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**DECLARATION OF CONDOMINIUM REGIME  
FOR SONTERRA I CONDOMINIUMS  
(A Residential Condominium in Williamson County, Texas)**

Declarant: **SONWEST CO.**, a Texas corporation

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## DECLARATION OF CONDOMINIUM REGIME FOR SONTERRA I CONDOMINIUMS

**SONWEST CO.**, a Texas corporation ("**Declarant**"), is the owner of certain real property located in Williamson County, Texas, as more particularly described on Exhibit "A" attached hereto and incorporated herein, together with all Improvements thereon and all easements, rights, and appurtenances thereto (the "**Land**"). The Land, together with all Improvements thereon and all easements, rights, and appurtenances thereto are hereby submitted to the terms and provisions of the Texas Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating Sonterra I Condominiums.

**A.** Declarant desires to create upon the Land a residential community and carry out a uniform plan for the improvement and development of the Land for the benefit of the present and future owners thereof.

**B.** Declarant desires to provide a mechanism for the preservation of the community and for the maintenance of common areas and, to that end, desires to subject the Land to the covenants, conditions, and restrictions set forth in this Declaration for the benefit of the Land, and each owner thereof.

**NOW, THEREFORE**, it is hereby declared that: (i) the Land will be held, sold, conveyed, leased, occupied, used, insured, and encumbered with this Declaration, including the representations and reservations of Declarant, set forth on Appendix "A", attached hereto, which will run with the Land and be binding upon all parties having right, title, or interest in or to such property, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof; and (ii) each contract or deed which may hereafter be executed with regard to the Land, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed.

### ARTICLE 1 DEFINITIONS

Unless otherwise defined in this Declaration, terms defined in Section 82.003 of the Act have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

**1.1 "Act"** means Chapter 82 of the Texas Property Code, the Texas Uniform Condominium Act, as it may be amended from time to time.

**1.2 "Applicable Law"** means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are

"Applicable Law" on the date of the Document, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

**1.3 "Architectural Reviewer"** means Declarant or its designee during the Development Period. After expiration of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Board

**1.4 "Assessment"** means any charge levied against a Unit or Owner by the Association, pursuant to the Documents, the Act, or Applicable Law, including but not limited to Regular Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments as defined in Article 6 of this Declaration.

**1.5 "Association"** means Sonterra I Residential Condominium Community, Inc., a Texas non-profit corporation, the Members of which shall be the Owners of Units within the Regime. The term "Association" shall have the same meaning as the term "unit owners association" in Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, the Certificate, the Bylaws, and the Act.

**1.6 "Board"** means the Board of Directors of the Association.

**1.7 "Building"** means a residential dwelling constructed within a Unit.

**1.8 "Bylaws"** mean the bylaws of the Association, as they may be amended from time to time.

**1.9 "Certificate"** means the Certificate of Formation of the Association filed in the Office of the Secretary of State of Texas, as the same may be amended from time to time.

**1.10 "Common Element"** means all portions of the Property save and except the Units. All Common Elements are "General Common Elements" except if such Common Elements have been allocated as "Limited Common Elements" by this Declaration for the exclusive use of one or more but less than all of the Units.

**1.11 "Common Expenses"** means the expenses incurred or anticipated to be incurred by the Association for the general benefit of the Regime, including but not limited to those expenses incurred for the maintenance, repair, replacement and operation of the Common Elements.

**1.12 "Community Manual"** means the community manual, if any, which may be initially adopted and Recorded by the Declarant as part of the initial project documentation for the Regime. The Community Manual may include the Bylaws and Rules and policies governing the Association as the Board determines to be in the best interest of the Association,

in its sole and absolute discretion. The Community Manual may be amended, from time to time, by a Majority of the Board; provided, however, that during the Development Period, any amendment to the Community Manual must be approved in advance and in writing by the Declarant.

**1.13 "Declarant"** means SONWEST CO., a Texas corporation. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by Recorded written instrument, assign, in whole or in part, exclusively or non-exclusively, any of its privileges, exemptions, rights and duties under this Declaration to any Person. Declarant may also, by Recorded written instrument, permit any other Person to participate in whole, in part, exclusively or non-exclusively, in any of Declarant's privileges, exemptions, rights and duties under this Declaration.

**1.14 "Declarant Control Period"** means that period of time during which Declarant controls the operation and management of the Association, pursuant to Appendix "A" of this Declaration. The duration of Declarant Control Period expires one hundred and twenty (120) days after title to seventy-five percent (75%) of the maximum Units that may be created hereunder have been conveyed to Owners other than Declarant.

**1.15 "Declaration"** means this document, as it may be amended from time to time.

**1.16 "Development Period"** means the fifty (50) year period beginning on the date this Declaration is Recorded, during which Declarant has certain rights as more particularly described on Appendix "A", attached hereto, including rights related to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by the Recording of a notice of termination.

During the Development Period, Appendix "A" has priority over the terms and provisions of this Declaration.

**1.17 "Documents"** mean, singly or collectively as the case may be, this Declaration, the Plat and Plans, attached hereto as Attachment 1, the Certificate, Bylaws, the Community Manual, and the Rules of the Association, as each may be amended from time to time. An appendix, attachment, exhibit, schedule, or certification accompanying a Document is a part of that Document.

**1.18 "General Common Elements"** mean Common Elements which are not Limited Common Elements. General Common Elements refer to those portions of the Property that are designated as "GCE", "General Common Element", "General Common Area", "Common Area", or by the notation "General Common Elements", "GCE", "General Common Area", "Common Area", or "Common Areas" on Attachment 1, attached hereto.



**1.19 "Improvement"** means every structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to, Buildings, outbuildings, storage sheds, patios, recreational facilities, swimming pools, garages, driveways, parking areas and/or facilities, storage buildings, sidewalks, fences, gates, screening walls, retaining walls, stairs, patios, decks, walkways, landscaping, mailboxes, poles, signs, antennae, exterior air conditioning equipment or fixtures, exterior lighting fixtures, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

**1.20 "Landscape Services"** mean the following services to be provided to the Yard Area: (a) mowing and edging all turf areas at least on an as-needed basis as determined by the Board in its sole and absolute discretion; and (b) manually and mechanically/chemically controlling weeds as required to maintain a reasonably manicured appearance. "Landscape Services" shall not include: (a) soil preparation of flower or garden beds or the planting of seasonal flowers or maintenance of Yard Area flower beds beyond limited weeding as indicated above; (b) the purchase, installation or replacement of new shrubs, trees or plants; or (c) trimming of bushes or dead or damaged bushes or trees. Notwithstanding the foregoing, the Board will have the right to modify the Landscape Services provided hereunder from time to time.

**1.21 "Limited Common Elements"**, if any, mean those portions of the Property reserved for the exclusive use of one or more Owners to the exclusion of other Owners. Limited Common Elements are designated as "LCE", or "Limited Common Elements", or "Limited Common Areas" on Attachment 1, attached hereto and as provided in Section 5.3 of this Declaration.

**1.22 "Majority"** means more than half.

**1.23 "Member"** means a member of the Association, each Member being an Owner of a Unit, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

**1.24 "Mortgagee"** means a holder, insurer, or guarantor of a purchase money mortgage secured by a Recorded senior or first deed of trust lien against a Unit.

**1.25 "Occupant"** means any Person, including any Owner, tenant or otherwise having a right to occupy or use all of any portion of the Unit for any period of time.

**1.26 "Owner"** means a holder of Recorded fee simple title to a Unit. Declarant is the initial Owner of all Units. Mortgagees who acquire title to a Unit through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association.



1.27 **"Person"** shall mean any individual or entity having the legal right to hold title to real property.

1.28 **"Plat and Plans"** means the plat and plans attached hereto as Attachment 1, as changed, modified, or amended in accordance with this Declaration.

1.29 **"Property"** certain real property located in Williamson County, Texas, as more particularly described on Exhibit "A", together with all Improvements thereon and all easements, rights, and appurtenances thereto, and includes every Unit and Common Element thereon.

1.30 **"Record, Recordation, Recorded and Recording"** means recorded in the Official Public Records of Williamson County, Texas.

1.31 **"Regime"** means the Property, Units, General Common Elements, and Limited Common Elements that comprise the condominium regime established under this Declaration.

1.32 **"Rules"** means rules and regulations of the Association adopted in accordance with the Documents or the Act. The initial Rules may be adopted by Declarant for the benefit of the Association.

1.33 **"Underwriting Lender"** means a national institutional mortgage lender, insurer, underwriter, guarantor, or purchaser on the secondary market, such as Federal Home Administration (FHA), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), the Veterans Administration, or Government National Mortgage Association (Ginnie Mae), singularly or collectively. Use of the term "Underwriting Lender" in this Declaration, and the specific instructions listed in this definition, may not be construed as a limitation on an Owner's financing options or as a representation that the Property is approved by any specific institution.

1.34 **"Unit"** means a physical portion of the Property designated by this Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans attached hereto as Attachment 1, as further described in Section 5.2 of this Declaration.

1.35 **"Yard Area"** means the front and side yards of the yard space within a Unit. In the event of a dispute concerning what constitutes the Yard Area of a Unit, the Board's determination of such area will be final, binding and conclusive.

## ARTICLE 2 PROPERTY SUBJECT TO DOCUMENTS

2.1 **Subject To Documents**. The Property is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations as set forth on Appendix "A", attached hereto, which run with the Property,

bind all Persons having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.

**2.2 Additional Property.** Additional real property may be annexed into the Regime and subjected to the Declaration and the jurisdiction of the Association with the approval of the Owners holding at least two-thirds (2/3) of the total votes in the Association, or, during the Development Period, by Declarant acting without the consent of any Owners. Annexation of additional property is accomplished by the Recording of a declaration of annexation, which will include a description of the additional real property. The declaration of annexation may include a description of the Units added into the Regime.

**2.3 Adjacent Land Use.** Declarant makes no representations of any kind as to current or future uses, actual or permitted, of any land that is adjacent to or near the Property.

**2.4 Recorded Easements and Licenses.** In addition to the easements and restrictions contained in this Declaration, the Property is subject to all easements, licenses, leases, and encumbrances of Record, including those described in the attached Attachment 2, and any shown on a Recorded plat, each of which is incorporated herein by reference. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by prior-Recorded easements, licenses, leases, and encumbrances. Each Owner further agrees to maintain any easement that crosses the Owner's Unit and for which the Association does not have express responsibility.

**2.5 Common Elements.** The Common Elements of the Property consist of all of the Property, save and except the Units. The designation of Common Elements is determined by this Declaration. The Declarant may install, construct, or authorize certain Improvements on Common Elements in connection with the development of the Property, and the cost thereof is not a Common Expense of the Association. Thereafter, all costs attributable to Common Elements, including maintenance, insurance, and enhancements, are automatically the responsibility of the Association, unless this Declaration elsewhere provides for a different allocation for a specific Common Element.

### ARTICLE 3 PROPERTY EASEMENTS, RIGHTS AND RESTRICTIONS

**3.1 General.** In addition to other easements, rights and restrictions established by the Documents, the Property is subject to the easements, rights and restrictions contained in this Article 3.

**3.2 Owner's Easement of Enjoyment.** Every Owner is granted a right and easement of enjoyment over the General Common Elements and the use of Improvements therein, subject to other limitations, rights and easements contained in the Documents. An Owner who does not occupy a Unit delegates this right of enjoyment to the Occupants of the Owner's Unit, and is not entitled to use the General Common Elements. In addition, every Owner is granted an

easement over the General Common Elements, to the extent necessary, to provide access to an Owner's Unit and for utilities serving the Owner's Unit. The right of access for necessary ingress and egress to an Owner's Unit cannot be suspended by the Board for violations of the Documents or nonpayment of Assessments.

**3.3 Owner's Maintenance Easement.** Each Owner is hereby granted an easement over and across any adjoining Unit and Common Elements to the extent reasonably necessary to maintain or reconstruct such Owner's Unit, subject to the consent of the Owner of the adjoining Unit, or the consent of the Board in the case of Common Elements, and provided that the Owner's use of the easement granted hereunder does not damage or materially interfere with the use of the adjoining Unit or Common Element. Requests for entry into an adjoining Unit must be made to the Owner of such Unit in advance. The consent of the adjoining Unit Owner will not be unreasonably withheld; however, the adjoining Unit Owner may require that access to its Unit be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. Access to the Common Elements for the purpose of maintaining or reconstructing any Unit must be approved in advance and in writing by the Board. The consent of the Board will not be unreasonably withheld; however, the Board may require that access to the Common Elements be limited to Monday through Friday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. The Board may require that the Owner abide by reasonable rules with respect to use and protection of the Common Elements and adjacent Units during any such maintenance or reconstruction. If an Owner damages an adjoining Unit or Common Element in exercising the easement granted hereunder, the Owner will be required to restore the Unit and/or Common Element to the condition which existed prior to any such damage, at such Owner's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Owner is notified in writing of the damage by the Association or the Owner of the damaged Unit, as applicable.

Notwithstanding the foregoing, no Owner, other than Declarant, shall perform any work to any portion of his Unit or the Common Elements unless such work is approved in advance and in writing by the Architectural Reviewer.

**3.4 Owner's Ingress/Egress Easement.** Each Owner is hereby granted a perpetual easement over the Property, as may be reasonably required, for vehicular and pedestrian ingress to and egress from his Unit or the Limited Common Elements assigned thereto. Such easement shall be subject, in any event, to any Rules governing or limiting each Owner's right of ingress and egress granted hereby.

**3.5 Owner's Encroachment Easement.** Every Owner is granted an easement for the existence and continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement or movement of any portion of a Building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the Improvement stands. For example, in the event a Unit's fence or

HVAC Unit, as originally installed by Declarant, encroaches onto an adjacent Unit, the Unit Owner is granted an encroachment easement and Improvement may remain undisturbed as long as the Improvement stands. The easement granted herein is not intended to permit the continuance of any Improvement installed by an Owner not otherwise approved in advance by the Architectural Reviewer.

**3.6 Easement Of Cooperative Support.** Each Owner is granted an easement of cooperative support over adjoining Units and Common Elements as needed for the common benefit of the Property, or for the benefit of Units, or Units that share any aspect of the Property that requires cooperation. By accepting an interest in or title to a Unit, each Owner: (i) acknowledges the necessity for cooperation in a condominium; (ii) agrees to try to be responsive and civil in communications pertaining to the Property and to the Association; (iii) agrees to provide access to his Unit and Limited Common Elements when needed by the Association to fulfill its duties; and (iv) agrees to refrain from actions that interfere with the Association's maintenance and operation of the Property.

**3.7 Association's Access Easement.** Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Elements and the Owner's Unit and all Improvements thereon for the following purposes:

- (i) To perform inspections and/or maintenance that is permitted or required of the Association by the Documents or by Applicable Law.
- (ii) To perform maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.
- (iii) To enforce the Documents.
- (iv) To exercise self-help remedies permitted by the Documents or by Applicable Law.
- (v) To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- (vi) To respond to emergencies.
- (vii) To perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law
- (viii) To perform all Landscape Services.



**3.8 Utility Easement.** The Declarant, until expiration or termination of the Development Period, and thereafter the Association, may grant permits, licenses, and easements over the Common Elements for utilities, and other purposes reasonably necessary for the proper operation of the Regime. Declarant, during the Development Period, and the Association thereafter, reserves the right to grant easements over and across the Units and Common Elements for utilities necessary or required, as determined by the Declarant and/or the Association, as applicable, to provide utilities to the Units or property otherwise owned by the Declarant. The easements granted hereunder by the Declarant or the Association, as applicable, will not unreasonably interfere with the use of any Unit for residential purposes. A company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property. Utilities may include, but are not limited to, water, irrigation, sewer, trash removal, electricity, gas, electronic communications and internet, telephone, master or cable television, and security.

**3.9 Utility and Street Easement – Additional Land.** Until expiration or termination of the Development Period, Declarant hereby reserves an easement over and across the Common Elements, including the private streets as shown on the Plat and Plans, for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to property owned by the Declarant (the “**Additional Land**”). In addition, until expiration or termination of the Development Period, Declarant hereby reserves an easement for pedestrian and vehicular ingress and egress over and across the private streets as shown on the Plat and Plans for the benefit of the Additional Land. Declarant may assign, exclusively or non-exclusively, in whole or in part, the utility easement rights reserved hereunder to a company or entity, public or private, furnishing utility service to the Additional Land, and to do anything else necessary to properly maintain and furnish utility service to the Additional Land. Utilities may include, but are not limited to, water, irrigation, sewer, trash removal, electricity, gas, electronic communications and internet, telephone, master or cable television, and security. Upon Recordation of the Annexation Termination, Declarant may assign, exclusively or non-exclusively, in whole or in part, the pedestrian and vehicular ingress and egress over and across the private streets reserved hereunder to the owner or owners of all or any portion of the Additional Land, or a property owners association formed for the administration of all or any portion of the Additional Land. The easements reserved hereunder by the Declarant may not unreasonably interfere with the use of any Unit for residential purposes.

**3.10 Amenity Easement- Additional Land.** Declarant reserves the right to grant and convey easements to: (i) a property owners association created for administration of the Additional Land (the “**Additional Land Association**”) over and across portions of the General Common Elements used for recreational, retention, and water quality purposes; and (ii) the Association over and across portions of the Additional Land that will be used for recreational, retention, and water quality purposes (collectively, (i) and (ii) are referred to herein as the

"Shared Amenities"). If such easements are granted as contemplated by this *Section 3.10*, the Association and the Additional Land Association will enter into a common amenity and cost sharing agreement on mutually acceptable terms which agreement shall include reciprocal easements, as applicable, for use of the Shared Amenities by each association or its members, as appropriate and include an allocation of costs for the operation, maintenance and reserves for the Shared Amenities between the Association and the Additional Land Association.

#### NOTICE

**PLEASE READ CAREFULLY THE FOLLOWING PROVISIONS ENTITLED "SECURITY" AND "INJURY TO PERSON OR PROPERTY". THE PROVISIONS LIMIT THE RESPONSIBILITY OF DECLARANT AND THE ASSOCIATION FOR CERTAIN CONDITIONS AND ACTIVITIES.**

**3.11 Security.** The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Occupant acknowledges and agrees, for himself and his guests, that the Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Occupant acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Occupant further acknowledges that the Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or Occupant relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglary, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. **Each Owner and Occupant acknowledges and agrees that the Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.**

**3.12 Injury to Person or Property.** Neither the Declarant, the Association, nor their respective directors, officers, committees, agents, and employees have a duty or obligation to any Owner, Occupant or their guests: (a) to supervise minor children or any other Person; (b) to fence or otherwise enclose any Limited Common Element, General Common Element, or other Improvement; or (c) to provide security or protection to any Owner, Occupant, or their guests, employees, contractors, and invitees from harm or loss. By accepting title to a Unit, each Owner agrees that the limitations set forth in this *Section 3.11* are reasonable and constitute the exercise of ordinary care by the Declarant and the Association. **Each Owner agrees to indemnify and hold harmless the Declarant and the Association, and their respective directors, officers, committees, agents, and employees from any claim of damages, to person or property arising**

out of an accident or injury in or about the Regime to the extent and only to the extent caused by the acts or omissions of such Owner, Occupant, or their guests, employees, contractors, or invitees to the extent such claim is not covered by insurance obtained by the Association at the time of such accident or injury.

**3.13 Easement to Inspect and Right To Correct.** For a period of ten (10) years after the expiration of the Development Period, Declarant reserves for itself and for Declarant's architect, engineer, other design professionals, builder, and general contractor the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, Improvement, or condition that may exist on any portion of the Property, including the Buildings and Units, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. The party exercising such rights will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of mechanical or electrical facilities may be warranted by a change of circumstance, imprecise siting of the original facilities, or the desire or necessity to comply more fully with Applicable Law. This *Section 3.12* may not be construed to create a duty for Declarant, the Association, any architect, engineer, other design professionals, builder or general contractor, and may not be amended without Declarant's advanced written consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Elements and the Owner's Unit and all Improvements thereon for the purposes contained in this *Section 3.12*.

**3.14 Private Streets.** Any private streets located within the Property are General Common Elements and are administered and maintained by the Association. The Association, acting through the Board, has the express authority to adopt, amend, repeal, and enforce Rules for use of private streets, including but not limited to: (i) identification of vehicles used by Owners, Occupants and their guests; (ii) designation of parking or no-parking areas; (iii) limitations or prohibitions on curbside parking; (iv) removal or prohibition of vehicles that violate applicable Rules; and (v) fines for violations of applicable Rules. In the event the easement reserved for pedestrian ingress and egress is exercised by the Declarant pursuant to *Section 3.9*, any rules and regulations adopted by the Association related to the private streets shall be applied to the Property and the Additional Land on a non-discriminatory and non-preferential basis.

## ARTICLE 4 DISCLOSURES

**4.1 Service Contracts.** Declarant may have contracted, on behalf of the Owner, for one or more services to be provided by vendors to the individual Owners on a contract basis, such as intrusion monitoring and cable television. In that event, whether or not an Owner chooses to use the service, the Owner is required to pay the Unit's share of the contract for the contract period. The Association may serve as the conduit for the service fees and payments, which may be considered Regular Assessments or Individual Assessments. However, neither



the Declarant nor the Association is the service provider and neither party shall have any responsibility or liability for the availability or quality of the service, or for the maintenance, repair, or replacement of the wires, conduits, equipment, or other fittings relating to the contract service.

**4.2 Adjacent Thoroughfares and Property.** The Property is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future. No representations are made regarding the current or future use or zoning (if applicable) of adjacent property.

**4.3 Outside Conditions.** In every neighborhood there are conditions that different people may find objectionable. Accordingly, it is acknowledged that there may be conditions outside of the Property that an Owner or Occupant may find objectionable, and it shall be the sole responsibility of an Owner or Occupant to become acquainted with surrounding conditions that could affect the Unit.

**4.4 Concrete.** Minor cracks in poured concrete are inevitable as a result of the natural movement of soil (expansion and contraction) and shrinkage during the curing of the concrete and settling.

**4.5 Construction Activities.** Declarant will be constructing portions of the Regime and engaging in other construction activities related to the construction of Units and Common Elements. Such construction activities may, from time to time, produce certain conditions within the Regime, including, without limitation: (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) unusual fire or explosion hazards; (vii) temporary interruption of utilities; and/or (viii) other conditions that may threaten the security or safety of Persons on the Regime. Notwithstanding the foregoing, all Owners and Occupants agree that such conditions on the Regime resulting from construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of this Declaration.

**4.6 Moisture.** Improvements may trap humidity created by general use and occupancy. As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Owners and Occupants, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold.

**4.7 Water Runoff.** The Property may be subject to erosion and/or flooding during unusually intense or prolonged periods of rain. Water may pond on various portions of the Property having impervious surfaces.

**4.8 Encroachments.** Improvements may have been constructed on adjoining lands that encroach onto the Property. Declarant gives no representations or warranties as to property rights, if any, created by such any such encroachments.

**4.9 Budgets.** Budgets prepared in conjunction with the operation and administration of the Regime are based on estimated expenses only without consideration for the effects of inflation and may increase or decrease significantly when the actual expenses become known.

**4.10 Light and Views.** The natural light available to and views from a Unit can change over time due to among other things, additional development and the removal or addition of landscaping. **NATURAL LIGHT AND VIEWS ARE NOT PROTECTED.**

**4.11 Schools.** No representations are being made regarding which schools may now or in the future serve the Unit.

**4.12 Changes to Street Names and Addresses.** Declarant retains the right to change, in its sole discretion, the Regime's name and the street names and addresses in or within the Regime, including the street address of the Units before or after conveyance to any third-party.

**4.13 Plans.** Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant to an Owner which purport to depict the Improvements to be constructed within the Property are merely approximations and may not necessarily reflect the actual as-built conditions of the same.

**4.14 Upgrades.** The cost of upgrades may not necessarily result in a commensurate increase in the value of the Unit and Improvements constructed thereon.

**4.15 Location of Utilities.** Declarant makes no representation as to the location of mailboxes, utility boxes, street lights, fire hydrants or storm drain inlets or basins.

**4.16 Chemicals.** Each Building will contain products that have water, powders, solids and industrial chemicals, which will be used in construction. The water, powders, solids and industrial chemicals will and do contain mold, mildew, fungus, spores and chemicals that may cause allergic or other bodily reactions in certain individuals. Leaks, wet flooring and moisture will contribute to the growth of molds, mildew, fungus or spores. Declarant is not responsible for any illness or allergic reactions that an individual may experience as a result of mold, mildew, fungus or spores. It is the responsibility of the Owner to keep the Building clean, dry, well ventilated and free of contamination.

**4.17 Marketing.** Declarant's use of a sales center and/or model units or reference to other construction by Declarant is intended only to demonstrate the quality of finish detail, the basic floor plans and styles of the Units and Improvements available for purchase. The Units and Improvements may not conform to a model unit in any respect, or contain any or all of the amenities within a model unit, such as furnishings and appliances. Declarant may have shown prospective purchasers model homes, floorplans, sketches, drawings, and scale models of the

project. Owner understands and agrees that these materials are subject to change, for display purposes only, and may not be incorporated into the Regime or any Unit. Declarant retains the right to obtain and use photography of the Property (including the Units and all Improvements) for publication and advertising purposes.

**4.18 Sidewalks.** Each Homebuilder, in conjunction with the installation of landscaping on a Unit, and prior to the conveyance of a Unit from the Homebuilder to a third-party, will be required to install a 4' sidewalk in the location reflected on the Plat and Plans. The required sidewalks must be constructed in accordance with the design criteria established from time to time by the Architectural Reviewer. Sidewalks installed on or adjacent to a Unit must be inspected and approved by the Architectural Reviewer prior to the conveyance of the Unit from the Homebuilder to a third-party.

**4.19 Garages.** The location of each garage constructed on a Unit must be approved in advance by the Architectural Reviewer and the Architectural Reviewer may require that the site of the garage be constructed in a location that provides for the greatest distance from the street curb to the front elevation of the garage.

## ARTICLE 5

### UNITS, LIMITED COMMON ELEMENTS & ALLOCATIONS

**5.1 Initial Submitted Units and Maximum Number of Units.** The Regime initially consists of fifty (50) Units and six thousand (6,000) is the maximum number of Units which may be created. During the Development Period, Declarant, as permitted in Appendix "A", has reserved the right to create a maximum of six thousand (6,000) Units on the Property and additional property added to the Regime. To add Units to the Regime, Declarant during the Development Period may, from time to time, file an amendment to this Declaration creating such additional Units. To add additional Units to the Regime established by the Declaration, Declarant shall prepare, execute, and Record an amendment to this Declaration and the Plat and Plans which amendment will: (i) assign an identifying number to each new Unit; (ii) reallocate the Common Interest Allocation among all Units then existing within the Regime; (iii) describe Limited Common Elements; if any, assigned or designated to each new Unit; and (iv) with respect to new Units, include the information required by Section 82.055 and Section 82.059(b) of the Act. To add additional property to the Regime, Declarant will Record a declaration of annexation, which will include a description of the additional real property. The declaration of annexation may also include a description of the Units added to the Regime if the Declarant elects to create Units upon Recordation of the declaration of annexation OR Declarant may elect to create additional Units or Common Elements on the additional property subsequent to the recordation of the declaration of annexation. No assurance is given as to the dispersion of new Units, total number of new Units, or size of such Units.

### 5.2 Units.

5.2.1 Unit Boundaries. The boundaries and identifying number of each Unit are shown on the Plat and Plans attached hereto as Attachment 1. The boundaries of each Unit are further described as follows:

- (i) Lower Boundary of the Unit: The horizontal plane corresponding to the finished grade of the land within the Unit as described and defined on Attachment 1.
- (ii) Upper Boundary of the Unit: The horizontal plane parallel to and fifty feet (50') above the lower boundary of the Unit.
- (iii) Lateral Boundaries of the Unit: A plane located on each side of a Unit perpendicular to the lower and upper horizontal planes, from the lower boundary of the Unit to the upper boundary of the Unit.

5.2.2 What a Unit Includes. Each Unit includes the spaces and Improvements within the lower, upper, and lateral boundaries defined in *Section 5.2.1* above, including without limitation the Building, the roof and foundation of the Building, landscaping, driveways, sidewalks, fences, yards, utility lines and meters and all other Improvements located within the Unit. In addition to the Building and the Improvements within the Unit, each Unit also includes Improvements, fixtures, and equipment serving the Building or Unit exclusively, whether located within, outside, or below the Unit, whether or not attached to or contiguous with the Building, including but not limited to any below-grade foundation, piers, retaining walls, fence, or other structural supports; plumbing, septic, and utility lines, pipes, drains, and conduits; landscape irrigation and subterranean components of plant material, including roots of trees on the Unit; and any other below-grade item that serves or supports the Building or Unit exclusively.

5.2.3 Building Size. The space contained within the vertical and horizontal boundaries of the Unit is not related to the size of the Building. A Building may only occupy a portion of a Unit in a location approved in advance by the Architectural Reviewer.

5.3 Designation and Allocation of Limited Common Elements. Portions of the Common Elements may be allocated as Limited Common Elements on the Plats and Plans, attached hereto as Attachment 1, by use of "LCE" and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation.

5.4 Subsequent Allocation Of Limited Common Elements. A Common Element not allocated by this Declaration or the Plat and Plans as a Limited Common Element may be so allocated only pursuant to the provisions of the Act and by the Declarant pursuant to Appendix A attached to this Declaration.



**5.5 Common Interest Allocation.** The percentage of interest in the Common Elements (the "**Common Interest Allocation**") allocated to each Unit is assigned in accordance with a ratio of 1 to the total number of Units. The same formula will be used in the event the Common Interest Allocation is reallocated as a result of any increase or decrease in the number of Units subject to this Declaration. In the event an amendment to this Declaration is filed which reallocates the Common Interest Allocation as a result of any increase or decrease in the number of Units the reallocation will be effective on the date such amendment is Recorded.

**5.6 Common Expense Liability.** The percentage of liability for Common Expenses (the "**Common Expense Liability**") allocated to each Unit and levied pursuant to *Article 6* is equivalent to the Common Interest Allocation assigned to the Unit.

**5.7 Association Votes.** One (1) vote is allocated to each Unit. The one vote appurtenant to each Unit is weighted equally for all votes, regardless of the other allocations appurtenant to the Unit. In other words, the one vote appurtenant to each Unit is uniform and equal to the vote appurtenant to every other Unit.

## ARTICLE 6 COVENANT FOR ASSESSMENTS

**6.1 Purpose of Assessments.** The Association will use Assessments for the general purposes of preserving and enhancing the Regime, and for the benefit of Owners and Occupants, including but not limited to maintenance of the Regime, management, and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of Assessments is final.

**6.2 Personal Obligation.** An Owner is obligated to pay Assessments levied by the Board against the Owner or the Owner's Unit. Payments are made to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other Person regarding any matter to which the Documents pertains. No Owner may be exempt from Assessment liability by such Owner's non-use of the Common Elements or abandonment of the Owner's Unit. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance or lack thereof. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Unit.

**6.3 Types of Assessments.** There are five (5) types of Assessments: Regular, Special, Utility, Individual, and Deficiency Assessments.

**6.4 Regular Assessments.**

6.4.1 Purpose of Regular Assessments. Regular Assessments are used for Common Expenses related to the recurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- (i) Maintenance, repair, and replacement, as necessary, of the General Common Elements, and Improvements, equipment, signage, and property owned by the Association.
- (ii) Maintenance examination and report, as required by *Section 9.4*.
- (iii) Utilities billed to the Association.
- (iv) Services obtained by the Association and available to all Units.
- (v) Taxes on property owned by the Association and the Association's income taxes.
- (vi) Management, legal, accounting, auditing, and professional fees for services to the Association.
- (vii) Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- (viii) Insurance premiums and deductibles.
- (ix) Contributions to reserves.
- (x) Landscape Services.
- (xi) Any other expense which the Association is required by Applicable Law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Regime or for enforcement of the Documents.

6.4.2 Annual Budget-Regular. The Board will prepare and approve an annual budget with the estimated expenses to be incurred by the Association for each fiscal year. The budget will take into account the estimated income and Common Expenses for the year, contributions to reserves, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to the Owner of each Unit, although failure to receive a budget or budget summary will not affect an Owner's liability for Assessments. The Board will provide copies of the budget to Owners who make written request and pay a reasonable copy charge.

6.4.3 Basis of Regular Assessments. Regular Assessments will be based on the annual budget. Each Unit will be liable for its allocated share of the annual budget equal to the Common Expense Liability assigned to the Owner's Unit. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

6.4.4 Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Supplemental increases will be apportioned among the Units in the same manner as Regular Assessments.

6.5 Special Assessments. The Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget or reserves. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the acquisition of real property must be approved by at least a Majority of the votes in the Association. Special Assessments will be apportioned among the Units in the same manner as Regular Assessments.

6.6 Utility Assessments. This Section 6.6 applies to utilities serving the individual Units and consumed by the Occupants that are billed to the Association by the utility provider, and which may or may not be submetered by or through the Association. In addition to Regular and Special Assessments, the Board may levy a Utility Assessment against each Unit. If the Units are submetered for consumption of a utility, the Utility Assessment may be based on the submeter reading. If the Units are not submetered, the Board may allocate the Association's utility charges among the Units by any conventional method for similar types of properties. The levy of a Utility Assessment may include a share of the utilities for the Common Elements, as well as administrative and processing fees, and an allocation of any other charges that are typically incurred in connection with utility or submetering services. The Board may, from time to time, change the method of utility allocation, provided the same type of method of allocation is reasonable or combination of methods is used for all Units.

6.7 Individual Assessments. In addition to Regular, Special and Utility Assessments, the Board may levy an Individual Assessment against an Owner and the Owner's Unit. Individual Assessments may include, but are not limited to: (i) interest, late charges, and collection costs on delinquent Assessments; (ii) reimbursement for costs incurred in bringing an Owner or the Owner's Unit into compliance with the Documents; (iii) fines for violations of the Documents; (iv) transfer-related fees and resale certificate fees; (v) fees for estoppel letters and copies of the Documents; (vi) insurance deductibles; (vii) reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees or Residents of the Owner's Unit; (viii) Common Expenses that benefit fewer than all of the Units, which may



be assessed according to benefit received, as reasonably determined by the Board; (ix) fees or charges levied against the Association on a per-Unit basis; and (x) "pass through" expenses for services to Units provided through the Association and to be paid by each Unit according to benefit received, as reasonably determined by the Board.

**6.8 Deficiency Assessments.** The Board may levy a Deficiency Assessment against the Units for the purpose of defraying, in whole or in part, the cost of repair or restoration for the Common Elements if insurance proceeds or condemnation awards prove insufficient. Deficiency Assessments will be apportioned among the Units in the same manner as Regular Assessments.

**6.9 Working Capital Fund.** Upon the transfer of a Unit (including both transfers from Declarant to the initial Owner, and transfers from one Owner of a Unit to a subsequent Owner of the Unit), a working capital fee in an amount equal to two (2) months of Regular Assessments will be paid by the transferee of the Unit to the Association for the Association's working capital fund. Each working capital contribution will be collected from the transferee of a Unit upon the conveyance of the Unit from one Owner (including Declarant) to another (expressly including any re-conveyances of the Unit upon resale or transfer thereof). Notwithstanding the foregoing provision, the following transfers of a Unit will not be subject to the working capital contribution: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (ii) transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more co-owners, or to the Owner's spouse, child, or parent; (iv) any grantee who is the domestic partner or former spouse of the grantor; (v) any grantee that is a wholly-owned entity of the grantor; and (vi) any grantee to whom a Unit is conveyed by a will or through the law of intestacy. Additionally, an Owner who is in the business of constructing residences for resale to third parties and intends to construct a residence within a Unit for resale to a third party (a "**Homebuilder**") will not be subject to the working capital contribution; however, the working capital contribution will be payable by any Owner who acquires a Unit from a Homebuilder for residential living purposes or by any Owner who: (i) acquires a Unit and is not in the business of constructing single-family residences for resale to a third party; or (ii) who acquires the Unit for any purpose other than constructing a single-family residence thereon for resale to a third party. In the event of any dispute regarding the application of the working capital contribution to a particular Owner, Declarant's determination regarding application of the exemption will be binding and conclusive without regard to any contrary interpretation of this *Section 6.9*. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Declarant may not use working capital contributions collected hereunder to pay the operational expenses of the Association until the Declarant Control Period terminates. The Declarant during the Development Period, and thereafter the Board, will have the power to waive the payment of any working capital fund contribution attributable to a Unit (or all Units) by the Recordation of a waiver notice, which waiver may be temporary or permanent.

