CONDOMINIUM INFORMATION STATEMENT

NORTHWOODS AVERY STATION

********************************************************************************************

NORTHWOODS AVERY STATION
PURCHASER’S AFFIRMATION AND RECEIPT OF CONDOMINIUM DOCUMENTS

I/WE, THE UNDERSIGNED PURCHASER(S), HEREBY ACKNOWLEDGE AND AGREE AS FOLLOWS:

(A) THAT ON THE DATE SHOWN BELOW I RECEIVED THE FOLLOWING INFORMATION FOR NORTHWOODS AVERY STATION:

1. CONDOMINIUM INFORMATION STATEMENT;
2. DECLARATION OF CONDOMINIUM REGIME, AS AMENDED;
3. CERTIFICATE OF FORMATION;
4. COMMUNITY MANUAL;
5. BUDGET; AND
6. LIMITED WARRANTY.

(B) I/WE (1) RECEIVED A CONDOMINIUM INFORMATION STATEMENT FROM THE SELLER/DECLARANT BEFORE I/WE SIGNED THE PURCHASE CONTRACT AND/OR (2) SIGNED A PURCHASE CONTRACT THAT CONTAINED AN UNDERLINED OR BOLD-PRINT PROVISION ACKNOWLEDGING MY RECEIPT OF THE CONDOMINIUM INFORMATION STATEMENT AND RECOMMENDING THAT I/WE READ THE CONDOMINIUM INFORMATION STATEMENT BEFORE EXECUTING THE PURCHASE CONTRACT AND/OR (3) HAVE RECEIVED THE CONDOMINIUM INFORMATION STATEMENT ON THE DATE INDICATED BELOW.

(C) HAVING RECEIVED THE CONDOMINIUM INFORMATION STATEMENT PRIOR TO EXECUTING THE PURCHASE CONTRACT, I/WE DO NOT HAVE THE RIGHT OF RESCISSIONAffORDED PURSUANT TO SECTION 82.156(B) OF THE TEXAS UNIFORM CONDOMINIUM ACT.

(D) EVEN THOUGH I/WE MAY HAVE SEEN OR BEEN SHOWN A RENDERING OF MODEL AND/OR FURNISHED UNIT, I/WE HAVE RECEIVED NO PROMISE OR REPRESENTATION FROM THE SELLER OR ANY OF ITS REPRESENTATIVES
THAT I/WE WILL RECEIVE AS PART OF MY PURCHASE ANY SUCH DECORATIONS OR FURNISHINGS DEPICTED IN SUCH RENDERINGS.

(E) I/WE HAVE RECEIVED THE CONDOMINIUM INFORMATION STATEMENT IN (CHECK ONE):

☐ PAPER FORM; OR ☐ CD FORM.

(F) IF I/WE ELECT TO RECEIVE AND HAVE RECEIVED THE CONDOMINIUM INFORMATION STATEMENT IN CD FORM, I/WE: (I) WERE PRESENTED A PAPER COPY OF THE CONDOMINIUM INFORMATION STATEMENT AND GIVEN THE OPPORTUNITY TO READ THE CONDOMINIUM INFORMATION STATEMENT BEFORE EXECUTING THE PURCHASE CONTRACT AND THIS AFFIRMATION; (II) HAVE ACCESS TO (A) ADOBE ACROBAT READER 5.0 OR COMPATIBLE VERSION, (B) ADOBE ACROBAT COMPATIBLE PRINTER AND (C) A CPU SUFFICIENT TO HANDLE THE FOREGOING SOFTWARE; (III) UNDERSTAND HOW TO ACCESS AND READ THE DOCUMENTS DELIVERED BY SUCH FORM OF ALTERNATIVE MEDIA; AND (IV) WILL BE ABLE TO ACCESS THE DOCUMENTS PROVIDED BY ALTERNATIVE MEDIA.

PURCHASER 1:

Date I received the items set forth in subparagraph (A) above:: _____________, 20__

Signed: ____________________________________________
Printed Name: ____________________________________________
Date Signed: ____________________________________________

PURCHASER 2:

Date I received the items set forth in subparagraph (A) above:: _____________, 20__

Signed: ____________________________________________
Printed Name: ____________________________________________
Date Signed: ____________________________________________
CONDOMINIUM
INFORMATION
STATEMENT

NORTHWOODS AVERY STATION

ISSUED JULY 8, 2014

PURCHASER’S CERTIFICATE LOCATED ON
PREVIOUS PAGE. ONCE EXECUTED BY
PURCHASER, CERTIFICATE MUST BE REMOVED
AND RETAINED IN SELLER’S FILES
NAME OF CONDOMINIUM: Northwoods Avery Station

LOCATION OF CONDOMINIUM: Intersection of Staked Plains Drive and Carolina Lane
Austin, Texas 78717

NAME OF SELLER: Grand Haven Homes, L.P., a Texas limited partnership

ADDRESS OF SELLER: 205 Wild Basin Road South, Bldg. 1
Austin, Texas 78746

NAME OF DECLARANT: Northwoods Avery Ranch, LLC, a Texas limited liability company

ADDRESS OF DECLARANT: 7811 Ranch Road 2338
Georgetown, Texas 78633

EFFECTIVE DATE OF CONDOMINIUM INFORMATION STATEMENT: July 8, 2014

This Condominium Information Statement presents certain information regarding the condominium development and the units being offered for sale by Grand Haven Homes, L.P., a Texas limited partnership. It consists of two parts, a narrative portion and an attachments portion. The attachments include legal documents that are required for the creation and operation of the condominium. The attachments will control any inconsistency between the attachments and the narrative.

The Condominium Information Statement is not intended to be all-inclusive or to address every significant feature of the condominium. Because purchasing real property is an important decision, the purchaser is encouraged to review this Condominium Information Statement with an attorney and to consult other sources for information not covered by this Condominium Information Statement.

Under limited circumstances, a purchaser has a six-day period after receiving the Condominium Information Statement during which the purchaser may cancel the contract of sale and obtain full refund of any money deposited in connection with the contract. This right to cancel does **not** apply if the purchaser received the Condominium Information Statement before signing the contract or if the contract contains an underlined or bold-print provision acknowledging the purchaser’s receipt of the Condominium Information Statement and recommending that the purchaser read the Condominium Information Statement before signing the contract. If the purchaser elects to cancel, notice of cancellation must be given pursuant to Section 82.156 of the Texas Uniform Condominium Act.
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I. NAMES & ADDRESSES

a. CONDOMINIUM PROJECT:

(1) NAME: Northwoods Avery Station

(2) PRINCIPAL ADDRESS:

(a) Physical location address:
Intersection of Staked Plains Drive and Carolina Lane
Austin, Texas 78717

(b) Mailing and Manager’s address:
c/o Alliance Association Management
115 Wild Basin Road, Suite 308
Austin, Texas 78746

b. DECLARANT:

(1) NAME: Northwoods Avery Ranch, LLC, a Texas limited liability company

(2) PRINCIPAL ADDRESS:

7811 Ranch Road 2338
Georgetown, Texas 78633

c. SELLER:

(1) NAME: Grand Haven Homes, L.P., a Texas limited partnership

(2) PRINCIPAL ADDRESS:

205 Wild Basin Road South, Bldg. 1
Austin, Texas  78746

The Declarant may partially assign to Seller certain of its rights as the Declarant as to the Units being offered for sale by Seller and subject to the Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2012086773, Official Public Records of Williamson County, Texas, as amended by that certain First Amendment to Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2013019238, Official Public Records of Williamson County, Texas, and that certain Second Amendment to Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2014049288, Official Public Records of Williamson County, Texas (collectively, the “Declaration”). The Declarant has retained all “Development Rights” described in Paragraph 13, including the right to add Units to the Regime, and the rights of Declarant as to Units not acquired by Seller or not yet created.
II. NARRATIVE PORTION

1. REGIME; DECLARANT

Northwoods Avery Station is a condominium regime located in Williamson County, Texas established pursuant to the terms and provisions of the Declaration. Capitalized terms used but not defined herein have the meanings ascribed to them in the Declaration.

The original developer or the “Declant” of Northwoods Avery Station is Northwoods Avery Ranch, LLC, a Texas limited liability company. The corporate office of the Declarant is located at 7811 Ranch Road 2338, Georgetown, Texas 78633.

