in writing to review the installation. The ADRC shall issue a notification of the deficiencies to the Owner; or a concurrence notification stating the installation substantially complies with the approved plan to Owner and Declarant.

5. 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 Property. 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 signs, or similar activities, provided that such construction 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 of the applicable provision may be granted by the ADRC, provided that such waiver shall be only for the reasonable period of such construction.

6. New Materials. Only new materials shall be utilized in constructing any structures situated upon a Lot, unless approved by the ADRC.

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

Sidewalks; Driveways. All front walkways, sidewalks and driveways shall be constructed of stamped or scored concrete with stain or integral color; or 3/8" exposed aggregate finish. All front walkways shall be located where possible to connect the front porch or front door to the driveway and not to the street.

8. Sewer. All homes shall be connected to the a public sanitary sewer system (i.e. septic systems are not allowed).

9. Swimming Pools. Above-ground swimming pools are expressly prohibited within the Property, except for movable children's wading pools no more than 18" deep. All swimming pools must be contained within fenced enclosures in compliance with all governmental requirements and screened from street view.

10. Basketball Goals. Permanent basketball goals are allowed but must be approved by the ADRC as to color, materials, and location before installation. The metal pole must be permanently installed in the ground, at least 40' back from the curb. The permanent basketball goal must be properly maintained and painted, with nets in good repair.

11. Flagpoles. Flagpoles for displaying the United States or Texas flag are allowed, but the location must be approved by the ADRC as to materials prior to installation.

12. Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residential building site, and may place or construct Improvements on such site with the prior written approval of the ADRC. 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 Plat. The Owner may not thereafter resubdivide the consolidated Lots without the prior written approval of Declarant.

13. Construction in Place. All dwellings constructed on the Property shall be built in place on the Lot. The use of prefabricated materials other than trusses and wall panels shall be allowed only with the prior written approval of the ADRC.

14. Unfinished Structures. No structure shall remain unfinished for more than three hundred sixty (360) days after construction has begun. A structure shall be deemed "unfinished" if a certificate of occupancy has not been issued by the City of Georgetown, or if all exterior and interior details are not completed and operational. Construction shall be considered to have begun on the date on which forms are set.

E. Restrictions on Other Structures and Improvements.

1. Towers and Antennas. No antenna, satellite dish or other device for the transmission or reception of television signals, radio signals or any other form of electromagnetic radiation which is visible from the exterior of any building Improvement shall be erected, used or maintained on any Lot except with the written approval of the ADRC; provided, however, that one (1) satellite dish of not more than eighteen inches (18") in diameter may be placed upon any Lot subject to the ADRC's approval as to location and screening. Any permitted satellite dish or other such device as may be approved by the ADRC shall be located to the rear of the roof ridge line, gable line or center line of the principal residential structure if attached to such structure and shall be located to the rear of the rear wall of the principal residential structure if it is a freestanding device. No such device shall be permitted to extend above the roof of the primary residential structure so as to be visible from any street adjoining the Lot. The ADRC shall have the authority to adopt rules and regulations otherwise in compliance with rules adopted by the Federal Communications Commission for the erection, use, screening, or placement of antennae and satellite dishes which are one (1) meter or less in diameter.

2. Signs. No sign of any kind shall be displayed to the public view on any Lot without the prior written approval of the ADRC, except for (i) signs which are part of Declarant's overall marketing or construction plans or activities for the Property and (ii) one (1) sign of not more than five (5) square feet, advertising any property within the Subdivision for sale. All merchandising, advertising and sales programming shall be subject to the approval of the ADRC

3. Temporary Structures, Garage Apartments and Outbuildings. No (i) tent, shack or other temporary building, improvement or structure, (ii) outbuilding or storage shed shall be placed, erected or permitted to remain upon the Property without the prior written approval of the ADRC. No structure of a temporary character may be used at any time as a residence on the Property. The preceding sentences will not prohibit temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction (or in the event of repair), which may be maintained with the prior written approval of the ADRC, which approval will not be unreasonably withheld or delayed. The ADRC's approval may be conditioned on specifications as to the nature, size, duration and location of such structure. Any permitted garage, guest house or servants quarters shall meet or exceed the masonry requirements set forth in Section 5.04 above. All structures described in this Section 5.05(c), at a minimum, shall be constructed of the same or substantially similar materials and colors as the main structure on the Lot (as determined by the ADRC), and shall have roofs of the same color and weight as the main structure on the Lot. Metal roofs are expressly prohibited.

4. Fences. Fences are required on the side (commencing from approximately the middle or rear portion of the house) and rear property lines (forming the backyard of the home) of each lot where a home is constructed. The Owner shall obtain the necessary permits from the City of Georgetown or other entity with jurisdiction over the construction of fences prior to the construction. The location, materials and design of fences shall be as follows:

a) Rear property line fences that are contiguous to another lot in the Estrella Subdivision shall be made of wrought iron. Rear property line fences that are located on the perimeter of the Estrella Subdivision shall be a wooden privacy fence.

b) Side property line fences and fences separating the front yard from the back yard ("front fence") shall be made of wrought iron.

c) No fence (other than structural retaining walls) shall be maintained in front of the front wall line of the main residential structure on the Lot.

d) Wrought iron fencing shall be made six (6) feet in height with pickets (vertical members) spaced no greater than four (4) inches on center. Fence panels shall not exceed eight (8) feet in length between line posts. The metal fence shall be painted a color selected by the ADRC. Corner posts shall be either masonry columns that coordinate with the materials on the home or 4" by 4" square steel posts (or larger).

e) Wood privacy fences shall be six (6) feet in height with pickets no greater than three and one-half (3 1/2) inches wide shall be used. The fence pickets shall be made of western cedar and shall be stained a color selected by the ADRC. Line posts shall be located behind the fence. They shall be made of galvanized steel and set in a concrete footing.

f) Wood fences installed by the Declarant along the perimeter of the Estrella Subdivision within Block B may differ in the design and material set forth in paragraph (e), above.