**6.10 Due Date.** Regular Assessments are due annually, with monthly installments of the total annual Regular Assessments to be paid on the first calendar day of each month or on such other date or frequency as the Board may designate in its sole and absolute discretion, and are delinquent if not received by the Association on or before such date. Utility, Special, Individual, and Deficiency Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Utility, Special, Individual, or Deficiency Assessment is given.

**6.11 Reserve Funds.** The Association may maintain reserves at a level determined by the Board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, including replacement or major repair of components of the General Common Elements, and deductibles on insurance policies maintained by the Association.

**6.12 Declarant's Right to Inspect and Correct Accounts.** For a period of ten (10) years after termination or expiration of the Development Period, Declarant reserves for itself and for Declarant's accountants and attorneys, the right, but not the duty, to inspect, correct, and adjust the Association financial records and accounts established during the Declarant Control Period. The Association may not refuse to accept an adjusting or correcting payment made by or for the benefit of Declarant. By way of illustration but not limitation, Declarant may find it necessary to recharacterize an expense or payment to conform to Declarant's obligations under the Documents or Applicable Law. This *Section 6.12* may not be construed to create a duty for Declarant or a right for the Association, and may not be amended without Declarant's advance written consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant a right of access to the Association's books and records that is independent of Declarant's rights during the Declarant Control Period and Development Period.

**6.13 Association's Right to Borrow Money.** The Board is granted the right to borrow money on behalf of the Association, subject to the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Board has the right to encumber, mortgage, or pledge any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred by the Association.

**6.14 Limitation of Interest.** The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by Applicable Law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by Applicable Law, the excess amount will be applied to the reduction of unpaid Assessments to which such excess interest was applied, or reimbursed to the Owner if those Assessments are paid in full.

**6.15 Audited Financial Statements.** The Association shall have an audited financial statement for the preceding full fiscal year of the Association prepared and made available within one hundred and twenty (120) days after the Association's fiscal year-end.

## ARTICLE 7 ASSESSMENT LIEN

**7.1 Assessment Lien.** Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Assessments to the Association. Each Assessment is a charge on the Unit and is secured by a continuing lien on the Unit. Each Owner is placed on notice that title to such Owner's Unit may be subject to the continuing lien for Assessments attributable to a period prior to the date the Owner purchased the Unit. An express lien on each Unit is hereby granted and conveyed by Declarant to the Association to secure the payment of Assessments.

**7.2 Superiority of Assessment Lien.** The Assessment lien is superior to all other liens and encumbrances on a Unit, except only for: (i) real property taxes and assessments levied by governmental and taxing authorities; (ii) a Recorded deed of trust lien securing a loan for construction of or acquisition of the Unit; (iii) a deed of trust or vendor's lien Recorded before this Declaration; or (iv) a first or senior purchase money vendor's lien or deed of trust lien Recorded before the date on which the delinquent Assessment became due. The Assessment lien is also superior to any Recorded assignment of the right to insurance proceeds on the Unit, unless the assignment is part of a superior deed of trust lien.

**7.3 Effect of Mortgagee's Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the Unit for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale of a superior lien is liable for Assessments coming due from and after the date of the sale.

**7.4 Notice and Release.** The Association's lien for Assessments is created by Recordation of this Declaration, which constitutes record notice and perfection of the lien. No other Recordation of a lien or notice of lien is required. However, the Board, at its option, may cause a notice of the lien to be Recorded. Each lien filed by the Association must be prepared and filed by an attorney licensed to practice law in the State of Texas. If the debt is cured after a notice has been Recorded, the Association will Record a release of the notice at the expense of the curing Owner. The Association may require reimbursement of its costs of preparing and Recording the notice before granting the release.

**7.5 Power of Sale.** By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of sale in connection with the Association's assessment lien. The Board may appoint, from time to time, any Person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the

Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution duly adopted by the Board.

**7.6 Foreclosure of Lien.** The Assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by Applicable Law. In any foreclosure, the Owner will be required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Unit a foreclosure sale initiated by it and to acquire, hold, lease, mortgage, and convey same.

## **ARTICLE 8**

### **EFFECT OF NONPAYMENT OF ASSESSMENTS**

An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the Board, is responsible for taking action to collect delinquent Assessments. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the Board nor the Association, however, is liable to an Owner or other Person for the Board or the Association's failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association may have pursuant to the Documents or Applicable Law.

**8.1 Interest.** Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the maximum permitted by Applicable Law. If the Board fails to establish a rate, the rate is ten percent (10%) per annum.

**8.2 Late Fees.** Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

**8.3 Collection Expenses.** The Owner of a Unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys' fees and processing fees charged by the manager.

**8.4 Acceleration.** If an Owner defaults in paying any Assessment that is payable in installments, the Association may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

**8.5 Suspension of Vote.** Subject to the below-described limitations, if an Owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right



to vote appurtenant to the Unit during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. When the Association suspends an Owner's right to vote, the suspended Owner may nevertheless participate as a Member of the Association for the following activities: (i) be counted towards a quorum; (ii) attend meetings of the Association; (iii) participate in discussion at Association meetings; (iv) be counted as a petitioner for a special meeting of the Association; and (v) vote to remove a Director and for the replacement of the removed Director. If the number of suspended Members exceeds thirty percent (30%) of the total Members (co-owners of a Unit constituting one Member), all Members are eligible to vote. These limitations are imposed to prevent a Board from disenfranchising a large segment of the membership and to preserve the membership's right to remove and replace Directors.

**8.6 Assignment Of Rents.** Every Owner hereby grants to the Association a continuing assignment of rents to secure the payment of assessments to the Association. If a Unit's account become delinquent during a period in which the Unit is leased, the Association may direct the tenant to deliver rent to the Association for application to the delinquent account, provided the Association gives the Owner notice of the delinquency, a reasonable opportunity to cure the debt, and notice of the Owner's right to a hearing before the Board. The Association must account for all monies received from a tenant and must remit to the Owner any rents received in excess of the past-due amount. A tenant's delivery of rent to the Association under the authority hereby granted is not a breach of the tenant's lease with the Owner and does not subject the tenant to penalties from the Owner.

**8.7 Money Judgment.** The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association lien for Assessments.

**8.8 Notice to Mortgagee.** The Association may notify and communicate with any holder of a lien against a Unit regarding the Owner's default in payment of Assessments.

**8.9 Application of Payments.** The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association may be applied in the following order: Individual Assessments, Deficiency Assessments, Special Assessments, Utility Assessments and (lastly) Regular Assessments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Association's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Unit Owner's account.

## ARTICLE 9 MAINTENANCE AND REPAIR OBLIGATIONS

**9.1 Overview.** Generally, the Association maintains the Common Elements, and the Owner maintains the Owner's Unit. If any Owner fails to maintain its Unit, the Association may perform the work at the Owner's expense. The respective maintenance obligations of the Association and each Owner are set forth in this Article and are summarized on Attachment 3; however, to the extent of any conflict between the provisions of this Article and the summary set forth on Attachment 4, the provisions of this Article will control.

**9.2 Association Maintains.** The Association's maintenance obligations will be discharged when and how the Board deems appropriate. Unless otherwise provided in this Declaration, the Association maintains, repairs and replaces, as a Common Expense, all General Common Elements, any Limited Common Elements assigned to more than one (1) Unit, and the Yard Area, subject to the provisions of *Section 9.3*. The Association also maintains any component of a Unit delegated to the Association by this Declaration.

**9.3 Landscape Services.**

**9.3.1** The Association will cause the Landscape Services to be provided to each Yard Area. Accordingly, the Association is hereby granted an easement over and across each Unit to the extent reasonably necessary or convenient for the Association or its designated landscaping contractor to perform the Landscape Services. Access to each Yard Area is limited to Monday through Friday, between the hours of 7 a.m. until 6 p.m., and then only in conjunction with actual performance of the Landscape Services. If the Association damages any Improvements located within a Unit in exercising the easement granted hereunder, the Association will be required to restore such Improvements to the condition which existed prior to any such damage, at the Association's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Association is notified in writing of the damage by the Owner of the damaged Improvements.

**9.3.2 Dates.** The Association or its designated landscape company may, from time to time, provide each Owner with a schedule of dates on which the Landscape Services will be performed.

**9.3.3 Cost.** The cost of all Landscape Services will be a Common Expense. Notwithstanding the forgoing, in the event that the Landscape Services are due to negligence or willful misconduct of an Owner, an Owner's tenant, or an Owner's pet, as determined by the Board in its sole discretion, the cost of such maintenance or repair may be levied as an Individual Assessment. Costs incurred from water loss as a result of a system malfunction, leak or delay in repairing an irrigation system within an Owner's Unit due to negligence or misconduct of the Owner, an Owner's tenant, or an Owner's pet, as determined by the Board in its sole discretion, may be levied as an Individual Assessment.

9.3.4 Alterations. Any alterations in the landscaping of any portion of a Yard Area must be approved in writing by the Architectural Reviewer prior to the alterations being made.

9.3.5 Owner or Resident Repair. Subject to the maintenance responsibilities herein provided, any maintenance or repair performed by an Owner or Resident that is the responsibility of the Association hereunder shall be performed at the sole expense of such Owner or Resident, and the Owner and Resident shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

9.3.6 THE ASSOCIATION SHALL NOT BE LIABLE FOR INJURY OR DAMAGE TO PERSON OR PROPERTY CAUSED BY THE ELEMENTS OR BY THE OWNER OR OCCUPANT OR ANY OTHER PERSON OR RESULTING FROM PROVIDING THE LANDSCAPE SERVICES HEREUNDER. THE ASSOCIATION SHALL NOT BE LIABLE TO ANY OWNER OR OCCUPANT FOR LOSS OR DAMAGE, BY THEFT OR OTHERWISE, OF ANY PROPERTY, WHICH MAY BE STORED IN OR UPON THE YARD AREA OF ANY UNIT. THE ASSOCIATION SHALL NOT BE LIABLE TO ANY OWNER OR OCCUPANT, FOR ANY DAMAGE OR INJURY CAUSED IN WHOLE OR IN PART BY THE ASSOCIATION'S FAILURE TO DISCHARGE ITS RESPONSIBILITIES UNDER THIS SECTION 9.3. NO DIMINUTION OR ABATEMENT OF ASSESSMENTS SHALL BE CLAIMED OR ALLOWED BY REASON OF ANY ALLEGED FAILURE OF THE ASSOCIATION TO TAKE SOME ACTION OR PERFORM SOME FUNCTION REQUIRED TO BE TAKEN OR PERFORMED BY THE ASSOCIATION UNDER THIS DECLARATION OR FOR INCONVENIENCE OR DISCOMFORT ARISING FROM THE MAKING OF REPAIRS OR IMPROVEMENTS WHICH ARE THE RESPONSIBILITY OF THE ASSOCIATION OR FROM ANY ACTION TAKEN BY THE ASSOCIATION TO COMPLY WITH APPLICABLE LAW.

#### 9.4 Inspection Obligations.

9.4.1 Contract for Services. In addition to the Association's maintenance obligations set forth in this Declaration, the Association shall, at all times, contract with or otherwise retain the services of independent, qualified, individuals or entities to provide the Association with inspection services relative to the maintenance, repair and physical condition of the General Common Elements.

9.4.2 Schedule of Inspections. Inspections will take place in accordance with prudent business practices. A Guide to Association's Examination of Common Elements is attached to this Declaration as Attachment 4. The inspectors shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair that either require current action by the Association or will need further review and analysis. The Board



shall promptly cause all matters identified as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices and the recommendations of the inspectors.

9.4.3 Notice to Declarant. During the Development Period, the Association shall, if requested by Declarant, deliver to Declarant ten (10) days advance written notice of all such inspections (and an opportunity to be present during such inspection, personally or through an agent) and shall provide Declarant (or its designee) with a copy of all written reports prepared by the inspectors.

9.4.4 Limitation. The provisions of this *Section* shall not apply during the Declarant Control Period unless otherwise directed by the Declarant.

**9.5 Owner Responsibility.** Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

- (i) To maintain, repair, and replace such Owner's Unit and all Improvements constructed therein or thereon, and any Limited Common Elements assigned exclusively to such Owner's Unit unless such maintenance is provided by the Association pursuant to this Declaration.
- (ii) To maintain the yard space within an Owner's Unit, not otherwise provided by the Association pursuant to *Section 9.3*, keeping the same alive, free of weeds, and in a neat, clean, odorless, orderly, and attractive condition.
- (iii) To maintain, repair, and replace all portions of the Property for which the Owner is responsible under this Declaration or by agreement with the Association.
- (iv) To not do any work or to fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or real property right thereto.
- (v) To be responsible for the Owner's willful or negligent acts and those of the Owner or Occupant's family, guests, agents, employees, or contractors when those acts necessitate maintenance, repair, or replacement of Common Elements, the property of another Owner, or any component of the Property for which the Association has maintenance or insurance responsibility.

**9.6 Disputes.** If a dispute arises regarding the allocation of maintenance responsibilities by the Documents, the dispute will be resolved by the Board. Unit maintenance responsibilities that are allocated to the Association are intended to be interpreted narrowly to limit and confine the scope of Association responsibility. It is the intent of this *Article 9* that all components and areas not expressly delegated to the Association are the responsibility of the individual Owners unless otherwise approved by the Board.

**9.7 Warranty Claims.** If the Owner is the beneficiary of a warranty against defects to the Common Elements, the Owner irrevocably appoints the Association, acting through the Board, as the Owner's attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty that pertains to Common Elements.

**9.8 Owner's Default In Maintenance.** If the Board determines that an Owner has failed to properly discharge such Owner's obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at the Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at the Owner's expense, which is an Individual Assessment against the Owner and such Owner's Unit. In case of an emergency, however, the Board's responsibility to give the Owner written notice is waived and the Board may take any action it deems necessary to protect persons or property, the cost of such action being at the Owner's expense and being levied as an Individual Assessment.

## ARTICLE 10 ARCHITECTURAL COVENANTS AND CONTROL

**10.1 Purpose.** The Architectural Reviewer has the right to regulate every aspect of proposed or existing Improvements on the Property, including replacements or modifications of original construction or installation. During the Development Period, the primary purpose of this Article is to reserve and preserve Declarant's right of architectural control. Notwithstanding anything to the contrary stated herein, Improvements constructed on the Property and all architectural modifications made thereto that are made by the Declarant or its permittees shall not be subject to approval pursuant to this Article.

**10.2 Architectural Reviewer.** Until expiration or termination of the Development Period, the Architectural Reviewer shall mean Declarant or its designee. Upon expiration of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Board.

### **10.3 Architectural Control By Declarant.**

**10.3.1 Declarant as Architectural Reviewer.** During the Development Period, the Architectural Reviewer shall mean Declarant or its designee, and neither the

Association or the Board, nor a committee appointed by the Association or the Board (no matter how the committee is named) may involve itself with the review and approval of any Improvements. Declarant may designate one or more Persons from time to time to act on its behalf as Architectural Reviewer in reviewing and responding to applications pursuant to this *Article 10*.

10.3.2 Declarant's Rights Reserved. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that during the Development Period no Improvements will be started or progressed without the prior written approval of the Architectural Reviewer, which approval may be granted or withheld at the Architectural Reviewer's sole discretion. In reviewing and acting on an application for approval, the Architectural Reviewer may act solely in its self-interest and owes no duty to any other Person or any organization.

10.3.3 Delegation by Declarant. During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its rights as Architectural Reviewer to the Board or a committee appointed by the Board or comprised of Persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral right of Declarant to: (i) revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

10.4 Architectural Control by Association. Upon Declarant's delegation, in writing, of all or a portion of its reserved rights as Architectural Reviewer to the Board, or upon the expiration or termination of the Development Period, the Association will assume jurisdiction over architectural control and will have the powers of the Architectural Reviewer hereunder and the Board, or a committee appointed by the Board, is the Architectural Reviewer and shall exercise all architectural control over the Property.

10.5 Limits on Liability. Neither the Declarant, the Board, nor their directors, officers, committee members, employees or agents will have any liability for decisions made as the Architectural Reviewer in good faith. Neither the Declarant, the Board, nor their directors, officers, committee members, employees or agents are responsible for: (i) errors in or omissions from the plans and specifications submitted to the Architectural Reviewer; (ii) supervising construction for the Owner's compliance with approved plans and specifications; or (iii) the compliance of the Owner's plans and specifications with governmental codes and ordinances, state and federal laws. Approval of a modification or Improvement may not be deemed to constitute a waiver of the right to withhold approval of similar proposals, plans or specifications that are subsequently submitted.

**10.6 Prohibition of Construction, Alteration and Improvement.** Without the Architectural Reviewer's prior written approval, no Person may commence or continue any construction, alteration, addition, Improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property. Notwithstanding the foregoing, each Owner will have the right to modify, alter, repair, decorate, redecorate, or improve the interior of an Improvement, provided that such action is not visible from any other portion of the Property.

**10.7 No Deemed or Verbal Approval.** Approval by the Architectural Reviewer may not be deemed, construed, or implied from an action, a lack of action, or a verbal statement by the Declarant, Declarant's representative or designee or the Association, an Association director or officer, a member or chair of the Declarant or Board-appointed committee, the Association's manager, or any other representative of the Association. To be valid, approval of the Architectural Reviewer must be: (i) in writing; (ii) on a form or letterhead issued by the Architectural Reviewer; (iii) signed and dated by a duly authorized representative of the Architectural Reviewer, designated for that purpose; (iv) specific to a Unit; and (v) accompanied by detailed plans and specifications showing the proposed change. If the Architectural Reviewer fails to respond in writing – negatively, affirmatively, or requesting information – within sixty (60) days after the Architectural Reviewer's actual receipt of the Owner's application, **the application is deemed denied. Under no circumstance may approval of the Architectural Reviewer be deemed, implied or presumed.** If the Architectural Reviewer approves a change, the Owner or the Architectural Reviewer may require that the architectural approval be Recorded, with the cost of Recordation borne by the Owner. The Architectural Reviewer approval of an architectural change automatically terminates if work on the approved Improvement has not started by the commencement date stated in the Architectural Reviewer's approval and thereafter diligently prosecuted to completion, or, if no commencement date is stated, within ninety (90) days after the date of Architectural Reviewer approval.

**10.8 Application.** To request Architectural Reviewer approval, an Owner must make written application and submit two (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. If the application is for work that requires a building permit from a municipality or other regulatory authority, the Owner must obtain such permit and provide a copy to the Architectural Reviewer in conjunction with the application. The Architectural Reviewer may return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "Submit Additional Information." The Architectural Reviewer has the right, but not the duty, to evaluate every aspect of construction and property use that may alter or adversely affect the general value of appearance of the Property.

**10.9 Owner's Duties.** If the Architectural Reviewer approves an Owner's application, the Owner may proceed with the Improvement, provided:



- (i) The Owner must adhere strictly to the plans and specifications which accompanied the application.
- (ii) The Owner must initiate, diligently prosecute, and complete the Improvement in a timely manner.
- (iii) If the approved application is for work that requires a building permit from a municipality or other regulatory authority, the Owner must obtain the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that such plans and specifications comply with a municipality or other regulatory authority requirements. Alternatively, approval by a municipality or other regulatory authority does not ensure Architectural Reviewer approval.

## ARTICLE 11 CONSTRUCTION & USE RESTRICTIONS

**11.1 Variance.** The Property is subject to the restrictions contained in this Article, and subject to the Rules. The Declarant may grant a variance or waiver of a restriction or Rule during the Development Period. The Board, with the Declarant's written consent during the Development Period, may grant a variance or waiver of a restriction or Rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing and executed by the Declarant and/or a Majority of the Board, as applicable. The grant of a variance shall not constitute a waiver or estoppel of the right to deny a variance in other circumstances.

**11.2 Declarant Privileges.** In connection with the development and marketing of Units, Declarant has reserved a number of rights and privileges that are not available to other Owners or Occupants. Declarant's exercise of a right or privilege that appears to violate the Documents does not constitute waiver or abandonment of applicable provision of the Documents.

**11.3 Association's Right to Promulgate Rules and Amend Community Manual.** The Association, acting through the Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. The Association, acting through a Majority of the Board, is further granted the right to amend, repeal, and enforce the Community Manual, setting forth therein such policies governing the Association as the Board determines to be in the best interest of the Association, in its sole and absolute discretion. During the Development Period, any modification, amendment, or repeal to the Community Manual or the Rules, and each new policy or Rule, must be approved in advance and in writing by the Declarant.



**11.4 Rules and Regulations.** In addition to the restrictions contained in this *Article 11*, each Unit is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

- (i) Use of Common Elements.
- (ii) Hazardous, illegal, or annoying materials or activities on the Property.
- (iii) The use of Property-wide services provided through the Association.
- (iv) The consumption of utilities billed to the Association.
- (v) The use, maintenance, and appearance of anything visible from the street, Common Elements, or other Units.
- (vi) The occupancy and leasing of Units.
- (vii) Animals.
- (viii) Vehicles.
- (ix) Disposition of trash and control of vermin, termites, and pests.
- (x) Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for Occupants.

During the Development Period, all Rules must be must be approved in advance and in writing by the Declarant.

**11.5 Use of Common Elements.** There shall be no obstruction of the Common Elements, nor shall anything be kept on, parked on, stored on or removed from any part of the Common Elements without the prior written consent of Declarant (during the Development Period) and the Board thereafter, except as specifically provided herein.

**11.6 Abandoned Personal Property.** Personal property shall not be kept, or allowed to remain for more than twelve (12) hours upon any portion of the Common Elements, without the prior written consent of the Board. If the Board determines that a violation exists, then, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the owner of the property; provided, however, in such case, the Board shall give the property owner, if known, notice of the removal of the property and the disposition of the property within twenty-four (24) hours after the property is removed. Neither the Association nor any board

member, officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal activity in accordance herewith. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

**11.7 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 anywhere on the Property (as used in this paragraph, the term "domestic household pet" shall not mean or include non-traditional pets such pot-bellied pigs, miniature horses, snakes, monkeys or other exotic animals). Customary domesticated household pets may be kept subject to the Rules. The Board may adopt, amend, and repeal Rules regulating the types, sizes, numbers, locations, and behavior of animals on the Property. If the Rules fail to establish animal occupancy quotas, an Owner or Occupant shall be allowed no more than three (3) household pets plus no more than two (2) birds in any Unit. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board. The Board may require or effect the removal of any animal determined to be in violation of the Rules.

**11.8 Firearms and Fireworks.** The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size, and shall also include, without limitation, sling shots, archery, and other projectile emitting devices.

**11.9 Annoyance.** No Unit may be used in any way that: (i) may reasonably be considered annoying to Occupants; (ii) may be calculated to reduce the desirability of the Property as a residential neighborhood; (iii) may endanger the health or safety of Occupants of other Units; (iv) may result in the cancellation of insurance on any portion of the Property; (v) violates any Applicable Law; or (vi) creates noise or odor pollution. The Board has the sole authority to determine what constitutes an annoyance.

**11.10 Appearance.** Both the exterior and the interior of the Improvements constructed within a Unit must be maintained in a manner so as not be unsightly when viewed from the street, Common Elements, or Units. The Board will be the arbitrator of acceptable appearance standards.

**11.11 Declarant Privileges.** In connection with the development and marketing of the Property, as provided in this Declaration and Appendix "A", attached hereto, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Occupants. Declarant's exercise of a right that appears to violate a Rule or a provision of this Declaration does not constitute waiver or abandonment of the Rule or provision of the Declaration.

**11.12 Driveways and Streets.** Sidewalks, streets, driveways, and other passageways may not be used for any purpose that interferes with their ongoing use as routes of vehicular or pedestrian access.

**11.13 Garages.** The original garage area of any Building or Improvement constructed within a Unit may not be enclosed or used for any purpose that would prohibit the parking of operable vehicles therein.

**11.14 Landscaping.** No Person may perform landscaping, planting, or gardening anywhere within the General Common Elements without the prior written authorization of the Board and the Architectural Reviewer.

**11.15 Residential Use.** The use of a Unit is limited exclusively to single-family residential purposes and only one single-family residence may be constructed within each Unit. This residential restriction does not, however, prohibit an Occupant from using the Unit for personal business or professional pursuits provided that: (i) the uses are incidental to the use of the Unit as a residential dwelling; (ii) the uses conform to Applicable Law; (iii) there is no external evidence of the business or professional use; (iv) the business or professional use does not entail visits to the Unit by employees of the business or profession or the general public; and (v) the business or professional use does not interfere with Occupants' use and enjoyment of their Units. No portion of a garage serving a Unit may be occupied as residence at any time by any Person.

**11.16 Signs.** No sign of any kind, including signs (including signs advertising Units for sale, for rent or for lease), may be erected, placed, or permitted to remain on the Property unless written approval has been obtained in advance from the Architectural Reviewer. The Architectural Reviewer may adopt sign guidelines associated with the erection and display of certain signs which guidelines may govern the location, nature, dimensions, number, and time period a sign may remain on the Property or a Unit. As used in this *Section 11.16*, "sign" includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. The Architectural Reviewer may affect the immediate removal of any sign or object which has not been approved in advance by the Architectural Reviewer.

Notwithstanding the foregoing, a religious item on the entry door or door frame of a Unit (which may not extend beyond the outer edge of the door frame) is permitted, provided that the size of the item(s), individually or in combination with other religious items on the entry door or door frame of the residence, does not exceed twenty-five (25) square inches.

**11.17 Solar Energy Device and Energy Efficiency Roofing.** A "Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power. "Energy Efficiency Roofing"

means shingles that are designed primarily to: (i) be wind and hail resistant; (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities.

Approval by the Architectural Reviewer pursuant to *Article 10* is required prior to installing a Solar Energy Device or Energy Efficient Roofing. The Architectural Reviewer is not responsible for: (a) errors in or omissions in the application submitted to the Architectural Reviewer for approval; (b) supervising the installation or construction to confirm compliance with an approved application; or (c) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

**11.17.1 Approval Application.** To obtain Architectural Reviewer approval of a Solar Energy Device, an Owner shall provide a request to the Architectural Reviewer in accordance with *Article 10*, including the following information: (i) the proposed installation location of the Solar Energy Device; and (ii) a description of the Solar Energy Device, including the dimensions, manufacturer, and photograph or other accurate depiction (the "**Solar Application**"). A Solar Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Solar Application.

**11.17.2 Approval Process.** The decision of the Architectural Reviewer will be made in accordance with *Article 10*. The Architectural Reviewer will approve a Solar Energy Device if the Solar Application complies with *Section 11.17.3* below **UNLESS** the Architectural Reviewer makes a written determination that placement of the Solar Energy Device, despite compliance with *Section 11.17.3*, will create a condition that substantially interferes with the use and enjoyment of the Property by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The Architectural Reviewer's right to make a written determination in accordance with the foregoing sentence is negated if all Owners of Units immediately adjacent to the Owner/applicant's Unit provide written approval of the proposed placement. Any proposal to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by Members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this Section when considering any such request.

Each Owner is advised that if the Solar Application is approved by the Architectural Reviewer, installation of the Solar Energy Device must: (i) strictly comply with the Solar Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Solar Energy Device to be installed in accordance with the approved Solar Application, the Architectural Reviewer may require the Owner to: (i) modify the Solar Application to accurately reflect the Solar Energy Device installed on the Unit; or (ii) remove the Solar Energy Device and reinstall the device in accordance with the approved Solar Application. Failure to install a Solar Energy Device in accordance with the approved Solar



Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this Section and may subject the Owner to fines and penalties. Any requirement imposed by the Architectural Reviewer to resubmit a Solar Application or remove and relocate a Solar Energy Device in accordance with the approved Solar Application shall be at the Owner's sole cost and expense.

11.17.3 Approval Conditions. Unless otherwise approved in advance and in writing by the Architectural Reviewer, each Solar Application and each Solar Energy Device to be installed in accordance therewith must comply with the following:

- (i) The Solar Energy Device must be located on the roof of the residence located within the Owner's Unit, entirely within a fenced area of the Owner's Unit, or entirely within a fenced patio located within the Owner's Unit. If the Solar Energy Device will be located on the roof of the residence, the Architectural Reviewer may designate the location for placement unless the location proposed by the Owner increases the estimated annual energy production of the Solar Energy Device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent above the energy production of the Solar Energy Device if installed in the location designated by the Architectural Reviewer. If the Owner desires to contest the alternate location proposed by the Architectural Reviewer, the Owner should submit information to the Architectural Reviewer which demonstrates that the Owner's proposed location meets the foregoing criteria. If the Solar Energy Device will be located in the fenced area of the Owner's Unit or patio, no portion of the Solar Energy Device may extend above the fence line.
- (ii) If the Solar Energy Device is mounted on the roof of the principal residence located within the Owner's Unit, then: (A) the Solar Energy Device may not extend higher than or beyond the roofline; (B) the Solar Energy Device must conform to the slope of the roof and the top edge of the Solar Device must be parallel to the roofline; (C) the frame, support brackets, or visible piping or wiring associated with the Solar Energy Device must be silver, bronze or black.

11.17.4 Energy Efficient Roofing. The Architectural Reviewer will not prohibit an Owner from installing Energy Efficient Roofing provided that the Energy Efficient Roofing shingles: (a) resemble the shingles used or otherwise authorized for use within the community; (b) are more durable than, and are of equal or superior quality to, the shingles used or otherwise authorized for use within the community; and (c) match the



aesthetics of adjacent property. An Owner who desires to install Energy Efficient Roofing will be required to comply with the architectural review and approval procedures set forth in *Article 10*.

**11.18 Rainwater Harvesting Systems.** Rain barrels or rainwater harvesting systems (a "**Rainwater Harvesting System**") may be installed with the advance written approval of the Architectural Reviewer.

**11.18.1 Application.** To obtain Architectural Reviewer approval of a Rainwater Harvesting System, the Owner shall provide the Architectural Reviewer with the following information: (i) the proposed installation location of the Rainwater Harvesting System; and (ii) a description of the Rainwater Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction (the "**Rain System Application**"). A Rain System Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Rain System Application.

**11.18.2 Approval Process.** The decision of the Architectural Reviewer will be made in accordance with *Article 10* of the Declaration. Any proposal to install a Rainwater Harvesting System on Common Elements must be approved in advance and in writing by the Architectural Reviewer, and the Architectural Reviewer need not adhere to this policy when considering any such request.

**11.18.3 Approval Conditions.** Unless otherwise approved in advance and in writing by the Architectural Reviewer, each Rain System Application and each Rainwater Harvesting System to be installed in accordance therewith must comply with the following:

- (i) The Rainwater Harvesting System must be consistent with the color scheme of the residence constructed within the Owner's Unit, as reasonably determined by the Architectural Reviewer.
- (ii) The Rainwater Harvesting System does not include any language or other content that is not typically displayed on such a device.
- (iii) The Rainwater Harvesting System is in no event located between the front of the residence constructed within the Owner's Unit and any adjoining or adjacent street.
- (iv) There is sufficient area within the Owner's Unit to install the Rainwater Harvesting System, as reasonably determined by the Architectural Reviewer.
- (v) If the Rainwater Harvesting System will be installed on or within the side yard of a Unit, or would otherwise be visible from a

street, Common Element, or another Owner's Unit, the Architectural Reviewer may regulate the size, type, shielding of, and materials used in the construction of the Rainwater Harvesting System. See *Section 11.18.4* for additional guidance.

**11.18.4 Guidelines.** If the Rainwater Harvesting System will be installed on or within the side yard of a Unit, or would otherwise be visible from a street, Common Element, or another Owner's Unit, the Architectural Reviewer may regulate the size, type, shielding of, and materials used in the construction of the Rainwater Harvesting System. Accordingly, when submitting a Rainwater System Application, the application should describe methods proposed by the Owner to shield the Rainwater Harvesting System from the view of any street, Common Element, or another Owner's Unit. When reviewing a Rainwater System Application for a Rainwater Harvesting System that will be installed on or within the side yard of a Unit, or would otherwise be visible from a street, Common Element, or another Owner's Unit, any additional regulations imposed by the Architectural Reviewer to regulate the size, type, shielding of, and materials used in the construction of the Rainwater Harvesting System, may not prohibit the economic installation of the Rainwater Harvesting System, as reasonably determined by the Architectural Reviewer.

**11.19 Flags.** An Owner is permitted to display the flag of the United States of America, the flag of the State of Texas, or an official or replica flag of any branch of the United States Military ("**Permitted Flag**") and permitted to install a flagpole no more than five feet (5') in length affixed to the front of a residence near the principal entry or affixed to the rear of a residence ("**Permitted Flagpole**") within a Unit. Only two (2) Permitted Flagpoles are allowed per residence. A Permitted Flag or Permitted Flagpole need not be approved in advance by the Architectural Reviewer.

Approval by the Architectural Reviewer is required prior to installing vertical freestanding flagpoles installed in the front or back yard area of any Unit ("**Freestanding Flagpole**"). The Architectural Reviewer is not responsible for: (i) errors in or omissions in the application submitted to the Architectural Reviewer for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

**11.19.1 Approval Application.** To obtain Architectural Reviewer approval of any Freestanding Flagpole, the Owner shall provide a request to the Architectural Reviewer in accordance with *Article 10*, including the following information: (a) the location of the flagpole to be installed on the Unit; (b) the type of flagpole to be installed; (c) the dimensions of the flagpole; and (d) the proposed materials of the flagpole (the "**Flagpole Application**"). A Flagpole Application may only be submitted by an Owner UNLESS the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Flagpole Application.

11.19.2 Approval Process. The decision of the Architectural Reviewer will be made in accordance with *Article 10*. Any proposal to install a Freestanding Flagpole on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to this *Section 11.19* when considering any such request.

Each Owner is advised that if the Flagpole Application is approved by the Architectural Reviewer, installation of the Freestanding Flagpole must: (i) strictly comply with the Flagpole Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Freestanding Flagpole to be installed in accordance with the approved Flagpole Application, the Architectural Reviewer may require the Owner to: (i) modify the Flagpole Application to accurately reflect the Freestanding Flagpole installed on the Unit; or (ii) remove the Freestanding Flagpole and reinstall the flagpole in accordance with the approved Flagpole Application. Failure to install a Freestanding Flagpole in accordance with the approved Flagpole Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this Section and may subject the Owner to fines and penalties. Any requirement imposed by the Architectural Reviewer to resubmit a Flagpole Application or remove and relocate a Freestanding Flagpole in accordance with the approved Flagpole Application shall be at the Owner's sole cost and expense.

11.19.3 Installation, Display and Approval Conditions. Unless otherwise approved in advance and in writing by the Architectural Reviewer, Permitted Flags, Permitted Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application, must comply with the following:

- (i) No more than one (1) Freestanding Flagpole OR no more than two (2) Permitted Flagpoles are permitted per residential Unit, on which only Permitted Flags may be displayed;
- (ii) Any Permitted Flagpole must be no longer than five feet (5') in length and any Freestanding Flagpole must be no more than twenty feet (20') in height;
- (iii) Any Permitted Flag displayed on any flagpole may not be more than three feet in height by five feet in width (3'x5');
- (iv) With the exception of flags displayed on common area owned and/or maintained by the Association and any Unit which is being used for marketing purposes by a builder, the flag of the United States of America must be displayed in accordance with 4 U.S.C. Sections 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;

- (v) The display of a flag, or the location and construction of the flagpole must comply with all applicable zoning ordinances, easements and setbacks of record;
- (vi) Any flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;
- (vii) A flag or a flagpole must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed;
- (viii) Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which shall not be aimed towards or directly affect any neighboring property; and
- (ix) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

**11.20 Antenna.** Except as expressly provided below, no exterior radio, television or communications antenna or aerial or satellite dish or disc, nor any solar energy system (collectively, an "**Antenna/Dish**"), shall be erected, maintained, or placed on a Unit without the prior written approval of the Architectural Reviewer.

**11.20.1 Dishes Over One Meter Prohibited.** Unless otherwise approved by the Architectural Reviewer, an Antenna/Dish which is over one meter in diameter is prohibited within the Regime.

**11.20.2 Notification.** An Owner or Occupant who wishes to install an Antenna/Dish one meter or less in diameter (a "**Permitted Antenna**") must submit a written notice to the Architectural Reviewer, which notice must include the Owner or Occupant's installation plans for the satellite dish.

**11.20.3 One Dish Limitation.** Unless otherwise approved by the Architectural Reviewer, only one Permitted Antenna per Unit is permitted. In the event an acceptable quality signal for video programming or wireless communications cannot be received from one satellite dish, the Owner must provide written notification to the Architectural Reviewer. Upon notification, the Owner will be permitted to install an additional Permitted Antenna if a single Permitted Antenna is not sufficient for the reception of an acceptable quality signal and the use of an additional Permitted Antenna results in the reception of an acceptable quality signal.