This Condominium Information Statement relates to the Units in Northwoods Avery Station being offered for sale by Grand Haven Homes, L.P., a Texas limited partnership, which is referred to herein as the “Seller,” and whose corporate office is located at 205 Wild Basin Road South, Bldg. 1, Austin, Texas 78746. These Units are being offered for sale in conjunction with a purchase agreement entered into by and between the Declarant and Seller. The purchase agreement provides, among other things, that Seller will acquire, from time to time, one or more unimproved Units in Northwoods Avery Station from the Declarant for the purpose of constructing residences thereon for sale to third-party purchasers.

The Declarant may partially assign to Seller certain of its rights as the Declarant as to the Units being offered for sale by Seller, subject to the Declaration. The Declarant has retained all “Development Rights” described in Paragraph 13, including the right to add Units to the regime, and the rights of Declarant as to Units not acquired by Seller or not yet created.

2. CONDOMINIUM OWNERSHIP

Northwoods Avery Station utilizes the condominium form of ownership. All of the land, driveways and any private streets, and other improvements not defined as Units under the Declaration are Common Elements of the Regime and are owned collectively (in undivided interests) by all the Owners and maintained by the Northwoods Avery Station Condominium Community, Inc. (the “Association”) as a Common Expense.

Who owns the land? The Owners collectively own all of the land underneath the buildings in Northwoods Avery Station. The Owner of each Unit owns a percentage of the entire acreage within the community. The portion of the project collectively owned by Unit Owners are Common Elements. Common Elements include General Common Elements and Limited Common Elements. Limited Common Elements are portions of the Regime, excluding the Units, that have been assigned for the exclusive use of at least one but less than all of the Owners.

3. PROPERTY/UNITS

The property submitted to the terms of the Declaration includes Lot 2, Block 1 in Avery Station Section 1A, Phase 1, a subdivision of record in Williamson County, Texas, according to the map or plat thereof, recorded under Document No. 2011052951 in the Official Public Records of Williamson County, Texas, SAVE AND EXCEPT a 1.382 acre portion thereof more particularly described in the Declaration (the “Property”). Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least two-thirds
(2/3) of the ownership interests in the Property, or, during the Development Period, by Declarant as permitted in Appendix “A” of the Declaration.

The condominium established by the Declaration presently includes ninety-four (94) units, and may include up to a maximum one-hundred five (105) units upon full build-out of all proposed phases of the project. Declarant has reserved the right to annex additional land into the Regime established by the Declaration. Additional land may be added in phases and each phase may include one or more Units. No assurance is given regarding any additional land that may be included in the Regime or the order in which all or any land or units may be made subject to the Declaration. No assurance is given as to the dispersion of Units or buildings, total number of Units or buildings, or the size of Units or buildings to be created upon the addition of any land to the Declaration. In the event additional land is made subject to the Declaration, Declarant will be under no obligation to add any other additional land to the Declaration. Additional Units may be added through the conversion of General Common Elements to Units and through the addition of land and the creation of Units thereon.

4. THE OWNERS ASSOCIATION

The Association is a Texas nonprofit corporation that will administer Northwoods Avery Station. During the “Declarant Control Period,” as defined in the Declaration, Declarant will retain certain rights regarding operation and administration of the Association, namely the right to appoint and remove all directors and officers of the Association. The Declaration and the Texas Uniform Condominium Act provide for a two-step transition process to resident control of the Association. The first step occurs within 120 days after 50% of the Units that may be created under the Declaration have been conveyed by Declarant. Within this 120 day period, the current Board of the Association will call a meeting of all Unit Owners other than Declarant. At this meeting the Owners will elect one Board member out of a three person Board. Declarant will retain the right to appoint and remove two Board members. The second step occurs within 120 days after 75% of the Units that may be created under the Declaration have been conveyed. Within this 120 day period, the current Board of the Association will call a meeting of all Unit Owners including Declarant. At this meeting, the Owners, including Declarant, will elect the entire Board. The Declarant Control Period is described in Appendix “A” of the Declaration attached to this Condominium Information Statement.

5. FLOOR PLANS; SQUARE FOOTAGE OF UNITS

The Units are restricted to residential purposes and are more particularly described on Attachment “1” to the Declaration. Declarant has reserved the right in the Declaration to change the sizes and types of Units.

All references to square footage sizes of floorplans or Units in this Condominium Information Statement, on the website, in the marketing literature, and elsewhere are based on an architect’s pre-construction drawings and estimates of the air-conditioned space only for a prototype Unit. The size numbers are used to identify which plans are larger and which ones are smaller, and are not intended to be accurate statements of actual sizes of constructed Units.
6. **WORKING CAPITAL AND RESERVE CONTRIBUTION**

The Declaration requires each purchaser of each Unit to contribute an amount equal to two (2) months of regular assessments to the Association’s working capital fund and an amount equal to one (1) month of regular assessments to the Association’s reserve fund. An estimate of the initial monthly regular assessment is included on Attachment “4”. Contributions to the working capital fund and reserve fund are not advance payments of regular assessments and are not refundable. The Declarant will not use working capital funds or reserve funds to cover the Association’s operational expenses during the Declarant Control Period.

7. **EASEMENTS, RESTRICTIONS, LIENS, LEASES OR ENCUMBRANCES**

Title to each Unit and all Common Elements is subject to all easements, restrictions, liens, leases and encumbrances recorded against the Property. A description of such recorded easements, restrictions, liens, leases and encumbrances is provided in Attachment “2” to the Declaration. These instruments should also be listed in Schedule B of the title commitment that you may receive in connection with your purchase. You may ask the title company handling your Unit closing to provide you with copies of all the recorded instruments affecting title to your Unit and appurtenant Common Elements. You are encouraged to review the title instruments before closing.

In addition to the easements, restrictions, liens, leases and encumbrances recorded against the Property, in accordance with the terms and provisions of the Declaration, title to each Unit and the Common Elements of the Regime will be subject to the following easements:

- easement, reserved for the benefit of the owners, of access, ingress, egress, use and enjoyment of the Common Elements of the Regime pursuant to Section 3.2 of the Declaration;
- easement, reserved for the benefit of the Unit owners, to the extent reasonably necessary to maintain or reconstruct the Units pursuant to Section 3.3 of the Declaration, and for cooperative support pursuant to Section 3.5 of the Declaration;
- easements of access and entry, reserved to the Association, pursuant to Section 3.6 of the Declaration;
right reserved by the Declarant to grant permits, licenses and easements for utilities and other purposes reasonably necessary for the property operation of the Regime pursuant to Section 3.7 of the Declaration;

- easement, reserved by the Declarant, to inspect, monitor, test, redesign, correct and relocate structures, improvements or conditions on the Property pursuant to Section 3.10 of the Declaration;

- right, reserved by the Declarant, to inspect, correct, and adjust the Association financial records and accounts pursuant to Section 6.13 of the Declaration; and

- easement, reserved by the Declarant for the placement of signs and other marketing materials, to hold marketing events and promotional activities, and to conduct certain other marketing activities pursuant to Appendix “A” of the Declaration.

The Declaration also establishes a lien in favor of the Association to secure the payment of assessments to the Association.

8. WARRANTY

Each Owner will be provided a limited warranty at closing. The warranty is being provided by Seller. A copy of the limited warranty is attached hereto as Attachment “5”.

9. NO JUDGMENTS OR SUITS

Declarant has no actual knowledge of any unsatisfied judgments against the Regime, nor of any pending suits to which the Association is a party, or which are material to the land title and construction of the Regime.

10. FEES OR CHARGES FOR USE OF COMMON ELEMENTS

The Common Elements are available for use by residents at no additional charge.