VI.
OWNER'S COVENANT OF COMPLIANCE

A. **Covenant of Compliance.** Each Owner, his family, occupants of a Lot, tenants, and the guests, invitees, and licensees of the preceding shall comply strictly with the provisions of this Declaration as from time to time amended.

B. **Restriction Violations.** Failure to comply with any of covenants, conditions, or restrictions of this Declaration shall constitute a violation of this Declaration and is called a "*Restriction Violation*". If any Owner fails to cure such Restriction Violation within fifteen (15) days after receiving notice of the Restriction Violation, then the Declarant or the Association may pursue the rights and remedies granted and created by this Declaration and those available at law. The phrase "to cure such Restriction Violation" means the Owner complies with the covenants, conditions, restriction, duties, and/or responsibilities set forth in this Declaration. Each Restriction Violation shall give rise to a cause of action to recover sums due for curing the same, fines levied by the Association, actual and statutory damages, and injunctive relief, or any combination thereof. Any such action shall be maintainable by Declarant, the Association, or by any Owner; provided, however, only the Association shall have the right to levy a fine for a Restriction Violation or to bring any action for the collection of any Assessments, other than a Violation Assessment, as provided for below.

1. **Violation Assessments.** The cost of enforcing and/or curing any Restriction Violation, any fine levied by the Association, and any attorney's fees, court costs, expenses of litigation, if incurred by the Association or Declarant, whether the matter proceeds to suit or not, shall be a "*Violation Assessment*" against the Lot and the Owner and shall automatically become a part of the Assessments and secured by the lien for the Assessments which is established by this Declaration. Such lien shall have the same attributes as the liens for Assessments set forth herein, which provisions are incorporated herein by reference, and Declarant shall have identical powers and rights in all respects, including but not limited to the right of foreclosure and sale.

2. **Declarant's Right to Cure.** If an Owner who has committed a Restriction Violation does not cure it within such fifteen-day period, then Declarant shall have the right and power to enter onto the Lot and correct the failure without any liability for damages for wrongful entry, trespass or otherwise to any Person. The Owner of the Lot on which such curative work is performed shall be liable for the cost of such work and shall promptly reimburse Declarant for such cost. If the Owner fails to reimburse such Declarant within ten (10) days after receipt of a statement for such work from such Declarant, then said indebtedness shall be a personal debt of such Owner, shall be a Violation Assessment, and shall be secured by a lien against the Lot on which said work was performed. Such lien shall have the same attributes as the liens for Assessments set forth herein, which provisions are incorporated herein by reference, and Declarant shall have identical powers and rights in all respects, including but not limited to the right of foreclosure. Declarant shall have the right to designate the ADRC or the Board as the Declarant's agent for purposes of delivering any notice, performing any action, or otherwise enforcing each Owner's obligations in the manner described herein, in which event the ADRC or Board, as applicable, shall have the same rights as are granted to Declarant under this Section 6.02.

C. **No Warranty of Enforceability.** 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.

VII. **FUNDS AND ASSESSMENTS**

A. **Assessments.** For each lot closed initially and resold, each homeowner shall be subject to an initial assessment of \$500.00. In addition to the regular assessments set forth in Section 7.03 below. Assessments established pursuant to this Declaration shall be levied on a uniform basis against each Occupied Lot within the Property for the purpose of enforcing these restrictions, maintaining Association Property, and maintaining such other property as the Board may determine. If Lots are combined into one homesite, each Lot so combined shall be considered an Occupied Lot for purposes of Assessments (so that if two Lots are combined into one homesite, when the homesite is occupied, the Owner thereof shall be treated as owning two Occupied Lots). Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.

B. **Operating Fund.** The Board shall establish an operating fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association shall be used solely for purposes authorized by this Declaration.

C. **Regular Annual Assessments.** The Board shall set the initial regular assessment. The Board shall establish a budget for the Association and may levy assessments based on that budget against all Lots. Each fiscal year, the Board shall estimate the net expenses of the Association for such fiscal year, which shall be (i) the expenses to be incurred by the Association during such year in performing its functions under the Restrictions, including but not limited to the cost of all duties required and activities authorized herein of the Association, the Board, and the ADRC, and a reasonable provision for contingencies and appropriate replacement reserves, less (ii) any expected income and any surplus from the prior year's operating fund. Assessments sufficient to pay such estimated net expenses shall then be levied as provided herein, and the Assessments so levied by the Board shall be final and binding so long as it is made in good faith. In no event, however, may the Board increase an annual Assessment by more than five percent (5%) over the previous year's annual Assessment without the assent of two-thirds (2/3rds) of the votes of Members who are eligible to vote at a meeting duly called to vote on such matter with at least a quorum of Members who are eligible to vote represented in person or by proxy. Each Owner shall be given written notice of the amount of such annual Assessment at least thirty (30) days prior to the date such annual Assessment is due and payable. All such regular annual Assessments shall be due and payable to the Association, at the discretion of the Board, in one (1) payment at the beginning of the fiscal year, or at such time and in such other manner as the Board may from time to time designate. The Bylaws shall set forth requirements for quorums of Members and eligibility to vote.

D. **Special Assessments.** In addition to the regular annual Assessments provided herein, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the functions of the Association under the Restrictions, including the costs of any construction, reconstruction, repair, or replacement of a capital Improvement upon Association Property. The amount of any special Assessments shall be at the reasonable discretion of the Board. The Board may not levy a special Assessment which represents more than a ten percent (10%) increase over any previously levied special Assessment without the assent of two-thirds (2/3rds) of the votes of Members who are eligible to vote at a meeting duly called to vote on such matter with at

least a quorum of Members who are eligible to vote represented in person or by proxy. Each Owner shall be given written notice of the amount of any special Assessment at least thirty (30) days prior to the date such special Assessment is due and payable. All such special Assessments shall be due and payable to the Association at such time and in such other manner as the Board may designate, in its sole and absolute discretion. The Association may levy in any fiscal year a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital Improvement upon Association Property; provided that any such special Assessment shall have the assent of two-thirds (2/3rds) of the votes of Members who are eligible to vote at a meeting duly called to vote on such matter with at least a quorum of Members who are eligible to vote represented in person or by proxy.