**11.20.4 Permitted Installation Locations – Generally.** An Owner or Occupant may erect a Permitted Antenna (after written notification has been provided to the Architectural Reviewer) if the Owner or Occupant has an exclusive use area in which to

install the antenna. An "exclusive use area" is an area in which only the Owner or Occupant may enter and use to the exclusion of all other Owners and Occupants. Unless otherwise approved by the Architectural Reviewer, the Permitted Antenna must be entirely within the exclusive use area of the Owner's Unit.

A Permitted Antenna or the use of a Permitted Antenna may not interfere with satellite or broadcast reception to other Units or the Common Elements, or otherwise be a nuisance to Occupants of other Units or to the Association. A Permitted Antenna exists at the sole risk of the Owner and/or Occupant of the Unit. The Association does not insure the Permitted Antenna and is not liable to the Owner or any other person for any loss or damage to the Permitted Antenna from any cause. The Owner will defend and indemnify the Architectural Reviewer and the Association, its directors, officers, and Members, individually and collectively, against losses due to any and all claims for damages or lawsuits, by anyone, arising from his Permitted Antenna. The Architectural Reviewer may, from time to time, modify, amend, or supplement the rules regarding installation and placement of a Permitted Antenna.

**11.20.5 Preferred Installation Locations.** A Permitted Antenna may be installed in a location within the Unit from which an acceptable quality signal can be obtained and where least visible from the street and the Regime, other than the Unit. In order of preference, the locations of a Permitted Antenna which will be considered least visible by the Architectural Reviewer are as follows:

- (i) Attached to the back of the residence constructed within the Unit, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Units and the street; then
- (ii) Attached to the side of the residence constructed within the Unit, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Units and the street.

**11.21 Vehicles; On-Street and Guest Parking.** All vehicles on the Property, whether owned or operated by the Occupants or their families and guests, are subject to this *Section 11.21* and any Rules regulating the types, sizes, numbers, conditions, uses, appearances, and locations of vehicles on the Property. The Board may prohibit any vehicle from which the Board deems to be a nuisance, unsightly, or inappropriate. The Board may prohibit sales, storage, washing, repairs, or restorations of vehicles on the Property. Vehicles that transport inflammatory or explosive cargo are prohibited from the Property at all times. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard on the Property. The Association may affect the removal of any vehicle in violation of this *Section 11.21* or the Rules without liability to the owner or operator of the vehicle.



Notwithstanding the above, no vehicle may be parked on any road or street within the Property unless in the event of an emergency. "Emergency" for purposes of the foregoing sentence shall mean an event which jeopardizes life or property. "Parked" as used herein shall be defined as a vehicle left unattended for more than thirty (30) consecutive minutes. For overnight parking purposes, vehicles shall be restricted to parking only in garages, driveways in front of garages, or in parking spaces provided adjacent to streets. As a result of the required design of the project, driveways constructed on a Unit may not be able to accommodate the parking of vehicles. No vehicle may be parked on a driveway constructed on a Unit if the vehicle, when parked, would obstruct or otherwise block ingress and egress to and from sidewalks adjacent to the driveway, i.e., no portion of the vehicle may extend over a line extended from the rear of one sidewalk adjacent to the driveway to the rear of the other sidewalk adjacent to the driveway.

**11.22 Xeriscaping.** An Owner may submit plans for and install drought tolerant landscaping ("**Xeriscaping**") upon written approval by the Architectural Reviewer. All Owners implementing Xeriscaping shall comply with the following:

**11.22.1 Application.** Approval by the Architectural Reviewer is required prior to installing Xeriscaping. To obtain the approval of the Architectural Reviewer for Xeriscaping, the Owner shall provide the Architectural Reviewer with the following information: (i) the proposed site location of the Xeriscaping on the Owner's Unit; (ii) a description of the Xeriscaping, including the types of plants, border materials, hardscape materials and photograph or other accurate depiction and (iii) the percentage of yard to be covered with gravel, rocks and cacti (the "**Xeriscaping Application**"). A Xeriscaping Application may only be submitted by an Owner unless the Owner's tenant provides written confirmation at the time of submission that the Owner consents to the Xeriscaping Application. The Architectural Reviewer is not responsible for: (a) errors or omissions in the Xeriscaping Application submitted to the Architectural Reviewer for approval; (b) supervising installation or construction to confirm compliance with an approved Xeriscaping Application or (c) the compliance of an approved application with Applicable Law.

**11.22.2 Approval Conditions.** Unless otherwise approved in advance and in writing by the Architectural Reviewer, each Xeriscaping Application and all Xeriscaping to be installed in accordance therewith must comply with the following:

- (i) The Xeriscaping must be aesthetically compatible with other landscaping in the community as reasonably determined by the Architectural Reviewer. For purposes of this *Section 11.22* "aesthetically compatible" shall mean overall and long-term aesthetic compatibility within the community. For example, an Owner's plan may be denied if the Architectural Reviewer determines that: a) the proposed Xeriscaping would not be harmonious with already established turf and landscaping in the

overall community; and/or b) the use of specific turf or plant materials would result in damage to or cause deterioration of the turf or landscaping of an adjacent property owner, resulting in a reduction of aesthetic appeal of the adjacent property Owner's Unit.

- (ii) No Owners shall install gravel, rocks or cacti that in the aggregate encompass over twenty percent (20%) of such Owner's front yard or thirty percent (30%) of such Owner's back yard.
- (iii) The Xeriscaping must not attract diseases and insects that are harmful to the existing landscaping on neighboring Units, as reasonably determined by the Architectural Reviewer.

11.22.3 Process. The decision of the Architectural Reviewer will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A Xeriscaping Application submitted to install Xeriscaping on property owned by the Association or property owned in common by members of the Association will not be approved. Any proposal to install Xeriscaping on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board, and the Board need not adhere to the requirements set forth in this Section 11.22 when considering any such request.

11.22.4 Approval. Each Owner is advised that if the Xeriscaping Application is approved by the Architectural Reviewer, installation of the Xeriscaping must: (i) strictly comply with the Xeriscaping Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the Owner fails to cause the Xeriscaping to be installed in accordance with the approved Xeriscaping Application, the Architectural Reviewer may require the Owner to: (a) modify the Xeriscaping Application to accurately reflect the Xeriscaping installed on the property; or (b) remove the Xeriscaping and reinstall the Xeriscaping in accordance with the approved Xeriscaping Application. Failure to install Xeriscaping in accordance with the approved Xeriscaping Application or an Owner's failure to comply with the post-approval requirements constitutes a violation of this Declaration and may subject the Owner to fines and penalties. Any requirement imposed by the Architectural Reviewer to resubmit a Xeriscaping Application or remove and relocate Xeriscaping in accordance with the approved Xeriscaping Application shall be at the Owner's sole cost and expense.

## ARTICLE 12 UNIT LEASING

**12.1 Lease Conditions.** The leasing of Units is subject to the following conditions: (i) no Unit may be rented for transient or hotel purposes or for a period less than six (6) months; (ii) not less than an entire Unit may be leased; (iii) all leases must be in writing and must be made subject to the Documents; (iv) an Owner is responsible for providing the Owner's tenant with copies of the Documents and notifying the tenant of changes thereto; and (v) each tenant is subject to and must comply with all provisions of the Documents and Applicable Law. The Board may adopt additional Rules which further limit the leasing of Units, and shall have the express power and authority to adopt a leasing permit system which limits the number of Units which may be leased at any one time, provided, that the leasing rules and leasing permit system is not otherwise prohibited by the requirements and/or guidelines promulgated by an Underwriting Lender. Notwithstanding the foregoing provision, any additional leasing restrictions and any leasing permit system must be approved in advance and in writing by the Declarant until expiration or termination of the Development Period.

**12.2 Provisions Incorporated By Reference Into Lease.** Each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the tenant, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

**12.2.1 Compliance with Documents.** The tenant shall comply with all provisions of the Documents and shall control the conduct of all other Occupants and guests of the leased Unit, as applicable, in order to ensure such compliance. The Owner shall cause all Occupants of the Owner's Unit to comply with the Documents and shall be responsible for all violations by such Occupants notwithstanding the fact that such Occupants of the Unit are fully liable and may be sanctioned for any such violation. If the tenant or Occupant violates the Documents or a Rule for which a fine is imposed, notice of the violation shall be given to the Owner and Occupants, and such fine may be assessed against the Owner or the Occupants. Unpaid fines shall constitute a lien against the Unit.

**12.2.2 Assignment of Rents.** If the Owner fails to pay any Assessment or any other charge against the Unit for a period of more than thirty (30) days after it is due and payable, then the Owner hereby consents to the assignment of any rent received from the tenant during the period of delinquency, and, upon request by the Board, the tenant shall pay directly to the Association all unpaid Assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by tenant. The tenant need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board's request. All such payments made by tenant shall reduce, by the same amount, tenant's obligation to make monthly rental payments to the Owner.

**12.2.3 Violation Constitutes Default.** Failure by the tenant or the tenant's guests to comply with the Documents or Applicable Law is deemed to be a default under the

lease. When the Association notifies an Owner of such violation, the Owner will promptly obtain compliance or exercise his rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain his tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or Applicable Law for the default, including eviction of the tenant.

**12.2.4 Association as Attorney-in-Fact.** Notwithstanding the absence of an express provision in the lease agreement for enforcement of the Documents by the Association, each Owner appoints the Association as the Owner's attorney-in-fact, with full authority to act in the Owner's place in all respects, for the purpose of enforcing the Documents against the Owner's tenants, including but not limited to the authority to institute forcible detainer proceedings, provided the Association gives the Owner at least 10 days' notice, by certified mail, of its intent to so enforce the Documents.

**12.2.5 Association Not Liable for Damages.** The Owner of a leased Unit is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against the Owner's tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of the Documents against the Owner's tenant.

## ARTICLE 13 ASSOCIATION OPERATIONS

**13.1 Board.** Unless the Documents expressly reserve a right, action, or decision to the Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through a Majority of the Board."

**13.2 The Association.** The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members and the Regime, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will continue to exist as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

**13.3 Name.** A name is not the defining feature of the Association. Although the initial name of the Association is Sonterra I Residential Condominium Community, Inc., the Association may operate under any name that is approved by the Board and: (i) filed with the



Williamson County Clerk as an assumed name; or (ii) filed with the Secretary of State of Texas as the name of the filing entity. Another legal entity with the same name as the Association, or with a name based on the name of the Property, is not the Association, which derives its authority from this Declaration.

**13.4 Duration.** The Association comes into existence on the earlier to occur of the following two events: (i) the date on which the Certificate is filed with the Secretary of State of Texas; or (ii) the date on which a Unit deed is Recorded, evidencing diversity of ownership in the Property (that the Property is not owned entirely by Declarant or its affiliates).

**13.5 Governance.** The Association will be governed by a Board elected by the Members. Unless the Bylaws or Certificate provide otherwise, the Board will consist of at least three (3) Persons elected at the annual meeting of the Association, or at a special meeting called for such purpose. The Association will be administered in accordance with the Documents and Applicable Law. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners representing at least a Majority of the total number of votes in the Association, or at a meeting by Owners' representing at least a Majority of the total number of votes in the Association.

**13.6 Merger.** Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners holding at least two-thirds (2/3) of the total number of votes in the Association. On merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of Applicable Law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents, together with the covenants and restrictions established on any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration.

**13.7 Membership.** Each Owner is a Member of the Association, ownership of a Unit being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Unit. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at a meeting of the Association. If a Unit is owned by more than one Person, each co-owner is a Member of the Association and may exercise the membership rights appurtenant to the Unit.

**13.8 Manager.** The Board may delegate the performance of certain functions to one or more managers or managing agents of the Association. To assist the Board in determining whether to delegate a function, a Guide to Association's Major Management & Governance Functions is attached to this Declaration as Attachment 5. The Guide lists several of the major management and governance functions of a typical residential development with a mandatory owners association. The Guide, however, may not be construed to create legal duties for the Association and its board members, officers, employees, and agents. Rather, the Guide is



intended as a tool or an initial checklist for the Board to use periodically when considering a delegation of its functions. As a list of functions that owners associations commonly delegate to a manager, the Guide should not be considered as a complete list of the Board's duties, responsibilities, or functions. Notwithstanding any delegation of its functions, the Board is ultimately responsible to the Members for governance of the Association.

**13.9 Books and Records.** The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to the requirements of Applicable Law.

**13.10 Indemnification.** The Association indemnifies every officer, director, and committee member (for purposes of this *Section 13.10, "Leaders"*) against expenses, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with any threatened or pending action, suit, or proceeding to which the Leader is a party or respondent by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a Common Expense, the Association may maintain general liability and directors' and officers' liability insurance to fund this obligation.

**13.11 Obligations of Owners.** Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

**13.11.1 Information.** Within thirty (30) days after acquiring an interest in a Unit, within thirty (30) days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (i) a copy of the Recorded deed by which Owner has acquired title to the Unit; (ii) the Owner's address and phone number; (iii) any Mortgagee's name; (iv) the name and phone number of any Occupant other than the Owner; and (v) the name, address, and phone number of Owner's managing agent, if any.

**13.11.2 Pay Assessments.** Each Owner will pay Assessments properly levied by the Association against the Owner or such Owner's Unit and will pay Regular Assessments without demand by the Association.

**13.11.3 Compliance with Documents.** Each Owner will comply with the Documents as amended from time to time.

**13.11.4 Reimburse for Damages.** Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Occupant of the Owner's Unit, or the Owner or Occupant's family, guests, employees, contractors, agents, or invitees.

13.11.5 Liability for Violations. Each Owner is liable to the Association for violations of the Documents by the Owner, an Occupant of the Owner's Unit, or the Owner or Occupant's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

**13.12 Unit Resales.** This *Section 13.12* applies to every sale or conveyance of a Unit or an interest in a Unit by an Owner other than Declarant:

13.12.1 Resale Certificate. An Owner intending to sell his Unit will notify the Association and will request a condominium resale certificate from the Association.

13.12.2 No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Unit to the Association.

13.12.3 Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Unit, including but not limited to, fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against Regular or Special Assessments. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent are not subject to the Association's assessment lien, and are not payable by the Association. This *Section 13.12.3* does not obligate the Board to levy transfer-related fees.

13.12.4 Exclusions. The requirements of *Section 13.12* do not apply to the following transfers: (i) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (ii) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more Co-Owners, or to the Owner's spouse, child, or parent; a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (iv) a disposition by a government or governmental agency. Additionally, the requirements of this *Section 13.12* do not apply to the initial conveyance from Declarant.

## ARTICLE 14 ENFORCING THE DOCUMENTS

**14.1 Notice And Hearing.** Before levying a fine for violation of the Documents (other than nonpayment of Assessments), the Association will give the Owner written notice of the

levy and an opportunity to be heard, to the extent required by Applicable Law. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the thirtieth (30<sup>th</sup>) day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and a stated date by which the Owner may cure the violation to avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months. The Association may also give a copy of the notice to the Occupant of the Unit. Pending the hearing, the Association may continue to exercise all rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with Applicable Law.

**14.2 Remedies.** The remedies provided in this *Article 14* for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by Applicable Law, the Association has the following rights to enforce the Documents:

**14.2.1 Nuisance.** The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by Applicable Law against a nuisance, either public or private, is applicable against the violation.

**14.2.2 Fine.** The Association may levy reasonable charges, as an Individual Assessment, against an Owner and the Owner's Unit if the Owner or Occupant, or the Owner or Occupant's family, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents.

**14.2.3 Suspension.** The Association may suspend the right of Owners and Occupants to use Common Elements (provided that the rights of ingress and egress and utility services are not impaired) for any period during which the Owner or Occupant, or the Owner or Occupant's family, guests, employees, agents, or contractors violate the Documents for a period not to exceed sixty (60) days, unless such rights are suspended for failure to pay Assessments, in which case such rights may be suspended until the Assessments are fully paid. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

**14.2.4 Self-Help.** The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, any Improvement, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Association is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Unit and Owner as an

Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish any Improvement within a Unit without judicial proceedings.

14.2.5 Suit. Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

14.3 Board Discretion. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances: (i) the Association's position is not sufficiently strong to justify taking any or further action; (ii) the provision being enforced is or may be construed as inconsistent with Applicable Law; (iii) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable Person or to justify expending the Association's resources; or (iv) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

14.4 No Waiver. The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.

14.5 Recovery of Costs. The costs of curing or abating a violation are the expense of the Owner or other Person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

14.6 Release. Subject to the Association's obligations under this Declaration, except as otherwise provided by the Documents, each Owner hereby releases, acquits and forever discharges the Association, and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns and agrees to hold such Persons harmless of and from any and all claims, damages, liabilities, costs and/or expenses (including reasonable attorneys' fees) relating to the construction of, repair or restoration of, or the sale to the Owners of the Units, or the Common Elements. This release shall release and forever discharge the Association and its affiliates, parents, members, subsidiaries, officers, directors, agents, employees, predecessors, successors, contractors, consultants, insurers, sureties and assigns, from all claims and causes of action,



whether statutory or under the common law, known or unknown, now accrued, or that arise in the future.

**14.7 Right of Action by Association.** The Association shall not have the power to institute, defend, intervene in, settle or compromise litigation or administrative proceedings: (i) in the name of or on behalf of any Unit Owner (whether one or more); or (ii) pertaining to a Claim, as defined in *Section 20.1.1* below, relating to the design or construction of a Unit (whether one or more). The foregoing sentence is expressly intended to remove from the power of the Association the right, under Section 82.102 of the Act, to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings on behalf of two (2) or more Unit Owners on matters affecting the Regime. This *Section 14.7* may not be amended or modified without Declarant's written and acknowledged consent, which must be part of the Recorded amendment instrument.

## ARTICLE 15 INSURANCE

**15.1 General Provisions.** The broad purpose of this *Article 15* is to require that the Property be insured with the types and amounts of coverage that are customary for similar types of properties and that are acceptable to mortgage lenders, guarantors, or insurers that finance the purchase or improvement of Units. Because the insurance requirements of mortgage underwriters are subject to change, as are State-promulgated insurance regulations and policies, this Article tries to balance the need for certain minimum insurance requirements with the desire to adapt to a periodically changing insurance environment. The Board will make every reasonable effort to comply with the requirements of this *Article 15*.

**15.1.1 Unavailability.** The Association, and its directors, officers, and managers, will not be liable for failure to obtain any coverage required by this *Article 15* or for any loss or damage resulting from such failure if the failure is due to the unavailability of a particular coverage from reputable insurance companies, or if the coverage is available only at demonstrably unreasonable cost.

**15.1.2 No Coverage.** Even if the Association and the Owner have adequate amounts of recommended and required coverages, the Property may experience a loss that is not covered by insurance. In that event, the Association is responsible for restoring the Common Elements as a Common Expense, and the Owner is responsible for restoring such Owner's Unit at Owner's sole expense. This provision does not apply to the deductible portion of a policy.

**15.1.3 Requirements.** The cost of insurance coverages and bonds maintained by the Association is a Common Expense. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. The Association's policies should



contain the standard mortgage clause naming either the Mortgagee or its servicer followed by "its successors and assigns." The loss payee clause should show the Association as trustee for each Owner and Mortgagee. Policies of property and general liability insurance maintained by the Association must provide that the insurer waives its rights to subrogation under the policy against an Owner. The Association's insurance policies will not be prejudiced by the act or omission of any Owner or Occupant who is not under the Association's control.

15.1.4 Association as Trustee. Each Owner irrevocably appoints the Association, acting through its Board, as the Owner's trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

15.1.5 Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by the Act, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. The Board will give to Mortgagees at least ten (10) days prior notice of cancellation, termination, expiration, or material modification.

15.1.6 Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, and the amount thereof may not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the coverage limits required by this Declaration or an Underwriting Lender. In the event of an insured loss, the deductible is treated as a Common Expense of the Association in the same manner as the insurance premium. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of an Owner or Occupant or their guest or invitee, then the Board may levy an Individual Assessment against the Owner and the Owner's Unit for the amount of the deductible that is attributable to the act or omission, provided the Owner is given notice and an opportunity to be heard in accordance with *Section 14.1* of this Declaration.

15.2 Property Insurance. The Association will obtain blanket all-risk insurance if reasonably available, for all Common Elements insurable by the Association. If blanket all-risk insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing fire and extended coverage. This insurance must be in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

15.2.1 Common Property Insured. If insurable, the Association will insure: (i) General Common Elements; (ii) Limited Common Elements assigned to more than one (1) Unit; and (iii) property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies.

**15.2.2 Units Not Insured by Association.** In no event will the Association maintain property insurance on the Units. Accordingly, each Owner of a Unit will be obligated to maintain property insurance on such Owner's Unit and any Limited Common Elements assigned exclusively to such Owner's Unit, including any betterments and Improvements constructed within or exclusively serving such Unit, in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. In addition, the Association does not insure an Owner or Occupant's personal property. THE ASSOCIATION STRONGLY RECOMMENDS THAT EACH OWNER AND OCCUPANT PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS.

**15.2.3 Endorsements.** To the extent reasonably available, the Association will obtain endorsements to its property insurance policy if required by an Underwriting Lender, such as Inflation Guard Endorsement, Building Ordinance or Law Endorsement, and a Special Condominium Endorsement.

**15.3 Liability Insurance.** The Association will maintain a commercial general liability insurance policy over the Common Elements – expressly excluding the liability of each Owner and Occupant within their Unit – for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. The purpose of this requirement is, in part, to assure mortgage companies that the Association maintains at least minimum levels of insurance coverage. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other Owners.

**15.4 Worker's Compensation.** The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of Applicable Law or if the Board so chooses.

**15.5 Fidelity Coverage.** The Association may maintain blanket fidelity coverage for any Person who handles or is responsible for funds held or administered by the Association, whether or not the Person is paid for his services. The policy should be for an amount that exceeds the greater of: (i) the estimated maximum funds, including reserve funds, that will be in the Association's custody at any time the policy is in force; or (ii) an amount equal to three (3) months of Regular Assessments on all Units. A management agent that handles Association funds should be covered.

**15.6 Directors And Officers Liability.** The Association may maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

**15.7 Other Policies.** The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

## ARTICLE 16 RECONSTRUCTION OR REPAIR AFTER LOSS

**16.1 Subject To Act.** The Association's response to damage or destruction of the Property will be governed by Section 82.111(i) of the Act. The following provisions apply to the extent the Act is silent.

**16.2 Restoration Funds.** For purposes of this Article 16, "**Restoration Funds**" include insurance proceeds, condemnation awards, Deficiency Assessments, Individual Assessments, and other funds received on account of or arising out of injury or damage to the Common Elements. All funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution in which accounts are insured by a federal agency. Withdrawal of Restoration Funds requires the signatures of at least two (2) Board members.

**16.2.1 Sufficient Proceeds.** If Restoration Funds obtained from insurance proceeds or condemnation awards are sufficient to repair or restore the damaged or destroyed Common Elements, the Association, as trustee for the Owners, will promptly apply the funds to the repair or restoration.

**16.2.2 Insufficient Proceeds.** If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy a Deficiency Assessment against the Owners to fund the difference.

**16.2.3 Surplus Funds.** If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as follows: If Deficiency Assessments were a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the Deficiency Assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by him, and further provided that any Delinquent Assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing paragraph will be common funds of the Association to be used as directed by the Board.

### **16.3 Costs And Plans.**

**16.3.1 Cost Estimates.** Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged Common Elements. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair.

**16.3.2 Plans and Specifications.** Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction.

**16.4 Owner's Duty to Repair.** Within sixty (60) days after the date of damage, the Owner will begin repair or reconstruction of the Owner's Unit, subject to the right of the Association to supervise, approve, or disapprove repair or restoration during the course thereof. Unless otherwise approved by the Architectural Reviewer, the residence must be repaired and restored substantially in accordance with original construction plans and specifications.

**16.5 Owner's Liability For Insurance Deductible.** If repair or restoration of Common Elements is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

## ARTICLE 17 TERMINATION AND CONDEMNATION

**17.1 Association As Trustee.** Each Owner hereby irrevocably appoints the Association, acting through the Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

**17.2 Termination.** Termination of the terms of this Declaration and the Regime will be governed by Section 82.068 of the Act and *Section 17.3* below.

**17.3 Condemnation.** The Association's response to condemnation of any part of the Regime will be governed by Section 82.007 of the Act. On behalf of Owners, but without their consent, the Board may execute an amendment of this Declaration to reallocate the Common Interest Allocation following condemnation and to describe the altered parameters of the Regime. If the Association replaces or restores Common Elements taken by condemnation by obtaining other land or constructing additional Improvements, the Board may, to the extent permitted by Applicable Law, execute an amendment without the prior consent of Owners to describe the altered parameters of the Regime and any corresponding change of facilities or Improvements.

## ARTICLE 18 MORTGAGEE PROTECTION

**18.1 Introduction.** This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls. A provision of the Documents requiring the approval of a specified percentage of Mortgagees will be based on the number of Units subject to mortgages held by Mortgagees. For example, "51 percent of



Mortgagees" means Mortgagees of fifty-one percent (51%) of the Units that are subject to mortgages.

**18.2 Notice to Mortgagee.** As provided in this *Article 18*, the Association is required to provide each Mortgagee with written notice upon the occurrence of certain actions as described in *Section 18.8*, or to obtain the approval of Mortgagees in the event of certain amendments to this Declaration as described in *Section 18.9* or the termination of this Declaration as described in *Section 18.4*. To enable the Association to provide the notices and obtain such approval, each Owner must provide to the Association the complete name and address of such Owner's Mortgagee, including the loan number and such additional information concerning the Owner's Mortgagee as the Association may reasonably require. In the event an Owner fails to provide the Association with the information required by this *Section 18.2* after the expiration of thirty (30) days after the Association's written request, the Owner's failure to provide such information will be considered a violation of the terms and provisions of this Declaration.

**18.3 Amendment.** This *Article 18* establishes certain standards for the benefit of Underwriting Lenders, and is written to comply with their requirements and guidelines in effect at the time of drafting. If an Underwriting Lender subsequently changes its requirements, the Board, without approval of Owners or Mortgagees, may amend this *Article 18* and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender.

**18.4 Termination.** Termination of the terms of this Declaration and the condominium status of the Regime will be governed by Section 82.068 of the Act, subject to the following provisions. In the event of condemnation of the entire Regime, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees. Any election to terminate this Declaration and the condominium status of the Regime under circumstances other than condemnation of the entire Regime shall require the consent of: (i) Owners representing at least eighty percent (80%) of the total votes in the Association; (ii) Declarant during the Development Period; and (iii) sixty-seven percent (67%) of Mortgagees.

**18.5 Implied Approval.** The approval of an Mortgagee is implied when the Mortgagee fails to respond within sixty (60) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

**18.6 Other Mortgagee Rights.**



18.6.1 Inspection of Books. The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records, by appointment, during normal business hours.

18.6.2 Financial Statements. A Mortgagee may have an audited statement prepared at its own expense.

18.6.3 Attendance at Meetings. A representative of a Mortgagee may attend and address any meeting which an Owner may attend.

18.6.4 Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Unit to the Association. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

18.6.5 Management Contract. If professional management of the Association is required by this *Article 18*, the contract for professional management may not require more than ninety (90) days' notice to terminate the contract, nor payment of a termination penalty.

18.7 Notice of Actions. The Association will use its best efforts to send timely written notice to Mortgagees of the following actions:

- (i) Any condemnation or casualty loss that affects a material portion of the Regime or the mortgaged Unit and any eminent domain proceeding affecting the Common Elements which would result in a loss of more than ten percent (10%) of the estimated operational and reserve expenses as reflected on the then-current annual budget of the Association.
- (ii) Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of the mortgaged Unit.
- (iii) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.
- (iv) Any proposed action that requires the consent of a specified percentage of Mortgagees.
- (v) Any proposed amendment of a material nature, as provided in this *Article 18*.

- (vi) Any proposed termination of the condominium status of the Regime or dissolution of the Association at least thirty (30) days prior to the proposed termination or dissolution, as applicable.

**18.8 Amendments of a Material Nature.** A Document amendment of a material nature must be approved by Owners representing at least sixty-seven percent (67%) of the total votes in the Association, and by at least fifty-one percent (51%) of Mortgagees. **THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS FILED BY THE DECLARANT AS PERMITTED IN APPENDIX "A" ATTACHED HERETO.** A change to any of the provisions governing the following would be considered material:

- (i) Voting rights.
- (ii) Assessment liens or the priority of assessment liens.
- (iii) Reductions in reserves for maintenance, repair, and replacement of Common Elements.
- (iv) Responsibility for maintenance and repairs.
- (v) Reallocation of interests in the General Common Elements or Limited Common Elements, or rights to their use; except that when Limited Common Elements are reallocated by Declarant pursuant to any rights reserved by Declarant pursuant to Appendix "A", or by agreement between Owners (only those Owners and only the Mortgagees holding mortgages against those Units need approve the action).
- (vi) Redefinitions of boundaries of Units, except that when the boundaries of only adjoining Units are involved, then only those Owners and the Mortgagees holding mortgages against the Unit or Units need approve the action, and except pursuant to any rights reserved by Declarant pursuant to Appendix "A".
- (vii) Convertibility of Units into Common Elements or Common Elements into Units.
- (viii) Expansion or contraction of the Regime, or the addition, annexation, or withdrawal of property to or from the Regime.
- (ix) Property or fidelity insurance requirements.
- (x) Imposition of any restrictions on the leasing of Units.

- (xi) Imposition of any restrictions on Owners' right to sell or transfer their Units.
- (xii) Restoration or repair of the Regime, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.
- (xiii) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

## ARTICLE 19 AMENDMENTS

**19.1 Consents Required.** As permitted by the Act or by this Declaration, certain amendments to this Declaration may be executed by Declarant acting alone, or by certain Owners acting alone, or by the Board acting alone. Except as otherwise provided in this Declaration, amendments to this Declaration must be approved by Owners representing at least sixty-seven percent (67%) of the total votes in the Association. Notice of any amendment to the Declaration which must be approved by Owners, including but not limited to the amendment to the Declaration which must be approved by Owner, including but not limited to the requirement attributable to Article 20 as set forth in *Section 20.1*, shall be delivered to each Member in accordance with the Bylaws. In the event the Regime is submitted and approved by the Secretary of Veterans Affairs, all amendments made to the Declaration, Bylaws or Certificate during the Development Period must be approved by the Secretary of Veterans Affairs or its authorized agent prior to Recording, except for amendments adding additional Units to the Regime pursuant to *Section 5.1* of the Declaration.

**19.2 Amendments Generally.** For amendments requiring the consent of Mortgagees, the Association will send each Mortgagee a detailed description, if not the exact wording, of any proposed amendment. Notwithstanding any provisions in this Declaration to the contrary, no amendment to this Declaration shall modify, alter, abridge or delete any: (i) provision of this Declaration that benefits the Declarant, the Architectural Reviewer or the Association; (ii) rights, privileges, easements, protections, or defenses of the Declarant, the Architectural Reviewer or the Association; or (iii) rights of the Owners or the Association in relationship to the Declarant, the Architectural Reviewer or the Association without the written consent of the Declarant, the Architectural Reviewer or the Association, as applicable, attached to and Recorded with such amendment. In addition, no amendment to this Declaration shall modify, alter, abridge or delete any: (i) permissible use of a Unit absent the consent of the Owner(s) of the Unit affected by the change in permissible use; or (ii) any license, easement or other contractual rights contained in this Declaration, including, without limitation, any easement, right and license benefiting or in favor of the Declarant, the Architectural Reviewer or the Association.

**19.3 Effective.** To be effective, an amendment must be in the form of a written instrument: (i) referencing the name of the Regime, the name of the Association, and the

Recording data of this Declaration and any amendments hereto; (ii) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Mortgagees; provided, however, this subsection (ii) will not apply for amendments prosecuted by Declarant pursuant to any rights reserved by Declarant under this Declaration; and (iii) Recorded.

**19.4 Declarant Rights.** Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix "A". An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect the Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the Recorded amendment instrument. Because Appendix "A" of this Declaration is destined to become obsolete, beginning fifty (50) years after the date this Declaration is first Recorded, the Board may restate, rerecord, or publish this Declaration without Appendix "A". The automatic expiration and subsequent deletion of Appendix "A" does not constitute an amendment of this Declaration. This *Section 19.4* may not be amended without Declarant's written and acknowledged consent.

## ARTICLE 20 DISPUTE RESOLUTION

**20.1 Introduction Definitions; Amendment.** The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "**Parties**") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this *Article 20* applies to all Claims as hereafter defined. This *Article 20* may only be amended with the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding 100% of the votes in the Association. As used in this *Article 20* only, the following words, when capitalized, have the following specified meanings:

20.1.1 "Claim" means:

- (i) Claims relating to the rights and/or duties of Declarant, the Association, or an Owner, under the Documents or the Act.
- (ii) Claims relating to the acts or omissions of Declarant or the Association during control and administration of the Association, any claim asserted against the Architectural Reviewer, and any claims asserted against the Board or Person serving as a Board member, or officer of the Association, or the Architectural Reviewer.

- (iii) Claims relating to the design or construction of the Units, Common Elements, or any Improvement located within the Regime.

20.1.2 "Claimant" means any Party having a Claim against any other Party.

20.1.3 "Respondent" means any Party against which a Claim has been asserted by a Claimant.

**20.2 Mandatory Procedures.** Claimant may not initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this *Article 20*. As provided in *Section 20.8* below, a Claim will be resolved by binding arbitration.

**20.3 Claim by the Association – Common Elements.** In accordance with *Section 14.7* of this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (i) in the name of or on behalf of any Unit Owner (whether one or more); or (ii) pertaining to a Claim, as defined in *Section 20.1.1* above, relating to the design or construction of a Unit (whether one or more). In the event the Association asserts a Claim related only to the Common Elements, as a precondition to providing the Notice defined in *Section 20.4*, initiating the mandatory dispute resolution procedures set forth in this *Article 20*, or taking any other action to prosecute a Claim, the Association must:

20.3.1 Independent Report on the Condition of the Common Elements. Obtain an independent third-party report (the "**Common Area Report**") from a licensed professional engineer which: (i) identifies the Common Elements subject to the Claim including the present physical condition of the Common Elements; (ii) describes any modification, maintenance, or repairs to the Common Elements performed by the Unit Owner(s) and/or the Association; (iii) provides specific and detailed recommendations regarding remediation and/or repair of the Common Elements subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Association and paid for by the Association and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association in the Claim. The Association, as a precondition to providing the Notice described in *Section 20.4*, must have provided at least ten (10) days prior written notice of the date on which the inspection will occur to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Common Area Report, the specific Common Elements to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Area Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in *Section 20.4*, the Association shall have permitted each party subject to a



Claim the right, for a period of at least ninety (90) days, to inspect and correct, any condition identified in the Common Area Report.

**20.3.2 Owner Meeting and Approval.** Obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to provide the Notice described in *Section 20.4*, initiate the mandatory dispute resolution procedures set forth in this *Article 20*, or take any other action to prosecute a Claim, which approval from Members must be obtained at a meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (i) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (ii) a copy of the Common Area Report; (iii) a copy of any proposed engagement letter between the Association and an attorney selected by the Association to assert or provide assistance with the Claim (the "**Engagement Letter**"); (iv) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which the Association may be liable as a result of prosecuting the Claim; (v) a summary of the steps previously taken by the Association to resolve the Claim; (vi) a statement that initiating the lawsuit or arbitration proceeding to resolve the Claim may affect the market value, marketability, or refinancing of a Unit while the Claim is prosecuted; and (vii) a description of the manner in which the Association proposes to fund the cost of prosecuting the Claim. The notice required by this paragraph must be prepared and signed by a person who is not (i) the attorney who represents or will represent the Association in the Claim; (ii) a member of the law firm of the attorney who represents or will represent the Association in the Claim; or (iii) employed by or otherwise affiliated with the law firm of the attorney who represents or will represent the Association in the Claim. In the event Members approve providing the Notice described in *Section 20.4*, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

**20.4 Notice.** Claimant must notify Respondent in writing of the Claim (the "**Notice**"), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this *Section*. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in *Section 20.5* below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with *Section 20.5*, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. *Section 20.5* does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 could affect

a Claim if the Claim is subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in *Section 20.6* below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to *Section 20.6* is required without regard to the monetary amount of the Claim.

If the Claimant is the Association or the Claim pertains to the Common Elements, the Notice will also include: (i) a true and correct copy of the Common Area Report; (ii) a copy of the Engagement Letter; (iii) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Elements which form the basis of the Claim; (iv) a true and correct copy of the special meeting notice provided to Members in accordance with *Section 20.3.2* above; and (v) and reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice.