11. INSURANCE

Declarant, for the benefit of the Association, has obtained a master insurance policy from an insurance carrier chosen by Declarant. The effective date of the coverage occurred on or before the date Declarant first conveyed a Unit to a third party and will expire one (1) year after its effective date. The following information was provided by Associations Insurance Agency, Inc., Attn: Zach Golman, 5401 North Central Expressway, Suite 200, Dallas, TX 75205, who may be reached at (866) 384-8579 (the “Agent”).

a. PROPERTY EXPOSURE TO LOSS: The Association will not insure Units, but will obtain property insurance on the insurable Common Elements within the Regime to the extent reasonable available. Each Owner is obligated to obtain and maintain fire and extended coverage on the Owner’s Unit and on any Improvement within 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. The Association strongly recommends that each Owner and resident purchase and maintain insurance on such Owner’s or resident’s personal belongings.
b. **LIABILITY EXPOSURE TO LOSS:**

(1) The Association will obtain a commercial general liability insurance policy with the following minimum coverage:

(a) Bodily Injury and Property Damage Liability - $1,000,000.00 combined single limit per occurrence.
(b) Personal Injury Liability & Advertising Injury Liability - $1,000,000.00.
(c) Fire Damage Legal Liability - $100,000.00 limit per any one fire.
(d) Medical Payment - $5,000.00 limit per person.

This policy contains an aggregate limit of liability of $2,000,000.00 bodily injury and property damage combined, covering the common property.

The Association will not provide liability coverage for accidents or occurrences that occur within that portion of the premises which is reserved for an Owner’s exclusive use and occupancy. Each Owner is required to obtain and maintain general liability insurance on their Unit and on Limited Common Elements assigned exclusively to their Unit.

(2) The Association will obtain a directors and officers liability insurance policy with limits no less than $1,000,000.00.

c. **ADDITIONAL AREAS NOT COVERED:** The following items are examples of items not covered by policies procured by the Association. Each Owner should consult their insurance agent if coverage is desired.

(1) Additional living expense.
(3) Personal injury.
(4) Loss assessment coverage.
(5) Value of jewelry, furs, silverware, fine art.
(6) Business interruptions.
(7) Mold.

Should a situation occur where you would like to present a claim under the master policy, or if you have any questions regarding your insurance coverage, please contact the Association or the Agent.

12. **BUDGET**

a. **Budget.** The budget for the Association’s 2014 fiscal year is attached as Attachment “4”.

b. **Preparer.** The projected budget has been prepared for Declarant by the Manager.

c. **Assumptions about Occupancy.** The projected budget is based on the assumption that all Units are occupied for all or most of the budget year.

d. **Assumptions about Inflation.** All budgets are based on a one-hundred percent (100%) net collection rate and the estimates are in current dollars unadjusted for possible inflation.

13. **DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS**

Declarant has reserved certain development rights as more particularly described in the Declaration and Appendix “A” of the Declaration. Many of these rights expire upon expiration of the
Development Period. The “Development Period,” as specifically defined in the Declaration, means the seven (7) year period beginning on the date this Declaration is recorded in the Official Public Records of Williamson County, Texas, unless such period is earlier terminated by Declarant’s recordation of a notice of termination in the Official Public Records of Williamson County, Texas. Certain additional rights expire upon expiration of the Declarant Control Period. The Declarant Control Period expires on the earlier to occur of: (i) five (5) years after the date the Declaration is recorded; (ii) within one hundred and twenty (120) days after seventy-five percent (75%) of all Units which may be created by Declarant have been conveyed to Owners other than Declarant; or (iii) when, in the sole opinion of Declarant, the Condominium Association to be established pursuant to the Declaration is viable, self-supporting, and operational.

The following list includes a summary of the rights reserved by Declarant until expiration of the Development Period or the Declarant Control Period, as applicable. Please refer to Appendix “A” of the Declaration for a complete description of such rights.

a. **Annexation.** During the Development Period, Declarant may annex additional property into the Regime, and subject such property to the Declaration and the jurisdiction of the Association.

b. **Creation of Units.** The Property currently contains ninety-four (94) Units; however, Declarant reserves the right to create up to and including a total of one-hundred five (105) Units upon full build-out of all phases of the project, which may include land added by Declarant in accordance with Section 2.2 of the Declaration. As such, the number of remaining Units the Declarant has the right to create is eleven (11).

c. **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, changes in the sizes, styles, configurations, materials, and appearances of Units and Common Elements.

d. **Architectural Control.** During the Development Period, Declarant has the absolute right to review and approve all improvements constructed within the Regime.

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

f. **Statutory Development Rights.** As permitted by the Texas Uniform Condominium Act, Declarant has reserved the right: (i) to add real property to the Regime; (ii) to create Units, General Common Elements, and Limited Common Elements within the Regime; (iii) to subdivide Units or convert Units into Common Elements; and (iv) to withdraw from the Regime 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.

g. **Amendment.** During the Development Period, Declarant may amend the Declaration, without consent of other Owners or any mortgagee, for the following limited purposes: (i) to meet the requirements, standards, or recommended guidelines 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 Regime; (iv) to create Units, General Common Elements, and Limited Common Elements within the Regime; (v) to subdivide, combine, or reconfigure...
Units or convert Units into Common Elements; (vi) to withdraw from the Regime any portion of the real property marked on the Plat and Plans as “Development Rights Reserved” or “Subject to 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; and (ix) for any other purpose, provided the amendment has no material adverse effect on any right of any owner.

h. **Additional Rights.** As permitted by the Texas Uniform Condominium Act, Declarant has reserved the following rights: (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 the Declaration; (iii) the right to make the Regime part of a larger condominium or planned community; (iv) the right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Regime; (v) for purposes of promoting, identifying, and marketing the Regime, Declarant has reserved 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 Regime, including items and locations that are prohibited to other Owners and residents. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property.

i. **Easement Rights.** Declarant has reserved 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 Regime, and for discharging Declarant's obligations under the Texas Uniform Condominium Act and the Declaration.

j. **Appointment of Association Directors and Officers.** During the Declarant Control Period, the right to appoint or remove any Declarant-appointed officer or director of the Association.

k. **Additional Easements and Rights.** Declarant has reserved 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 Regime; (ii) the right to sell or lease any Unit owned by Declarant; (iii) 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; (iv) the right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, 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; (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 Element Improvements; and (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.
14. ATTACHMENTS

The following attachments are included with this Condominium Information Statement and are incorporated by reference:

ATTACHMENT “1” Declaration of Condominium Regime for Northwoods Avery Station, recorded in the Official Public Records of Williamson County, Texas, and any and all amendments.

ATTACHMENT “2” Certificate of Formation of the Association

ATTACHMENT “3” Community Manual of Northwoods Avery Station

ATTACHMENT “4” Budget for the Association

ATTACHMENT “5” Form of Limited Warranty

15. TO BE SIGNED AT CLOSING

Except for the items listed below, at closing Declarant does not require purchasers to sign documents other than loan-related documents if the purchase is financed.

- Limited Warranty Form (at Attachment “5”)
- Acknowledgement of Receipt of CIS, if not previously signed

16. GENERAL INFORMATION

The attachments which follow this narrative portion provide a more detailed description of the condominium and the rights and obligations of the Unit Owner. The purchaser should carefully consider the attachments, as well as this narrative portion of the Condominium Information Statement. If the purchaser does not understand any aspect of this Condominium Information Statement, the sales contract, and any other materials provided in connection with the sale of Units, the purchaser should consult with competent legal counsel.

Declarant reserves the right to amend, in writing, the terms of this Condominium Information Statement. If the change may adversely affect a purchaser under contract who has received a Condominium Information Statement but who has not yet closed, Declarant shall furnish a copy of the amendment to that purchaser before closing. This Condominium Information Statement may not be changed or modified orally.

By signing below, Seller certifies that it is the preparer of the narrative portion of this Condominium Information Statement within the meaning of Section 82.152 of the Texas Uniform Condominium Act. Seller has no actual knowledge of any false or misleading statement or any omission of material fact in any portion of this Condominium Information Statement, including the attachments hereto.

[SIGNATURE PAGE FOLLOWS]
Dated: July 8, 2014.