E. Owner's Personal Obligation for Payment of Assessments. The regular and special Assessments provided for herein shall be the personal and individual debt of the Owner as of the date of levy of the Lot subject to each such Assessment, and no Owner shall be exempt from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot subject thereto shall be obligated to pay interest at the lesser of (i) 18% per annum, or (ii) highest rate allowed by applicable laws then in effect on the amount of the Assessment from the due date thereof, together with all costs and expenses of collection including reasonable attorneys' fees. The Board shall have the right to charge a one-time late fee for delinquent payment of Assessments in such amount as the Board may from time to time deem appropriate.

F. Exempt Property. All portions of the Property dedicated to, and accepted by, a local public authority are exempt from assessments. Notwithstanding the foregoing, no land or Improvements devoted to dwelling use shall be exempt from said Assessments.

G. Assessment Lien. All regular and special Assessments provided for herein which are not paid when due, together with interest and collection costs, attorneys' fees, and expenses as herein provided, shall be secured by a continuing lien and charge in favor of the Association on the Lot subject to such Assessment and any Improvements thereon, which shall bind such Lot and Improvements and the Owner thereof and such Owner's heirs, devisees, personal representatives, successors or assigns. 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 thereof and is hereby transferred and assigned to the Association. EACH OWNER HEREBY GRANTS A SECURITY INTEREST TO THE ASSOCIATION IN THE OWNER'S LOT IN ORDER TO SECURE ALL ASSESSMENTS. 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 Mortgage of record and securing sums borrowed for the acquisition or improvement of such Lot. The Board in its sole discretion may subordinate its Assessment liens to any other lien, and any such subordination shall be signed by an officer of the Association. Any Assessment lien hereunder shall attach with the priority set forth herein from the date payment is due.

1. **Notice of Assessment Lien.** 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.

2. **Mortgagee.** Upon the written request of any Mortgagee, the Association shall report to such Mortgagee any Assessments then unpaid with respect to any Lot on which such Mortgagee holds a Mortgage. Mortgagees are not required to collect any

Assessments, which may be owed on any Lot. An Owner's failure to pay Assessments does not constitute a default under an insured mortgage.

H. Foreclosure.

1. Power of Sale & Non-Judicial Foreclosure. EACH OWNER, BY ACCEPTANCE OF A DEED TO HIS LOT, HEREBY EXPRESSLY RECOGNIZES THE EXISTENCE OF THE LIEN FOR ASSESSMENTS AS BEING PRIOR TO HIS OWNERSHIP OF SUCH LOT AND HEREBY VESTS IN THE BOARD THE RIGHT AND POWER TO BRING ALL ACTIONS AGAINST SUCH OWNER OR OWNERS PERSONALLY FOR THE COLLECTION OF SUCH UNPAID ASSESSMENTS AND OTHER SUMS DUE HEREUNDER AS A DEBT, AND TO ENFORCE THE AFORESAID LIEN BY ALL METHODS AVAILABLE FOR THE ENFORCEMENT OF SUCH LIENS, BOTH JUDICIALLY AND BY NON-JUDICIAL FORECLOSURE PURSUANT TO TEXAS PROPERTY CODE § 51.002 (AS SAME MAY BE AMENDED OR REVISED FROM TIME TO TIME HEREAFTER) AND IN ADDITION TO AND IN CONNECTION THEREWITH, BY ACCEPTANCE OF THE DEED TO HIS LOT, EXPRESSLY GRANTS, BARGAINS, SELLS AND CONVEYS TO THE PRESIDENT OF THE ASSOCIATION FROM TIME TO TIME SERVING, AS TRUSTEE (AND TO ANY SUBSTITUTE OR SUCCESSOR TRUSTEE) SUCH OWNER'S LOT, AND ALL RIGHTS APPURTENANT THERETO, IN TRUST WITH POWER OF SALE, FOR THE PURPOSE OF SECURING THE AFORESAID ASSESSMENT, AND OTHER SUMS DUE HEREUNDER REMAINING UNPAID HEREUNDER BY SUCH OWNER FROM TIME TO TIME.. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and attested to by the Secretary of the Association and filed in the Office of the County Clerk of Williamson, Texas.

2. Foreclosure Procedure. In the event of the election by the Board to foreclose the liens herein provided for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the Board to comply with the Texas Residential Property Owner's Protection Act (TEXAS PROPERTY CODE § 209, and its successor provisions); and it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Lot, and all rights appurtenant thereto, at the door of the County Courthouse of Williamson County, Texas, on the first Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder for cash at public venue after the trustee and the Board, respectively, shall have given notice of the proposed sale in the manner hereinafter set forth and to make due conveyance to purchaser or purchasers, with general warranty of title to such purchaser or purchasers binding upon the Owner or Owners of such Lot and his heirs, executors, administrators and successors. The trustee shall give notice of such proposed sale by posting a written notice of time, place and terms of the sale for at least twenty-one (21) consecutive days preceding the date of sale at the Courthouse door of Williamson County, Texas, and, in addition, the Board shall serve written notice at least twenty-one (21) days preceding the date of sale or the proposed sale by certified mail on each of such Owner or Owners according to the records of the Association. Service of such notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to such Owner or Owners at the most recent address as shown by the records of the Association, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

3. Association's Right to Bid Credit. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its

lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.