**20.5 Negotiation.** Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the Property to take and complete corrective action.

**20.6 Mediation.** If the parties negotiate, but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the thirty (30) day period, Respondent will submit the Claim to mediation in accordance with this *Section 20.6*.

**20.7 Termination Of Mediation.** If the Parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this *Article 20*.

**20.8 Binding Arbitration-Claims.** All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (*e.g.*, a plea in abatement or motion to

stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this *Section 20.8*.

**20.8.1 Governing Rules.** If a Claim has not been resolved after Mediation as required by *Section 20.6*, the Claim will be resolved by binding arbitration in accordance with the terms of this *Section 20.8* and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Williamson County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this *Section 20.8*, this *Section 20.8* will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

- (I) one arbitrator shall be selected by Respondent, in its sole and absolute discretion;
- (II) one arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and
- (III) one arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

**20.8.2 Exceptions to Arbitration; Preservation of Remedies.** No provision of, nor the exercise of any rights under, this *Section 20.8* will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an

action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

20.8.3 Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this *Section 20.8*.

20.8.4 Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deem just and equitable and within the scope of this *Section 20.8* and subject to *Section 20.9* (attorney's fees and costs may not be awarded by the arbitrator); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code, except that in no event may attorney's fees or costs be awarded to a Party. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (i) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of federal or state law; or (iv) a cause of action or remedy not expressly provided under existing state or federal law. In no event may an arbitrator award speculative, consequential, or punitive damages for any Claim.

20.8.5 Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Williamson County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by Applicable Law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

20.9 Allocation Of Costs. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its



attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

**20.10 General Provisions.** A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

**20.11 Period of Limitation.**

20.11.1 For Actions by an Owner or Occupant of a Unit. The exclusive period of limitation for any of the Parties to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of a Unit, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner or Occupant discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design, four (4) years and one (1) day from the date that the Owner or Occupant discovered or reasonably should have discovered evidence of the Claim.

20.11.2 For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Elements, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design of the Common Elements, four (4) years and one (1) day from the date that the Association discovered or reasonably should have discovered evidence of the Claim.

**20.12 Funding Arbitration and Litigation.** The Association must levy a Special Assessment to fund the estimated costs of arbitration conducted pursuant to this *Article 20* or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

## ARTICLE 21 GENERAL PROVISIONS

**21.1 Notices.** Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either by electronic mail, personally or by mail. Such notice shall be deemed delivered at the time of personal or electronic delivery, and if delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the



purpose of service of notices. Such address may be changed from time to time by notice in writing given by such Person to the Association.

**21.2 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 Regime and of promoting and effectuating the fundamental concepts of the Regime set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

**21.3 Duration.** Unless terminated or amended by Owners or the Declarant as permitted herein, the provisions of this Declaration run with and bind the Regime, and will remain in effect perpetually to the extent permitted by Applicable Law.

**21.4 Captions.** In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer.

**21.5 Construction.** The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections, or articles hereof. Throughout this Declaration there appears text enclosed by a box. This text is used to aid in the reader's comprehension of certain provisions of this Declaration. In the event of a conflict between the text enclosed by a box and any provision of this Declaration, the provision of the Declaration will control.

**21.6 Declarant as Attorney in Fact and Proxy.** To secure and facilitate Declarant's exercise of the rights reserved by Declarant pursuant to Appendix "A" and elsewhere in this Declaration, each Owner, by accepting a deed to a Unit and each Mortgagee, by accepting the benefits of a Mortgage against a Unit within the Regime, and any other Person, by acceptance of the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien and/or any other security interest against any Unit in the Regime, shall thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and Person's irrevocable attorney-in-fact, with full power of substitution, to do and perform, each and every act permitted or required to be performed by Declarant pursuant to Appendix "A" or elsewhere in this Declaration. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee, and/or Person, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency, and death of an Owner, Mortgagee, and/or Person and shall be binding upon the legal representatives, administrators, executors, successors, heirs, and assigns of each such party. In addition, each Owner, by accepting a deed to a Unit, and each Mortgagee, by accepting the benefits of a

Mortgage against a Unit in the Regime, and any Person, by accepting the benefits of a mortgage, deed of trust, mechanic's lien contract, mechanic's lien claim, vendor's lien, and/or any other security interest against any Unit in the Regime, shall thereby appoint Declarant the proxy of such Owner, Mortgagee, or Person, with full power of substitution in the premises, to do and perform each and every act permitted or required pursuant to Appendix "A" or elsewhere in this Declaration, and which may otherwise be reasonably necessary in connection therewith, including without limitation, to cast a vote for such Owner, Mortgagee, or Person at any meeting of the Members for the purpose of approving or consenting to any amendment to this Declaration in order to effect and perfect any such act permitted or required pursuant to Appendix "A" or elsewhere in this Declaration and to execute and record amendments on their behalf to such effect; and the power hereby reposed in Declarant, as the attorney-in-fact for each such Owner, Mortgagee, or Person includes, without limitation, the authority to execute a proxy as the act and deed of any Owner, Mortgagee, or Person and, upon termination or revocation of any Owner's proxy as permitted by the Business Organizations Code the authority to execute successive proxies as the act and deed of any Owner, Mortgagee, or Person authorizing Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. Furthermore, each Owner, Mortgagee, and Person upon request by Declarant, will execute and deliver a written proxy pursuant to Section 82.110(b) of the Act, including a successive written proxy upon the termination or revocation as permitted by the Act of any earlier proxy, authorizing Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. All such appointments and successive proxies shall expire as to power reserved by Declarant pursuant to Appendix "A" or elsewhere in this Declaration on the date Declarant no longer has the right to exercise such rights. All such proxies shall be non-revocable for the maximum lawful time and upon the expiration of non-revocable period, new proxies shall again be executed for the maximum non-revocable time until Declarant's right to require such successive proxies expires.

**21.7 Appendix/ Attachments.** The following appendixes and exhibits are attached to this Declaration and are incorporated herein by reference:

Exhibit "A"	Legal Description
Attachment 1	Plats and Plans
Attachment 2	Encumbrances
Attachment 3	Maintenance Responsibility Chart
Attachment 4	Guide to Association's Examination of Common Elements
Attachment 5	Guide to Association's Major Management and Governance Functions
Appendix "A"	Declarant Reservations

EXECUTED on this 7<sup>th</sup> day of January, 2016.

**DECLARANT:**

**SONWEST CO.,** a Texas corporation

By: \_\_\_\_\_

Printed Name: SHAWN BREEDLOVE

Title: PRESIDENT

THE STATE OF TEXAS

§

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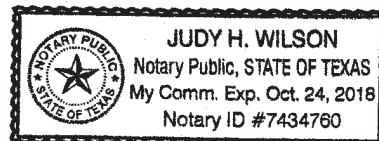
COUNTY OF Travis

§

This instrument was acknowledged before me on January 7<sup>th</sup>, 2016, by Shawn Breedlove, President of SONWEST CO., a Texas corporation, on behalf of said corporation.

(SEAL)

\_\_\_\_\_  
Notary Public Signature



**EXHIBIT A****Legal Description**

FIELD NOTE DESCRIPTION OF 10.044 ACRES OF LAND OUT OF THE ISAAC BUNKER SURVEY, ABSTRACT NO. 54, WILLIAMSON COUNTY, TEXAS, ALSO BEING OUT OF THAT CERTAIN 32.979 ACRE TRACT CALLED TRACT 4 IN A CORRECTION DEED TO SONWEST CO. RECORDED IN DOCUMENT NUMBER 2014090619, ALSO BEING CALLED TRACT 4 AND MORE PARTICULARLY DESCRIBED IN A DEED TO SONWEST CO. RECORDED IN DOCUMENT NUMBER 2014007563 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. THE SAID 10.044 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, at a 1/2 inch diameter steel pin found on the south line of County Road 313 at the northwest corner of the said 32.979 acre SONWEST CO. tract, the same being at the northwest corner of that certain 0.087 acre portion of the said 32.979 acre tract described in a deed to Darrell Goldman recorded in Document Number 2012096809 of the Official Public Records of Williamson County, Texas, the same being the northeast corner of that certain 14.418 acre tract described in a deed to Bobby L. Lindsey and Terry L. Lindsey as Trustees of the Bobby L. Lindsey and Terry L. Lindsey Revocable Living Trust recorded in Document Number 2006101201 of the Official Public Records of Williamson County, Texas;

THENCE, N 68°56'34" E along the south line of County Road 313 and north line of the said 32.979 acre SONWEST CO. tract, at 15.71 feet passing a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the northeast corner of the said 0.087 acre tract, at 123.66 feet passing a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the northwest corner of that certain 0.17 acre portion of the said 32.979 acre SONWEST CO. tract described in a deed to Sonterra Municipal Utility District recorded in Document Number 2008090732 of the Official Public Records of Williamson County, Texas, at 153.66 feet passing a 1/2 inch diameter steel pin set with cap at the northeast corner of the said 0.17 acre tract and continuing a total distance of 381.08 feet to a 1/2 inch diameter steel pin set for the northwest corner and PLACE OF BEGINNING of the herein described tract;

THENCE, N 68°56'34" E, a distance of 428.01 feet, continuing along the south line of County Road 313 to a 1/2 inch diameter steel pin set, from which a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the intersection of the south line of County Road 313 with the west line of County Road 332 for the northeast corner of the said 32.979 acre SONWEST CO. tract bears N 68°56'34" E, 327.72 feet;

THENCE, traversing the interior of the said 32.979 acre tract the following thirty-one (31) courses and distances:

- 1) S 25° 15'40" E, 39.14 feet to a 1/2 inch diameter steel pin set;
- 2) With a curve to the right, having a central angle of 24°00'48", a radius of 324.50 feet, an arc of 136.00 feet and a chord bearing and distance of S 13°15'15" E, 135.01 feet to a 1/2 inch diameter steel pin set;
- 3) S 01°14'51" E, 41.30 feet to a 1/2 inch diameter steel pin set;

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- 4) With a curve to the left, having a central angle of  $53^{\circ}07'48''$ , a radius of 20.50 feet, an arc of 19.01 feet and a chord bearing and distance of  $S 27^{\circ}48'45'' E$ , 18.34 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 5) With a curve to the right, having a central angle of  $25^{\circ}31'27''$ , a radius of 54.50 feet, an arc of 24.28 feet and a chord bearing and distance of  $S 41^{\circ}36'56'' E$ , 24.08 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 6) With a curve to the left, having a central angle of  $59^{\circ}37'58''$ , a radius of 21.00 feet, an arc of 21.86 feet and a chord bearing and distance of  $S 58^{\circ}15'53'' E$ , 20.88 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 7)  $S 01^{\circ}55'13'' W$ , 35.00 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 8) With a curve to the left, having a central angle of  $58^{\circ}48'57''$ , a radius of 21.00 feet, an arc of 21.56 feet and a chord bearing and distance of  $S 62^{\circ}30'39'' W$ , 20.62 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 9) With a curve to the right, having a central angle of  $24^{\circ}18'05''$ , a radius of 54.50 feet, an arc of 23.12 feet and a chord bearing and distance of  $S 44^{\circ}31'39'' W$ , 22.94 feet to a  $\frac{1}{2}$  inch diameter steel pin set ;
- 10) With a curve to the left, having a central angle of  $68^{\circ}17'13''$ , a radius of 20.50 feet, an arc of 24.43 feet and a chord bearing and distance of  $S 22^{\circ}32'05'' W$ , 23.01 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 11) With a curve to the left, having a central angle of  $07^{\circ}14'58''$ , a radius of 132.50 feet, an arc of 16.76 feet and a chord bearing and distance of  $S 15^{\circ}14'00'' E$ , 16.75 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 12)  $S 71^{\circ}08'31'' W$ , 35.00 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 13)  $S 57^{\circ}41'42'' W$ , 49.52 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 14)  $S 88^{\circ}01'13'' W$ , 100.16 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 15)  $S 32^{\circ}30'20'' E$ , 39.38 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 16)  $S 43^{\circ}55'59'' E$ , 180.21 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 17)  $S 46^{\circ}04'01'' W$ , 110.35 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 18) With a curve to the right, having a central angle of  $0^{\circ}36'03''$ , a radius of 267.58 feet, an arc of 2.81 feet and a chord bearing and distance of  $S 28^{\circ}31'07'' E$ , 2.81 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 19)  $S 61^{\circ}46'54'' W$ , 35.17 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 20)  $S 66^{\circ}51'56'' W$ , 101.89 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 21)  $S 22^{\circ}16'56'' E$ , 89.86 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 22)  $S 01^{\circ}08'25'' W$ , 11.31 feet to a  $\frac{1}{2}$  inch diameter steel pin set;
- 23)  $S 24^{\circ}48'59'' W$ , 173.70 feet to a  $\frac{1}{2}$  inch diameter steel pin set;



24) N 38°15'24" W, 74.89 feet to a ½ inch diameter steel pin set;

25) N 50°10'12" W, 18.19 feet to a ½ inch diameter steel pin set;

26) N 49°57'22" W, 35.17 feet to a ½ inch diameter steel pin set;

27) With a curve to the left, having a central angle of 15°53'07", a radius of 77.42 feet, an arc of 21.46 feet and a chord bearing and distance of N 32°01'42" E, 21.40 feet to a 1/2 inch diameter steel pin set;

28) N 36°54'38" W, 57.41 feet to a ½ inch diameter steel pin set;

29) S 70°54'33" W, 6.27 feet to a ½ inch diameter steel pin set;

30) S 68°06'11" W, 39.30 feet to a ½ inch diameter steel pin set;

31) S 68°50'09" W, 276.78 feet to a ½ inch diameter steel pin set on the west line of the said 32.979 acre SONWEST CO. tract, the same being the east line of the said 14.418 acre Bobby L. Lindsey and Terry L. Lindsey, Trustees of the Bobby L. Lindsey and Terry L. Lindsey Revocable Living Trust tract, from which a ½ inch diameter steel pin found on the north line of County Road 314 at the southwest corner of that certain 51.979 acre tract called Tract 19a in a deed to RVEST, LP recorded in Document Number 2012074806 of the Official Public Records of Williamson County, Texas bears S 21°09'09" E, 2003.86 feet;

THENCE, N 21°09'09" W, a distance of 280.59 feet along the west line of the said 32.979 acre SONWEST CO. tract and east line of the said 14.418 acre tract to a ½ inch diameter steel pin found;

THENCE, N 03°45'34" W, a distance of 101.48 feet, continuing with the west line of the said 32.979 acre SONWEST CO. tract and east line of the said 14.418 acre tract to a ½ inch diameter steel pin set with cap stamped Lenz & Assoc at the southwest corner of the said 0.087 acre Goldman tract;

THENCE, traversing the interior of the said 32.979 acre SONWEST CO. tract, the following eleven (11) courses and distances:

1) N 86°14'26" E, 15.00 feet a ½ inch diameter steel pin set with cap stamped Lenz & Assoc at the southeast corner of the said 0.087 acre Goldman tract;

2) N 03°45'33" W, 12.15 feet along the east line of the said 0.087 acre Goldman tract to a ½ inch diameter steel pin set;

3) N 67°24'12" E, 31.43 feet to a ½ inch diameter steel pin set;

4) N 36°54'23" E, 92.50 feet to a ½ inch diameter steel pin set;

5) N 64°18'47" E, 80.72 feet to a ½ inch diameter steel pin set;

6) N 66°23'17" E, 39.39 feet to a ½ inch diameter steel pin set;

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7) N 14°08'23" E, 91.42 feet to a ½ inch diameter steel pin set;

8) N 24°16'09" E, 57.37 feet to a ½ inch diameter steel pin set;

9) N 49°20'16" E, 114.23 feet to a ½ inch diameter steel pin set;

10) N 68°56'34" E, 6.74 feet to a ½ inch diameter steel pin set;

11) N 21°03'26" W, 20.00 feet to the PLACE OF BEGINNING, containing 10.044 acres of land, more or less;

BASIS OF BEARINGS- TEXAS STATE PLANE COORDINATE SYSTEM NAD 1983, CENTRAL ZONE.

ATTACHMENT 1

[CONDOMINIUM PLATS AND PLANS]

The plats and plans, attached hereto as Attachment 1 contains the information required by the Texas Uniform Condominium Act.

Printed Name: \_\_\_\_\_

RPLS or License No. \_\_\_\_\_

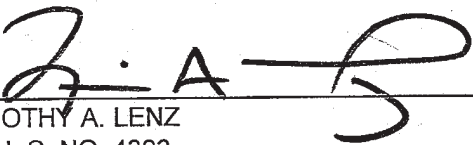
*SEE NEXT PAGE FOR ORIGINAL CERTIFICATION*

## EXHIBIT "A"

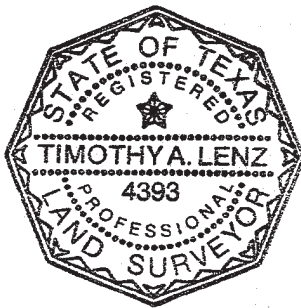
## SONTERRA I CONDOMINIUMS

## SURVEYOR'S CERTIFICATION

THE PLATS AND OTHER INFORMATION ATTACHED HERETO AS EXHIBIT "A" CONTAIN THE INFORMATION REQUIRED FOR COMPLIANCE WITH CHAPTER 82, SECTION 059 OF THE UNIFORM CONDOMINIUM ACT OF THE TEXAS PROPERTY CODE, AS APPLICABLE.

  
TIMOTHY A. LENZ  
R.P.L.S. NO. 4393

DATE 12-15-2015



## LEGEND

- CONCRETE MONUMENT FOUND
- 1/2" STEEL PIN FOUND (UNLESS NOTED)
- 1/2" STEEL PIN SET W/CAP MARKED "LENZ & ASSOC."
- ⊙ PIPE FOUND
- ▲ NAIL FOUND
- P.U.E. PUBLIC UTILITY EASEMENT
- D.E. DRAINAGE EASEMENT
- BL BUILDING LINE
- GCE GENERAL COMMON ELEMENT
- LCE LIMITED COMMON ELEMENT
- ⦿ POWER POLE
- OU— OVERHEAD UTILITY LINE (BRG.~DIST.)
- RECORD CALL

**LENZ & ASSOCIATES, INC.**

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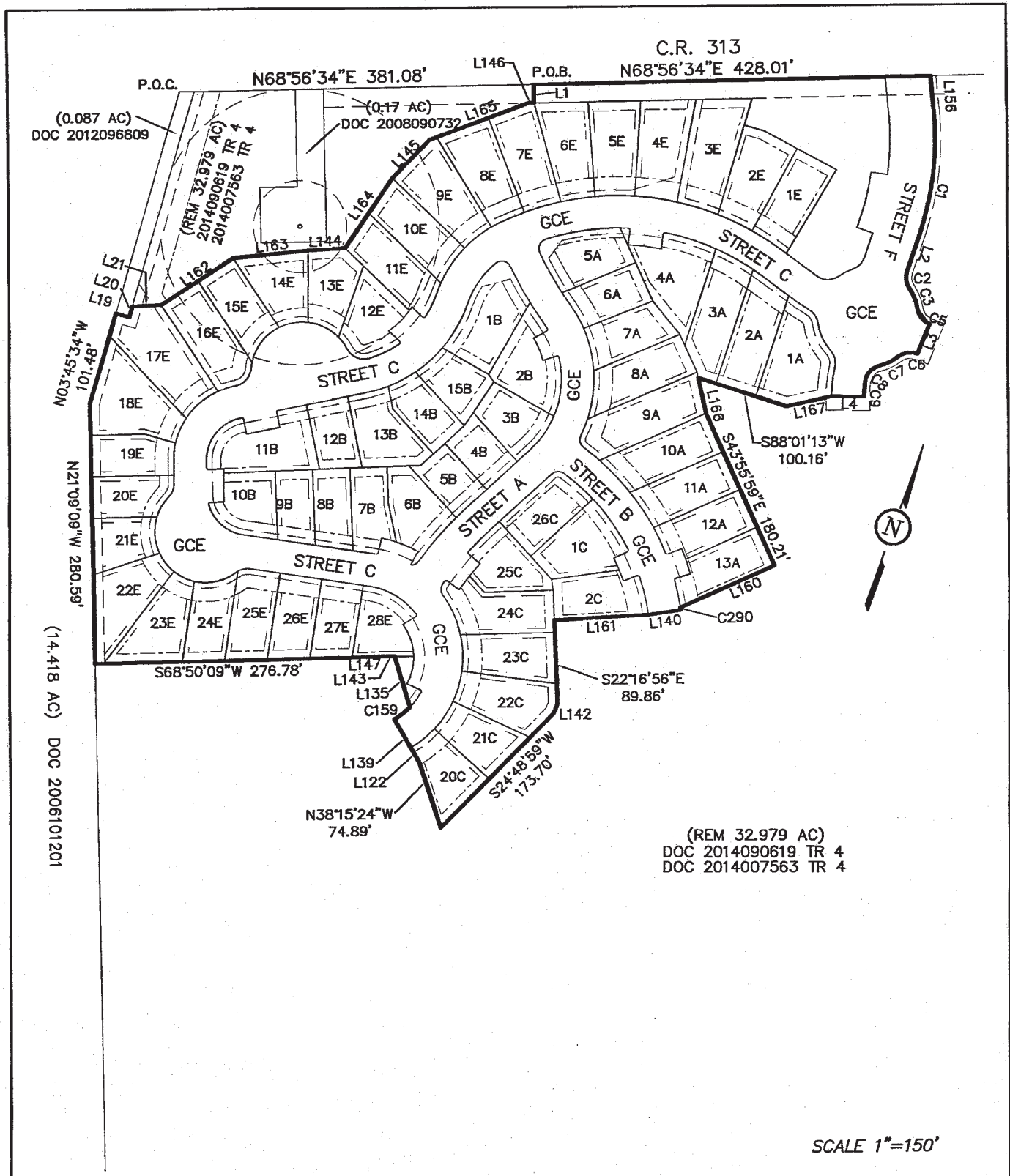
EXHIBIT — CERTIFICATION

10.044 ACRES  
ISAAC BUNKER SURVEY, A - 54  
WILLIAMSON COUNTY, TEXAS.

**SONTERRA I  
CONDOMINIUMS**

SHEET 1 OF 23

JOB No.: 2005-0363P-2



**LENZ & ASSOCIATES, INC.**

FIRM No. 100290-00  
512/443-1174  
4303 RUSSELL DRIVE  
AUSTIN, TEXAS 78704

EXHIBIT - TRACT BOUNDARY

10.044 ACRES  
ISAAC BUNKER SURVEY, A-4  
WILLIAMSON COUNTY, TEXAS

## SONTERRA I CONDOMINIUMS

SHEET 2 OF 23

JOB No.: 2005-0363P-2



10.044 ACRES  
ISAAC BUNKER SURVEY, A-54  
WILLIAMSON COUNTY, TEXAS

FIELD NOTE DESCRIPTION OF 10.044 ACRES OF LAND OUT OF THE ISAAC BUNKER SURVEY, ABSTRACT NO. 54, WILLIAMSON COUNTY, TEXAS, ALSO BEING OUT OF THAT CERTAIN 32.979 ACRE TRACT CALLED TRACT 4 IN A CORRECTION DEED TO SONWEST CO. RECORDED IN DOCUMENT NUMBER 2014090619, ALSO BEING CALLED TRACT 4 AND MORE PARTICULARLY DESCRIBED IN A DEED TO SONWEST CO. RECORDED IN DOCUMENT NUMBER 2014007563 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. THE SAID 10.044 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, at a 1/2 inch diameter steel pin found on the south line of County Road 313 at the northwest corner of the said 32.979 acre SONWEST CO. tract, the same being at the northwest corner of that certain 0.087 acre portion of the said 32.979 acre tract described in a deed to Darrell Goldman recorded in Document Number 2012096809 of the Official Public Records of Williamson County, Texas, the same being the northeast corner of that certain 14.418 acre tract described in a deed to Bobby L. Lindsey and Terry L. Lindsey as Trustees of the Bobby L. Lindsey and Terry L. Lindsey Revocable Living Trust recorded in Document Number 2006101201 of the Official Public Records of Williamson County, Texas;

THENCE, N 68°56'34" E along the south line of County Road 313 and north line of the said 32.979 acre SONWEST CO. tract, at 15.71 feet passing a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the northeast corner of the said 0.087 acre tract, at 123.66 feet passing a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the northwest corner of that certain 0.17 acre portion of the said 32.979 acre SONWEST CO. tract described in a deed to Sonterra Municipal Utility District recorded in Document Number 2008090732 of the Official Public Records of Williamson County, Texas, at 153.66 feet passing a 1/2 inch diameter steel pin set with cap at the northeast corner of the said 0.17 acre tract and continuing a total distance of 381.08 feet to a 1/2 inch diameter steel pin set for the northwest corner and PLACE OF BEGINNING of the herein described tract;

THENCE, N 68°56'34" E, a distance of 428.01 feet, continuing along the south line of County Road 313 to a 1/2 inch diameter steel pin set, from which a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the intersection of the south line of County Road 313 with the west line of County Road 332 for the northeast corner of the said 32.979 acre SONWEST CO. tract bears N 68°56'34" E, 327.72 feet;

THENCE, traversing the interior of the said 32.979 acre tract the following thirty-one (31) courses and distances:

- 1) S 25°15'40" E, 39.14 feet to a 1/2 inch diameter steel pin set;
- 2) With a curve to the right, having a central angle of 24°00'48", a radius of 324.50 feet, an arc of 136.00 feet and a chord bearing and distance of S 13°15'15" E, 135.01 feet to a 1/2 inch diameter steel pin set;
- 3) S 01°14'51" E, 41.30 feet to a 1/2 inch diameter steel pin set;

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*EXHIBIT — FIELD NOTES*

**10.044 ACRES  
ISAAC BUNKER SURVEY, A-54  
WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

*SHEET 3 OF 23*

*JOB No.: 2005-0363P-2*

- 4) With a curve to the left, having a central angle of 53°07'48", a radius of 20.50 feet, an arc of 19.01 feet and a chord bearing and distance of S 27°48'45" E, 18.34 feet to a ½ inch diameter steel pin set;
- 5) With a curve to the right, having a central angle of 25°31'27", a radius of 54.50 feet, an arc of 24.28 feet and a chord bearing and distance of S 41°36'56" E, 24.08 feet to a ½ inch diameter steel pin set;
- 6) With a curve to the left, having a central angle of 59°37'58", a radius of 21.00 feet, an arc of 21.86 feet and a chord bearing and distance of S 58°15'53" E, 20.88 feet to a ½ inch diameter steel pin set;
- 7) S 01°55'13" W, 35.00 feet to a ½ inch diameter steel pin set;
- 8) With a curve to the left, having a central angle of 58°48'57", a radius of 21.00 feet, an arc of 21.56 feet and a chord bearing and distance of S 62°30'39" W, 20.62 feet to a ½ inch diameter steel pin set ;
- 9) With a curve to the right, having a central angle of 24°18'05", a radius of 54.50 feet, an arc of 23.12 feet and a chord bearing and distance of S 44°31'39" W, 22.94 feet to a ½ inch diameter steel pin set ;
- 10) With a curve to the left, having a central angle of 68°17'13", a radius of 20.50 feet, an arc of 24.43 feet and a chord bearing and distance of S 22°32'05" W, 23.01 feet to a 1/2 inch diameter steel pin set;
- 11) With a curve to the left, having a central angle of 07°14'58", a radius of 132.50 feet, an arc of 16.76 feet and a chord bearing and distance of S 15°14'00" E, 16.75 feet to a 1/2 inch diameter steel pin set;
- 12) S 71°08'31" W, 35.00 feet to a 1/2 inch diameter steel pin set;
- 13) S 57°41'42" W, 49.52 feet to a 1/2 inch diameter steel pin set;
- 14) S 88°01'13" W, 100.16 feet to a 1/2 inch diameter steel pin set;
- 15) S 32°30'20" E, 39.38 feet to a 1/2 inch diameter steel pin set;
- 16) S 43°55'59" E, 180.21 feet to a 1/2 inch diameter steel pin set;
- 17) S 46°04'01" W, 110.35 feet to a 1/2 inch diameter steel pin set;
- 18) With a curve to the right, having a central angle of 0°36'03", a radius of 267.58 feet, an arc of 2.81 feet and a chord bearing and distance of S 28°31'07" E, 2.81 feet to a 1/2 inch diameter steel pin set;
- 19) S 61°46'54" W, 35.17 feet to a 1/2 inch diameter steel pin set;
- 20) S 66°51'56" W, 101.89 feet to a 1/2 inch diameter steel pin set;
- 21) S 22°16'56" E, 89.86 feet to a 1/2 inch diameter steel pin set;
- 22) S 01°08'25" W, 11.31 feet to a 1/2 inch diameter steel pin set;
- 23) S 24°48'59" W, 173.70 feet to a 1/2 inch diameter steel pin set;

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**EXHIBIT — FIELD NOTES**

**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 4 OF 23

JOB No.: 2005-0363P-2

- 24) N 38°15'24" W, 74.89 feet to a 1/2 inch diameter steel pin set;
- 25) N 50°10'12" W, 18.19 feet to a 1/2 inch diameter steel pin set;
- 26) N 49°57'22" W, 35.17 feet to a 1/2 inch diameter steel pin set;
- 27) With a curve to the left, having a central angle of 15°53'07", a radius of 77.42 feet, an arc of 21.46 feet and a chord bearing and distance of N 32°01'42" E, 21.40 feet to a 1/2 inch diameter steel pin set;
- 28) N 36°54'38" W, 57.41 feet to a 1/2 inch diameter steel pin set;
- 29) S 70°54'33" W, 6.27 feet to a 1/2 inch diameter steel pin set;
- 30) S 68°06'11" W, 39.30 feet to a 1/2 inch diameter steel pin set;
- 31) S 68°50'09" W, 276.78 feet to a 1/2 inch diameter steel pin set on the west line of the said 32.979 acre SONWEST CO. tract, the same being the east line of the said 14.418 acre Bobby L. Lindsey and Terry L. Lindsey, Trustees of the Bobby L. Lindsey and Terry L. Lindsey Revocable Living Trust tract, from which a 1/2 inch diameter steel pin found on the north line of County Road 314 at the southwest corner of that certain 51.979 acre tract called Tract 19a in a deed to RVEST, LP recorded in Document Number 2012074806 of the Official Public Records of Williamson County, Texas bears S 21°09'09" E, 2003.86 feet;
- THENCE, N 21°09'09" W, a distance of 280.59 feet along the west line of the said 32.979 acre SONWEST CO. tract and east line of the said 14.418 acre tract to a 1/2 inch diameter steel pin found;
- THENCE, N 03°45'34" W, a distance of 101.48 feet, continuing with the west line of the said 32.979 acre SONWEST CO. tract and east line of the said 14.418 acre tract to a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the southwest corner of the said 0.087 acre Goldman tract;
- THENCE, traversing the interior of the said 32.979 acre SONWEST CO. tract, the following eleven (11) courses and distances:
- 1) N 86°14'26" E, 15.00 feet a 1/2 inch diameter steel pin set with cap stamped Lenz & Assoc at the southeast corner of the said 0.087 acre Goldman tract;
- 2) N 03°45'33" W, 12.15 feet along the east line of the said 0.087 acre Goldman tract to a 1/2 inch diameter steel pin set;
- 3) N 67°24'12" E, 31.43 feet to a 1/2 inch diameter steel pin set;
- 4) N 36°54'23" E, 92.50 feet to a 1/2 inch diameter steel pin set;

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**EXHIBIT — FIELD NOTES**

**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 5 OF 23

JOB No.: 2005-0363P-2

- 5) N 64°18'47" E, 80.72 feet to a 1/2 inch diameter steel pin set;
- 6) N 66°23'17" E, 39.39 feet to a 1/2 inch diameter steel pin set;
- 7) N 14°08'23" E, 91.42 feet to a 1/2 inch diameter steel pin set;
- 8) N 24°16'09" E, 57.37 feet to a 1/2 inch diameter steel pin set;
- 9) N 49°20'16" E, 114.23 feet to a 1/2 inch diameter steel pin set;
- 10) N 68°56'34" E, 6.74 feet to a 1/2 inch diameter steel pin set;
- 11) N 21°03'26" W, 20.00 feet to the PLACE OF BEGINNING, containing 10.044 acres of land, more or less;

BASIS OF BEARINGS - TEXAS STATE PLANE COORDINATE SYSTEM NAD 1983, CENTRAL ZONE.