GRAND HAVEN HOMES, L.P., a Texas limited partnership

By: Grand Haven Holdings, LLC, a Texas limited liability company, its General Partner

By: Eric Rome, Authorized Officer
ATTACHMENT “1”
DECLARATION OF CONDOMINIUM REGIME FOR NORTHWOODS AVERY STATION
FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM REGIME FOR
NORTHWOODS AVERY STATION
SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM REGIME FOR
NORTHWOODS AVERY STATION
SCRIVENER’S AFFIDAVIT
AFTER RECORDING RETURN TO:

JOSHUA D. BERNSTEIN, ESQ.
ARMBRUST & BROWN, PLLC
100 CONGRESS AVE., SUITE 1300
AUSTIN, TEXAS 78701

DECLARATION OF CONDOMINIUM REGIME
FOR NORTHWOODS AVERY STATION
(A Residential Condominium in Williamson County, Texas)

Declarant: NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company
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DECLARATION OF CONDOMINIUM REGIME FOR
NORTHWOODS AVERY STATION

NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company ("Declarant"), is the owner of Lot 2, Block 1 in Avery Station Section 1A, Phase 1, a subdivision of record in Williamson County, Texas, according to the map or plat thereof, recorded under Document No. 2011052951 in the Official Public Records of Williamson County, Texas (the "Property"). The Property, 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 the Northwoods Avery Station.

NOW, THEREFORE, it is hereby declared that the Property 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 Property, together with all Improvements thereon and all easements, rights, and appurtenances thereto, 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.

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 superceded by one or more other statutes or ordinances.

1.3. "Architectural Reviewer" means Declarant 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 other 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 Northwoods Avery Station 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 "property 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 each residential dwelling constructed within a Unit. Declarant has reserved the right to add additional Units and Buildings to the Regime as permitted in Appendix "A", attached hereto.

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 or the Act for the exclusive use of one or more but less than all of the Units.

1.11. "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. 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.

1.12. "Declarant" means NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company. 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 the Documents 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 the Documents.

1.13. "Declarant Control Period" means that period of time during which Declarant controls the operation and management of the Association, in accordance with the terms of Appendix "A" of this Declaration. The duration of Declarant Control Period is from the date this Declaration is Recorded for a maximum period not to exceed one hundred and twenty (120) days.
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.

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

1.15. "Development Period" means the seven (7) 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 Recording a notice of termination.

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

1.16. "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.

The Documents are subject to amendment or modification from time to time. By acquiring a Unit in Northwoods Avery Station, you agree to comply with the terms and provisions of the Documents, as amended or modified.

1.17. "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.

1.18. "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.
1.19. “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”, “Limited Common Elements”, and “Limited Common Areas” on Attachment 1, attached hereto and as provided in Section 5.4 of this Declaration.

1.20. “Landscape Services” mean the following services to be provided to the Yard Area: (a) mowing and edging all turf areas at least once per week during the months of May through September of each year, and on an as-needed basis during the months of October through April; (b) applying fertilizer to the turf areas twice a year; (c) manually and mechanically controlling weeds in as required to maintain a manicured appearance; and (d) controlling fire ants in the turf areas with applications of “Logic” or approved equal in the spring and fall. Notwithstanding the foregoing, the Board will have the right to modify the Landscape Services provided hereunder from time to time.

1.21. “Majority” means more than half.

1.22. “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.

1.23. “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.

1.24. “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 having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association.

1.25. “Person” shall mean any individual or entity having the legal right to hold title to real property.

1.26. “Plat and Plans” means the plat and plans attached hereto as Attachment 1, as changed, modified, or amended in accordance with this Declaration.

1.27. “Property” means Lot 2, Block 1 in Avery Station Section 1A, Phase 1, a subdivision of record in Williamson County, Texas, according to the map or plat thereof, recorded under Document No. 2011052951 in the Official Public Records of Williamson County, Texas, together with all Improvements thereon and all easements, rights, and appurtenances thereto, and includes every Unit and Common Element thereon.

1.28. “Recorded” means recorded in the Official Public Records of Williamson County, Texas.
1.29. "Regime" means the Property, Units, General Common Elements and Limited Common Elements, that comprise the condominium regime established under this Declaration.

1.30. "Resident" means an occupant or tenant of a Unit, regardless of whether the Person owns the Unit.

1.31. "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 and included within the Community Manual.

1.32. "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), or Government National Mortgage Association (Ginnie Mae), singularly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner’s financing options or as a representation that the Property is approved by any institution.

1.33. "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.

1.34. "Yard Area" means all landscaped portions of a Unit, together with any yard space area that is intended for the sole and exclusive use of a Unit, whether within the Unit or not part of the Unit, whether or not the area is so designated on the Plats and Plans. Pursuant to Appendix “A”, Declarant has reserved the right to designate General Common Elements as Yard Area during the Development Period.

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 parties 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 to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least two-thirds (2/3) of the ownership interests in the Property, or, during the Development Period, by Declarant as permitted in Appendix “A”. 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 to 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 his 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.

2.5.1. **Ownership & Maintenance.** 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 its 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.

2.5.2. **Acceptance.** By accepting an interest in or title to a Unit, each Owner is deemed: (i) to accept the Common Elements of the Property, and any Improvement thereon, in its then-existing condition; (ii) to acknowledge the authority of the Association, acting through its Board, for all decisions pertaining to the Common Elements; (iii) to acknowledge that transfer of a Common Element's title (if any) to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (iv) to acknowledge the continuity of maintenance of the Common Elements, regardless of changes in the Association's Board or management.

**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.

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

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. In addition, the Board may require that the Owner abide by additional 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 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.

All work requiring access to the Common Elements may only be performed by a Person who shall deliver to the Board prior to commencement of such work, in form satisfactory to the Board:

(i) releases of the Board and the Association for all claims that such Person may assert in connection with such work;

(ii) indemnities of the Board and the Association, holding each and all of them harmless from and against any claims asserted for loss or damage to persons or property, including, but not limited to, Common Elements or other Units;

(iii) certificates of insurance, including liability and workmen’s compensation coverage, in amounts and with companies reasonably acceptable to the Board; and

(iv) all other information and assurances which the Board may reasonably require.
Notwithstanding anything to the contrary stated herein, the provisions of this Section shall not apply to any construction performed by or on behalf of Declarant.

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, if any, assigned thereto.

3.5. **Easement Of Cooperative Support.** Each Owner is granted an easement of cooperative support over each adjoining Unit and Common Element as needed for the common benefit of the Property, or for the benefit of Units in a Building, 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 try refrain from actions that interfere with the Association's maintenance and operation of the Property.

3.6. **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 respond to emergencies.

(vi) To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.

(vii) To perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law.
3.7. **Utility Easement.** The Association and Declarant (during the Development Period) 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 may grant easements over and across the Units and Common Elements to the extent necessary or required to provide utilities to Units; provided, however, that such easements will not unreasonably interfere with the use of any Unit for residential purposes. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

**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.

3.8. **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 resident acknowledges and agrees, for himself and his guests, that 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 resident acknowledges and accepts their sole responsibility to provide security for their own person and property, and assumes all risks for loss or damage to same. Each owner and resident further acknowledges that declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the owner or resident 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 resident acknowledges and agrees that 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.

3.9. **Injury to Person or Property.** Neither the Association nor Declarant, or their respective directors, officers, committees, agents, and employees have a duty or obligation to any owner, resident or their guests to: (I) supervise minor children or any other person; (II) fence or otherwise enclose any limited common element, general
COMMON ELEMENT, OR OTHER IMPROVEMENT; OR (III) PROVIDE SECURITY OR PROTECTION TO ANY OWNER, RESIDENT, 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 ARE REASONABLE AND CONSTITUTE THE EXERCISE OF ORDINARY CARE BY THE ASSOCIATION AND DECLARANT. EACH OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND DECLARANT, AND DECLARANT’S AGENTS FROM ANY CLAIM OF DAMAGES, TO ANY 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, HIS TENANT, HIS 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.

3.10. **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 located may be warranted by a change of circumstance, imprecise siting of the original facilities, or the desire or necessity to more fully comply with public codes and ordinances. This Section 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 written and acknowledged 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.

3.11. **Parking.** Declarant reserves the right to designate and assign portions of the General Common Elements as parking for the exclusive use of any Owner of a Unit. Any parking spaces not specifically designated by the Declarant for the exclusive use of an Owner of a Unit will be under the exclusive control and administration of the Association until such time as the Declarant no longer owns any Unit within the Regime. The Association may thereafter assign parking spaces to any Owner or may use such parking spaces in a manner determined by the Board subject to any assignment previously made by the Declarant. Any designation and assignment of General Common Elements as parking will be memorialized by a written “assignment of parking” executed by an authorized representative of the Declarant (or Association if Declarant no longer owns any Units within the Regime) which shall identify the parking space(s) and the Unit assigned thereto. The assignment shall be made a part of the corporate records of the Association, will be considered an agreement between the Association...
and such Owner with regard to use of the General Common Element so assigned, and may not be terminated or modified without the consent of the Declarant (or a majority of the Board if Declarant no longer owns any Units within the Regime) and the owner of the Unit to which such General Common Element parking was assigned. The Declarant or the Board may be required periodically to re-allocate parking to comply with the site plan approved by the applicable regulatory authority and applicable to the Property.