4. Texas Property Code § 51.002. It is the intent of the provisions of this Section to comply with the provisions of Texas Property Code § 51.002, relating to non-judicial sales by power of sale and, in the event of the amendment of said § 51.002 hereafter, which amendment is applicable hereto, the President of the Association, acting without joinder of any other Owner or Mortgagee or other person may, by amendment to this Declaration filed in the Office of the County Clerk of Williamson County, Texas, amend the provisions hereof so as to comply with said amendments to § 51.002.

I. **Fines.** The ADRC and/or the Board may assess fines against an Owner for violations of restrictions or standards of conduct contained in the Declaration, the Design Guidelines, or the Association Rules, which have been committed by an Owner, an occupant of the Owner's Lot, or the Owner or occupant's family, guests, employees, contractors, agents or invitees. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner. The ADRC and/or the Board may assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of Common Areas by the Owner or the Owner's family, guests, agents, occupants, or tenants. The manager Association shall have authority to send notices to alleged violators, informing them of their violations and asking them to comply with the rules and/or informing them of potential or probable fines or damage assessments. The Board may from time to time adopt a schedule of fines.

1. The procedure for assessment of fines and damage charges shall be as follows (except in the extent of a conflict with Texas Property Code § 209, in which case § 209 shall apply):

- a) the Association, acting through a ADRC member, officer, Board member or manager, must give the Owner written notice of the fine or damage charge not later than thirty (30) days after the assessment of the fine or damage charge by the Association;
- b) the notice of the fine or damage charge must describe the violation or damage;
- c) the notice of the fine or damage charge must state the amount of the fine or damage charge;
- d) the notice of a fine or damage charge must state that the Owner may, not later than thirty (30) days after the date of the notice, request a hearing before the full Board to contest the fine or damage charge; and
- e) the notice of a fine must allow the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months.

Fines and/or damage charges are due immediately after the expiration of the thirty (30) day period for requesting a hearing. If a hearing is requested, such fines or damage charges shall be due immediately after the Board's decision at such hearing, assuming that a fine or damage charge of

some amount is confirmed by the Board at such hearing. The minimum fine for each violation shall be set by the ADRC or the Board.

VIII. **EASEMENTS**

A. **Reserved Easements.** All dedications, limitations, restrictions, and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights, made prior to the Property becoming subject to this Declaration 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 Property. Declarant reserves the right to make changes in and additions to the said easements and for the purpose of most efficiently and economically developing the Property. Further, for so long as Class B Membership exists, Declarant reserves the right, without the necessity of the joinder of any Owner or other Person, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes (including without limitation, gas, water, electricity, telephone and drainage) in favor of any Person along any front, rear, or side boundary line of any Lot, which said easements shall have a maximum width of ten (10) feet (provided, however, that easements along side yard lot lines shall straddle such lot lines with five (5) feet on each of the adjoining Owner's Lots). Upon termination of Class B Membership, Declarant's right in the preceding sentence shall vest in the Association.

B. **Installation and Maintenance.** There is hereby created an easement upon, across, over, and under all of the Property for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including but not limited to, water, wastewater, gas, telephones, and electricity lines 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 line, or other utility facilities or appurtenances thereto, on, above, across and under the Property, 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 Improvement. Notwithstanding any provision contained in this section, no electrical lines, water lines, or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the ADRC. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

C. **Drainage Easements.** Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the ADRC thereon, require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat. There shall be no construction of Improvements, temporary or permanent, in any drainage easement, except as approved in writing by the ADRC.

D. **Surface Areas.** The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers so long as it does not interfere with the purposes for which the easements are intended, and the easement areas on each Lot shall be maintained continuously by the Owner of the Lot, except for improvements for which a public utility or public authority is responsible. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants, or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation, or repair of any facility in any such easement area.

E. **Common Area and Facilities**. Each Owner shall have a non-exclusive easement for use and enjoyment in and to all Common Area and Facilities, which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

1. The right of the Association to suspend the Owner's voting rights and right to use the Common Area and Facilities for any period during which an Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association;
2. The right of the Association to dedicate or transfer all or any part of the Common Area and Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a two-thirds vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for Special Assessments herein;
3. The right of the Association to borrow money for the purpose of improving the Common Area and Facilities and, in furtherance thereof, mortgage the Common Area and Facilities, all in accordance with the Articles and Bylaws;
4. The right of the Association to promulgate reasonable rules and regulations regarding use of the Common Area and Facilities; and
5. The right of the Association to contract for services with third parties on such terms as the Association may determine.

IX.

TERM, AMENDMENTS, & EXEMPTIONS

A. **Term**. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall remain in effect until January 1, 2037, unless amended as herein provided. On and after January 1, 2037, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished as set forth in Section 9.02 below.

B. **Amendment/Extinguishment**. This Declaration may be amended or extinguished by the recording in the Official Public Records of Williamson County, Texas of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment or extinguishment and certifying that such amendment or extinguishment has been approved by Owners entitled to cast at least ninety percent (90%) of the number of votes entitled to be cast pursuant to Section 3.03 hereof for the first twenty (20) years from the date hereof, and by seventy-five percent (75%) of said Owners thereafter. Notwithstanding anything to the contrary contained in these Restrictions, for so long as Class B Membership exists, the Declarant shall have, and hereby reserves, the right at any time, without the joinder or consent of any other party or entity (including the Owner) to amend these Restrictions by an instrument in writing duly signed, acknowledged, and filed for record in the Official Public Records of Williamson County, Texas, so long as the amendment (in the Sole Discretion of the Declarant) will not be inconsistent with the general, overall plan for the development of the Property. Each Owner hereby appoints Declarant as its attorney-in-fact for the purposes of effecting the provisions of this subsection, and this power is coupled with an interest and is irrevocable.