**LENZ & ASSOCIATES, INC.**

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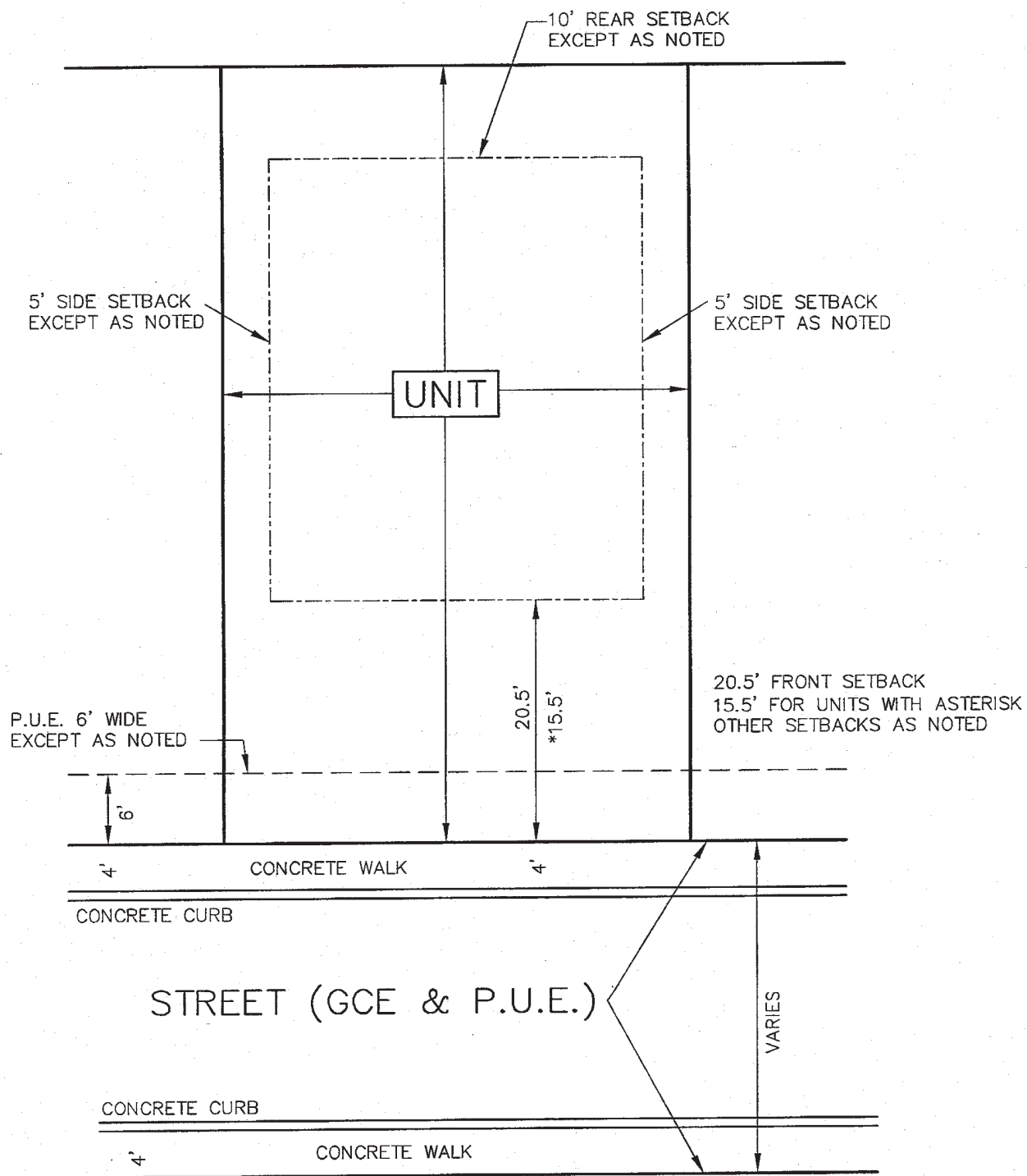
*EXHIBIT — FIELD NOTES*

**10.044 ACRES  
ISAAC BUNKER SURVEY, A-54  
WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

*SHEET 6 OF 23*

*JOB No.: 2005-0363P-2*



NOT TO SCALE

**LENZ & ASSOCIATES, INC.**

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512/443-1174  
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EXHIBIT - EASEMENT &amp; SETBACK DETAIL

10.044 ACRES  
ISAAC BUNKER SURVEY, A-54  
WILLIAMSON COUNTY, TEXAS

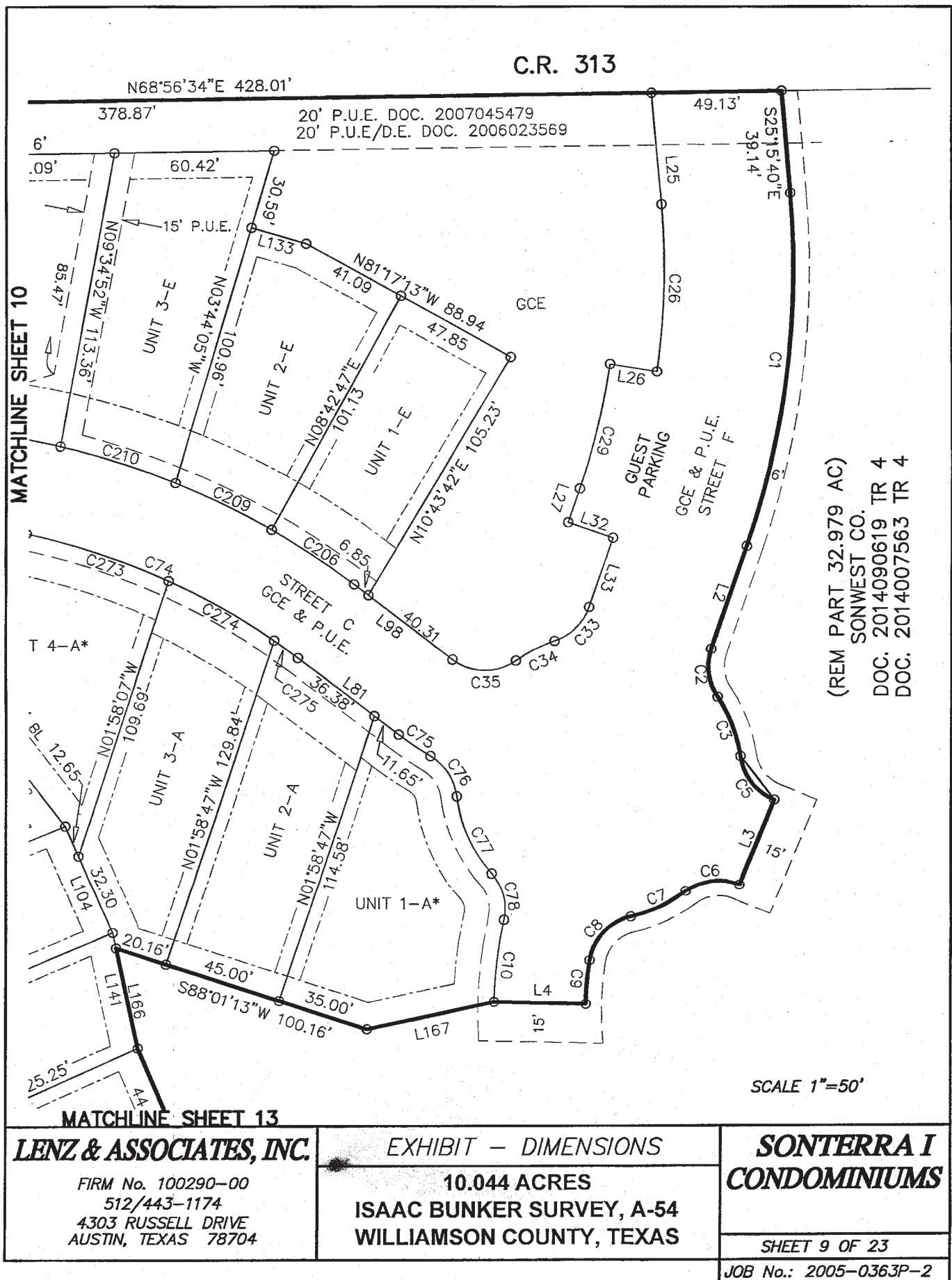
**SONTERRA I  
CONDOMINIUMS**

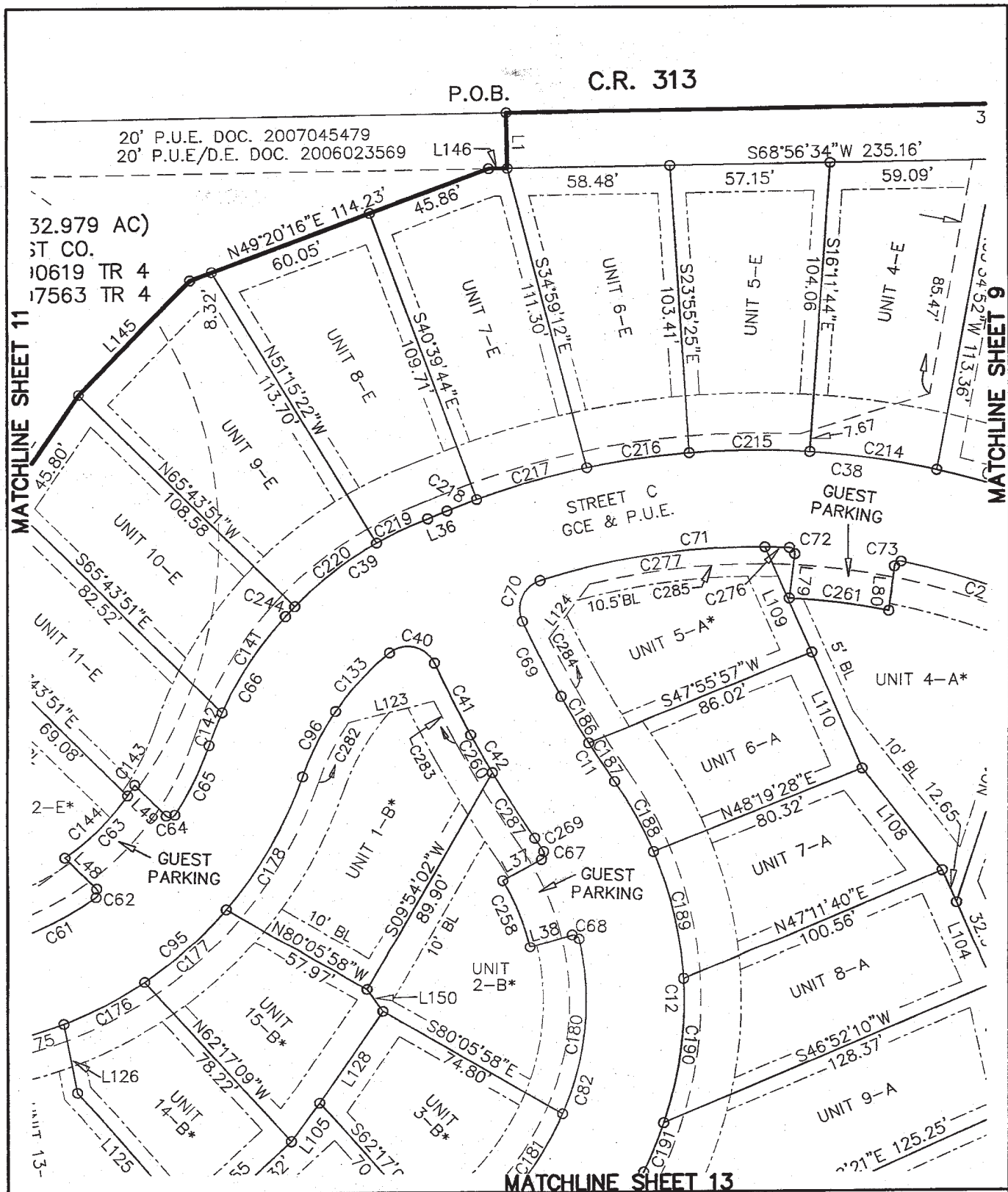
SHEET 7 OF 23

JOB No.: 2005-0363P-2



JOB No.: 2005-0363P-2



**LENZ & ASSOCIATES, INC.**

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**EXHIBIT — DIMENSIONS**

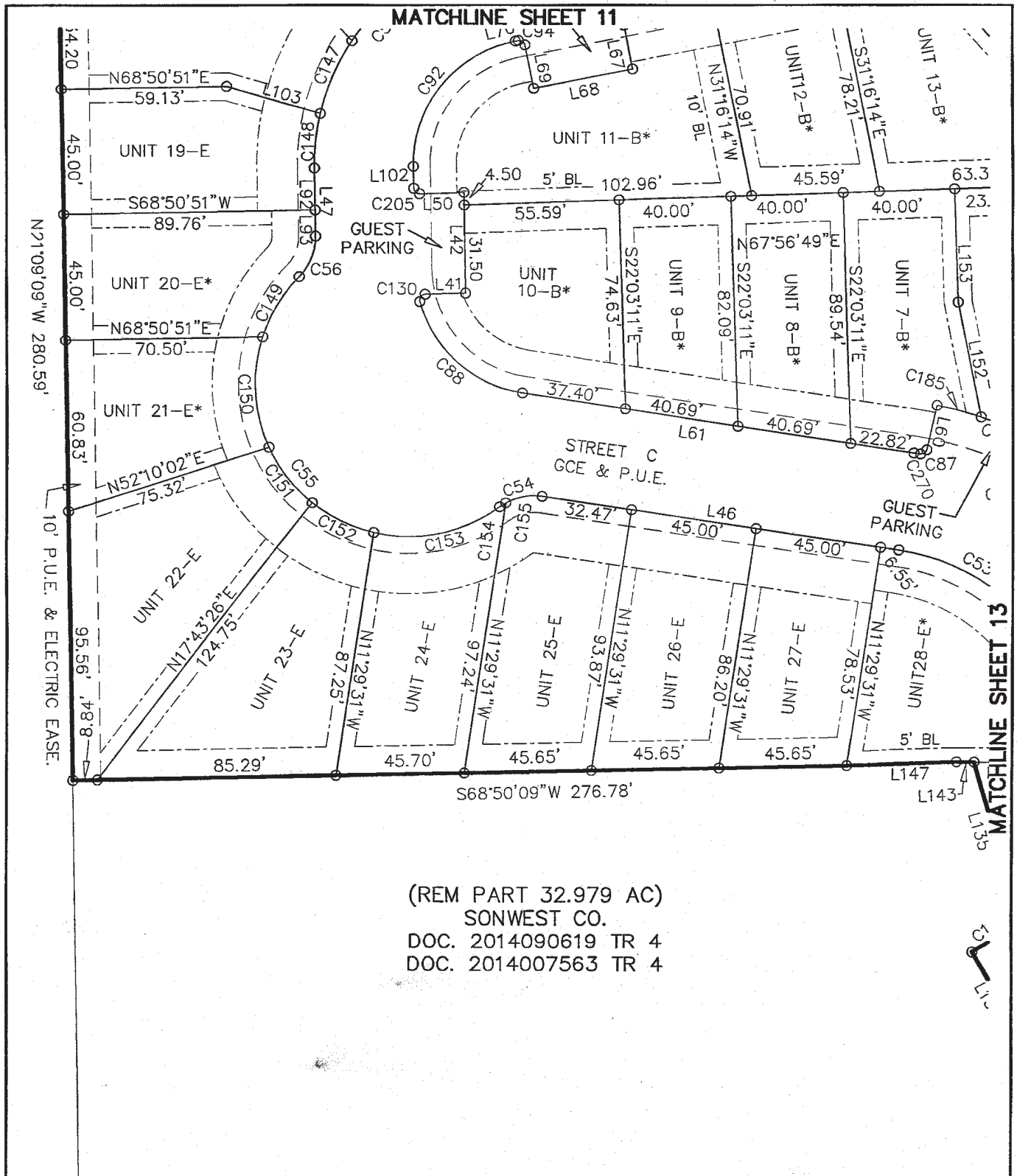
**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 10 OF 23 — 1"=50'

JOB No.: 2005-0363P-2



**LENZ & ASSOCIATES, INC.**

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**EXHIBIT — DIMENSIONS**

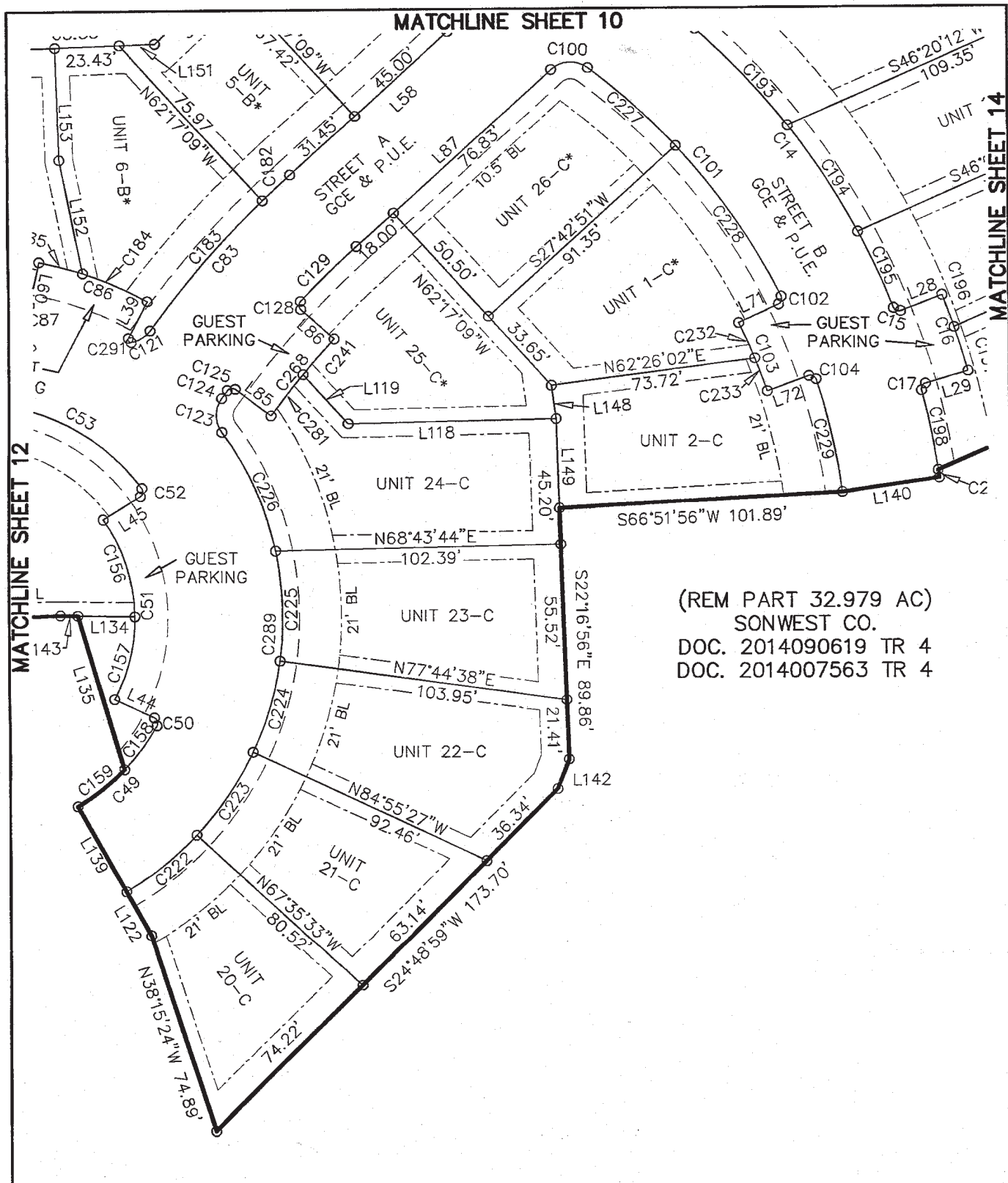
**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 12 OF 23 — 1"=50'

JOB No.: 2005-0363P-2



**LENZ & ASSOCIATES, INC.**

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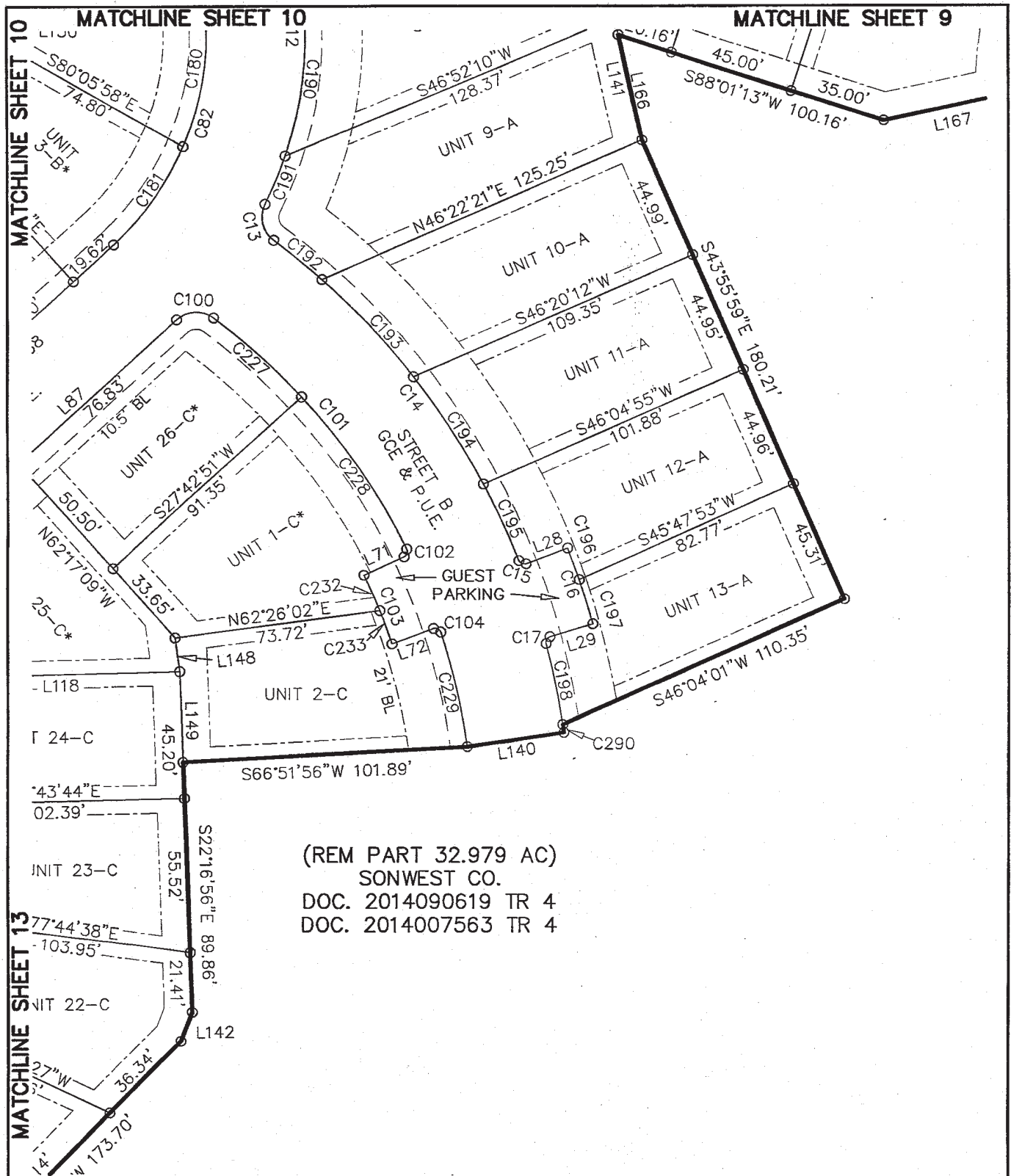
**EXHIBIT — DIMENSIONS**

**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 13 OF 23 — 1"=50'

JOB No.: 2005-0363P-2

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**EXHIBIT — DIMENSIONS**

10.044 ACRES  
 ISAAC BUNKER SURVEY, A-54  
 WILLIAMSON COUNTY, TEXAS

**SONTERRA I  
CONDOMINIUMS**

SHEET 14 OF 23 — 1"=50'

JOB No.: 2005-0363P-2

LINE TABLE		
LINE	BEARING	LENGTH
L1	N21°03'26"W	20.00
L2	S01°14'51"E	41.30
L3	S01°55'13"W	35.00
L4	S71°08'31"W	35.00
L5	S67°56'33"W	101.18
L6	S63°10'40"W	35.37
L7	S55°14'11"W	44.38
L8	S34°32'45"W	7.93
L9	S01°10'37"E	62.44
L10	S20°14'34"E	89.27
L11	S68°49'49"W	81.55
L12	S66°17'58"W	35.07
L13	S39°14'37"W	33.80
L14	S48°06'41"W	15.91
L15	S21°11'14"E	29.59
L16	S72°37'46"W	90.37
L17	S71°06'20"W	71.15
L18	S54°52'55"W	73.23
L19	N86°14'26"E	15.00
L20	N03°45'33"W	12.15
L21	N67°24'12"E	31.43
L22	N00°35'04"E	99.01
L23	N37°29'43"E	170.14
L24	N21°03'26"W	165.93
L25	N25°15'40"W	42.74
L26	N78°54'42"E	18.00
L27	N01°14'51"W	13.50
L28	N49°32'02"E	16.04
L29	S53°27'19"W	16.04
L30	S08°57'20"E	64.75
L31	S60°51'15"W	16.56
L32	S88°45'09"W	18.00
L33	N01°14'51"W	25.80
L34	S72°57'30"E	31.88
L35	S72°57'30"E	15.28
L36	N47°37'20"E	7.46
L37	N41°41'20"E	15.91
L38	S53°17'06"W	15.83
L39	S07°17'14"W	15.09
L40	N68°50'09"E	77.03
L41	S67°57'38"W	14.53
L42	S21°09'51"E	36.00
L43	N53°05'23"E	127.08
L44	N85°28'10"W	15.81
L45	N38°05'01"E	15.81
L46	S78°30'29"W	129.02
L47	N21°09'51"W	24.17

LINE TABLE		
LINE	BEARING	LENGTH
L48	N65°43'51"W	15.90
L49	S65°43'51"E	15.92
L50	N67°57'38"E	15.89
L51	S21°09'51"E	16.00
L52	N68°50'09"E	12.95
L53	N06°31'56"W	15.90
L54	N68°15'18"W	15.90
L55	S47°03'00"E	16.32
L56	S80°31'16"W	15.95
L57	N88°29'46"E	15.95
L58	S27°42'51"W	96.07
L59	N30°43'20"E	15.91
L60	N06°59'43"W	16.11
L61	S78°30'29"W	141.60
L62	N77°37'31"W	15.99
L63	S12°22'29"W	27.17
L64	S77°37'31"E	16.00
L65	N45°02'08"W	15.94
L66	S58°43'46"W	95.96
L67	S31°16'14"E	16.00
L68	S58°43'46"W	36.17
L69	N31°16'14"W	16.00
L70	S58°43'46"W	1.11
L71	S45°06'50"W	15.87
L72	N49°49'25"E	15.87
L73	N08°57'20"W	64.75
L74	N77°38'43"E	16.42
L75	S70°22'51"W	15.45
L76	N60°51'15"E	16.56
L77	N12°22'29"E	92.79
L78	S38°08'40"E	15.94
L79	N12°53'57"W	15.89
L80	S12°53'57"E	15.89
L81	N72°57'30"W	48.04
L82	N36°52'02"W	20.18
L84	S53°05'22"W	145.86
L85	N73°09'01"W	15.97
L86	S67°58'13"E	15.98
L87	S27°42'51"W	94.82
L92	N21°09'51"W	14.92
L93	N21°09'51"W	9.25
L94	N26°57'09"W	4.53
L95	S24°45'41"E	10.73
L96	S68°46'00"W	35.28
L97	N07°11'02"W	37.57
L98	S72°57'30"E	47.16
L99	N58°43'46"E	1.97

**LENZ & ASSOCIATES, INC.**

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**EXHIBIT — LINE DATA**

**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 15 OF 23

JOB No.: 2005-0363P-2





CURVE TABLE						
CURVE	RADIUS	DELTA	TANGENT	LENGTH	CHORD	BEARING
C1	324.50	24°00'48"	69.01	136.00	135.01	S13°15'15"E
C2	20.50	53°07'48"	10.25	19.01	18.34	S27°48'45"E
C3	54.50	25°31'27"	12.34	24.28	24.08	S41°36'56"E
C5	21.00	59°37'58"	12.03	21.86	20.88	S58°15'53"E
C6	21.00	58°48'57"	11.84	21.56	20.62	S62°30'39"W
C7	54.50	24°18'05"	11.73	23.12	22.94	S44°31'39"W
C8	20.50	68°17'13"	13.90	24.43	23.01	S22°32'05"W
C9	132.50	7°14'58"	8.39	16.76	16.75	S15°14'00"E
C10	167.50	10°53'32"	15.97	31.84	31.79	S13°24'43"E
C11	378.52	5°27'06"	18.02	36.02	36.00	S52°31'12"E
C12	137.58	61°37'43"	82.06	147.99	140.96	N24°25'49"W
C13	10.42	79°36'11"	8.68	14.47	13.34	S33°25'03"E
C14	267.58	31°21'12"	75.10	146.43	144.61	N57°32'33"W
C15	2.00	88°36'02"	1.95	3.09	2.79	S86°09'58"E
C16	285.58	5°45'40"	14.37	28.72	28.70	N38°30'20"W
C17	2.00	88°36'02"	1.95	3.09	2.79	S09°09'18"W
C18	267.58	26°11'22"	62.24	122.31	121.25	N22°03'01"W
C19	182.42	34°40'36"	56.95	110.40	108.73	S26°17'38"E
C20	237.58	11°08'29"	23.17	46.20	46.13	N38°03'42"W
C21	102.42	11°10'41"	10.02	19.98	19.95	N32°32'27"W
C22	217.58	7°25'56"	14.13	28.22	28.20	S39°54'58"E
C23	10.42	82°56'45"	9.21	15.08	13.80	N77°40'23"W
C24	2.00	93°45'31"	2.14	3.27	2.92	N85°00'33"W
C25	0.50	180°00'00"	INFINITE	1.57	1.00	N24°45'40"W
C26	275.50	13°14'12"	31.97	63.65	63.51	N18°38'34"W
C27	2.00	91°22'47"	2.05	3.19	2.86	N33°13'18"E
C28	162.42	30°14'08"	43.88	85.71	84.72	S27°29'32"W
C29	257.50	10°50'32"	24.44	48.73	48.65	N06°40'07"W
C30	2.00	90°00'00"	2.00	3.14	2.83	N46°14'51"W
C31	137.58	17°10'32"	20.78	41.24	41.09	N51°57'41"W
C32	137.58	19°08'17"	23.19	45.96	45.74	N33°48'17"W
C33	20.50	53°07'48"	10.25	19.01	18.34	N25°19'03"E
C34	54.50	17°23'34"	8.34	16.54	16.48	S43°11'10"W
C35	20.50	72°33'07"	15.05	25.96	24.26	N70°45'56"E
C36	121.58	17°37'09"	18.84	37.39	37.24	N77°38'44"E
C37	10.42	77°39'36"	8.38	14.12	13.06	S47°37'30"W
C38	292.50	59°25'10"	166.90	303.34	289.93	S77°19'55"W
C39	132.50	26°51'24"	31.64	62.11	61.54	S35°29'15"W
C40	10.50	103°46'49"	13.39	19.02	16.52	S82°54'33"W
C41	413.61	3°58'44"	14.37	28.72	28.72	S47°11'25"E
C42	413.60	6°03'58"	21.92	43.79	43.77	S52°12'46"E
C43	242.58	34°20'45"	74.97	145.42	143.25	S08°23'55"E
C44	10.42	77°49'34"	8.41	14.15	13.09	N30°08'19"W
C45	121.58	62°39'16"	74.00	132.95	126.43	S37°43'28"E

**LENZ & ASSOCIATES, INC.**

FIRM No. 100290-00  
 512/443-1174  
 4303 RUSSELL DRIVE  
 AUSTIN, TEXAS 78704

EXHIBIT — CURVE DATA

10.044 ACRES  
 ISAAC BUNKER SURVEY, A-54  
 WILLIAMSON COUNTY, TEXAS

**SONTERRA I  
CONDOMINIUMS**

SHEET 17 OF 23

JOB No.: 2005-0363P-2



CURVE TABLE						
CURVE	RADIUS	DELTA	TANGENT	LENGTH	CHORD	BEARING
C46	20.42	58°53'55"	11.53	20.99	20.08	N35°50'48"W
C47	54.58	181°12'56"	5145.11	172.64	109.16	S25°18'43"W
C48	20.42	62°49'48"	12.47	22.39	21.28	N84°30'17"E
C49	77.42	30°29'46"	21.10	41.21	40.72	N24°43'23"E
C50	2.00	94°56'40"	2.18	3.31	2.95	N37°59'50"W
C51	59.50	65°07'19"	37.99	67.63	64.05	N23°41'35"W
C52	2.00	94°56'40"	2.18	3.31	2.95	N09°23'19"W
C53	77.42	44°37'51"	31.78	60.30	58.79	N79°10'35"W
C54	20.42	45°11'30"	8.50	16.10	15.69	S55°54'44"W
C55	54.58	170°42'41"	671.90	162.63	108.81	S61°19'41"E
C56	20.42	45°11'30"	8.50	16.10	15.69	N01°25'55"E
C57	80.58	79°53'36"	67.49	112.37	103.48	S18°46'58"W
C58	20.42	74°11'39"	15.44	26.44	24.63	N21°37'56"E
C59	54.58	148°02'05"	190.57	141.02	104.95	S58°33'10"W
C60	20.42	79°32'22"	16.99	28.34	26.12	S87°11'59"E
C61	110.42	18°24'43"	17.90	35.48	35.33	N43°49'29"E
C62	2.00	100°20'59"	2.40	3.50	3.07	N15°33'22"W
C63	92.42	22°34'06"	18.44	36.40	36.17	N23°53'11"E
C64	2.00	101°00'04"	2.43	3.53	3.09	N63°46'07"E
C65	110.42	14°26'38"	13.99	27.84	27.76	N06°02'46"E
C66	130.58	23°35'22"	27.27	53.76	53.38	S10°31'45"W
C67	2.00	93°45'30"	2.13	3.27	2.92	N05°09'54"W
C68	2.00	93°42'41"	2.13	3.27	2.92	N79°51'33"W
C69	377.01	4°37'08"	15.20	30.39	30.38	S47°28'06"E
C70	10.50	97°35'41"	11.99	17.89	15.80	S03°38'18"W
C71	257.50	20°10'33"	45.81	90.67	90.21	S62°31'24"W
C72	2.00	94°29'23"	2.16	3.30	2.94	N60°08'38"W
C73	2.00	94°29'23"	2.16	3.30	2.94	S34°20'44"W
C74	257.50	25°27'04"	58.15	114.38	113.44	N85°41'02"W
C75	117.50	7°06'13"	7.29	14.57	14.56	S76°30'37"E
C76	20.50	52°43'39"	10.16	18.87	18.21	N53°41'54"W
C77	54.50	34°36'29"	16.98	32.92	32.42	S44°38'20"E
C78	20.50	53°58'37"	10.44	19.31	18.61	N34°57'15"W
C79	167.28	3°24'25"	4.97	9.95	9.95	S09°39'17"E
C80	202.42	10°09'08"	17.98	35.87	35.82	N38°33'22"W
C81	2.00	92°22'53"	2.08	3.22	2.89	S08°02'46"W
C82	102.42	60°43'04"	59.99	108.53	103.53	N02°38'41"W
C83	367.58	11°48'38"	38.02	75.77	75.64	S21°48'32"W
C84	2.00	92°21'07"	2.08	3.22	2.89	S88°47'18"W
C85	2.00	90°00'00"	2.00	3.14	2.83	S32°37'31"E
C86	130.58	18°18'19"	21.04	41.72	41.54	N89°51'14"W
C87	2.00	86°42'23"	1.89	3.03	2.75	N36°21'29"E
C88	45.42	65°37'07"	29.28	52.01	49.22	S68°40'57"E
C89	2.00	92°56'32"	2.11	3.24	2.90	S55°54'13"W
C90	10.42	69°58'54"	7.29	12.72	11.95	S25°33'33"E

**LENZ & ASSOCIATES, INC.**

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EXHIBIT — CURVE DATA

10.044 ACRES  
 ISAAC BUNKER SURVEY, A-54  
 WILLIAMSON COUNTY, TEXAS

**SONTERRA I  
CONDOMINIUMS**

SHEET 18 OF 23

JOB No.: 2005-0363P-2

CURVE TABLE						
CURVE	RADIUS	DELTA	TANGENT	LENGTH	CHORD	BEARING
C91	84.42	23°36'50"	17.65	34.79	34.55	N50°35'00"W
C92	45.42	79°53'36"	38.04	63.33	58.32	S18°46'58"W
C93	2.00	90°00'00"	2.00	3.14	2.83	S13°43'46"W
C94	2.00	90°00'00"	2.00	3.14	2.83	N76°16'14"W
C95	145.58	59°54'19"	83.89	152.21	145.37	N28°46'36"E
C96	97.80	15°21'38"	13.19	26.22	26.14	N6°31'10"E
C97	2.00	93°45'32"	2.14	3.27	2.92	N16°09'26"W
C98	102.42	48°07'38"	45.74	86.03	83.52	N87°06'02"W
C99	189.42	10°44'53"	17.82	35.53	35.48	S05°29'29"E
C100	10.42	78°56'23"	8.58	14.35	13.24	S67°11'03"W
C101	232.42	26°50'37"	55.46	108.89	107.90	N59°55'28"W
C102	2.00	91°36'59"	2.06	3.20	2.87	N00°41'40"W
C103	214.50	7°06'50"	13.33	26.63	26.61	N42°31'53"W
C104	2.00	91°36'59"	2.06	3.20	2.87	N84°22'06"W
C105	232.42	29°36'16"	61.42	120.09	118.76	N23°45'28"W
C106	217.58	1°35'15"	3.01	6.03	6.03	S09°44'58"E
C107	2.00	88°11'19"	1.94	3.08	2.78	N33°33'04"E
C108	235.94	9°39'52"	19.95	39.80	39.75	S15°59'13"E
C109	3.00	87°56'12"	2.89	4.60	4.17	N65°39'03"W
C110	10.42	82°56'45"	9.21	15.08	13.80	N19°22'52"E
C111	197.58	48°28'46"	88.96	167.18	162.24	S36°36'52"W
C112	10.42	85°08'21"	9.57	15.48	14.09	N54°56'39"E
C113	137.58	28°40'40"	35.17	68.86	68.15	S83°10'30"W
C114	207.42	12°01'40"	21.85	43.54	43.46	S17°19'46"E
C115	86.42	109°19'54"	121.90	164.90	141.00	S37°23'37"E
C116	2.00	94°28'22"	2.16	3.30	2.94	S64°30'31"W
C117	2.00	100°08'22"	2.39	3.50	3.07	S03°01'11"W
C118	2.00	90°00'00"	2.00	3.14	2.83	S66°09'51"E
C119	68.42	18°28'23"	11.13	22.06	21.96	N78°04'21"E
C120	2.00	94°28'22"	2.16	3.30	2.94	N40°42'15"E
C121	10.42	45°01'07"	4.32	8.18	7.98	N38°24'47"E
C122	112.58	109°23'03"	158.96	214.93	183.75	N01°36'10"W
C123	10.42	71°23'51"	7.48	12.98	12.16	S20°35'46"E
C124	332.42	0°36'19"	1.76	3.51	3.51	S15°24'19"W
C125	2.00	91°08'30"	2.04	3.18	2.86	S61°16'44"W
C126	314.42	1°49'04"	4.99	9.98	9.98	S16°55'24"W
C127	314.42	4°41'51"	12.90	25.78	25.77	S20°10'52"W
C128	2.00	90°49'22"	2.03	3.17	2.85	S22°33'32"E
C129	332.42	4°51'43"	14.11	28.21	28.20	S25°17'00"W
C130	2.00	103°50'02"	2.55	3.62	3.15	N16°02'41"E
C131	156.17	9°56'49"	13.59	27.11	27.08	N25°15'16"E
C132	156.17	16°34'27"	22.75	45.18	45.02	S38°30'55"W
C133	97.42	16°46'08"	14.36	28.51	28.41	N22°38'04"E
C134	156.17	22°23'41"	30.91	61.04	60.65	S86°28'03"W
C135	156.17	3°17'50"	4.49	8.99	8.99	N80°41'11"W