ARTICLE 4
CERTAIN PROPERTY FEATURES

4.1. **General.** This Article discloses selective features of the Regime that may not be obvious to potential Owners and Residents. Because features may change over time, no disclosure in this Article should be relied upon without independent confirmation.

4.2. **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, the Association is not the service provider and has no 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.

4.3. **Adjacent Thoroughfares.** 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.

4.4. **Use of Adjacent Property.** No representations are made regarding the current or future use or zoning (if applicable) of adjacent property.

4.5. **Outside Conditions.** Since in every neighborhood there are conditions that different people may find objectionable, it is acknowledged that there may be conditions outside of the Property that an Owner or Resident may find objectionable, and it shall be the sole responsibility of an Owner or Resident to become acquainted with neighborhood conditions that could affect the Unit, including periodic entertainment, arts, sports, festivals and other events.

4.6. **Street Names.** Declarant may change, in its sole discretion, the Property name and the street names and addresses in or within the Property including the street address of the Unit before or after closing if required by any applicable regulatory agency.

4.7. **Concrete.** Minor cracks in poured concrete are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete and settling.
4.8. **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 on the Regime, including, without limitation: (a) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (b) smoke; (c) noxious, toxic or corrosive fumes or gases; (d) obnoxious odors; (e) dust, dirt or flying ash; (f) unusual fire or explosion hazards; (g) temporary interruption of utilities; and/or (h) other conditions that may threaten the security or safety of Persons on the Regime. Notwithstanding the foregoing, all Owners and Residents 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 the Declaration.

4.9. **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 Residents, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold.

4.10. **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.

4.11. **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.

4.12. **Budgets.** Any budgets 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.

4.13. **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.**

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

4.15. **Plans.** Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant to Owner which purport to depict the Improvements to be constructed on any Unit are merely approximations and do not necessarily reflect the actual as-built conditions of the same.
4.16. **Upgrades.** The cost of upgrades may not necessarily result in a commensurate increase in the value of the Unit and Improvements constructed thereon.

4.17. **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.

4.18. **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 a Person 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.

4.19. **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, except as herein noted, to any model unit in any respect, or contain some or all of the amenities featured, such as furnishings and appliances. Declarant may have shown prospective purchasers model homes, floorplans, sketches, drawings, and scale models of the project (collectively “Promotional Aids”). By acquiring title to a Unit, each Owner agrees that the Promotional Aids are conceptual, 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.

4.20. **Streets Within the Property.** Streets adjacent to the Property are public streets and maintained by applicable governmental authorities. Streets within the Property are private and maintained by the Association.

4.20.1. **Private Streets.** Any private streets located within the Property are General Common Elements and are maintained and administered by the Association. The Association, acting through the Board has the express authority to adopt, amend, repeal, and enforce the rules, regulations and procedures for use of private streets, including but not limited to:

(i) Identification of vehicles used by Owners and Residents 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 regulations.
(v) Fines for violations of applicable rules and regulations.

4.20.2. Public Streets. Public streets are not Common Elements, but may be maintained and/or regulated by the Association to the extent they are not maintained or regulated by the City or county. As to public streets, the Association, acting through the Board, is specifically authorized: (i) to accept from applicable governmental authorities any delegation of street-related duties; and (ii) to act as attorney in fact for the Owners in executing instruments required by public ordinance or public law to impose, modify, or remove restrictions or traffic devices (such as speed bumps) on public streets serving and adjacent to the Property.

ARTICLE 5
UNITS, LIMITED COMMON ELEMENTS & ALLOCATIONS

5.1. Initial Submitted Units and Maximum Number of Units. The Regime initially consists of forty-two (42) Units. During the Development Period, Declarant, as permitted in Appendix "A", has reserved the right to create a total of one hundred and five (105) Units on the Property and additional property added to the Regime. 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 (as defined below) among all Units then existing within the Regime; (iii) describe any Limited Common Elements; if any, created 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 Texas Uniform Condominium Act. To add additional property to the Regime, Declarant will execute and 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 2. The boundaries of each Unit are further described as follows:

(i) Lower Boundary of the Unit: The horizontal plane corresponding to the highest point of the finished grade of the land within the Unit as described and defined on Attachment 2.

(ii) Upper Boundary of the Unit: The horizontal plane parallel to and fifty feet (50') above the lower boundary of the Unit.
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.

Ownership of a Unit includes the entire Building, including the roof and foundation, and all other Improvements located within 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.

Not a Typical Condominium Unit
Although a Unit resembles a platted lot: (i) a Unit does not include land; (ii) the conveyance of a Unit is not a metes and bounds conveyance of land; and (iii) the creation of a Unit does not constitute a subdivision of land. Instead, each Unit is the surface of a designated piece of land, and everything above the surface for 50 feet, and anything below the surface that serves or supports the above-surface Improvements.

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 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 2, 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. Only to the extent they are not part of the Unit, any front porch, sidewalk or fenced yard space that is obviously intended for the sole and exclusive use of the Unit to which the area is appurtenant is deemed a Limited Common Element, whether or not the area is so designated on Plats and Plans. In the case of fenced yard space, such area shall constitute Yard Area allocated to the appurtenant Unit. If the boundaries of an appurtenant area change, with the Board’s approval, the altered boundaries of the appurtenant area are the boundaries of the Limited Common
Element. A Common Element not allocated by this Declaration as a Limited Common Element may be so allocated only pursuant to the provisions of the Act; provided, however, that Declarant reserves the right in Appendix A of this Declaration, to create and assign Limited Common Elements within the Property.

5.4. **Common Interest Allocation.** The percentage of interest in the Common Elements (the “Common Interest Allocation”) allocated to each Unit is set forth on Attachment 3 and 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.

5.5. **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.

5.6. **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 Residents, including but not limited to maintenance of real and personal property, 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 this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Elements or by abandonment of his Unit. An Owner’s obligation is not subject to offset by the Owner, nor is it contingent on the Association’s performance of the Association’s duties. 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 Common Elements, and Improvements, equipment, signage, and property owned by the Association.

(ii) Provision of the Landscape Services to the Yard Areas.

(iii) Maintenance examination and report, as required by Article 9.

(iv) Utilities billed to the Association.

(v) Pest control.

(vi) Services obtained by the Association and available to all Units.

(vii) Taxes on property owned by the Association and the Association's income taxes.

(viii) Management, legal, accounting, auditing, and professional fees for services to the Association.

(ix) Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.

(x) Insurance premiums and deductibles.

(xi) Contributions to the reserve funds.

(xii) 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 reserve funds, and a projection for uncollected
receivables. The Board will make the budget or a summary of the budget available
to each Owner, 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, minus estimated income from sources other than Regular
Assessments. Each Unit will be liable for its allocated share of the annual budget. 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 are apportioned among the Units in the same manner as Regular
Assessments.

6.5. **Special Assessments.** In addition to Regular and Utility 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 reserve funds.
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 are apportioned among the Units in the same manner as
Regular Assessments.

6.6. **Utility Assessments.** This Section applies to utilities serving the individual
Units and consumed by the Residents 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 Assessments, the Board may levy a Utility Assessment against each Unit. If the Units
are submetered for consumption of a utility, the Utility Assessment will 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 allocation, provided the same type of method or combination of
methods is used for all Units.

6.7. **Individual Assessments.** In addition to Regular, Utility and Special
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: interest, late charges, and
collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or the Owner’s Unit into compliance with the Documents; fines for violations of the Documents; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; insurance deductibles; 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; common expenses that benefit fewer than all of the Units, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Unit basis; and “pass through” expenses for services to Units provided through the Association and which are equitably paid by each Unit according to benefit received.