C. **Annexation**. For so long as Class B Membership exists, Declarant reserves the right to add or annex real property to the Property that is governed by these Declarations, even if the annexation dilutes the voting rights of Class A Members, without the joinder or consent of any other party or entity (including the Owner) by an instrument in writing duly signed, acknowledged, and filed for record in the Official Public Records of Williamson County, Texas, so long as the annexation does not violate applicable law. Upon termination of Class B Membership, Declarant's right of annexation in the preceding sentence shall vest in the

Association, and may be exercised by the affirmative vote of two-thirds (2/3) of the Members present at meeting at which a quorum is present.

D. Public Property.

1. Exemption and Withdrawal of Public Park Property, Public School Property, or other Public Property. Any Public Park Property, Public School Property, and/or Public Property which is exempted and withdrawn from this Declaration shall be subject to a restriction in the form attached hereto as Addendum III (the “*Public Use Restriction*”) which shall be filed of record in the Official Public Records of Williamson County, Texas concurrently with the recordation of any Notice of Withdrawal/Exemption for such Public Property.
2. Exemption of Certain Property from Assessments. In addition to the exemption of Public Park Property and Public School Property from Assessments hereunder, Declarant shall have the right (so long as there is a Class B Membership) to exempt other Public Property from Assessments so long as such Public Property is used for Public Purposes. At such time as there is no Class B Membership, the exemption of any Public Property will require approval by Owners entitled to cast at least ninety percent (90%) of the number of votes entitled to be cast pursuant to Section 3.03 hereof for the first twenty years from the date hereof, and by seventy-five percent (75%) of said Owners thereafter. Provided, however, if any such Public Property is subject to Section 43.002 of the Texas Property Code (or amended from time to time), then no such exemption by Declarant, the Association, or the Owners is required (Section 43.002 of the Texas Property Code provides that real property of the State of Texas, including real property held in the name of state agencies and funds, and the real property of a political subdivision of the state of Texas are exempt from attachment, execution, and forced sale).
3. No Rights as a Member. Any owner of Public Park Property, Public School Property, or other Public Property which is exempt from Assessments and/or this Declaration or any portion hereof shall not be entitled to membership in the Association and shall not be entitled to the use or benefit of any Common Area and Facilities (as defined in the Declaration).
4. Termination of Exemption. If any Public School Property shall cease to be used for Public School purposes or any other Public Property shall ceased to be used for Public Purposes, then (i) any exemptions for such property granted in or pursuant to this Declaration shall terminate, (ii) all covenants, conditions, and restrictions established by the Declaration shall thereafter burden and encumber such property, and (iii) this Declaration shall thereafter again be a covenant running with such Property.
5. Applicability of Declarant’s Rights. Declarant’s rights of withdrawal under this 9.03 shall apply to all portions of the Property.

X.

MORTGAGE PROTECTION

A. Notice to Association. An Owner who mortgages such owner’s Lot and any residence or structure thereon shall notify the Board, giving the name and address of such Owner’s Mortgagee. The Board may, at its election, maintain such information in a book entitled “Mortgagees of Owners”.

B. Examination of Books. The Association shall permit Mortgagees to examine the books and records of the Association during normal business hours upon one business day’s notice (not less than 24 hours).

C. **Taxes, Assessment and Charges.** All taxes, assessments, and charges which may become liens prior to first lien mortgages under local law shall relate only to the individual Lots and not to the Property as a whole.

XI.

GENERAL DISCLOSURES AND NOTICES

A. **Construction Matters.** Land development activities and construction activities will occur within and around the Property and such activities will create noise, dust, traffic disruption and general inconvenience to the residents within the Property.

B. **Views.** Views within the Property are not protected. No warranty, representation or guaranty is made to any Owner by Declarant or by any homebuilder or developer of any portion of the Property, that any views from any portion of the Property will be protected or remain the same.

C. **Storm Water Drainage.** Each Owner is responsible for complying with all governmental and/or regulatory requirements which may apply with respect to the drainage or detention of storm water within such Owner's Lot. Declarant expressly disclaims any responsibility, representation or warranty with respect to the drainage and/or detention of storm water within any Lot.

XII.

MISCELLANEOUS

A. **Notices.** Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. Personal delivery includes affixing the notice to the front door of the Owner's residence. If delivery is made by mail, it shall be deemed to have been delivered on the second (2nd) business day (other than a Sunday or legal holiday) after deposit in the United States mail, postage prepaid, addressed to the Owner at the address given by such Owner to the Association for the purpose of service of notices (if no address is provided by the Owner, then notice shall be proper at the Owner's Lot). Such address may be changed from time to time by notice in writing given by such Owner to the Association.

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

C. **Exemption of Declarant.** Notwithstanding any provision herein to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Association, the Board or the ADRC. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all types of Improvements, including but not limited to construction, sales, and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Property.

D. **Nonliability of ADRC and Board Members.** Neither the ADRC, 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 for any loss, damage, or injury arising out of their being in any way connected with the performance of the ADRC's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the ADRC or its member or the Board or its member, as the case may be.

E. **Assignment by Declarant.** Notwithstanding any provision herein to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties

under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder. Any such assignment by a Declarant shall be effective upon recordation in the Official Public Records of Williamson County, Texas, of an instrument executed and acknowledged by such Declarant evidencing such assignment.

F. **Enforcement and Nonwaiver.** Except as otherwise provided herein, any Owner at such Owner's expense, Declarant, and/or the Association, shall have the right to enforce any and all provisions of this Declaration. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision. The failure to enforce any such provision at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other such provision.

12.07 Mediation. In the event of any dispute, controversy, or claim which arises from, relates to, or is connected with this Declaration, the Association Rules, Architectural & Design Rules, or any similar rules promulgated hereunder or under or pursuant to any Subordinate Declaration, which is between or among any Owner, or any person claiming by, through, or under an Owner, including without limitation any permitted tenant or lessee (each, an "*Owner Party*") and the Association, the Board, the ADRC, Declarant, any Sub-Association, any Sub-Association Board, the ADRC of any Sub-Association, any Sub-Declarant, any Developer, or any officer, member, or representative of any one or more of the foregoing (each, an "*Association Party*") the parties to such dispute agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the dispute shall be submitted to mediation before the parties resort to arbitration or litigation and a mutually acceptable mediator shall be chosen by the parties to the dispute who shall share the cost of mediation services equally. Nothing in this Declaration shall be deemed to limit the right of the Association Party (A) to exercise self help remedies, or (B) to foreclose against any real property subject to a lien granted or created by this Declaration in accordance with applicable law, or (C) to obtain from a court provisional or ancillary remedies such as (but not limited to) injunctive relief in accordance with applicable law. Nothing herein shall require mediation prior to foreclosure of an Assessment lien under Section 7.08.