**LENZ & ASSOCIATES, INC.**

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 AUSTIN, TEXAS 78704

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10.044 ACRES  
 ISAAC BUNKER SURVEY, A-54  
 WILLIAMSON COUNTY, TEXAS

**SONTERRA I  
CONDOMINIUMS**

SHEET 19 OF 23

JOB No.: 2005-0363P-2

CURVE TABLE						
CURVE	RADIUS	DELTA	TANGENT	LENGTH	CHORD	BEARING
C136	54.58	16°46'18"	8.05	15.98	15.92	N55°48'57"W
C137	54.58	39°00'10"	19.33	37.16	36.44	N83°42'11"W
C138	54.58	33°20'48"	16.35	31.77	31.32	S60°07'20"W
C139	54.58	51°49'06"	26.51	49.36	47.70	S17°32'24"W
C140	54.58	07°05'44"	3.38	6.76	6.76	S11°55'01"E
C141	130.58	18°04'45"	20.77	41.20	41.03	S13°17'04"W
C142	130.58	5°30'37"	6.28	12.56	12.55	S01°29'23"W
C143	92.42	2°53'16"	2.33	4.66	4.66	N14°02'45"E
C144	92.42	19°40'51"	16.03	31.74	31.59	N25°19'48"E
C145	80.58	12°54'09"	9.11	18.15	18.11	S52°16'42"W
C146	80.58	32°22'12"	23.39	45.53	44.92	S29°38'31"W
C147	80.58	20°23'50"	14.50	28.69	28.54	S03°15'30"W
C148	80.58	14°13'26"	10.05	20.00	19.95	S14°03'08"E
C149	54.58	26°31'55"	12.87	25.28	25.05	S10°45'42"W
C150	54.58	42°08'20"	21.03	40.41	39.25	S23°34'25"E
C151	54.58	26°30'52"	12.86	25.26	25.03	S57°54'01"E
C152	54.58	25°44'16"	12.47	24.52	24.31	S84°01'35"E
C153	54.58	49°47'17"	25.33	47.43	45.95	N58°12'38"E
C154	20.42	7°19'04"	1.31	2.61	2.61	S36°58'31"W
C155	20.42	37°52'27"	7.00	13.50	13.25	S59°34'16"W
C156	59.50	35°32'30"	19.07	36.91	36.32	N38°28'59"W
C157	59.50	29°34'49"	15.71	30.72	30.38	S05°55'20"E
C158	77.42	14°36'38"	9.92	19.74	19.69	N16°46'49"E
C159	77.42	15°53'07"	10.80	21.46	21.40	N32°01'42"E
C160	20.42	60°29'34"	11.90	21.56	20.57	N83°20'10"E
C161	20.42	2°20'14"	0.42	0.83	0.83	S65°14'56"E
C162	54.58	58°40'27"	30.68	55.90	53.49	S86°34'57"W
C163	54.58	29°29'31"	14.37	28.10	27.79	S42°29'58"W
C164	54.58	24°35'03"	11.89	23.42	23.24	S15°27'41"W
C165	54.58	41°36'44"	20.74	39.64	38.78	S17°38'13"E
C166	54.58	26°51'11"	13.03	25.58	25.35	S51°52'10"E
C167	121.58	1°49'49"	1.94	3.88	3.88	S07°18'45"E
C168	121.58	21°20'48"	22.91	45.30	45.04	S18°54'03"E
C169	121.58	22°40'19"	24.37	48.11	47.80	S40°54'37"E
C170	121.58	16°48'20"	17.96	35.66	35.53	S60°38'56"E
C171	242.58	11°33'43"	24.56	48.95	48.87	S01°44'21"W
C172	242.58	1°15'16"	2.66	5.31	5.31	S08°08'50"W
C173	242.58	10°53'04"	23.11	46.08	46.01	S09°29'03"E
C174	242.58	10°38'43"	22.60	45.07	45.01	S20°14'56"E
C175	145.58	09°49'42"	12.52	24.97	24.94	N53°48'55"E
C176	145.58	13°00'12"	16.59	33.04	32.97	N42°23'57"E
C177	145.58	15°26'05"	19.73	39.22	39.10	N28°10'49"E
C178	145.58	21°38'20"	27.82	54.98	54.66	N09°38'37"E
C179	27.42	18°51'31"	4.55	9.02	8.98	S30°35'36"E
C180	102.42	36°20'47"	33.62	64.97	63.89	N14°49'49"W

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**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 20 OF 23

JOB No.: 2005-0363P-2

CURVE TABLE						
CURVE	RADIUS	DELTA	TANGENT	LENGTH	CHORD	BEARING
C181	102.42	24°22'17"	22.12	43.56	43.24	N15°31'43"E
C182	367.58	1°42'23"	5.47	10.95	10.95	S26°51'40"W
C183	367.58	10°06'15"	32.50	64.82	64.74	S20°57'21"W
C184	130.58	11°10'22"	12.77	25.46	25.42	N86°17'16"W
C185	130.58	7°07'56"	8.14	16.26	16.24	S84°33'35"W
C186	378.52	2°55'29"	9.66	19.32	19.32	S51°15'24"E
C187	378.52	2°31'37"	8.35	16.69	16.69	S53°58'57"E
C188	137.58	11°59'40"	14.45	28.80	28.75	N49°14'51"W
C189	137.58	19°40'56"	23.87	47.26	47.03	N33°24'33"W
C190	137.58	22°10'06"	26.95	53.23	52.90	N12°29'02"W
C191	137.58	7°47'01"	9.36	18.69	18.68	N02°29'32"E
C192	267.58	4°45'12"	11.11	22.20	22.19	N70°50'33"W
C193	267.58	10°15'42"	24.03	47.92	47.86	N63°20'06"W
C194	267.58	9°52'20"	23.11	46.11	46.05	N53°16'05"W
C195	267.58	6°27'58"	15.12	30.20	30.18	N45°05'56"W
C196	285.58	2°25'43"	6.05	12.11	12.10	N40°10'18"W
C197	285.58	3°19'56"	8.31	16.61	16.61	N37°17'28"W
C198	267.58	6°19'34"	14.79	29.54	29.53	N31°58'56"W
C199	267.58	6°54'19"	16.14	32.25	32.23	N25°21'59"W
C200	267.58	8°49'47"	20.66	41.24	41.20	N17°29'56"W
C201	267.58	4°07'42"	9.64	19.28	19.28	N11°01'11"W
C202	182.42	1°55'41"	3.07	6.14	6.14	S09°55'11"E
C203	182.42	14°13'41"	22.77	45.30	45.18	S17°59'52"E
C204	182.42	18°17'44"	29.37	58.25	58.00	S34°15'35"E
C205	2.00	90°52'31"	2.03	3.17	2.85	S66°36'06"E
C206	292.50	7°20'57"	18.78	37.52	37.49	N76°37'59"W
C207	162.42	20°13'13"	28.96	57.32	57.02	S32°30'00"W
C208	162.42	10°00'55"	14.23	28.39	28.35	S17°22'56"W
C209	292.50	7°55'10"	20.25	40.43	40.40	N84°16'02"W
C210	292.50	9°02'52"	23.14	46.19	46.14	S87°14'57"W
C211	121.58	15°07'56"	16.15	32.11	32.02	N78°53'20"E
C212	121.58	2°29'13"	2.64	5.28	5.28	N70°04'46"E
C214	292.50	9°00'44"	23.05	46.01	45.96	S78°13'09"W
C215	292.50	8°27'48"	21.64	43.21	43.17	S69°28'53"W
C216	292.50	7°17'07"	18.62	37.19	37.17	S61°36'26"W
C217	292.50	8°06'10"	20.72	41.37	41.33	S53°54'47"W
C218	292.50	2°14'23"	5.72	11.43	11.43	S48°44'31"W
C219	132.50	8°47'54"	10.19	20.35	20.33	S44°30'59"W
C220	132.50	15°58'42"	18.60	36.95	36.83	S32°07'42"W
C221	112.58	13°05'44"	12.92	25.73	25.68	N46°32'30"E
C222	112.58	16°32'50"	16.37	32.51	32.40	N31°41'51"E
C223	112.58	18°20'53"	18.18	36.05	35.90	N14°14'59"E
C224	112.58	17°19'54"	17.16	34.06	33.93	N03°35'25"W
C225	112.58	20°04'00"	19.92	39.43	39.23	N22°17'22"W
C226	112.58	23°58'19"	23.90	47.10	46.76	N44°18'32"W
C227	232.42	10°26'33"	21.24	42.36	42.30	S68°07'29"E

**LENZ & ASSOCIATES, INC.**

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10.044 ACRES  
 ISAAC BUNKER SURVEY, A-54  
 WILLIAMSON COUNTY, TEXAS

**SONTERRA I  
CONDOMINIUMS**

SHEET 21 OF 23

JOB No.: 2005-0363P-2



CURVE TABLE						
CURVE	RADIUS	DELTA	TANGENT	LENGTH	CHORD	BEARING
C228	232.42	16°24'03"	33.49	66.53	66.30	N54°42'11"W
C229	232.42	10°20'30"	21.03	41.95	41.89	N33°23'21"W
C230	232.42	11°09'49"	22.71	45.28	45.21	N22°38'11"W
C231	232.42	8°05'56"	16.45	32.85	32.83	N13°00'18"W
C232	214.50	3°44'11"	7.00	13.99	13.99	N44°13'12"W
C233	214.50	3°22'39"	6.32	12.64	12.64	N40°39'47"W
C234	197.58	8°13'37"	14.21	28.37	28.35	S56°44'26"W
C235	197.58	13°39'29"	23.66	47.10	46.99	S45°47'53"W
C236	197.58	18°31'13"	32.21	63.87	63.59	S29°42'32"W
C237	197.58	8°04'27"	13.94	27.84	27.82	S16°24'42"W
C238	137.58	12°47'36"	15.42	30.72	30.66	N88°52'58"W
C239	137.58	15°53'04"	19.19	38.14	38.02	S76°46'41"W
C240	314.42	3°46'37"	10.37	20.73	20.72	S19°43'15"W
C241	314.42	03°06'24"	8.53	17.05	17.05	S20°58'35"W
C242	235.94	8°28'44"	17.49	34.92	34.88	S15°23'39"E
C243	235.94	1°11'08"	2.44	4.88	4.88	S20°13'35"E
C244	132.50	2°04'48"	2.41	4.81	4.81	S23°05'57"W
C245	86.42	54°05'37"	44.12	81.59	78.59	S65°00'46"E
C246	86.42	55°14'18"	45.21	83.31	80.12	S10°20'49"E
C247	102.42	43°50'19"	41.21	78.36	76.46	N84°57'22"W
C248	102.42	4°17'19"	3.83	7.67	7.66	S70°58'49"W
C249	84.42	20°07'56"	14.99	29.66	29.51	N52°19'27"W
C250	162.42	6°37'02"	9.39	18.76	18.75	S57°32'43"W
C252	144.42	8°31'09"	10.76	21.47	21.45	S47°24'19"W
C253	144.42	2°02'31"	2.57	5.15	5.15	S52°41'09"W
C254	189.42	1°36'59"	2.67	5.34	5.34	S10°03'26"E
C255	189.42	9°07'53"	15.13	30.19	30.16	S04°40'59"E
C256	2.00	91°50'12"	2.07	3.21	2.87	S34°36'10"W
C257	2.00	91°50'12"	2.07	3.21	2.87	S45°35'08"E
C258	84.50	17°42'06"	13.16	26.11	26.00	N42°30'47"W
C259	84.42	03°28'55"	2.57	5.13	5.13	N40°31'01"W
C260	413.60	2°10'08"	7.83	15.66	15.66	N50°15'50"W
C261	239.50	08°37'14"	18.05	36.03	36.00	S77°06'03"W
C262	144.42	10°33'42"	13.53	26.62	26.58	S48°25'35"W
C263	137.58	36°18'49"	45.12	87.20	85.75	S42°23'32"E
C264	144.42	2°02'31"	2.57	5.15	5.15	S52°41'09"W
C265	207.42	8°27'45"	15.35	30.64	30.61	N04°33'50"E
C266	217.58	0°24'34"	0.78	1.55	1.55	S02°53'18"E
C267	68.42	28°53'14"	17.62	34.49	34.13	N32°20'51"E
C268	314.42	06°30'55"	17.90	35.75	35.73	S19°16'20"W
C269	102.50	03°13'35"	2.89	5.77	5.77	S53°37'57"E
C270	112.58	01°12'11"	1.18	2.36	2.36	N79°06'33"E

**LENZ & ASSOCIATES, INC.**

FIRM No. 100290-00  
 512/443-1174  
 4303 RUSSELL DRIVE  
 AUSTIN, TEXAS 78704

EXHIBIT — CURVE DATA

**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

**SONTERRA I  
CONDOMINIUMS**

SHEET 22 OF 23

JOB No.: 2005-0363P-2



[illegible]

**LENZ & ASSOCIATES, INC.**

FIRM No. 100290-00  
512/443-1174  
4303 RUSSELL DRIVE  
AUSTIN, TEXAS 78704

EXHIBIT - CURVE DATA

**10.044 ACRES**  
**ISAAC BUNKER SURVEY, A-54**  
**WILLIAMSON COUNTY, TEXAS**

## SONTERRA I CONDOMINIUMS

SHEET 23 OF 23

JOB No.: 2005-0363P-2

Issue Date : 1/5/2016

**TAX CERTIFICATE****Office of Deborah M Hunt Tax Assessor-Collector**

Williamson County Tax Office

904 South Main Street

Georgetown, TX 78626-5701

Ph: 512-943-1601 Fax: 512-943-1619

This certificate includes tax years up to 2015

**Entities to which this certificate applies:**GWI - Williamson CO  
SJA - Jarrell ISDF02 - Wmsn Co ESD #5  
RFM - Wmsn CO FM/RD  
M34 - Sonterra MUD**Property Information**

Property ID : R-11-0054-0000-0099B

Quick-Ref ID : R432998

**Value Information**

	Land HS	:	\$0.00
CR 314 JARRELL, TX 76537	Land NHS	:	\$34,500.00
	Imp HS	:	\$0.00
	Imp NHS	:	\$0.00
AW0054 AW0054 - BUNKER,	Ag Mkt	:	\$0.00
I. SUR., ACRES 3.45	Ag Use	:	\$0.00
	Tim Mkt	:	\$0.00
	Tim Use	:	\$0.00
	HS Cap Adj	:	\$0.00
	Assessed	:	\$34,500.00

**Owner Information**

Owner ID : 00295477

SONWEST CO  
3571 FAR WEST BLVD  
STE 13  
AUSTIN, TX 78731

Ownership: 100.00%

This Document is to certify that after a careful check of the Tax Records of this Office, the following Current or Delinquent Taxes, Penalties, and Interest are due on the Property for the Taxing Entities described above:

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
F02	2015	34.50	0.00	0.00	0.00	0.00
GWI	2015	152.33	0.00	0.00	0.00	0.00
RFM	2015	13.80	0.00	0.00	0.00	0.00
SJA	2015	471.79	0.00	0.00	0.00	0.00
M34	2015	327.75	0.00	0.00	0.00	0.00

**Total for current bills if paid by 1/31/2016 : \$0.00****Total due on all bills 1/31/2016 : \$0.00**

2015 taxes paid for entity F02 \$34.50

2015 taxes paid for entity GWI \$152.33

2015 taxes paid for entity RFM \$13.80

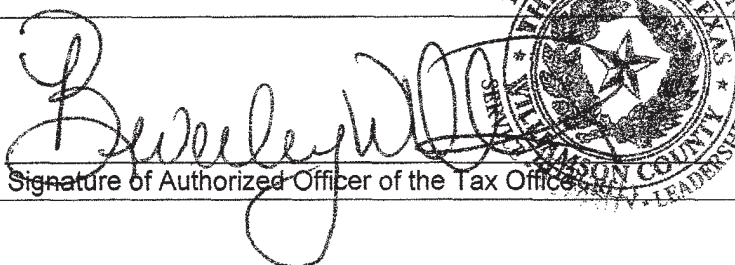
2015 taxes paid for entity SJA \$471.79

2015 taxes paid for entity M34 \$327.75

**2015 Total Taxes Paid : \$1,000.17****Date of Last Payment : 01/05/16**

If applicable, the above-described property is receiving special valuation based on its use. Additional rollback taxes that may become due based on the provisions of the special valuation are not indicated in this document.

This certificate does not clear abuse of granted exemptions as defined in Section 11.43, Paragraph (i) of the Texas Property Tax Code.



Signature of Authorized Officer of the Tax Office

Date of Issue : 01/05/2016  
 Requestor : SONWEST CO  
 Receipt : GT-2016-2131135  
 Fee Paid : \$10.00  
 Payer : SONWEST CO

Issue Date : 1/5/2016

**TAX CERTIFICATE****Office of Deborah M Hunt Tax Assessor-Collector**

Williamson County Tax Office

904 South Main Street

Georgetown, TX 78626-5701

Ph: 512-943-1601 Fax: 512-943-1619

This certificate includes tax years up to 2015

**Entities to which this certificate applies:**GWI - Williamson CO  
SJA - Jarrell ISDF02 - Wmsn Co ESD #5  
RFM - Wmsn CO FM/RD  
M34 - Sonterra MUD**Property Information**

Property ID : R-11-0054-0000-0099A

Quick-Ref ID : R432997

**Value Information**

CR 314 JARRELL, TX 76537	Land HS	:	\$0.00
	Land NHS	:	\$123,200.00
	Imp HS	:	\$0.00
	Imp NHS	:	\$0.00
AW0054 BUNKER, I. SUR.,	Ag Mkt	:	\$0.00
ACRES 12.32	Ag Use	:	\$0.00
	Tim Mkt	:	\$0.00
	Tim Use	:	\$0.00
	HS Cap Adj	:	\$0.00
	Assessed	:	\$123,200.00

**Owner Information**

Owner ID : 00295477

SONWEST CO  
3571 FAR WEST BLVD  
STE 13  
AUSTIN, TX 78731

Ownership: 100.00%

This Document is to certify that after a careful check of the Tax Records of this Office, the following Current or Delinquent Taxes, Penalties, and Interest are due on the Property for the Taxing Entities described above:

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
F02	2015	123.20	0.00	0.00	0.00	0.00
GWI	2015	543.96	0.00	0.00	0.00	0.00
RFM	2015	49.28	0.00	0.00	0.00	0.00
SJA	2015	1,684.76	0.00	0.00	0.00	0.00
M34	2015	1,170.40	0.00	0.00	0.00	0.00

**Total for current bills if paid by 1/31/2016 : \$0.00****Total due on all bills 1/31/2016 : \$0.00**

2015 taxes paid for entity F02 \$123.20

2015 taxes paid for entity GWI \$543.96

2015 taxes paid for entity RFM \$49.28


2015 taxes paid for entity SJA \$1,684.76

2015 taxes paid for entity M34 \$1,170.40

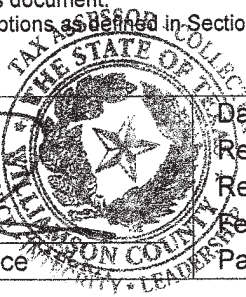
**2015 Total Taxes Paid : \$3,571.60****Date of Last Payment : 01/05/16**

If applicable, the above-described property is receiving special valuation based on its use. Additional rollback taxes that may become due based on the provisions of the special valuation are not indicated in this document.

This certificate does not clear abuse of granted exemptions as defined in Section 11.43, Paragraph (i) of the Texas Property Tax Code.



Signature of Authorized Officer of the Tax Office



Date of Issue : 01/05/2016  
Requestor : SONWEST CO  
Receipt : GT-2016-2131136  
Fee Paid : \$10.00  
Payer : SONWEST CO



Issue Date : 1/5/2016

# TAX CERTIFICATE

Office of Deborah M Hunt Tax Assessor-Collector

Williamson County Tax Office  
 904 South Main Street  
 Georgetown, TX 78626-5701  
 Ph: 512-943-1601 Fax: 512-943-1619

This certificate includes tax years up to 2015

**Entities to which this certificate applies:**

GWI - Williamson CO  
 SJA - Jarrell ISD

F02 - Wmsn Co ESD #5  
 RFM - Wmsn CO FM/RD  
 M34 - Sonterra MUD

**Property Information**

Property ID : R-11-0054-0000-0100B

Quick-Ref ID : R432994

**Value Information**

	Land HS	:	\$0.00
CR 314 JARRELL, TX 76537	Land NHS	:	\$261,460.00
	Imp HS	:	\$0.00
	Imp NHS	:	\$0.00
AW0054 BUNKER, I. SUR.,	Ag Mkt	:	\$0.00
ACRES 13.073	Ag Use	:	\$0.00
	Tim Mkt	:	\$0.00
	Tim Use	:	\$0.00
	HS Cap Adj	:	\$0.00
	Assessed	:	\$261,460.00

**Owner Information**

Owner ID : 00295477

SONWEST CO  
 3571 FAR WEST BLVD  
 STE 13  
 AUSTIN, TX 78731

Ownership: 100.00%

This Document is to certify that after a careful check of the Tax Records of this Office, the following Current or Delinquent Taxes, Penalties, and Interest are due on the Property for the Taxing Entities described above:

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
F02	2015	261.46	0.00	0.00	0.00	0.00
GWI	2015	1,154.43	0.00	0.00	0.00	0.00
RFM	2015	104.58	0.00	0.00	0.00	0.00
SJA	2015	3,575.46	0.00	0.00	0.00	0.00
M34	2015	2,483.87	0.00	0.00	0.00	0.00

**Total for current bills if paid by 1/31/2016 : \$0.00****Total due on all bills 1/31/2016 : \$0.00**

2015 taxes paid for entity F02 \$261.46

2015 taxes paid for entity GWI \$1,154.43

2015 taxes paid for entity RFM \$104.58

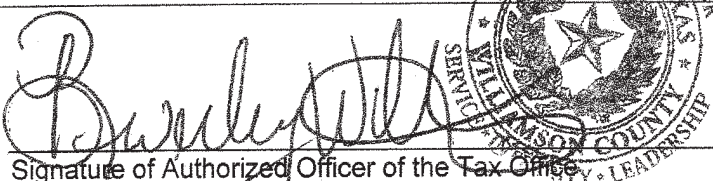
2015 taxes paid for entity SJA \$3,575.46

2015 taxes paid for entity M34 \$2,483.87

**2015 Total Taxes Paid : \$7,579.80****Date of Last Payment : 01/05/16**

If applicable, the above-described property is receiving special valuation based on its use. Additional rollback taxes that may become due based on the provisions of the special valuation are not indicated in this document.

This certificate does not clear abuse of granted exemptions as defined in Section 11.43, Paragraph (i) of the Texas Property Tax Code.

  
 Signature of Authorized Officer of the Tax Office

Date of Issue : 01/05/2016  
 Requestor : SONWEST CO  
 Receipt : GT-2016-2131137  
 Fee Paid : \$10.00  
 Payer : SONWEST CO

Issue Date : 1/5/2016

**TAX CERTIFICATE**

Office of Deborah M Hunt Tax Assessor-Collector

Williamson County Tax Office  
 904 South Main Street  
 Georgetown, TX 78626-5701  
 Ph: 512-943-1601 Fax: 512-943-1619

This certificate includes tax years up to 2015

**Entities to which this certificate applies:**

GWI - Williamson CO  
 SJA - Jarrell ISD

F02 - Wmsn Co ESD #5  
 RFM - Wmsn CO FM/RD  
 M34 - Sonterra MUD

**Property Information**

Property ID : R-11-0054-0000-0100D

Quick-Ref ID : R528542

**Value Information**

CR 314 JARRELL, TX 76537	Land HS	:	\$0.00
	Land NHS	:	\$18,200.00
	Imp HS	:	\$0.00
	Imp NHS	:	\$0.00
AW0054 AW0054 - BUNKER, I. SUR., ACRES 1.82	Ag Mkt	:	\$0.00
	Ag Use	:	\$0.00
	Tim Mkt	:	\$0.00
	Tim Use	:	\$0.00
	HS Cap Adj	:	\$0.00
	Assessed	:	\$18,200.00

**Owner Information**

Owner ID : 00295477

SONWEST CO  
 3571 FAR WEST BLVD  
 STE 13  
 AUSTIN, TX 78731

Ownership: 100.00%

This Document is to certify that after a careful check of the Tax Records of this Office, the following Current or Delinquent Taxes, Penalties, and Interest are due on the Property for the Taxing Entities described above:

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
F02	2015	18.20	0.00	0.00	0.00	0.00
GWI	2015	80.35	0.00	0.00	0.00	0.00
RFM	2015	7.28	0.00	0.00	0.00	0.00
SJA	2015	248.88	0.00	0.00	0.00	0.00
M34	2015	172.90	0.00	0.00	0.00	0.00

**Total for current bills if paid by 1/31/2016 : \$0.00****Total due on all bills 1/31/2016 : \$0.00**

2015 taxes paid for entity F02 \$18.20

2015 taxes paid for entity GWI \$80.35

2015 taxes paid for entity RFM \$7.28

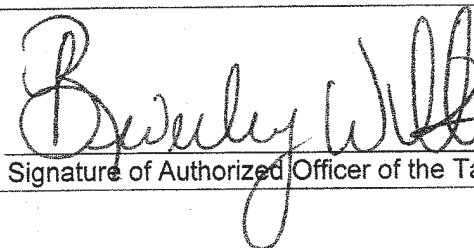
2015 taxes paid for entity SJA \$248.88

2015 taxes paid for entity M34 \$172.90

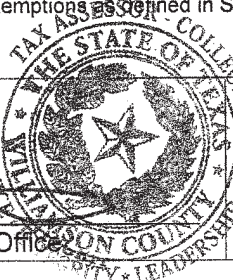
**2015 Total Taxes Paid : \$527.61****Date of Last Payment : 01/05/16**

If applicable, the above-described property is receiving special valuation based on its use. Additional rollback taxes that may become due based on the provisions of the special valuation are not indicated in this document.

This certificate does not clear abuse of granted exemptions as defined in Section 11.43, Paragraph (i) of the Texas Property Tax Code.



Signature of Authorized Officer of the Tax Office



Date of Issue : 01/05/2016

Requestor : SONWEST CO

Receipt : GT-2016-2131146

Fee Paid : \$10.00

Payer : SONWEST CO



Issue Date : 1/5/2016

**TAX CERTIFICATE****Office of Deborah M Hunt Tax Assessor-Collector**

Williamson County Tax Office  
 904 South Main Street  
 Georgetown, TX 78626-5701  
 Ph: 512-943-1601 Fax: 512-943-1619

This certificate includes tax years up to 2015

**Entities to which this certificate applies:**

GWI - Williamson CO  
 SJA - Jarrell ISD

F02 - Wmsn Co ESD #5  
 RFM - Wmsn CO FM/RD  
 M34 - Sonterra MUD

**Property Information**

Property ID : R-11-0054-0000-0099

Quick-Ref ID : R012367

**Value Information**

CR 314 JARRELL, TX 76537	Land HS	:	\$0.00
	Land NHS	:	\$3,200.00
	Imp HS	:	\$0.00
	Imp NHS	:	\$0.00
AW0054 BUNKER, I. SUR.,	Ag Mkt	:	\$0.00
ACRES 0.32	Ag Use	:	\$0.00
	Tim Mkt	:	\$0.00
	Tim Use	:	\$0.00
	HS Cap Adj	:	\$0.00
	Assessed	:	\$3,200.00

**Owner Information**

Owner ID : 00295477

SONWEST CO  
 3571 FAR WEST BLVD  
 STE 13  
 AUSTIN, TX 78731

Ownership: 100.00%

This Document is to certify that after a careful check of the Tax Records of this Office, the following Current or Delinquent Taxes, Penalties, and Interest are due on the Property for the Taxing Entities described above:

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
F02	2015	3.20	0.00	0.00	0.00	0.00
GWI	2015	14.13	0.00	0.00	0.00	0.00
RFM	2015	1.28	0.00	0.00	0.00	0.00
SJA	2015	43.76	0.00	0.00	0.00	0.00
M34	2015	30.40	0.00	0.00	0.00	0.00

**Total for current bills if paid by 1/31/2016 : \$0.00****Total due on all bills 1/31/2016 : \$0.00**

2015 taxes paid for entity F02 \$3.20

2015 taxes paid for entity GWI \$14.13

2015 taxes paid for entity RFM \$1.28

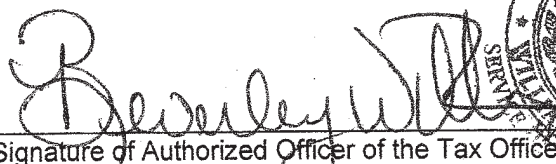
2015 taxes paid for entity SJA \$43.76

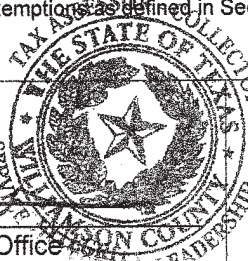
2015 taxes paid for entity M34 \$30.40

**2015 Total Taxes Paid : \$92.77****Date of Last Payment : 01/05/16**

If applicable, the above-described property is receiving special valuation based on its use. Additional rollback taxes that may become due based on the provisions of the special valuation are not indicated in this document.

This certificate does not clear abuse of granted exemptions as defined in Section 11.43, Paragraph (i) of the Texas Property Tax Code.

  
 Signature of Authorized Officer of the Tax Office



Date of Issue : 01/05/2016

Requestor : SONWEST CO

Receipt : GT-2016-2131147

Fee Paid : \$10.00

Payer : SONWEST CO

Issue Date : 1/5/2016

**TAX CERTIFICATE**

Office of Deborah M Hunt Tax Assessor-Collector

Williamson County Tax Office

904 South Main Street

Georgetown, TX 78626-5701

Ph: 512-943-1601 Fax: 512-943-1619

This certificate includes tax years up to 2015

**Entities to which this certificate applies:**GWI - Williamson CO  
SJA - Jarrell ISDF02 - Wmsn Co ESD #5  
RFM - Wmsn CO FM/RD  
M34 - Sonterra MUD**Property Information**

Property ID : R-11-0054-0000-0100CA

Quick-Ref ID : R528543

**Value Information**

CR 314 JARRELL, TX 76537	Land HS	:	\$0.00
	Land NHS	:	\$17,390.00
	Imp HS	:	\$0.00
	Imp NHS	:	\$0.00
AW0054 AW0054 - BUNKER,	Ag Mkt	:	\$0.00
I. SUR., ACRES 1.739	Ag Use	:	\$0.00
	Tim Mkt	:	\$0.00
	Tim Use	:	\$0.00
	HS Cap Adj	:	\$0.00
	Assessed	:	\$17,390.00

**Owner Information**

Owner ID : 00295477

SONWEST CO  
3571 FAR WEST BLVD  
STE 13  
AUSTIN, TX 78731

Ownership: 100.00%

This Document is to certify that after a careful check of the Tax Records of this Office, the following Current or Delinquent Taxes, Penalties, and Interest are due on the Property for the Taxing Entities described above:

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
F02	2015	17.39	0.00	0.00	0.00	0.00
GWI	2015	76.78	0.00	0.00	0.00	0.00
RFM	2015	6.96	0.00	0.00	0.00	0.00
SJA	2015	237.81	0.00	0.00	0.00	0.00
M34	2015	165.21	0.00	0.00	0.00	0.00

**Total for current bills if paid by 1/31/2016 : \$0.00****Total due on all bills 1/31/2016 : \$0.00**

2015 taxes paid for entity F02 \$17.39

2015 taxes paid for entity GWI \$76.78

2015 taxes paid for entity RFM \$6.96

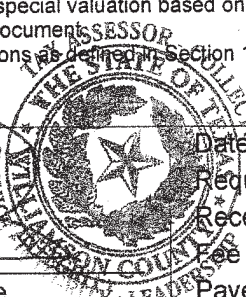
2015 taxes paid for entity SJA \$237.81

2015 taxes paid for entity M34 \$165.21

**2015 Total Taxes Paid : \$504.15****Date of Last Payment : 01/05/16**

If applicable, the above-described property is receiving special valuation based on its use. Additional rollback taxes that may become due based on the provisions of the special valuation are not indicated in this document.

This certificate does not clear abuse of granted exemptions as defined in Section 11.43, Paragraph (i) of the Texas Property Tax Code.



Date of Issue : 01/05/2016

Requestor : SONWEST CO

Receipt : GT-2016-2131149

Fee Paid : \$10.00

Payer : SONWEST CO

Signature of Authorized Officer of the Tax Office

ATTACHMENT 2

[ENCUMBRANCES]

1. Terms, Conditions, and Stipulations in Oil, Gas and Mineral lease:  
Recorded: Volume 399, Page 180, Deed Records, Williamson County, Texas.
2. Terms, Conditions, and Stipulations in Oil, Gas and Mineral lease:  
Recorded: Volume 803, Page 405, Deed Records, Williamson County, Texas.
3. Mineral and/or royalty interest in and to all coal, lignite, oil, gas and other minerals;  
together with all rights incident thereto:  
Recorded: Volume 623, Page 692, Deed Records, Williamson County, Texas.
4. Subject property lies within the boundaries of Sonterra Municipal Utility District.
5. Terms, Conditions, and Stipulations in the Agreement:  
Recorded: Document No. 2007045478, Official Public Records, Williamson County,  
Texas.  
Type: Waiver of Special Appraisal for the benefit of Sonterra Municipal Utility  
District
6. Assignment of Reimbursements recorded in Document No. 2012074808, corrected in  
Document No. 2014003214, Official Public Records, Williamson County, Texas.
7. Easement:  
Recorded: Document No. 2006001684, Official Public Records, Williamson County,  
Texas.  
To: Sonterra Municipal Utility District  
Purpose: Sanitary Control
8. Terms, Conditions, and Stipulations in the Agreement:  
Recorded: Document No. 2007084303, Official Public Records, Williamson County,  
Texas.  
Type: Re-stated and Amended Surface & Facilities lease Agreement.
9. Mineral and/or royalty interest in and to ail coal, lignite, oil, gas and other minerals;  
together with all rights incident thereto:  
Recorded: Volume 362, Page 219, Deed Records, Williamson County, Texas.
10. Mineral and/or royalty interest in and to all coal, lignite, oil, gas and other minerals;  
together with all rights incident thereto:  
Recorded: Volume 378, Page 264, Deed Records, Williamson County, Texas.

SONTERRA I CONDOMINIUMS  
DECLARATION OF CONDOMINIUM REGIME



11. Mineral and/or royalty interest in and to all coal, lignite, oil, gas and other minerals; together with all rights incident thereto:

Recorded: Volume 378, Page 446, Deed Records, Williamson County, Texas.



**ATTACHMENT 3****MAINTENANCE RESPONSIBILITY CHART**

"All aspects" includes maintenance, repair, and replacement, as needed.

<b>COMPONENT OF PROPERTY</b>	<b>ASSOCIATION RESPONSIBILITY</b>	<b>OWNER RESPONSIBILITY</b>
Fences, screening walls, and retaining walls around perimeter of property	None.	All aspects.
Exterior lighting	None.	All aspects.
Sidewalks	None.	All aspects.
Yard Area	Landscape Services only	All other aspects.
Roofs and roof facilities	None.	All aspects.
Exterior Building components	None.	All aspects.
Building Foundation	None.	All aspects.
Unit interior, including improvements, fixtures, partition walls and floors within Unit	None.	All aspects.
Sheetrock within Unit & treatments on walls	None.	All aspects.
Exterior Unit doors	None.	All aspects.
Windows	None.	All aspects.
Garage Doors, if applicable	None.	All aspects.
Water, wastewater, electrical lines & systems.	All aspects of common lines & systems serving more than one Unit, none for those serving an individual Unit.	All aspects of lines, pipes, fixtures, and appliances serving only that Owner's Unit.

SONTERRA I CONDOMINIUMS  
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COMPONENT OF PROPERTY	ASSOCIATION RESPONSIBILITY	OWNER RESPONSIBILITY
HVAC System	None.	All aspects.
Intrusion alarms smoke/heat detectors, monitoring equipment.	None.	All aspects.

NOTE 1: The components listed in the first column are applicable only if they exist, and may not be construed to create a requirement to have such a component.

NOTE 2: If an Owner fails or refuses to perform necessary maintenance, repair, or replacement, the Association may perform the work after giving required notices to the Owner.