6.8. **Deficiency Assessments.** The Board may levy a Deficiency Assessment against all Units for the purpose of defraying, in whole or in part, the cost of repair or restoration for General Common Elements if insurance proceeds or condemnation awards prove insufficient. Deficiency Assessments are 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 to a subsequent Owner, but excluding transfers from Declarant to a homebuilder), 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. Upon termination of the Development Period (and only at such time), the Board will be permitted to modify any working capital fund assessment payable on the transfer of a Unit. Each working capital contribution will be collected 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 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. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Declarant may not use working capital fees collected hereunder to pay operational expenses of the Association until the Declarant Control Period terminates.

6.10. **Reserve Fund Contribution.** Upon the transfer of a Unit (including both transfers from Declarant to the initial Owner, and transfers from one Owner to a subsequent Owner, but excluding transfers from Declarant to a homebuilder), a fee equal to one (1) month of Regular Assessments will be paid by the transferee of the Unit to the Association for the Association’s replacement reserve funds. Upon termination of the Development Period (and only at such time), the Board will be permitted to modify any reserve fund assessment payable on the transfer of a Unit. Each reserve fund contribution will be collected 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 will not be subject to the reserve fund 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. Contributions to the fund are not advance payments of
Regular Assessments and are not refundable. Declarant may not use reserve fund fees collected
hereunder to pay operational expenses until the Declarant Control Period terminates.

6.11. **Due Date.** Regular Assessments and Utility Assessments are due on the first
calendar day of each month or on such other date 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.
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 Special, Individual, or
Deficiency Assessment is given.

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

6.13. **Declarant's Right To Inspect And Correct Accounts.** For a period of ten (10)
years after termination of the Declarant Control 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 from the formation of the Association until the
termination of 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 may
not be construed to create a duty for Declarant or a right for the Association, and may not be
amended without Declarant's written and acknowledged 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 and Development Periods.

6.14. **Association's Right To Borrow Money.** The Association is granted the right to
borrow money and the ability of the Association to repay the borrowed funds from
Assessments. To assist its ability to borrow, the Association is granted 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, provided that the rights of the
lender in the pledged property are subordinate and inferior to the rights of the Owners
hereunder.

6.15. **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 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 law, the excess amount will be applied to the reduction of unpaid Assessments, or reimbursed to the Owner if all such Owner’s Assessments are paid in full.

6.16. **Audited Financial Statements.** The Association shall have an audited financial statement for the preceding full fiscal year of the Association prepared and made available in accordance with the requirements of the Act.

**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, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for Assessments attributable to a period prior to the date he purchased his 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 or acquisition of the original Unit; (iii) a deed of trust or vendor’s lien Recorded before this Declaration; or (iii) 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 superior to a lien for construction of Improvements to the Unit, regardless of when Recorded or perfected. It 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, and for the Owner’s pro rata share of the pre-foreclosure deficiency as a common expense.

If you fail to pay Assessments to the Association, you may lose title to your Unit if the Association forecloses its assessment lien.

7.4. **Notice and Release of Notice.** 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 Association, at its
option, may cause a notice of the lien to be Recorded. 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 non-judicial 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 recorded in the minutes of a Board meeting.

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 at foreclosure sale 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 its 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 lesser of eighteen percent (18%) per annum or the maximum permitted by 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 an 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 twenty percent (20%) 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. **Association Maintains.** The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs and replaces, as a common expense, all General, Limited Common Elements and, subject to the provisions of Section 9.2 below, all Yard Area. The Association also maintains, as a common expense, any component of a Unit delegated to the Association by this Declaration. A summary of the respective maintenance obligations of the Association and each Owner is attached hereto and incorporated herein by reference as Attachment 6 (the "Maintenance Responsibility Chart"). Although the Maintenance Responsibility Chart is attached to this Declaration as Attachment 6, it may be amended, restated, and published as a separate instrument. Any amended or restated Maintenance Responsibility Chart must be: (i) reflected in the Association's annual budget and reserve funds; and (ii) Recorded.

9.2. **Landscape Services.**

9.2.1. **Generally.** The Association will cause the Landscape Services to be provided to each Unit, accordingly, the Association is hereby granted an easement over and across each Unit and any Yard Area allocated thereto to the extent reasonably necessary or convenient for the Association or its designated landscaping contractor to perform the Landscape Services. Access hereunder to each Unit 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 Landscape Services. If the Association damages any Improvements located within a Unit or Yard Area 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.

9.2.2. **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.

9.2.3. **Irrigation.** Each Owner will be required to water turf thoroughly after the application of fertilizer. Each Owner is also responsible for irrigation and all costs associated therewith (unless otherwise discharged by the Association) and must
properly irrigate all Yard Areas within or appurtenant to such Owner's Unit. Unless otherwise expressly approved by the Board, the Landscape Services will not include irrigation or the repair and maintenance of irrigation facilities. Each Owner will refrain from irrigating the front yard areas during the performance of Landscape Services.

9.2.4. **Cost.** The cost of all Landscape Services will be a common expense.

Notwithstanding the foregoing, in the event for any reason the Association is unable to access Yard Area, the Association will be relieved of its obligation hereunder to provide Landscape Services to such Yard Area until such time that the Association is able to access such Yard Area.

9.3. **Inspection Obligations.**

9.3.1. **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, licensed individuals or entities to provide the Association with inspection services relative to the maintenance, repair and physical condition of the Regime.

9.3.2. **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.

9.3.3. **Notice to Declarant.** During the Development Period, the Association shall, if requested by Declarant, deliver to Declarant ten (10) days advance written notice of any inspection (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 any written report prepared by an inspector.

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

9.4. **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 the Owner's Unit and all Improvements constructed therein or thereon, and any Limited Common Elements assigned exclusively to the Owner's Unit.

(ii) The maintenance of all landscaping located within the Owner's Unit or located within that portion of the General Common Elements which is parallel to the street facing any side of such Owner's Unit and between such Owner's Unit and a sidewalk, keeping same in a neat, clean, odorless, orderly, and attractive condition.
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.

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.

To be responsible for the Owner’s willful or negligent acts and those of the Owner or Resident’s family, guests, tenants, 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.

9.5. Disputes. If a dispute arises regarding the allocation of maintenance responsibilities by this Declaration, the dispute will be resolved by the Board, who shall delegate such maintenance responsibility to either the Association or the individual Owner(s), as determined by the Board in its sole and absolute discretion.

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

9.7. Owner’s Default In Maintenance. If the Board determines that an Owner has failed to properly discharge his 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 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 Owner’s expense, which is an Individual Assessment against the Owner and his Unit. In case of an emergency, however, the Board’s responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner’s expense.

ARTICLE 10
ARCHITECTURAL COVENANTS AND CONTROL

10.1. Purpose. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant’s right of architectural control. During the Development Period, the Declarant has the right to regulate every aspect of the exterior of the Property, including the exterior design, use and appearance of Units and Common Elements. After expiration or termination of the Development Period, or Declarant’s delegation to the Association of all or a
portion of its reserved rights as Architectural Reviewer in accordance with Section 10.3.3 below, the Association will have the right to regulate every aspect of proposed or existing Improvements on the Property, including replacements or modifications of original construction or installation.

10.2. Architectural Reviewer. The purposes of this Article shall be undertaken by the Architectural Reviewer. Until expiration or termination of the Development Period, the Architectural Reviewer shall mean Declarant or its designee. After expiration or termination of the Development Period, or Declarant's delegation to the Association of all or a portion of its reserved rights as Architectural Reviewer in accordance with Section 10.3.3 below, the rights of the Architectural Reviewer, as applicable in the case of a partial delegation in accordance with Section 10.3.3 below, will automatically be transferred to the Board or a committee appointed by 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 nor the Board, nor a committee appointed by the Association or the Board (no matter how the committee is named) may involve itself with the 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.

10.3.2. 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 Declarant has a substantial interest in ensuring that the Improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market Units in its Development or in Declarant's other developments. Accordingly, each Owner agrees that, during the Development Period, no Improvements will be started or progressed or modified 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 reserved rights as Architectural Reviewer under this Article to an Architectural Control Committee appointed by the Board or a committee comprised of architects, engineers, or other 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 rights 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.

UNTIL THE EXPIRATION OR TERMINATION OF THE DEVELOPMENT PERIOD, ONLY THE DECLARANT HAS THE AUTHORITY TO MAKE DECISIONS REGARDING ARCHITECTURAL CONTROL IN THE ASSOCIATION — INCLUDING ALL TASTE, DESIGN AND STANDARDS!