12.08 Arbitration. If any dispute, controversy, or claim as described in this Section 12.08 arises which is not resolved by mediation as provided above, then either the Owner Party or the Association Party may upon written request cause such dispute, controversy, or claim, including any claim based on or arising from an alleged tort, to be submitted to binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state law), the Rules of the American Arbitration Association, and the "Special Rules" set forth below. In the event of any inconsistency, the Special Rules shall control. Judgment upon any arbitration award may be entered in any court having jurisdiction. Any Owner Party or Association Party to any such dispute, controversy, or claim may bring an action, including a summary or expedited proceeding, to compel arbitration of any such dispute, controversy, or claim to which this Declaration applies in any court having jurisdiction over such action. The party that requests arbitration has the burden to initiate the arbitration proceedings pursuant to and by complying with the Real Estate Industry Rules of the American Arbitration Association and shall pay all associated administrative and filing fees.

1. The arbitration shall be conducted in the City of Austin, Texas and administered by the American Arbitration Association. All arbitration hearings will be commenced within sixty (60) days of the written request for arbitration, and if the arbitration hearing is not commenced within the sixty (60) days, the party that requested arbitration shall have waived its election to arbitrate.

2. Nothing in this Declaration shall be deemed to (i) limit the applicability of any otherwise applicable statutes of limitation or repose and any waivers contained in this Agreement; or (ii) limit the right of the Association or any Sub-Association hereto (A) to exercise self help remedies, or (B) to foreclose against any real property subject to a lien granted or created by this Declaration or any Subordinate

Declaration in accordance with applicable law, or (C) to obtain from a court provisional or ancillary remedies such as (but not limited to) injunctive relief in accordance with applicable law. The Association or any Sub-Association may exercise such self help rights, foreclose upon such property, or obtain such provisional or ancillary remedies before, during or after the pendency of any arbitration proceeding brought pursuant to this Declaration. Neither the exercise of self help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies shall constitute a waiver of the right of any party, including the claimant in any such action, to arbitrate the merits of the dispute, controversy, or claim occasioning resort to such remedies.

3. Acceptance by any person of a deed to any portion of the Property shall be deemed such person's agreement to these arbitration provisions.

12.09 General.

(a) The provisions of this Declaration shall be deemed independent and severable. The invalidity or partial invalidity of any provision or portion of any such documents shall not affect the validity or enforceability of any other provision or portion thereof.

(b) Unless the context requires a contrary construction, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

(c) All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect the text of the paragraphs, sections and articles hereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of March 27, 2007

DECLARANT:

OAKLAND HILLS, L.P.
(a Texas limited partnership)

By: RR/Bandon Dunes Company, L.L.C.
(a Texas limited liability company)
Its General Partner

By: [Signature]
Robert D. Wunsch, President



STATE OF TEXAS

COUNTY OF WILLIAMSON

§
§
§

This instrument was acknowledged before me, the undersigned authority, this 27 day of March, 2007, by Robert D. Wunsch, President of Oakland Hills, L.P., a Texas limited partnership, General Partner of, Ltd., a Texas limited partnership, on behalf of said partnership and said limited liability company.

Notary Public - State of Texas
Print Name: T. Canchola
My Commission Expires: 11-6-07

After Recording, Please Return To:

Theresa Canchola

WATERSTONE DEVELOPMENT GROUP

4314 W. Braker Lane, Suite 250

Austin, Texas 78759

ADDENDUM I

GLOSSARY OF DEFINED TERMS

When used in the Declaration, the following words and phrases shall have the meanings set forth in this Glossary of Defined Terms, unless the context otherwise specifies or requires.

- (1) ADRC. “*ADRC*” means the architecture and design review committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property.
- (2) Articles. “*Articles*” means the Articles of Incorporation of Estrella Owners Association, Inc., to be filed in the office of the Secretary of State of the State of Texas, as from time to time amended.
- (3) Assessment. “*Assessment*” means such assessments as may be levied by the Association under the terms and provisions of this Declaration.
- (4) Association. “*Association*” means Estrella Owners Association, Inc., a Texas nonprofit corporation.
- (5) Board. “*Board*” means the Board of Directors of the Association.
- (6) Bylaws. “*Bylaws*” means the Bylaws of the Association adopted by the Board, as from time to time amended.
- (7) Common Area and Facilities. “*Common Area and Facilities*” and “*Common Areas*” means Lots and other properties, if any, designated by Declarant and conveyed to the Association along with any areas within public right-of-ways or easements that the Board deems necessary or appropriate to maintain for the common benefit of the Owners. Common Area and Facilities may be designated by Declarant and dedicated or otherwise conveyed to the Association from time to time and at any time.
- (8) Declarant. “*Declarant*” means, Ltd., or its successors or assigns. Any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of the Declarant shall not be sufficient to constitute an assignment of the rights of Declarant.
- (9) Declaration. “*Declaration*” means this instrument, as from time to time amended.
- (10) Improvement. “*Improvement*” means every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, and any facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