NOTE 3: Set forth above is a summary of the maintenance obligations imposed upon the Association and the Owners generally as described more fully in this Declaration. Please note that the information set forth in this Attachment 3 is a summary only and is not intended to modify any of the provisions of this Declaration. Accordingly, in the event of a conflict between the summary set forth in this Attachment 3 and any provision set forth in the Declaration above, the provision set forth in the Declaration above will control

## ATTACHMENT 4

### GUIDE TO THE ASSOCIATION'S EXAMINATION OF COMMON ELEMENTS

This Guide provides information to assist the Board in conducting an annual examination of the Common Elements for the purpose maintaining replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the General Common Elements maintained by the Association. The annual examination is required by *Section 9.4* of the Declaration and is a necessary prerequisite to establishing sufficient reserves as required by *Section 6.11* of the Declaration. Additional information on conducting the examination may be obtained from the Community Associations Institute and their publication, *The National Reserve Study Standards of the Community Associations Institute*. See [www.caionline.org](http://www.caionline.org). In addition, the Community Associations Institute provides certification for qualified preparers of reserve studies, known as a "Reserve Professionals Designation" (R.S.). Neither this Declaration or current law requires that the Board engage an individual holding a Reserve Professional Designation for the purpose of conducting the annual examination of the Common Elements. Because laws and practices change over time, the Board should not use this Guide without taking into account applicable changes in law and practice.

#### Developing a Plan

In developing a plan, the age and condition of Common Elements maintained by the Association must be considered. The possibility that new types of material, equipment, or maintenance processes associated with the repair and/or maintenance of Common Elements should also be taken into account. The individual or company who prepares the examination calculates a suggested annual funding amount and, in doing so, may consider such factors as which components are included, estimated replacement costs of the components, useful lives of the components, inflation, and interest on reserve account balances or other earnings rates. Annual contributions to the replacement fund from annual assessments are based on this examination or reserve study. A reserve study generally includes the following:

- Identification and analysis of each major component of Common Elements maintained by the Association
- Estimates of the remaining useful lives of the components
- Estimates of the costs of replacements or repairs
- A cash flow projection showing anticipated changes in expenditures and contributions over a time period generally ranging between 20 and 30 years
- The "Funding Goal" which is generally one of the following:
  - Component Full Funding: Attaining, over a period of time, and maintaining, once the initial goal is achieved, a cumulative reserve account cash balance necessary to discharge anticipated expenditures at or near 100 percent; or

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- Threshold Funding: Maintaining the reserve account cash balance above a specified dollar or percent funded amount.

Note that Threshold Funding will increase the likelihood that special assessments will be required to fund major repairs and replacements. For example, one study has shown that a Threshold Funding goal of 40 to 50% results in an 11.2% chance that the Association will be unable to fund repairs and replacement projects in the next funding year. See "Measuring the Adequacy of Reserves", *Common Ground*, July/August 1997. The same study found that Component Full Funding reduces this likelihood to between .09 and 1.4%.

### **Finding Common Element Component Replacement Information**

Common Element component replacement information may be obtained from contractors, suppliers, technical specialists, "Reserve Study" specialist or from using tables in technical manuals on useful lives of various components. As provided in *Section 9.4* of the Declaration, the Board must reevaluate its funding level periodically based upon changes to the Common Elements as well as changes to replacement costs and component conditions. The specific components of Common Elements include, but are not limited to roads, recreational facilities, and furniture and equipment owned or maintained by the Association. Components covered by maintenance contracts may be excluded if the contracts include maintenance and replacement of the components. The Board must also include within their overall budget a deferred maintenance account for those components requiring periodic maintenance which does not occur annually.



**ATTACHMENT 5****GUIDE TO ASSOCIATION'S MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS**

This Guide lists several of the major management and governance functions of a typical residential development with a mandatory owners association. The Board may, from time to time, use this Guide to consider what functions, if any, to delegate to one or more managers, managing agents, employees, or volunteers. Because laws and practices change over time, the Board should not use this Guide without taking account of applicable changes in law and practices.

MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS	PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS	DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT
<p><b><u>FINANCIAL MANAGEMENT</u></b></p> <p>To adopt annual budget and levy assessments, per Declaration.</p> <p>Prepare annual operating budget, periodic operating statements, and year-end statement.</p> <p>Identify components of the property the Association is required to maintain. Estimate remaining useful life of each component. Estimate costs and schedule of major repairs and replacements, and develop replacement reserve schedule. Annually update same.</p> <p>Collect assessments and maintain Association accounts.</p> <p>Pay Association's expenses and taxes.</p> <p>Obtain annual audit and income tax filing.</p> <p>Maintain fidelity bond on whomever handles the Association funds.</p> <p>Report annually to Members on financial status of the Association.</p>		

MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS	PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS	DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT
<p><b><u>PHYSICAL MANAGEMENT</u></b></p> <p>Inspect, maintain, repair, and replace, as needed, all components of the property for which the Association has maintenance responsibility.</p> <p>Contract for services, as needed to operate or maintain the property.</p> <p>Prepare specifications and call for bids for major projects.</p> <p>Coordinate and supervise work on the property, as warranted.</p>		
<p><b><u>ADMINISTRATIVE MANAGEMENT</u></b></p> <p>Receive and respond to correspondence from Owners, and assist in resolving Owners' problems related to the Association.</p> <p>Conduct hearings with Owners to resolve disputes or to enforce the Documents.</p> <p>Obtain and supervise personnel and/or contracts needed to fulfill Association's functions.</p> <p>Schedule Association meetings and give Owners timely notice of same.</p> <p>Schedule Board meetings and give directors timely notice of same.</p> <p>Enforce the Documents.</p> <p>Maintain insurance and bonds as required by the Documents or Applicable Law, or as customary for similar types of property in the same geographic area.</p>		

MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS	PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS	DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT
<p>Maintain Association books, records, and files.</p> <p>Maintain Association's corporate charter and registered agent &amp; address.</p>		
<p><b><u>OVERALL FUNCTIONS</u></b></p> <p>Promote harmonious relationships within the community.</p> <p>Protect and enhance property values in the community.</p> <p>Encourage compliance with Documents and Applicable Laws.</p> <p>Act as liaison between the community of Owners and governmental, taxing, or regulatory bodies.</p> <p>Protect the Association and the property from loss and damage by lawsuit or otherwise.</p>		

## APPENDIX "A"

### DECLARANT RESERVATIONS

#### A.1. General Provisions.

A.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling Declarant-related provisions in this Appendix.

A.1.2. General Reservation and Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any Mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Appendix which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of a conflict between this Appendix "A" and any other Document, this Appendix "A" controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

A.1.3. Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and Declarant Control Period to ensure a complete and orderly sellout of the Property, which is ultimately for the benefit and protection of Owners and Mortgagees. The "**Development Period**", as specifically defined in *Section 1.16* of the Declaration, means the fifty (50) year period beginning on the date this Declaration is Recorded, unless such period is earlier terminated by Declarant's Recordation of a notice of termination. The Declarant Control Period is defined in *Section 1.14* of the Declaration.

A.2. Declarant Control Period Reservations. For the benefit and protection of Owners and Mortgagees, and for the purpose of ensuring a complete and orderly build-out and sellout of the Property, Declarant will retain control of the Association, subject to the following:

A.2.1. Appointment of Board and Officers. Declarant may appoint, remove, and replace each officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader," subject to the following limitations: (i) within one hundred and twenty (120) days after fifty percent (50%) of the total number of Units that may be created have been conveyed to Owners other than Declarant, at least one-third of the Board members must be elected by the Owners other than Declarant; and (ii) within one hundred and twenty (120) days after seventy-five percent (75%) of the total number of Units that may be created have

been conveyed to Owners other than Declarant, all Board members must be elected by all Owners, including the Declarant.

**A.2.2. Obligation for Assessments.** For each Unit owned by Declarant, Declarant is liable for Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments in the same manner as any Owner. Regarding Regular Assessments, during the Declarant Control Period only, Declarant at Declarant's option may support the Association's budget by either of the following methods: (i) Declarant will pay Regular Assessments on each Declarant owned Unit in the same manner as any Owner; or (ii) Declarant will assume responsibility for the difference between the Association's actual operational expenses as they are paid and the Regular Assessments received from Owners other than Declarant. **On the earlier to occur of three (3) years after the first conveyance of a Unit by the Declarant or termination of the Declarant Control Period, Declarant must begin paying Assessments on each Declarant owned Unit.**

**A.2.3. Obligation for Reserves.** During the Declarant Control Period, neither the Association nor Declarant may use the Association working capital or reserve funds to pay operational expenses of the Association.

**A.2.4. Common Elements.** At or prior to termination of the Declarant Control Period, if title or ownership to any Common Element is capable of being transferred, Declarant will convey title or ownership to the Association. At the time of conveyance, the Common Element will be free of encumbrance except for the property taxes, if any, accruing for the year of conveyance. Declarant's conveyance of title or ownership is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

**A.3. Development Period Rights.** Declarant has the following rights during the Development Period:

**A.3.1. Annexation.** The Property is subject to expansion by phasing for up to fifty (50) years from the date this Declaration is Recorded. During the Development Period, Declarant may annex additional property into the Regime, and subject such property to this Declaration and the jurisdiction of the Association by Recording an amendment or supplement of this Declaration, executed by Declarant, in the Official Public Records of Williamson County, Texas.

**A.3.2. Creation of Units.** When created, the Property contains fifty (50) Units; however, Declarant reserves the right to create up to and including six thousand (6,000) Units upon full buildout of all phases of the project which may include land added by the Declarant in accordance with *Section 2.2* of the Declaration. Declarant's right to create Units is for a term of years and does not require that Declarant owns a Unit within the Property at the time or times Declarant exercises its right of creation. The



instrument creating additional units must include a revised schedule of allocated interests.

A.3.3 Changes in Development Plan. During the Development Period, Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, the subdivision or combination of Units, changes in the sizes, styles, configurations, materials, and appearances of Units, and Common Elements.

A.3.4. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.

A.3.5. Fines and Penalties. During the Development Period, neither Declarant nor Units owned by Declarant are liable to the Association for late fees, fines, administrative charges, or any other charge that may be considered a penalty.

A.3.6. Statutory Development Rights. As permitted by the Act, Declarant reserves the following Development Rights which may be exercised during the Development Period: (i) to add real property to the Property; (ii) to create and modify Units, General Common Elements, and Limited Common Elements within the Property; (iii) to subdivide Units or convert Units into Common Elements; and (iv) to withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," provided that no Unit in the portion to be withdrawn has been conveyed to an Owner other than Declarant.

A.3.7. Development Rights Reserved. Regarding portions of the real property shown on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," if any, Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed, or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

A.3.8. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any Mortgagee, for the following limited purposes:

- (i) To meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Units.
- (ii) To correct any defects in the execution of this Declaration or the other Documents.

- (iii) To add real property to the Property, in the exercise of statutory Development Rights.
- (iv) To create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights.
- (v) To subdivide, combine, or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights.
- (vi) To withdraw from the Property any portion of the real property marked or noted on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights" in the exercise of statutory Development Rights.
- (vii) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- (viii) To change the name or entity of Declarant.

**A.4. Special Declarant Rights.** As permitted by the Act, Declarant reserves the below following Special Declarant Rights, to the maximum extent permitted by Applicable Law, which may be exercised, where applicable, anywhere within the Property during the Development Period:

- (i) The right to complete or make Improvements indicated on the Plat and Plans.
- (ii) The right to exercise any Development Right permitted by the Act and this Declaration.
- (iii) The right to make the Property part of a larger condominium or planned community.
- (iv) The right to use Units owned or leased by Declarant or Common Elements as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property.
- (v) For purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property,

including items and locations that are prohibited to other Owners and Occupant. Declarant also reserves the right to sponsor marketing events – such as open houses, MLS tours, and brokers parties – at the Property to promote the sale of Units.

- (vi) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.
- (vii) The right to appoint or remove any Declarant-appointed officer or director of the Association during Declarant Control Period consistent with the Act.

**A.5. Additional Easements and Rights.** Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

- (i) An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.
- (ii) The right to sell or lease any Unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained in the Documents.
- (iii) The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered or Common Elements. Requests for entry must be made in advance for a time reasonably convenient for the Owner who may not unreasonably withhold consent.
- (iv) An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at Declarant's sole expense, will restore altered Common Elements and Units to conform to the architectural standards of the Property. The restoration will be done no later than one hundred and twenty (120) days after termination of the Development Period.

- (v) An easement over the entire Property, including the Units, to inspect the Common Elements and all Improvements thereon and related thereto to evaluate the maintenance and condition of the Common Elements.
- (vi) The right to provide a reasonable means of access and parking for prospective Unit purchasers in connection with the active marketing of Units by Declarant.

AFTER RECORDING RETURN TO:



ROBERT D. BURTON, ESQ.  
WINSTEAD, PC  
401 CONGRESS AVE., SUITE 2100  
AUSTIN, TEXAS 78701  
EMAIL: RBURTON@WINSTEAD.COM

# COMMUNITY MANUAL

## SONTERRA I CONDOMINIUMS

Consisting of:

Certificate of Formation  
Bylaws  
Initial Rules & Regulations  
Assessment Collection Policy  
Fine Policy  
Certification & Acknowledgement

### **PROPERTY**

Sonterra I Condominiums is located at in Jarrell, Texas and is subject to the Declaration of Condominium Regime for Sonterra I Condominiums, recorded or to be recorded in the Official Public Records of Williamson County, Texas.

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# **SONTERRA I CONDOMINIUMS COMMUNITY MANUAL**

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**ATTACHMENT 1**

**CERTIFICATE OF FORMATION**

**CERTIFICATE OF FORMATION**

**OF**

**SONTERRA I RESIDENTIAL CONDOMINIUM COMMUNITY, INC.**

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

**ARTICLE I**

**NAME**

The name of the corporation is: Sonterra I Residential Condominium Community, Inc. (hereinafter called the "Association").

**ARTICLE II**

**NONPROFIT CORPORATION**

The Association is a nonprofit corporation.

**ARTICLE III**

**DURATION**

The Association shall exist perpetually.

**ARTICLE IV**

**PURPOSE AND POWERS OF THE ASSOCIATION**

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. In furtherance of its purposes, the Association shall have the following powers which, unless indicated otherwise by this Certificate of Formation, that certain "Declaration of Condominium Regime for Sonterra I Condominiums", which is recorded in the Official Public Records of Williamson County, Texas, as the same may be amended from time to time (the "**Declaration**"), the Bylaws, or Texas law, may be exercised by the Board of Directors:

(a) all rights and powers conferred upon nonprofit corporations by Applicable Law;

(b) all rights and powers conferred upon property associations by Applicable Law, in effect from time to time, provided, however, that the Association shall not have the power to institute, defend, intervene in, settle or compromise proceedings in the name of any Owner or Member; and

(c) all powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in this Certificate of Formation, the Bylaws, the Covenant, or Applicable Law.

Notwithstanding any provision in Article XIV to the contrary, any proposed amendment to the provisions of this Article IV shall be adopted only upon an affirmative vote of Members holding one-hundred percent (100%) of the total number of votes of the Association and the Declarant during the Development Period.

Terms used but not defined in this Certificate of Formation, shall have the meaning subscribed to such terms in the Declaration.

## **ARTICLE V**

### **REGISTERED OFFICE; REGISTERED AGENT**

The street address of the initial registered office of the Association is 401 Congress Avenue, Suite 2100, Austin, Texas 78701. The name of its initial registered agent at such address is Robert D. Burton.

## **ARTICLE VI**

### **MEMBERSHIP**

Membership in the Association shall be determined by the Declaration.

## **ARTICLE VII**

### **VOTING RIGHTS**

Voting rights of the members of the Association shall be determined as set forth in the Declaration. Notwithstanding the foregoing, cumulative voting is not permitted.

**ARTICLE VIII****INCORPORATOR**

The name and street address of the incorporator is:

NAMEADDRESS

Robert D. Burton

401 Congress Avenue, Suite 2100  
Austin, Texas 78701

**ARTICLE IX****BOARD OF DIRECTORS**

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals, who need not be members of the Association. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors of nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Association may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

NAMEADDRESS

Robert Shawn Breedlove

3571 Far West Blvd., Suite 13  
Austin, Texas 78731

Andy Bilger

3571 Far West Blvd., Suite 13  
Austin, Texas 78731

Darrell Goldman

9415 McNeil Drive #821  
Austin, Texas 78750

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above until their successors are elected or appointed in accordance with the Declaration.



## ARTICLE X

### LIMITATION OF DIRECTOR LIABILITY

A member of the Board of Directors of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a Board member, except to the extent otherwise expressly provided by Applicable Law. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a member of the Board of Directors at the time of the repeal or modification.

## ARTICLE XI

### INDEMNIFICATION

Each person who acts as a member of the Board of Directors, officer or committee member of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been a member of the Board of Directors, officer, or committee member of the Association, or by reason of any action alleged to have been taken or omitted by him or her in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

## ARTICLE XII

### DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes substantially similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such substantially similar purposes.

## ARTICLE XIII

### ACTION WITHOUT MEETING

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the

number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Declaration or this Certificate of Formation.

#### ARTICLE XIV

#### AMENDMENT

Except as otherwise provided by the terms and provisions of Article IV of this Certificate of Formation, this Certificate of Formation may only be amended by a Majority of the Board of Directors; provided, however, that any amendment to this Certificate of Formation must be approved in advance and in writing by the Declarant during the Development Period.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 6<sup>th</sup> day of January, 2016.



---

Robert D. Burton, Incorporator

**ATTACHMENT 2****SONTERRA I RESIDENTIAL CONDOMINIUM COMMUNITY, INC.****BYLAWS**

(a Texas condominium association)

**ARTICLE 1****INTRODUCTION**

1.1. **Property.** These Bylaws of Sonterra I Residential Condominium Community, Inc., provide for the governance of the condominium regime known as Sonterra I Condominiums, established on certain real property located in Williamson County, Texas (the "**Property**"), as more particularly described in that certain Declaration of Condominium Regime For Sonterra I Condominiums, recorded or to be recorded in the Official Public Records of Williamson County, Texas (the "**Declaration**").

1.2. **Parties to Bylaws.** All present or future Owners of Units and all other Persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the other Documents as defined in the Declaration. The mere acquisition or occupancy of a Unit will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. **Definitions.** Words and phrases defined in the Declaration have the same meanings when used in these Bylaws. Article 1 of the Declaration is incorporated herein by reference.

1.4. **Nonprofit Purpose.** The Association is organized to be a nonprofit corporation.

1.5. **Declarant Control.** Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in Appendix "A" of the Declaration during the Declarant Control Period and the Development Period, as defined in the Declaration, including the number, qualification, appointment, removal, and replacement of directors.

1.6. **General Powers and Duties.** The Association, acting through the Board, has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Documents and Texas law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Documents.

## ARTICLE 2

### BOARD OF DIRECTORS

During the Declarant Control Period, Appendix "A" of the Declaration governs the number, qualification, and appointment of directors. The initial directors will be appointed by Declarant and need not be Owners. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

2.1. **Number and Term of Office.** The Board will consist of three (3) persons. One Director will be elected for a three (3) year term, one Director will be elected for a two (2) year term, and one Director will be elected for one (1) year term. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but may not be less than three (3).

2.2. **Qualification.** The following qualifications apply to the election or appointment of persons to the Board.

2.2.1. **Owners.** At least a Majority of the directors must be Members of the Association or spouses of Members.

2.2.2. **Entity Member.** If a Unit is owned by a legal entity, such as a partnership or corporation, any officer, partner, agent, or employee of that entity Member is eligible to serve as a director and is deemed to be a Member for the purposes of this Section. If the relationship between the entity Member and the director representing it terminates, that directorship will be deemed vacant.

2.2.3. **Delinquency.** No person may be elected or appointed as a director if any assessment or fine against the person or his Unit is delinquent at the time of election or appointment, provided he has been given notice of the delinquency and a reasonable opportunity to cure the delinquency.

2.2.4. **Litigation.** No person may be elected or appointed as a director if the person is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party.

2.3. **Election.** Directors will be elected by the Members of the Association. The election of directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, electronic mail, or a combination of any of these.

2.4. **Vacancies.** Vacancies on the Board caused by any reason, except the removal of a director by a vote of the Association, are filled by a vote of the Majority of the remaining directors, even though less than a quorum, at any meeting of the Board. Each director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder of the term.

2.5. **Removal of Directors.**

2.5.1. **Removal by Members.** At any annual meeting or special meeting of the Association, any one or more of the Directors may be removed with or without cause by Members representing at least two-thirds of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members must be given an opportunity to be heard at the meeting.

2.5.2. **Removal by Directors.** A Director may not be removed by the officers or by the remaining Directors, except for the following limited reasons for which a Director may be removed by at least a Majority of the other Directors at a meeting of the Board called for that purpose:

- i. The Director is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party; provided the Association did not file suit to effect removal of the Director.
- ii. The Director's account with the Association has been delinquent for at least ninety (90) days or has been delinquent at least three (3) times during the preceding twelve (12) months; provided he was given notice of the default and a reasonable opportunity to cure.
- iii. The Director has refused or failed to attend three (3) or more meetings of the Board during the preceding twelve (12) months; provided he was given proper notice of the meetings.
- iv. The Director has refused or failed to cure a violation of the Documents for which he has been given notice, a reasonable opportunity to cure, and an opportunity to request a hearing before the Board.

2.6. **Meetings of the Board.**

2.6.1. **Organizational Meeting of the Board.** Within ten (10) days after the annual meeting, the Directors will convene an organizational meeting for the purpose of electing officers. The time and place of the meeting will be fixed by the Board and announced to the Directors.



2.6.2. Regular Meetings of the Board. Regular meetings of the Board may be held at a time and place that the Board determines, from time to time, but at least one (1) such meeting must be held annually. Notice of regular meetings of the Board will be given to each Director, personally or by telephone, written, or electronic communication, at least three (3) days prior to the date of the meeting.

2.6.3. Special Meetings of the Board. Special meetings of the Board may be called by the President or, if he is absent or refuses to act, by the Secretary, or by any two (2) Directors. At least three (3) days notice will be given to each Director, personally or by telephone, written, or electronic communication, which notice must state the place, time, and purpose of the meeting.

2.6.4. Emergency Meetings. In case of emergency, the Board may convene a meeting after making a diligent attempt to notify each Director by any practical method.

2.6.5. Conduct of Meetings. The President presides over meetings of the Board and the Secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Documents, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the Board.

2.6.6. Quorum. At meetings of the Board, a Majority of Directors constitutes a quorum for the transaction of business, and the acts of the Majority of the Directors present at a meeting at which a quorum is present are the acts of the Board. If less than a quorum is present at a meeting of the Board, the Majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice. Directors may not participate by proxy at meetings of the Board.

2.6.7. Open Meetings. Regular and special meetings of the Board are open to Members of the Association, subject to the following provisions to the extent permitted or required by the Act:

- i. No audio or video recording of the meeting may be made, except by the Board or with the Board's prior express consent.
- ii. Members who are not Directors may not participate in Board deliberations under any circumstances, and may not participate in Board discussions unless the Board expressly so authorizes at the meeting.
- iii. The Board may adjourn any meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar or

sensitive nature. The nature of business to be considered in executive session will first be announced in open session.

iv. The Board may prohibit attendance by non-Members, including representatives, proxies, agents, and attorneys of Members.

v. The Board may prohibit attendance by any Member who disrupts meetings or interferes with the conduct of Board business.

vi. The Board may but is not required to publish to Members the time, date, and place of Board meetings, but will provide the information if requested in writing by a Member on a meeting by meeting basis.

2.6.8. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.6.9. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote. This Section does not apply to actions that require meetings under the Act.

2.7. Liabilities and Standard of Care. In performing their duties, the Directors are required to exercise certain standards of care and are subject to certain liabilities, including but not limited to the following provisions of State law: Section 82.103(a) and (f) of the Act, and Sections 3.102, 3.105, 22.221, 22.223, 22.224, 22.225, 22.226, 22.227 and 22.230 of the Texas Business Organizations Code.

2.8. Powers and Duties. The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The Board may do all acts and things except those which, by law or the Documents, are reserved to the Members and may not be delegated to the Board. Without prejudice to the general and specific powers and duties set forth in laws or the Documents, or powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not limited to, the following:

2.8.1. Appointment of Committees. The Board, by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its

responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee Members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of committees will be appointed from among the Owners and Occupants.

2.8.2. Manager. The Board may employ a manager or managing agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

2.9. Fidelity Bonds. Any person handling or responsible for Association funds, including officers, agents, and employees of the Association, must furnish adequate fidelity bonds. The premiums on the bonds may be a common expense of the Association.

### **ARTICLE 3** **OFFICERS**

3.1. Designation. The principal officers of the Association are the President, the Secretary, and the Treasurer. The Board may appoint one (1) or more vice-presidents and other officers and assistant officers as it deems necessary. The President and Secretary must be Directors. Other officers may, but need not, be Members or Directors. Any two (2) offices may be held by the same person, except the offices of President and Secretary. If an officer is absent or unable to act, the Board may appoint a Director to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. Election of Officers. The officers are elected no less than annually by the Directors at the organizational meeting of the Board and hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board.

3.3. Removal and Resignation of Officers. A Majority of Directors may remove any officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

3.4. Standard of Care. In performing their duties, the officers are required to exercise the standards of care provided by Section 82.103(a) and (f) of the Act and by Section 3.105 of the Texas Business Organizations Code.

3.5. Description of Principal Offices.

3.5.1. President. As the chief executive officer of the Association, the President: (i) presides at all meetings of the Association and of the Board; (ii) has all the general powers and duties which are usually vested in the office of president of a corporation organized under the laws of the State of Texas; (iii) has general supervision, direction, and control of the business of the Association, subject to the control of the Board; and (iv) sees that all orders and resolutions of the Board are carried into effect.

3.5.2. Secretary. The Secretary: (i) keeps the minutes of all meetings of the Board and of the Association; (ii) has charge of such books, papers, and records as the Board may direct; (iii) maintains a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, performs all duties incident to the office of Secretary.

3.5.3. Treasurer. The Treasurer: (i) is responsible for Association funds; (ii) keeps full and accurate financial records and books of account showing all receipts and disbursements; (iii) prepares all required financial data and tax returns; (iv) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the Board; (v) prepares the annual and supplemental budgets of the Association; (vi) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and (vii) performs all the duties incident to the office of Treasurer.

3.6. Authorized Agents. Except when the Documents require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association and to fulfill the duties of any officer subject to appropriate supervision by the Board. In the absence of Board designation, the President and the Secretary are the only persons authorized to execute instruments on behalf of the Association.

#### ARTICLE 4 MEETINGS OF THE ASSOCIATION

4.1. Annual Meeting. An annual meeting of the Association will be held once during each twelve (12) month period on a date and at a time determined by the Board. At each annual meeting the Members will elect Directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

4.2. Special Meetings. It is the duty of the President to call a special meeting of the Association if directed to do so by a Majority of the Board or by a petition signed by Owners of at least forty percent (40%) of the Units. The meeting must be held within thirty (30) days after the Board resolution or receipt of petition. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. **Place of Meetings.** Meetings of the Association may be held at the Property or at a suitable place convenient to the Members, as determined by the Board.

4.4. **Notice of Meetings.** At the direction of the Board, written notice of meetings of the Association will be given to an Owner of each Unit at least ten (10) days but not more than sixty (60) days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. **Ineligibility.** The Board may determine that no Member may vote at meetings of the Association if the Member's financial account with the Association is in arrears forty-five (45) days before the date of a meeting of the Association at which Members will vote, provided each ineligible Member is given notice of the arrearage and an opportunity to become eligible. The Board may specify the manner, place, and time for payment for purposes of restoring eligibility. A determination of Members entitled to vote at a meeting of the Association is effective for any adjournment of the meeting, provided the date of the adjourned meeting is not more than forty-five (45) days after the original meeting.

4.6. **Voting Members List.** The Board will prepare and make available a list of the Association's voting Members in accordance with Section 22.158(b) of the Texas Business Organizations Code.

4.7. **Quorum.** At any meeting of the Association, the presence in person or by proxy of Members representing at least twenty percent (20%) of the Units in the Property constitutes a quorum.

4.8. **Lack of Quorum.** If a quorum is not present at any meeting of the Association for which proper notice was given, Members representing at least a Majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than twenty-four (24) hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within fifteen (15) to thirty (30) days may be given to an Owner of each Unit.

4.9. **Votes.** The vote of Members representing at least a Majority of the votes cast at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by law. Cumulative voting is prohibited.

4.9.1. **Co-Owned Units.** If a Unit is owned by more than one Member, the vote appurtenant to that Unit is cast in accordance with Section 82.110(a) of Act, which is summarized as follows. If only one of the multiple Owners of a Unit is present at a meeting of the Association, that person may cast the vote allocated to that Unit. If more



than one of the multiple Owners is present, the vote allocated to that Unit may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple Owners casts the vote allocated to a Unit and none of the other Owners makes prompt protest to the person presiding over the meeting.

4.9.2. Corporation-Owned Units. If a Unit is owned by a corporation, the vote appurtenant to that Unit may be cast by any officer of the corporation in the absence of the corporation's written appointment of a specific person to exercise its vote. The vote of a partnership may be cast by any general partner in the absence of the partners' written appointment of a specific person. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

4.9.3. Association-Owned Units. Votes allocated to a Unit owned by the Association may be counted towards a quorum and for all ballots and votes except the election or removal of Directors. The vote appurtenant to a Unit owned by the Association is exercised by the Board.

4.10. Proxies. Votes may be cast in person or by written proxy. To be valid, each proxy must: (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Unit to which the vote is appurtenant; (iii) name the person or title (such as "presiding officer") in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary, to the person presiding over the Association meeting for which the proxy is designated, or to a person or company designated by the Board. Unless the proxy specifies a shorter or longer time, it terminates eleven (11) months after the date of its execution. Perpetual or self-renewing proxies are permitted, provided they are revocable. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless: (a) the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgments and oaths; or (b) the Association also receives the original proxy within five (5) days after the vote.

4.11. Conduct of Meetings. The President, or any person designated by the Board, presides over meetings of the Association. The Secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of meetings of the Association when not in conflict with the

Documents. Votes should be tallied by Members appointed by the person presiding over the meeting.

4.12. **Order Of Business.** Unless the notice of meeting states otherwise, or the assembly adopts a different agenda at the meeting, the order of business at meetings of the Association is as follows:

- Determine votes present by roll call or check-in procedure
- Announcement of quorum
- Proof of notice of meeting
- Approval of minutes of preceding meeting
- Reports of Officers (if any)
- Election of Directors (when required)
- Unfinished or old business
- New business

4.13. **Adjournment of Meeting.** At any meeting of the Association, a Majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time and place.

4.14. **Action without Meeting.** Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by any method allowed by Section 22.160(b)(c) and (d) of the Texas Business Organizations Code, which may include hand delivery, mail, fax, email, or any combination of these. Written consents by Members representing at least a Majority of votes in the Association, or such higher percentage as may be required by the Documents, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of directors.

4.15. **Telephone Meetings.** Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## **ARTICLE 5**

### **RULES**

5.1. **Rules.** The Declarant has adopted initial rules and regulations for: (i) the administration of the Association and the Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Property; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such rules may not be in conflict

with law or the Documents. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members. The Board has the right to amend, from time to time, the rules and regulations; provided, however, that until the expiration or termination of the Development Period, all amendments to the rules and regulations must be approved in advance and in writing by Declarant.

5.2. **Adoption and Amendment.** Any rule may be adopted, amended, or terminated by the Board, provided that the rule and the requisite Board (and Declarant, if applicable) approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. **Distribution.** On request from any Member or Occupant, the Board will provide a current and complete copy of rules. Additionally, the Board will, from time to time, distribute copies of the current and complete rules to Owners and, if the Board so chooses, to non-Member Occupants.

## **ARTICLE 6**

### **ENFORCEMENT**

6.1. **Remedies.** The violation of any provision of the Documents gives the Board the following rights, in addition to any other rights set forth in the Documents:

6.1.1. **Fines.** To impose reasonable fines, if notice and an opportunity to be heard are given.

6.1.2. **Self-Help.** After notice and an opportunity to be heard are given, except in case of an emergency, to enter the Unit or Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is contrary to the intent and meaning of the provisions of the Documents. The Board may not be deemed liable for any manner of trespass by this action.

6.1.3. **Courts.** To enjoin, abate, or remedy, by appropriate legal proceedings, the continuance of any breach.

6.2. **Notice and Hearing.** Before imposing a fine or exercising self-help abatement, the Board must give the Owner a written violation notice and an opportunity to be heard.

6.2.1. **Notice of Violation.** Before levying a fine, the Association will give the Owner a written violation notice via certified mail, return receipt requested, and an opportunity to be heard, if requested by the Owner. This requirement may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the suspension action, charge, or fine and state any

amount due to the Association from the Owner; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the timeframe in which the violation is required to be cured to avoid the fine or suspension; (6) the amount of the fine; (7) a statement that no later than the thirtieth (30th) day after receiving the notice, the Owner may request a hearing pursuant to Section 82.102 of TUCA; and (8) a statement informing the Owner that they may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. section et seq), if the Owner is serving on active military duty. The notice sent out is further subject to the Association's Fine Policy.

6.2.2. Notice to Occupant. In addition to giving the written violation notice to the Owner, the Board may also give a copy of the notice to the non-Owner Occupant, if the Board deems it appropriate.

6.2.3. Request for Hearing. To request a hearing before the Board, an Owner must submit a written request to the Board within thirty (30) days after receiving the violation notice (the "Request"). The Association must then hold the hearing requested no later than thirty (30) days after the Board receives the Request. The Board must notify the owner of the date, time, and place of the hearing within ten (10) days' before the date of the hearing, and should be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend.

6.2.4. Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of the fine or the abatement action described in the notice.

6.2.5. Hearing. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made.

6.2.6. Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine, if any, imposed, or abatement action, if any, authorized. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

6.3. Imposition of Fine. Within thirty (30) days after levying the fine or authorizing the abatement, the Board must give the Owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the Owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

6.3.1. Amount. The Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

6.3.2. Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

6.3.3. Other Fine-Related. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Board may adopt a collection policy that applies Owners' payments to unpaid fines before retiring other types of assessments.

6.4. Additional Enforcement Rights. Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Documents which, in the Board's opinion, are: (i) self-evident, such as vehicles parked illegally or in violation of posted signs; (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same Owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Documents for certain violations, such as nonpayment of assessments.

## ARTICLE 7 OBLIGATIONS OF THE OWNERS

7.1. Proof of Ownership. On request by the Association from time to time, any person who purports to be an Owner or the agent of an Owner must furnish to the Board evidence of ownership of the Unit. A copy of the recorded deed is the customary evidence. This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at time of conveyance of the Unit or any interest therein. The Association may refuse to recognize a person as a Member unless the requested documentation is provided.

7.2. Owners' Information. Within thirty (30) days after acquiring an ownership interest in a Unit, the Owner must provide the Association with the Owner's mailing address, electronic mail address, and telephone number, the name and telephone number of any Occupant other than the Owner; and the name, address, and telephone number of any person managing the Unit as agent of the Unit Owner. An Owner must notify the Association within



thirty (30) days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

7.3. **Mailing Address.** The Owner or the several co-Owners of a Unit must register and maintain one mailing address to be used by the Association for mailing of notices, demands, and all other communications. If an Owner fails to maintain a current mailing address with the Association, the address of the Owner's Unit is deemed to be his mailing address.

7.4. **Registration of Mortgagees.** Within thirty (30) days after granting a lien against his Unit, the Owner must provide the Association with the name and address of the holder of the lien and the loan number. The Owner must notify the Association within thirty (30) days after he has notice of a change in the information required by this Section. Also, the Owner will provide the information on request by the Association from time to time.

7.5. **Assessments.** All Owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. A Member is deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the assessments made or levied against him and his Unit.

7.6. **Compliance with Documents.** Each Owner will comply with the provisions and terms of the Documents, and any amendments thereto. Further, each Owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

## **ARTICLE 8**

### **ASSOCIATION RECORDS**

8.1. **Records.** The Association will use its best efforts to keep the records required by Section 82.114(a) of the Act, including the following:

- i. Minutes or a similar record of the proceedings of meetings of the Association.
- ii. Minutes or a similar record of the proceedings of meetings of the Board.
- iii. Names and mailing addresses of the Members, the currency and accuracy of the information being the responsibility of the Members.
- iv. Names and mailing addresses of the mortgagees, the currency and accuracy of the information being the responsibility of the Members and their mortgagees.
- v. Financial records and books of account for the Association, kept in a manner consistent with generally accepted accounting principles.