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 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, nor the Board, or their directors, officers, committee members, employees or agents will have any liability for decisions made as Architectural Reviewer in good faith, and which are not arbitrary or capricious. Neither the Declarant, nor the Board, or 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, a Person may not 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.

YOU CANNOT CHANGE THE EXTERIOR OF ANY IMPROVEMENTS WITHIN YOUR UNIT UNLESS YOU HAVE THE SIGNED CONSENT OF THE ARCHITECTURAL REVIEWER.

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 architectural control 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. 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 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 will retain the other set of plans and specifications, together with the application, for the Association’s files. 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 complies with Section 3.3.

(ii) The Owner must adhere strictly to the plans and specifications approved by the Architectural Reviewer.

(iii) The Owner must initiate and complete the Improvement in a timely manner.

(iv) If the approved application is for work that requires a building permit from a governmental authority, the Owner must obtain the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with Applicable Law. In addition, approval or plans and specifications by a governmental authority does not ensure Architectural Reviewer approval.
ARTICLE 11
USE RESTRICTIONS

11.1. Variance. The use of the Regime is subject to the restrictions contained in this Article, and subject to Rules adopted pursuant to this Article. 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 a Majority of the Board. The grant of a variance shall not constitute a waiver or estoppel of the Association’s right to deny a variance in other circumstances.

11.2. 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 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; provided, however, that during the Development Period, any amendment to the Community Manual must be approved in advance and in writing by the Declarant.

11.3. Rules and Regulations. In addition to the restrictions contained in this Article, 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 Residents.
11.4. **Animals.** No animal, bird, fish, reptile, or insect of any kind, may be kept, maintained, raised, or bred anywhere on the Property for food or for any commercial purpose. 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 at the Property. If the Rules fail to establish animal occupancy quotas, no more than two (2) dogs, or two (2) cats, or one (1) dog and one (1) cat, may be maintained in each 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.

11.5. **Annoyance.** No Unit or Limited Common Element may be used in any way that: (i) may reasonably be considered annoying to neighbors; (ii) may be calculated to reduce the desirability of the Property as a residential neighborhood; (iii) may endanger the health or safety of Residents 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.

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

11.7. **Declarant Privileges.** In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other Owners and Residents, as provided in Appendix A of this Declaration. Declarant’s exercise of a Development Period right that appears to violate a provision in this Article will not constitute waiver or abandonment of such provision by the Association.

11.8. **Drainage.** No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Board.

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

11.10. **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, without the Board’s written authorization.

11.11. **Landscaping.** No person may perform landscaping, planting, or gardening anywhere within the Common Elements without the Board’s prior written authorization.

11.12. **Noise And Odor.** A Resident 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 or annoy Residents of neighboring Units. The Rules may limit, discourage, or prohibit noise-producing activities and items in the Units and on the Common Element.

11.13. **Occupancy.** The Board may adopt Rules regarding the occupancy of Units. If the Rules fail to establish occupancy standards, no more than two (2) persons per bedroom may occupy a Unit, subject to the exception for familial status. The Association’s occupancy standard for Residents who qualify for familial status protection under the fair housing laws may not be more restrictive than the minimum (i.e., the fewest people per Unit) permitted by the U.S. Department of Housing and Urban Development. A person may not occupy a Unit of the person constitutes a direct threat to the health or safety of other persons, or if the person’s occupancy would result in substantial physical damage to the property of others.

11.14. **Residential Use.** The use of a Unit is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a Resident 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 dwelling; (ii) the uses conform to applicable governmental ordinances; (iii) there is no external evidence of the uses; (iv) the uses do not entail visits to the Unit by employees or the public; and (v) the uses do not interfere with Residents’ use and enjoyment of neighboring Units. Other than the air conditioned part of a Unit, no thing or structure on the Property may be occupied as residence at any time by any person. This provision applies, without limitation, to the garage.

11.15. **Signs.** Unless prohibited by Applicable Law, 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 or unless written approval has been obtained in advance from the Board. The Board 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, “sign” includes, without limitation, lettering, images, symbols, pictures, shapes, lights, banners, and any other representation or medium that conveys a message. The Association may effect the immediate removal of any sign or object which has not been approved in advance by the Board or otherwise violates the Documents or any sign guidelines promulgated by the Board, or which the Board deems inconsistent with Property standards without liability for trespass or any other liability connected with the removal. Notwithstanding anything to the contrary stated herein, during the Development Period, the Declarant, and not the Board, must approve all signs.

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

11.16.2. **Notification.** An Owner or Resident who wishes to install an Antenna/Dish one meter or less in diameter (a "Permitted Antenna") must submit a written notice to the Board or its designee, which notice must include the Owner or Resident’s installation plans for the satellite dish.

11.16.3. **One Dish Limitation.** Unless otherwise approved by the Board, 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 Board or its designee. 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.

11.16.4. **Permitted Installation Locations – Generally.** An Owner or Resident may erect a Permitted Antenna (after written notification has been provided to the Board or its designee) if the Owner or Resident has an exclusive use area in which to install the antenna. An “exclusive use area” is an area in which only the Owner or Resident may enter and use to the exclusion of all other Owners and Residents. Unless otherwise approved by the Board or its designee, 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 Residents 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 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 Board of Directors may determine what constitutes a nuisance to the Association. The Board may, from time to time, modify, amend, or supplement the rules regarding installation and placement of a Permitted Antenna.

11.16.5. **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 Board 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.

11.17. Vehicles. All vehicles on the Property, whether owned or operated by the Residents or their families and guests, are subject to this Section 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 effect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle.

11.18. Balconies and Patios. No articles other than Board-approved patio-type furniture and suitable plants shall be placed on any patios or outside balconies. No linens, cloths, clothing, towels, bathing suits or swimwear, curtains, rugs, mops or laundry of any kind, or other articles, shall be stored, shaken or hung from or on any of the windows, doors, patios or balconies or other portions of the Regime. The Board will have the authority to require an Owner or Resident to remove any article from a window, door, terrace, balcony, or deck, if in the sole and exclusive discretion of the Board, the article is unsightly, offensive, or constitutes an annoyance.

11.19. Wireless Internet Systems. A wireless Internet communication network ("WiFi System") may be installed or otherwise used in a Unit provided precautions are taken to insure against interfering with, disturbing, or intercepting computer, communications, or other permitted electronic signals, networks, or systems installed in other portions of the Regime. The Association may establish reasonable requirements relating to the installation of WiFi Systems that must be complied with, including, without limitation, requiring assurance from the installation of the system that proper precautions are being taken. Notwithstanding the foregoing, compliance with requirements relating to the installation of WiFi Systems is not a guarantee that any WiFi System installed or otherwise used in a Unit will not interfere with, disturb, or intercept other signals, networks, or systems within the Regime. The Association may require that any WiFi System found to cause such problems be terminated. The Association, Declarant, and their respective current and former partners, members, directors, officers agents employees, affiliates, and committee members, shall not in any way be considered insurers or guarantors of the proper operation or use of any WiFi Systems in the Regime, nor shall any of such Persons be held liable for any loss or damage relating to the use or operation of WiFi Systems in the Regime.
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 one hundred and eighty (180) days unless otherwise approved in advance by the Board; (ii) no Unit may be subdivided for rent purposes, and 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 his tenant with copies of the Documents and notifying him of changes thereto; and (v) each tenant is subject to and must comply with all provisions of the Documents, federal and State laws, and local ordinances. At least five (5) days after entering into the lease of a Unit, an Owner shall provide the Board with a copy of the written lease agreement with the lessee indicated thereon.

12.2. Owner Occupancy. For purposes of this Article, a Unit is considered “Owner occupied” if at least one Resident of an occupied Unit is an Owner of the Unit or is related by blood, marriage, or adoption to an Owner of the Unit, or if the Unit is vacant -- except that a Unit being offered for lease may not be considered “Owner occupied” even though the Unit is then-vacant or then-occupied by an Owner. In calculating occupancy, Units are counted uniformly regardless of size. A Unit is considered owner occupied hereunder if the Unit is occupied by the Owner and unrelated roommates of the Owner.