ADDENDUM I

GLOSSARY OF DEFINED TERMS

- (11) Lot. "*Lot*" means any parcel or parcels of land within the Property shown as a subdivided lot on either of the Plats, together with all Improvements located thereon.
- (12) Member. "*Member*" means any Person holding membership rights in the Association.
- (13) Mortgage. "*Mortgage*" means any mortgage or deed of trust covering any portion of the Property given to secure the payment of debt.
- (14) Mortgagee. "*Mortgagee*" means the owner and holder of a Mortgage.
- (15) Occupied Lot. "*Occupied Lot*" means a Lot upon which building Improvements have been constructed and which has been occupied for residential use. Once a Lot has been so occupied and used, it will be deemed an "Occupied Lot" for purposes of this Declaration regardless of whether it ceases to be occupied at any time thereafter.
- (16) Owner. "*Owner*" means any Person, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include a Mortgagee.
- (17) Person. "*Person*" means any individual or entity having the legal right to hold title to real property.
- (18) Plans and Specifications. "*Plans and Specifications*" means the documents designed to guide or control the construction or erection of any Improvement, including but not limited to those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors (including roof colors), plans for utility services, and all other documentation or information relevant to such Improvement.
- (19) Plats. "*Plats*" means the subdivision plats, for Estrella Crossing, a subdivision in Williamson County, Texas, according to the map or plat recorded in the Plat Records of Williamson County, Texas.
- (20) Property. "*Property*" means the lots in Estrella Crossing, a subdivision in Williamson County, Texas, according to the map or plat recorded in the Plat Records of Williamson County, Texas, which are described on Exhibit "A" attached hereto.

Restrictions. "*Restrictions*" means this Declaration, the Articles and Bylaws of the Association, and any rules of the Association or its committees, as from time to time in effect and from time to time amended.

ADDENDUM I
GLOSSARY OF DEFINED TERMS

EXHIBIT "A"

THE PROPERTY

ESTRELLA CROSSING
69.501 ACRES

FN 1003
OCTOBER 10, 2006
PROJECT NO. 19330.10.30

DESCRIPTION

OF 69.501 ACRES OF LAND OUT OF THE DAVID WRIGHT SURVEY, ABSTRACT NO. 13 IN WILLIAMSON COUNTY, TEXAS AND BEING A PORTION OF THE 86.153 ACRE TRACT CONVEYED TO OAKLAND HILLS, L.P., IN DOCUMENT NO. 2004099368 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND ALL OF 5.024 ACRE TRACT CONVEYED TO OAKLAND HILLS, L.P., IN DOCUMENT NO. 2006003819 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 69.501 ACRES BEING MORE PARTICULARLY DESCRIBED, BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT A 7/8 IRON ROD FOUND AT THE SOUTHWEST CORNER OF LOT 33 OF SERENADA COUNTRY ESTATES UNIT ONE, A SUBDIVISION OF RECORD IN CABINET B, SLIDE 339 OF THE OFFICIAL PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS, AND THE NORTHEAST CORNER OF LOT 31 OF SAID SERANADA COUNTRY ESTATES UNIT ONE, SAME BEING THE SOUTHEAST CORNER OF SAID 86.153 ACRE TRACT, FOR THE SOUTHEAST CORNER HEREOF;

THENCE ALONG A NORTH LINE OF SAID SERANADA COUNTRY ESTATES UNIT ONE AND THE SOUTH LINE OF SAID 86.153 ACRE TRACT THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

- 1) S61°57'51"W, A DISTANCE OF 795.43 FEET TO A 1/2 IRON ROD FOUND FOR AN ANGLE POINT HEREOF;
- 2) S62°02'11"W, A DISTANCE OF 1287.50 FEET TO A 1/2 IRON PIPE FOUND FOR AN ANGLE POINT HEREOF;
- 3) S62°08'11"W, A DISTANCE OF 232.81 FEET TO A 1/2 IRON ROD FOUND FOR AN ANGLE POINT HEREOF; AND
- 4) S61°59'11"W, A DISTANCE OF 408.06 FEET TO A 1/2 IRON ROD SET WITH PLASTIC SURVEYOR'S CAP, FOR THE SOUTHEAST CORNER HEREOF;

THENCE LEAVING A NORTH LINE OF SAID SERENADA COUNTRY ESTATES UNIT ONE, THROUGH SAID 86.153 ACRE TRACT THE FOLLOWING ELEVEN (11) COURSE AND DISTANCES:

- 1) N57°51'28"W, A DISTANCE OF 298.16 FEET TO A 1/2 INCH IRON ROD SET WITH PLASTIC SURVEYOR'S CAP FOR AN ANGLE POINT HEREOF;
- 2) N12°07'06"E, A DISTANCE OF 167.48 FEET TO A 1/2 INCH IRON ROD FOUND FOU AN ANGLE POINT HEREOF;
- 3) ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 475.00 FEET, A DELTA ANGLE OF 5°41'34", A CHORD DISTANCE OF 71.51 FEET (CHORD BEARS

N80°46'47"W), AN ARC DISTANCE OF 71.54 FEET TO A 1/2 INCH IRON ROD SET WITH PLASTIC SURVEYOR'S CAP FOR A POINT OF REVERSE CURVATURE HEREOF;

4) ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 720.00 FEET, A DELTA ANGLE OF 16°52'38", A CHORD DISTANCE OF 139.41 FEET (CHORD BEARS N75°11'15"W), AN ARC DISTANCE OF 139.92 FEET TO A 1/2 INCH IRON ROD SET WITH PLASTIC SURVEYOR'S CAP FOR A POINT OF TANGENCY HEREOF;

5) N66°44'56"W, A DISTANCE OF 483.80 FEET TO A 1/2 INCH IRON ROD SET WITH PLASTIC SURVEYOR'S CAP FOR AN ELL CORNER HEREOF;

6) N23°17'05"E, A DISTANCE OF 50.05 FEET TO A COTTON GIN SPINDLE FOUND FOR AN ANGLE POINT HEREOF;

7) N22°21'48"E, A DISTANCE OF 69.99 FEET TO A COTTON GIN SPINDLE FOUND FOR AN ANGLE POINT HEREOF;