- vi. Copies of income tax returns prepared for the Internal Revenue Service.
- vii. Copies of the Documents and all amendments to any of these.
- viii. A record of all votes or written consents by which amendments to the Documents were approved, for at least four (4) years after the approval.

8.2. **Inspection of Books and Records.** Books and records of the Association will be made available for inspection and copying pursuant to Section 82.114(b) of the Act and Sections 3.151, 3.153 and 22.351 of the Texas Business Organizations Code.

8.2.1. **Proper Purpose.** The Board may require a Member to submit a written demand for inspection, stating the purpose for which the Member will inspect the books and records. The Board has the following rights: (i) to determine whether the Member's purpose for inspection is proper; (ii) to deny the request if the Board determines that the Member's purpose is not proper; (iii) if granting the request, to identify which books and records are relevant to the Member's stated purpose for inspection.

8.2.2. **Copies.** A Member, at Member's expense, may obtain photocopies of books and records for which the Board grants the right of inspection. The Board has the right to retain possession of the original books and records, to make copies requested by the Member, and to charge the Member a reasonable fee for copying.

8.2.3. **Member's Agent.** A Member's inspection of the books and records may be assisted or performed by the Member's agent, accountant, or attorney.

8.2.4. **Records of Attorneys and Accountants.** The files and records of an attorney or accountant who performs services for the Association are not records of the Association, are not subject to inspection by Members, and are not subject to production in a legal proceeding.

8.3. **Resale Certificates.** Any officer may prepare or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of the Act. The Association may charge a reasonable fee for preparing resale certificates. The Association may refuse to furnish resale certificates until the fee is paid. Any unpaid fees may be assessed against the Unit for which the certificate is furnished.

## ARTICLE 9

### NOTICES

9.1. **Co-Owners.** If a Unit is owned by more than one person, notice to one co-Owner is deemed notice to all co-Owners.

9.2. **Delivery of Notices.** Any written notice required or permitted by these Bylaws may be given personally, by mail, by electronic mail, by fax, or by any other method permitted

by the Texas Business Organizations Code. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by fax or electronic mail, the notice is deemed delivered on successful transmission of the facsimile or electronic message.

9.3. **Waiver of Notice.** Whenever a notice is required to be given to an Owner, Member, or Director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a Member or Director at any meeting of the Association or Board, respectively, constitutes a waiver of notice by the Member or Director of the time, place, and purpose of the meeting. If all Members or Directors are present at any meeting of the Association or Board, respectively, no notice is required and any business may be transacted at the meeting.

## ARTICLE 10 **DECLARANT PROVISIONS**

10.1. **Conflict.** The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

10.2. **Board of Directors.** During the Declarant Control Period, Appendix "A" of the Declaration governs the number, qualification, and appointment of Directors. The initial Directors will be appointed by Declarant and need not be Owners or Occupants. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

10.3. **Organizational Meeting.** Within sixty (60) days after the end of the Declarant Control Period, or sooner at Declarant's option, Declarant will call an organizational meeting of the Members for the purpose of electing directors, by ballot of Members. Notice of the organizational meeting will be given as if it were notice of an annual meeting.

## ARTICLE 11 **AMENDMENTS TO BYLAWS**

11.1. **Authority.** These Bylaws may only be amended by a Majority vote of the Board of Directors. Any amendment to these Bylaws must be approved in advance and in writing by the Declarant during the Development Period.

11.2. **Mortgagee Protection.** In addition to the notices and consents required by these Bylaws, certain actions and amendments require notice to or approval by Mortgagees, pursuant to the Mortgagee Protection article of the Declaration. If applicable, the Association must give the required notices to and obtain the required approvals from Mortgagees.

11.3. **Effective.** To be effective, each amendment must be in writing, reference the names of the Property and the Association, and be executed by a Majority of the Board of Directors. Further, if these Bylaws are publicly recorded, the amendment must recite the recording data for the Bylaws, and be recorded in the Official Public Records of Williamson County, Texas.

11.4. **Declarant Protection.** During the Development Period, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section and the article titled "Declarant Provisions" may not be amended without the prior written approval of the Declarant. The Declarant's written consent must be part of the amendment instrument.

## ARTICLE 12 **GENERAL PROVISIONS**

12.1. **Compensation.** A Director, officer, Member, or Occupant may not receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a Director, officer, Member, or Occupant. Nevertheless,

i. Reasonable compensation may be paid to a Director, officer, Member, or Occupant for services rendered to the Association in other capacities.

ii. A Director, officer, Member, or Occupant may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided the expense has been approved by the Board.

iii. The Board may budget and use Association funds to purchase awards, certificates, a celebratory meal, or other customary tokens or demonstrations of appreciation for volunteer activities.

iv. This provision does not apply to distributions to Unit Owners permitted or required by the Declaration or the Act.

12.2. **Conflicting Provisions.** If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remain in full force and effect. In the case of any conflict between the certificate of formation of the Association and these Bylaws, the certificate of formation controls. In the case of any conflict between the Declaration and these Bylaws, the Declaration controls.

12.3. **Severability.** Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these

Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

12.4. **Construction.** The effect of a general statement is not limited by the enumerations of specific matters similar to the general. The captions of articles and sections are inserted only for convenience and may not be construed as defining or modifying the text to which they refer. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

12.5. **Fiscal Year.** The fiscal year of the Association will be set by resolution of the Board, and is subject to change from time to time as the Board determines. In the absence of a resolution by the Board, the fiscal year is the calendar year.

12.6. **Waiver.** No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

12.7. **Indemnification.** To the fullest extent permitted by applicable law, the Association will indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, committee member, employee, servant, or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by such person in connection with such action, suit or proceeding if it is found and determined by the Board or a court that such person: (i) acted in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association; or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit, or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, will not of itself create a presumption that the person did not act in good faith or in a manner reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

12.8. **Preparer.** These Bylaws were prepared in by Robert D. Burton, Esq., Winstead, PC, 401 Congress Ave., Suite 2100, Austin, Texas 78701.



### ATTACHMENT 3

#### INITIAL RULES & REGULATIONS

These Initial Rules & Regulations are established by **Sonwest Co.**, a Texas corporation, for the benefit of Sonterra I Residential Condominium Community, Inc., a Texas non-profit corporation (the "**Association**"). These Community Rules are the "Rules" defined in Article 1 of the Declaration of Condominium Regime for Sonterra I Condominiums, recorded or to be recorded in the Official Public Records of Williamson County, Texas (the "**Declaration**").

These Rules are in addition to the provisions of the Declaration and Bylaws. By owning or occupying a Unit, each Owner and Occupant agrees to abide by these Rules and to comply with the obligations of Owners and Occupants under the Declaration and Bylaws of the Association.

Words and phrases defined in the Declaration have the same meaning when used in these Rules. In the event of a conflict between Documents, the hierarchy of authority is as follows: Declaration (highest), Bylaws, and these Rules (lowest). The Association's board of directors is empowered to interpret, enforce, amend, and repeal these Rules.

#### A. COMPLIANCE

- A-1. Compliance. Each Owner will comply with the provisions of these Rules, the other Documents, and policies adopted by the Board to supplement these Rules, as any of these may be revised from time to time. Each Owner, additionally, is responsible for compliance with the Documents by the Occupants of his Unit, and his or their respective relatives, invitees, tenants, agents, employees, or contractors. If a Rule requires or prohibits conduct by an "Owner" or "Occupant," each of those terms are deemed to include the other, and applies to all persons for whom an Owner or Occupant is responsible. Any question regarding these rules should be referred to the Association. The Association has the right to enforce these Rules against any person on the Property.

*Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.*

- A-2. Additional Rules. Each Occupant must comply with any rules and signs posted from time to time on the Property by the Association. Each Occupant must comply with notices communicated by the Association, from time to time, which may include seasonal or temporary rules, or notice of a change affecting use of the Property. Posted and temporary rules are incorporated in these Rules by reference.

- A-3. Variance. Circumstances may warrant a variance of these Rules. To obtain a variance an Owner must make written application to the Board. The Board's approval of a variance must be in writing, and may be conditioned.
- A-4. Limits. It is understood that individuals may have different interpretations of and tolerances for these Rules. On lifestyle-related rules, such as the "Community Etiquette" rules below, the Association may refrain from acting on a perceived violation unless the Board determines the violation to be significant or a community-wide problem. The Association may not be compelled by one Occupant to enforce these Rules against another Occupant. Occupants are expected to deal directly and peaceably with each other about their differences.
- A-5. Filing Complaints. Because the Association is not staffed to monitor the Property for Rules violations, the Association relies on Occupants to identify and report violations of these Rules and the Documents, and to monitor compliance with these Rules by violators. The Association also relies on Occupants to help keep each other informed about the Rules. Recognizing that an Occupant may be reluctant to confront another Occupant about a violation, the Association will work with Occupants to enforce the Rules. Generally, a complaint must be in writing and must be signed by an Occupant or Owner who is willing to be identified as the complainant. The Association may refuse to enforce a violation (1) that cannot be easily and independently verified, (2) for which it did not receive a signed written complaint, (3) for which the complainant will not cooperate with monitoring the violation and compliance, and (4) which the Board does not consider to be significant or community-wide.

## **B. OBLIGATIONS OF OWNERS AND OCCUPANTS**

- B-1. Damage. An Owner is responsible for any loss or damage he causes to his Unit or the improvements therein, other Units and residences, the personal property of other Occupants or their guests, or to the Common Elements.
- B-2. Association Does Not Insure. A person assumes full risk and sole responsibility for placing his personal property in or on the Property. Each Occupant is solely responsible for insuring his Unit and personal property in the Unit and on the Property, including improvements and betterments installed by the Owner within their Unit, and the Owner's furnishings and vehicles.
- B-3. Risk Management. An Owner may not permit anything to be done or kept in his Unit or the Common Elements that is illegal or that may result in the cancellation of insurance on the Property.
- B-4. Reimbursement for Enforcement. An Owner must promptly reimburse the Association for any expense incurred by the Association to enforce the Documents against the Owner, his Unit, or persons for whom the Owner is responsible.

- B-5. Reimbursement for Damage. An Owner must promptly reimburse the Association for the cost of damage to the Property caused by the negligent or willful conduct of the Owner or persons for whom the Owner is responsible.
- B-6. No Garage Sales. Without the Board's prior written permission, no person may conduct at the Property a sale or activity that is advertised or attractive to the public, such as garage sales, car sales, or estate sales. This section does not apply to marketing the sale or rental of a Unit, unless combined with a prohibited activity.
- B-7. Supervision of Minors. For their own well-being and protection, persons who are legally incompetent or younger than 18 years must be under the general control and supervision of their parents or guardians at all times while on the Property.
- B-8. Gate Access Codes. Owners and Occupants shall not disclose or allow use of their gate code and/or access devices to third parties.

### **C. OCCUPANCY STANDARDS**

- C-1. Leases. A Unit may not be leased for hotel or transient purposes or for a period less than six (6) months. Less than the entire Unit may not be leased. All leases must be made subject to the Declaration, Bylaws and these Rules and an Owner is responsible for providing his tenant with copies of the Declaration, Bylaws and these Rules and notifying him of changes thereto. Each tenant is subject to and must comply with all provisions of the Declaration, Bylaws, these Rules, and Applicable Law. Each lease must be in writing, and the Unit Owner shall provide the Board with a copy of each lease.
- C-2. Minors. No person under the age of 18 years may occupy a residence within a Unit unless he lives with an Occupant who is his parent, legal guardian, or a designee of his parent or legal guardian. Upon request by the Association, an Owner will provide satisfactory proof of the ages and relationships among the Occupants of his residence.
- C-3. Danger. As permitted by the federal Fair Housing Act Rules, no residence within a Unit may be occupied by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others.
- C-4. Sex Offenders. Persons convicted of criminal offenses of a violent or sexual nature, including but not limited to persons required to register as sex offenders, are prohibited from residing in in the Property or being present within the Property between the hours of 9:00 p.m. and 6:00 a.m. The Board of the Association cannot and does not make any warranties or representations regarding the safety within the Property or Occupant's by enacting this prohibition. Upon receipt of written notice that a prohibited individual is residing within the Property, the Board of the Association will make every reasonable effort to enforce the foregoing rule and have the individual removed from the

community. The Board of the Association shall also impose of fine, determined in their sole discretion, on the Owner of the unit for each day in which an Occupant of the Unit is in violation of this community policy.

#### **D. FIRE AND SAFETY**

- D-1. Safety. Each Occupant is solely responsible for his own safety and for the safety, well-being, and supervision of his guests and any person on the Property to whom the Occupant has a duty of care, control, or custody. No Occupant shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements or which may be in violation of Applicable Law.
- D-2. Fires. Except for barbecue fires as permitted by these Rules or fire pits or other devices approved in advance by the Architectural Reviewer, there may not be any exterior fires on the Property.
- D-3. Barbecue. The Board reserves the right to prohibit or restrict the existence and/or use of all or certain outdoor cooking grills if, in the Board's discretion, a grill constitutes a fire hazard or is unattractive or oversized for the area in which it is kept. On permitted grills, (a) open fires must be supervised at all times; (b) gas tanks must be properly used and maintained; (c) no flames may be higher than the cooking surface; and (d) a grill may not be used near combustible materials.
- D-4. Security. The Association may, but is not be obligated to, maintain or support certain activities within the Property designed to make the Property less attractive to intruders than it otherwise might be. The Association, its directors, committees, Members, agents, and employees will not in any way be considered an insurer or guarantor of security within the Property, and may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Occupant, guest, and invitee on the Property assumes all risk for loss or damage to his person, to his Unit, to the contents of his Unit, and to any other of his property and the Property. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment, or measures recommended, installed, or undertaken within the Property.

#### **E. GENERAL USE AND MAINTENANCE OF UNIT**

- E-1. Residential Use. Each Unit must be used solely for residential use, and may not be used for commercial or business purposes, except as permitted in the Declaration. This restriction does not prohibit an Occupant from using his Unit for personal, business, or professional pursuits, provided that: (a) the non-residential use is incidental to the Unit's residential use; (b) the use conforms to applicable laws and ordinances; (c) there is no

external evidence of the non-residential use; (d) the non-residential use does not entail visits to the Unit by the public, employees, suppliers, or clients; and (e) the non-residential use does not interfere with the use and enjoyment of neighboring Units.

- E-2. Annoyance. An Occupant may not use his Unit in a way that: (a) annoys Occupants of neighboring Units; (b) reduces the desirability of the Property as a residential community; (c) endangers the health or safety of other Occupants; or (d) violates any law or any provision of the Documents.
- E-3. Maintenance. An Owner, at his expense, will maintain his Unit and keep it in good condition and repair.
- E-4. Combustibles. An Occupant may not store or maintain, anywhere on the Property – including within a Unit – explosives or materials capable of spontaneous combustion.
- E-5. Report Malfunctions. An Occupant will immediately report to the Board his discovery of any leak, break, or malfunction in any portion of the Property which the Association has a duty to maintain. An Occupant who fails to promptly report a problem may be deemed negligent, in which case the Owner may be liable for any additional damage caused by the delay.

#### F. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

- F-1. Intended Use. Every area and facility in the Property may be used only for its intended and obvious use. For example, streets, walkways, sidewalks, and driveways are used exclusively for purposes of access, not for social congregation or recreation.
- F-2. Grounds. Unless the Board designates otherwise, Occupants may not use the landscaped areas, lawns, beds, and plant materials on the common elements.
- F-3. Abandoned Items. No item or object of any type may be stored, placed, or maintained anywhere on the General Common Elements, except by the Board or with the Board's prior written consent. Items of personal property found on General Common Elements are deemed abandoned and may be disposed of by the Board.

#### G. COMMUNITY ETIQUETTE

- G-1. Courtesy. Each Occupant will endeavor to use his Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Occupants.
- G-2. Annoyance. An Occupant will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Occupants or their guests, or the Association's employees and agents.



- G-3. Noise and Odors. Each Occupant must exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Occupants of other Units.
- G-4. Reception Interference. Each Occupant will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Property.

#### **H. VEHICLE RESTRICTIONS**

- H-1. On Street Parking. No vehicle may be parked on any road or street within the Property unless in the event of an emergency. "Emergency" for purposes of the foregoing sentence shall mean an event which jeopardizes life or property. "Parked" as used herein shall be defined as a vehicle left unattended for more than thirty (30) consecutive minutes. For overnight parking purposes, vehicles shall be restricted to parking only in garages, driveways in front of garages or in parking spaces provided adjacent to streets. Vehicles found to be in violation of this rule are subject to towing at the vehicle owner's expense.
- H-2. Repairs. Washing, repairs, restoration, or maintenance (including oil changes) of vehicles is prohibited on driveways, the private streets, and in the offstreet parking areas, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.
- H-3. Nuisances. Each vehicle must be muffled and must be maintained and operated to minimize noise, odor, and oil emissions. No vehicle may be kept on the Property if the Board deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Rules.
- H-4. Obstructions. No vehicle may be parked in a manner that impedes or prevents ready access to the Property, driveways, sidewalks or parking spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard. No vehicle may be parked, even temporarily, in fire-lanes or in any area designated as "No Parking." Vehicles parked in violation of the Documents (including this provision) will be towed at the owner's expense.
- H-5. Garages. Because of the shortage of visitor parking within the Property, it is imperative that each Occupant use their garage for the parking of vehicles. An Occupant with a vehicle must use his garage for routine parking. No garage may be enclosed or used for any purpose that prevents the parking of the maximum number of vehicles for which it was constructed. Garage doors must be kept completely closed at all times, except when entering or exiting.

#### **I. TRASH DISPOSAL**

- I-1. General Duty. Occupants will endeavor to keep the Property clean and will dispose of all refuse in receptacles designated specifically by the Association or by the city for that purpose. Occupants may NOT litter common elements.
- I-2. Storage. Trash containers and recycling bins must be stored in one of the following locations:
- (i) inside the garage of the residence constructed; or
  - (ii) behind or on the side of a residence in such a manner that the trash container and recycling bin is not visible from any street, alley, or adjacent residence, e.g. behind a privacy fence or other appropriate screening.

The Architectural Reviewer shall have the right to specify additional locations in which trash containers or recycling bins must be stored.

- I-3. Hazards. Occupants may NOT store trash inside or outside his Unit in a manner that may permit the spread of fire, odors, or seepage, or encouragement of vermin. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, Occupants will ensure that the debris is thoroughly cold.

## J. PETS

- J-1. Prohibited Animals. 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 anywhere on the Property (as used in this paragraph, the term "domestic household pet" shall not mean or include non-traditional pets such as pot-bellied pigs, miniature horses, snakes, monkeys or other exotic animals). No Occupant may keep a dangerous or exotic animal, trained attack dog, or any other animal deemed by the Board to be a potential threat to the well-being of people or other animals. No animal or house pet may be kept, bred, or maintained for any commercial purpose or for food. An Owner or Occupant shall be allowed no more than three (3) household pets plus no more than two birds in any Unit. Permission to maintain other types or additional numbers of household pets must be obtained in writing from the Board.
- J-2. Indoors/Outdoors. No pet is allowed on Common Elements unless carried or leashed. No pet may be leashed to a stationary object on the Common Elements. Feeding bowls for pets may not be left outside a residence.
- J-3. Disturbance. Pets must be kept in a manner that does not disturb another Occupants rest or peaceful enjoyment of his Unit or the Common Elements. No pet may be

permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.

- J-4. Damage. Each Occupant is responsible for any property damage, injury, or disturbance his pet may cause or inflict. An Occupant who keeps a pet on the Property is deemed to indemnify and agrees to hold harmless the Board, the Association, and other Owners and Occupants, from any loss, claim, or liability of any kind or character whatever resulting from any action of his pet or arising by reason of keeping or maintaining the pet on the Property.
- J-5. Pooper Scooper. Each Occupant is responsible for the immediate removal of his pet's wastes from the Property. The Board may levy a fine against a Unit and its Owner each time feces are discovered on the Common Elements and attributed to an animal in the custody of that Unit's Occupant. Animal waste, including cat litter, must be disposed of only in the trash receptacle serving the Owner's Unit.
- J-6. Removal. If an Occupant or his pet violates these Rules, or if a pet creates a noise, odor, or other disturbance or nuisance, the Occupant or person having control of the animal may be given a written notice by the Board to correct the problem. If the problem is not corrected within the time specified in the notice (not less than 10 days), the Occupant, upon written notice from the Board, may be required to remove the animal. Each Occupant agrees to permanently remove his violating animal from the Property within 10 days after receipt of a removal notice from the Board.

#### K. ARCHITECTURAL CONTROL

- K-1. Common Elements. Without the prior written consent of the Architectural Reviewer and the Board, a person may not change, decorate, destroy or improve the Common Elements nor do anything to change the appearance of the Common Elements.
- K-2. Prohibited Acts. No Owner or Occupant may:
  - (a) Post signs, notices or advertisements on the Common Elements or in a Unit if visible from outside his Unit, unless permitted by *Section 11.16* of the Declaration.
  - (b) Place or hang an object in, on, from or above any window, interior window sill, balcony or patio that, in the Board's opinion, detracts from the appearance of the Property.
  - (c) Hang, shake or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, porches, fences, balconies, patios or use the front porch as a storage area.

(d) Erect or install exterior horns, lights, aerials, antennas or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof, except that with the Board's approval of the location and size of an antenna dish, each Owner may install satellite TV and internet provided that the antenna is not visible from the front of the Owner's Unit.

(e) Place decorations other than temporary (no more than four weeks display) holiday decorations on the exterior of the Unit or on the Common Elements.

(f) Paint the exterior walls or trim of their Unit a garish or attention grabbing color that the Association, at its sole discretion, finds to be in conflict with the exterior presentation and color theme of the Property.

K-3. Window Treatments. An Owner may install window treatments inside his Unit, at his sole expense, provided:

(a) Window treatments are limited to drapes, blinds or shutters.

(b) Aluminum foil and reflective window treatments are expressly prohibited.

(c) Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged or otherwise unsightly in the opinion of the Architectural Reviewer and the Board.

K-4. Architectural Reviewer. All proposed improvements and modifications to the Regime must be approved in advance by the Architectural Reviewer in accordance with the Declaration.

## **L. MISCELLANEOUS**

L-1. Right to Hearing. An Owner may request in writing a hearing by the Board regarding an alleged breach of these Rules by the Owner or any person for whom the Owner is responsible. The Board will schedule a hearing within 30 days after receiving the Owner's written request. At the hearing, the Board will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.

L-2. Mailing Address. An Owner who receives mail at any address other than the address of his Unit must maintain with the Association his current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Documents may be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a

forwarding address, the address of that Owner's Unit is deemed effective for purposes of delivery.

- L-3. Revision. These Rules are subject to being revised, replaced, or supplemented, and Owners and Occupants are urged to contact the Association to verify the rules currently in effect on any matter of interest. These Rules will remain effective until 10 days after an Owner of each Unit has been given a notice of the amendment or revocation of these Rules.
- L-4. Other Rights. These Rules are in addition to and in no way whatsoever detract from the rights of the Association under the other Documents and the laws of the State of Texas.



## ATTACHMENT 4

### ASSESSMENT COLLECTION POLICY

The Sonterra I Condominiums is a condominium regime created by and subject to the Declaration of Condominium Regime for Sonterra I Condominiums, recorded or to be recorded in the Official Public Records of Williamson County, Texas County, Texas, as it may be amended (the "**Declaration**"). As a condominium regime, Sonterra I Condominiums is also subject to State laws, including Chapter 82 of the Texas Property Code -- the Texas Uniform Condominium Act ("**TUCA**"). The operation of Sonterra I Condominiums is vested in Sonterra I Residential Condominium Community, Inc. (the "**Association**"), acting through its board of Directors (the "**Board**"). The Association is empowered to enforce the covenants of the Declaration, including the obligation of owners to pay assessments. In addition to rights and remedies of the Association under the Declaration, TUCA gives the Association, acting through the Board:

1. Authority to adopt and amend rules regulating the collection of delinquent assessments and the application of payments. §82.102(a)(13).
2. Authority to impose interest and late charges for late payments of assessments, and returned check charges. §82.102(a)(12).
3. Authority to adopt and amend rules regulating the termination of utility service to a Unit, the Owner of which is delinquent in the payment of an assessment that is used, in whole or in part, to pay the cost of that utility. §82.102(a)(14).
4. Authority to suspend the voting privileges of or the use of certain general common elements by an Owner delinquent for more than thirty (30) days in the payment of assessments. §82.102(a)(18).
5. A private power of sale to foreclose the assessment lien nonjudicially, subject to a limited right of redemption by the Unit Owner. §82.113.

To establish equitable policies and procedures for the collection of delinquent assessments, the Declarant adopts this policy for the benefit of the Association, as part of the initial project documentation.

#### SECTION 1. DELINQUENCIES, LATE CHARGES & INTEREST

- 1-A. Due Date. An Owner will timely and fully pay Regular Assessments and Special, Individual, Utility and Deficiency Assessments. Regular Assessments are due and payable on the first calendar day of each month. Special, Individual, Utility and Deficiency Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Special, Individual, Utility or Deficiency Assessment is given.

- 1-B. Delinquent. Any assessment that is not fully paid when due is delinquent. When the account of a Unit becomes delinquent, it remains delinquent until paid in full – including collection costs and late fees.
- 1-C. Late Fees & Interest. If the Association does not receive full payment of a Regular Assessment by 5:00 p.m. on the fifth (5<sup>th</sup>) calendar day of the month, the Association may levy a late fee of \$25 per month and/or interest of ten percent (10%) per annum from the first day of delinquency until the delinquency is paid in full. After the initial month of delinquency, a late fee of \$25 may be on the first day of each month the account is delinquent until the account is current.
- 1-D. Liability for Collection Costs. The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.

*Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.*

- 1-E. Insufficient Funds. The Association may levy a charge of \$25 for any check returned to the Association marked for "insufficient funds" or the equivalent.
- 1-F. Waiver. Properly levied collection costs, late fees, and interest may not be waived by the Board, unless a Majority of the directors determines that extraordinary circumstances warrant an adjustment to the account, in which case the adjustment must be described in detail in the minutes of the Board's meeting. Because of the potential for inadvertently effecting a waiver of the policies contained in this policy, the Board will exercise caution in granting adjustments to an Owner's account.

## SECTION 2. INSTALLMENTS & ACCELERATION

If a Special or Deficiency Assessment is payable in installments, and if an Owner defaults in the payment of any installment, the Association may declare the entire assessment in default and accelerate the due date on all remaining installments of that assessment. A Special or Deficiency Assessment payable in installments may be accelerated only after the Association gives the Owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the Owner.

## SECTION 3. PAYMENTS

3-A. Application of Payments. After the Association notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, **any payment received by the Association will be applied in the following order, starting with the oldest charge in each category, until that category is fully paid**, regardless of the amount of payment, notations on checks, and the date the obligations arose:

- |   |                                     |
|---|-------------------------------------|
| (1) Collection costs and attorneys fees | (8) Delinquent Utility assessments  |
| (2) Fines                               | (9) Delinquent Regular assessments  |
| (3) Reimbursable expenses               | (10) Current Individual assessments |
| (4) Late charges and interest           | (11) Current Deficiency assessments |
| (5) Delinquent Individual assessments   | (12) Current Special assessments    |
| (6) Delinquent Deficiency assessments   | (13) Current Utility assessments    |
| (7) Delinquent Special assessments      | (14) Current Regular assessments    |

3-B. Form of Payment. The Association may require that payment of delinquent assessments be made only in the form of cash, cashier's check, or certified funds.

3-C. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Unit's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of delinquent assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

3-D. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner. The Association may require the Owner to prepay the cost of preparing and recording the release.

3-E. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

#### SECTION 4. LIABILITY FOR COLLECTION COSTS

The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency, which amounts are secured by a lien against the Unit.

## SECTION 5. COLLECTION PROCEDURES

- 5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.
- 5-B. Delinquency Notices. If the Association has not received full payment of an assessment by the due date, the Association may send one or more written notices of nonpayment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.
- 5-C. Collection by Attorney. After giving the Owner notice of the delinquency, the Association may refer the delinquent account to an attorney for collection. In that event, the defaulting Owner will be liable to the Association for its legal fees and expenses.
- 5-D. Verification of Owner Information. The Association may obtain a title report to determine the names of the Owners and the identity of other lienholders, including the mortgage company.
- 5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default obligations.
- 5-F. Notification of Credit Bureau. The Association may report the defaulting Owner to one or more credit reporting services.
- 5-G. Notice of Lien. The Association may cause a notice of the Association's assessment lien against the Unit to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may be sent to his mortgage holder.
- 5-H. Foreclosure of Lien -- Nonjudicially. The Board may instruct an attorney, officer, or agent of the Association to notify the defaulting Owner of the Association's intent to foreclose its assessment lien, to post the property for public auction, and to conduct a public auction of the Unit on the steps of the county courthouse in accordance with State law and the Association's documents. The Board may not foreclose a lien consisting solely of fines or securing money for which the Association has obtained a personal money judgment.

- 5-I. Foreclosure of Lien -- Judicially. The Association may file suit against the Owner for judicial foreclosure of the Association's assessment lien. This action may be combined with a claim against the Owner's personal liability, for recovery of a money judgment.
- 5-J. Suit for Owner's Personal Liability. Whether or not the Association forecloses the Association's assessment lien, the Board may file suit for a personal judgment against the defaulting Owner, and may execute on the judgment.
- 5-K. Possession Following Foreclosure. If the Association purchases the Unit at public auction, the Board may immediately institute actions to recover possession.
- 5-L. Limited Right of Redemption. If the Association buys a Unit at the nonjudicial foreclosure sale of its assessment lien, the Association's ownership is subject to a ninety (90) day right of redemption by the Owner. TUCA's statutory right of redemption does not apply to judicial foreclosures or foreclosures of judgment liens.
- 5-M. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.
- 5-N. Cancellation of Debt. If the Board deems the debt uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.
- 5-O. Suspension of Voting Rights. The Association may suspend the voting rights of an Owner whose account with the Association is delinquent for at least thirty (30) days.
- 5-P. Suspension of Use of Certain Facilities or Services. The Association may suspend the use of the Common Element amenities by an Owner, or his tenant, whose account with the Association is delinquent for at least thirty (30) days.
- 5-Q. Utility Shut-Off. The Association may terminate utility service to the Unit for which assessments used to pay the cost of that utility are delinquent, according to the Association's utility shut-off policy.

## SECTION 6. GENERAL PROVISIONS

- 6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association will exercise their independent, collective, and respective judgment in applying this policy.



- 6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect assessments under the Association's Documents and the laws of the State of Texas.
- 6-C. Limitations of Interest. The Association, and its officers, Directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with this policy, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the Owner if those assessments are paid in full.
- 6-D. Notices. Unless the Documents, Texas law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or on personal delivery to the Owner. If the Association's records show that two (2) or more persons own a Unit, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one Occupant is deemed notice to all Occupants. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's President, Secretary, managing agent, or attorney.
- 6-E. Definitions. Words and phrases used in this policy have the same meanings given to them by the Declaration.
- 6-F. Amendment of Policy. This policy will remain effective until ten (10) days after the Association delivers to an Owner of each Unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

## ATTACHMENT 5

### FINE POLICY

1. Background. This fine policy is based on the requirements of Sec. 82.102(d) and (e) of TUCA. To establish policies and procedures for fining under TUCA, the Declarant adopts this policy for the benefit of the Association, as part of the initial project documentation.
2. Policy. The Association uses fines to discourage violations of the Documents, and to encourage compliance when a violation occurs - not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Documents. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation. Nor may the Association use fines to the exclusion of other remedies.

#### **DRAFTER'S DICTUM**

*Users of this document should periodically review statutes and court rulings that may modify or nullify provisions of this document or its enforcement, or may create rights or duties not anticipated by this document.*

3. Owner's Liability. An Owner is liable for fines levied by the Association for violations of the Documents by the Owner, the Occupants of the Unit, and the relatives, guests, employees, and agents of the Owner and Occupants. Regardless of who performs the violation, the Association will direct its communications to the Owner, although the Association may send copies of its notices to the Occupant.
4. Violation Notice. Before levying a fine, the Association will give the Owner a written violation notice via certified mail, return receipt requested, and an opportunity to be heard, if requested by the Owner. This requirement may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due to the Association from the Owner; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the timeframe in which the violation is required to be cured to avoid the fine or suspension; (6) the amount of the fine; (7) a statement that no later than the thirtieth (30th) day after receiving the notice, the Owner may request a hearing pursuant to Section 82.102 of TUCA; and (8) a statement informing the Owner that they may have special rights or relief related to the enforcement action under federal law, including the Servicemembers

Civil Relief Act (50 U.S.C. app. section et seq), if the Owner is serving on active military duty. The notice sent out pursuant to this paragraph is further subject to the following:

- a. First Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding twelve (12) months, the notice will state those items set out in (1) – (8) above, along with a specific timeframe by which the violation must be cured to avoid the fine. The notice must state that any future violation of the same rule may result in the levy of a fine.
  - b. Repeat Violation – No Cure within 12 Months. If the Owner has been given notice and a reasonable opportunity to cure the same or similar violation within the preceding twelve (12) months but commits the violation again, the notice will state those items set out in (1) - (3), (6) and (8) above, but will also state that because the Owner has been given notice and a reasonable opportunity to cure the same or similar violation within the preceding twelve (12) months but has not cured the violation, then the Owner will be fined pursuant to the Schedule of Fines described below.
  - c. Continuous Violation. After an Owner has been notified of a violation as set forth herein and assessed fines in the amounts set forth in the Schedule of Fines described below, if the Owner has never cured the violation in response to either the notices or the fines, in its sole discretion, the Board may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board.
5. Violation Hearing. If the Owner is entitled to an opportunity to cure the violation, then the Owner has the right to submit a written request to the Association for a hearing before the Board or a committee appointed by the Board to discuss and verify the facts and resolve the matter. To request a hearing, the Owner must submit a written request (the "Request") to the Association's manager (or the Board if there is no manager) within thirty (30) days after receiving the violation notice. The Association must then hold the hearing requested no later than thirty (30) days after the Board receives the Request. The Board must notify the Owner of the date, time, and place of the hearing at least (10) days' before the date of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the Owner to attend. The Board or the Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. Notwithstanding the foregoing, the Association may exercise its other rights and remedies as set forth in TUCA. Any hearing before the Board will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner shall attend the hearing in person, but may be represented by another person (i.e.,

attorney) during the hearing, upon advance written notice to the Board. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio or video recording of the hearing may be made, unless otherwise approved by the Board.

6. Levy of Fine. The Association must notify an Owner of a levied fine or damage charge no later than the thirtieth (30<sup>th</sup>) day after the date of the levy under Section 82.102(e) of TUCA. A fine levied at a hearing requested by the Owner at which the Owner is present shall satisfy the notice requirement if the Board announces its decision to the Owner at the hearing. Otherwise, any fine or damage charge levied shall be reflected on the Owner's periodic statement of account or delinquency notices so long as such periodic statement or notice is provided to the Owner not later than the thirtieth (30<sup>th</sup>) day after the date the fine or damage charge is levied by the Board.
7. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. If circumstances warrant a variance from the schedule, the Board will document the reasons for the variance in the minutes of its meeting. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Documents. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped.
8. Type of Levy. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, monthly, or quarterly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.
9. Collection of Fines. The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.
10. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until ten (10) days after the Association delivers to an Owner of each Unit notice of amendment or revocation of this policy. The notice may be published and distributed in an Association newsletter or other community-wide publication.

ATTACHMENT 6

## SONTERRA I CONDOMINIUMS

## COMMUNITY MANUAL

CERTIFICATION & ACKNOWLEDGMENT

As the Declarant of Sonterra I Condominiums and the initial and sole member of Sonterra I Residential Condominium Community, Inc. (the "**Association**"), certifies that the foregoing Sonterra I Condominiums Community Manual was adopted for the benefit of the Association as part of the initial project documentation for Sonterra I Condominiums, located in Jarrell, Texas. This Community Manual becomes effective when recorded.

SIGNED on this 6<sup>th</sup> day of January, 2016.

SONWEST CO., a Texas corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

THE STATE OF TEXAS §

§

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_, 2016, by \_\_\_\_\_ of SONWEST CO., a Texas corporation, on behalf of said corporation.

(SEAL)

\_\_\_\_\_  
Notary Public Signature

**FILED AND RECORDED**  
**OFFICIAL PUBLIC RECORDS 2016002134**

*Nancy E. Rister*

Nancy E. Rister, County Clerk

Williamson County, Texas

January 08, 2016 12:30 PM

FEE: \$697.00 TKIRK



SONTERRA I CONDOMINIUMS  
COMMUNITY MANUAL