8) N63°00'20"E, A DISTANCE OF 92.24 FEET TO A 1/2 INCH IRON ROD FOUND WITH PLASTIC SURVEYOR'S CAP FOR AN ANGLE POINT HEREOF;

9) S77°45'10"E, A DISTANCE OF 253.17 FEET TO A 1/2 INCH IRON ROD FOUND WITH PLASTIC SURVEYOR'S CAP FOR AN ANGLE POINT HEREOF;

10) N76°51'59"E, A DISTANCE OF 242.72 FEET TO A 1/2 INCH IRON ROD FOUND WITH PLASTIC SURVEYOR'S CAP FOR AN ANGLE POINT HEREOF; AND

11) N64°40'17"E, A DISTANCE OF 901.53 FEET TO A 1/2 INCH IRON ROD FOUND IN A NORTH LINE OF SAID 86.153 ACRE TRACT AND THE SOUTH LINE OF THE REMAINDER OF A 20.000 ACRE TRACT CONVEYED TO WESLEYAN HOMES, INC. IN DOCUMENT NO. 9638840 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, FOR AN ANGLE POINT HEREOF;

THENCE ALONG THE COMMON LINE OF SAID 86.153 ACRE TRACT AND SAID REMAINDER OF A 20.000 ACRE TRACT, N68°45'23"E, A DISTANCE OF 15.79 FEET TO A 1/2 INCH IRON ROD FOUND WITH PLASTIC SURVEYOR'S CAP FOUND FOR THE SOUTHEAST CORNER OF SAID 5.024 ACRE TRACT AND AN ELL CORNER HEREOF;

THENCE ALONG THE WEST LINE OF SAID 5.024 ACRE TRACT AND THE EAST LINE OF THE SAID REMAINDER OF A 20.000 ACRE TRACT THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1) N27°05'32"W, A DISTANCE OF 61.79 FEET TO A 1/2 INCH IRON ROD FOUND WITH PLASTIC SURVEYOR'S CAP FOR AN ANGLE POINT HEREOF;

2) N45°04'49"W, A DISTANCE OF 416.30 FEET TO A 1/2 INCH IRON ROD FOUND WITH PLASTIC SURVEYOR'S CAP FOR AN ANGLE POINT HEREOF; AND

3) N20°27'30"W, A DISTANCE OF 213.11 FEET TO A 1/2 INCH IRON ROD FOUND WITH PLASTIC SURVEYOR'S CAP IN THE SOUTH LINE OF LOT 3, BLOCK N, SERENADA WEST SECTION 3, A SUBDIVISION OF RECORD IN CABINET D, SLIDE

216, OF THE OFFICIAL PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS, AND THE NORTHWEST CORNER OF SAID 5.024 ACRE TRACT, FOR AN ELL CORNER HEREOF;

THENCE ALONG THE SOUTH LINE OF SAID LOT 3 AND THE NORTH LINE OF SAID 5.024 ACRE TRACT, N68°54'57"E, A DISTANCE OF 152.40 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID LOT 3 AND THE NORTHEAST CORNER OF SAID 5.024 AND AN ANGLE POINT OF SAID 86.153 ACRE TRACT FOR AN ANGLE POINT HEREOF;

THENCE LEAVING THE NORTH LINE OF SAID 5.024 ACRE TRACT AND ALONG THE SOUTH LINE OF SAID SERENADA WEST SECTION 3 AND A NORTH LINE SAID 86.153 ACRE TRACT THE FOLLOWING SIX (6) COURSES AND DISTANCES:

- 1) N68°47'48"E, A DISTANCE OF 50.06 FEET TO A 1/2 INCH IRON PIPE FOUND FOR AN ANGLE POINT HEREOF;
- 2) N68°42'22"E, A DISTANCE OF 322.05 FEET TO A 5/8 INCH IRON ROD FOUND FOR AN ANGLE POINT HEREOF;
- 3) N68°48'12"E, A DISTANCE OF 526.71 FEET TO A 5/8 INCH IRON ROD FOUND FOR AN ANGLE POINT HEREOF;
- 4) N68°46'09"E, A DISTANCE OF 231.65 FEET TO A 5/8 INCH IRON ROD FOUND FOR AN ANGLE POINT HEREOF;
- 5) N68°38'58"E, A DISTANCE OF 54.66 FEET TO A 1/2 INCH IRON ROD FOUND FOR AN ANGLE POINT HEREOF; AND
- 6) N68°45'54"E, A DISTANCE OF 214.92 FEET TO A 1/2 INCH IRON ROD SET WITH PLASTIC SURVEYOR'S CAP AT THE SOUTHEAST CORNER OF LOT 2, BLOCK L OF SAID SERENADA WEST SECTION 3 AND IN A WEST LINE OF SAID SERENADA COUNTRY ESTATES UNIT ONE FOR AN ANGLE POINT HEREOF;

THENCE ALONG A WEST LINE OF SAID SERENADA COUNTRY ESTATES UNIT ONE AND THE EAST LINE OF SAID 86.153 ACRE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

- 1) S44°01'27"E, A DISTANCE OF 79.56 FEET TO A 1/2 INCH IRON ROD FOUND FOR AN ANGLE POINT HEREOF;
- 2) S44°15'02"E, A DISTANCE OF 914.63 FEET TO A 5/8 INCH IRON ROD FOUND FOR AN ANGLE POINT HEREOF; AND
- 3) S21°07'04"E, A DISTANCE OF 242.27 FEET TO THE POINT OF BEGINNING, CONTAINING 69.501 ACRES OF LAND, MORE OR LESS, WITHIN THESE METES AND BOUNDS.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS 2007025065

Nancy E. Rister

03/29/2007 09:24 AM

PHERRBRICH \$156.00

NANCY E. RISTER, COUNTY CLERK

WILLIAMSON COUNTY, TEXAS

CH Hampton Title Co