12.3. Eviction Of Tenants. Every lease agreement on a Unit, whether written or oral, express or implied, is subject to and is deemed to include the following provisions:

12.3.1. Violation Constitutes Default. Failure by the tenant or his invitees to comply with the Documents, federal or State law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of his tenant’s violation, the Owner will promptly obtain his tenant’s 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 State law for the default, including eviction of the tenant, subject to the terms of this Section.

12.3.2. 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 his attorney-in-fact, with full authority to act in his place in all respects, solely for the purpose of enforcing the Documents against his tenants, including but not limited to the authority to institute forcible detainer proceedings against his tenant on his behalf, provided the Association gives the Owner at least 10 days’ notice, by certified mail, of its intent to so enforce the Documents.
12.3.3. **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 his 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.

12.4. **Exemption.** A Mortgagee that acquires title to the Unit by foreclosure of its deed of trust lien or by deed in lieu of foreclosure of its lien is exempt from the effect of this Article. During the Development Period, Declarant is exempt from the effect of this Article.

**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” will 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, 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 at least 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 the Northwoods Avery Station 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. The Association may also change its name by amending the Documents. 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 in the Real Property Records of Williamson County, Texas, evidencing diversity of ownership in the Property (that the Property is not owned entirely by Declarant or its affiliates). The Association will continue to exist at least as long as this Declaration, as it may be amended, is effective against all or part of the Property.
13.5. **Governance.** Except during the Declarant Control period, the Association will be governed by a Board elected by the Members. Unless this Declaration, 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 that purpose. The Association will be administered in accordance with the Declaration and the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners holding at least a Majority of the votes in the Association, or at a meeting by Owners' holding at least a Majority of the votes in the Association that are represented at the meeting.

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 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 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 within the Property, 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 within the Property.

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 meetings of the Association. If a Unit is owned by more than one (1) person or entity, 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, the Board, or the Association’s Members, employees, and agents. 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 the Texas Business Organizations Code.

13.10. **Indemnification.** The Association indemnifies every officer, director, and committee member (for purposes of this Section, "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 Resident 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 and Utility 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 Resident of the Owner’s Unit, or the Owner or Resident’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, a Resident of the Owner’s Unit, or the Owner or Resident’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 applies to every sale or conveyance of a Unit or an interest in a Unit by an Owner other than Declarant:

(W0535444.5)
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 must have the prior written approval of the Association, are not subject to the Association’s assessment lien, and are not payable by the Association. This Section does not obligate the Board or the manager to levy transfer-related fees. This exclusion may be waived by a party to a conveyance who requests transfer-related services or documentation for which fees are charged.

13.12.4. **Exclusions.** The requirements of this Section 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 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), or before levying an Individual Assessment for property damage, 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 (30th) 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 Resident. Pending the hearing, the Association may continue to exercise its 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 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 the requirements of Applicable Law.

14.2. Remedies. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by 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 Resident, or the Owner or Resident'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 Residents to use Common Elements (except rights of ingress and egress) for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents, or contractors violate the Documents. 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 erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board 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 an item of construction on 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.

**ARTICLE 15**

**INSURANCE**

15.1. **General Provisions.** The broad purpose of this Article 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.

15.1.1. **Unavailability.** The Association, and its directors, officers, and managers, will not be liable for failure to obtain any coverage required by this Article 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 the Owner’s Unit at such Owner’s sole expense.

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 Resident 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 such 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, and the insurer will give go
Mortgagees, prior notices 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
Resident or their 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 event of damage or destruction from any insured hazard. The Federal National Mortgage Association recommends use of a guaranteed replacement cost endorsement, or a replacement cost endorsement, together with an agreed amount endorsement in case of coinsurance.

15.2.1. Common Property Insured. If insurable, the Association will insure: (i) General Common Elements; (ii) Limited Common Elements serving more than one (1) Unit, if any; 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 any Units. Accordingly, each Owner of a Unit will be obligated to maintain property insurance on such Owner’s Unit and Limited Common Element assigned exclusively to the Owner’s Unit, including any betterments and improvements installed within 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 Resident’s personal property. THE ASSOCIATION STRONGLY RECOMMENDS THAT EACH OWNER AND RESIDENT PURCHASE AND MAINTAIN INSURANCE ON HIS 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.

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 Resident within his Unit – for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. The amount of coverage should be at least that required by an Underwriting Lender, to the extent reasonably available. 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 State 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 3 months of Regular Assessments on all Units. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages.

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. **Mortgagee Required Policies.** Unless coverage is not available or has been waived in writing, the Association will maintain any insurance and bond required by an Underwriting Lender for condominium developments as long as an Underwriting Lender is a Mortgagee or an Owner.

15.8. **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, "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 Property. 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) Association directors or that of an agent duly authorized by the Board.

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 Property, 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 such Owner, 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 sentence 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 Property. 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. Units will be repaired and restored substantially in accordance with original construction plans and specifications. Alternate plans and specifications for repair and restoration of Common Elements must be approved by Owners holding at least two-thirds (2/3) of the votes in the Association and by certain Mortgagees if so required by Article 18 of this Declaration.

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 residence constructed within 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 18.4 below.

17.3. Condemnation. The Association's response to condemnation of any part of the Property 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 allocated interests following condemnation and to describe the altered parameters of the Property. 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 law, execute an amendment without the prior consent of Owners to describe the altered parameters of the Property 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 held by Mortgagees.

18.2. Notice of 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 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 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 a 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, 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. **Insurance Policies.** If an Underwriting Lender that holds a mortgage on a Unit or desires to finance a Unit has requirements for insurance of condominiums, the Association must try to obtain and maintain the required coverages, to the extent they are reasonably available, and must try to comply with any notifications or processes required by the Underwriting Lender. Because underwriting requirements are subject to change, they are not recited here.
18.8. **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 Property or the mortgaged Unit.

(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.

(vi) Any proposed termination of the condominium status of the Property.

18.9. **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 votes in the Association, and by at least fifty-one percent (51%) of Mortgagees. **THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS EFFECTED BY THE EXERCISE OF A DEVELOPMENT RIGHT PROVIDED 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”, 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 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.
(vii) Convertibility of Units into Common Elements or Common Elements into Units.

(viii) Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.

(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 Property, 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
AMENDMENT

19.1. Consents Required. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant acting alone, or by certain Owners acting alone, or by the Board acting alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least sixty-seven percent (67%) of the votes in the Association.

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 Declarant; (ii) rights, privileges, easements, protections, or defenses of Declarant; or (iii) rights of the Owners or the Association in relationship to Declarant, without the written consent of Declarant 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.

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 Declarant’s rights under this Declaration or the Act 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 seven (7) 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 may not be amended without Declarant’s written and acknowledged consent.

**ARTICLE 20**

**DISPUTE RESOLUTION**

20.1. **Introduction and Definitions.** 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 applies to all Claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

20.1.1. **“Claim”** means any claim, grievance, or dispute between Parties involving the Property, except Exempt Claims as defined below, and including without limitation:

(i) Claims relating to the rights and/or duties of Declarant, or its permitted assigns, under the Documents.

(ii) Claims relating to the design or construction of the Property or any Improvement by Declarant, its permitted assigns, its contractor or subcontractors, or its designee.

20.1.2. **“Claimant”** means any Party having a Claim against any other Party.

20.1.3. **“Exempt Claims”** means the following claims or actions, which are exempt from this Article:

{i} CLAIMS RELATING TO THE RIGHTS AND/OR DUTIES OF DECLARANT, OR ITS PERMITTED ASSIGNS, UNDER THE DOCUMENTS.

{ii} CLAIMS RELATING TO THE DESIGN OR CONSTRUCTION OF THE PROPERTY OR ANY IMPROVEMENT BY DECLARANT, ITS PERMITTED ASSIGNS, ITS CONTRACTOR OR SUBCONTRACTORS, OR ITS DESIGNEE.

20.1.2. **“Claimant”** means any Party having a Claim against any other Party.

20.1.3. **“Exempt Claims”** means the following claims or actions, which are exempt from this Article:
The Association’s claim for Assessments and any action by the Association to collect Assessments.

An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party’s ability to enforce the provisions of this Declaration.

Any enforcement by the Association or the Declarant of the easements, architectural control, maintenance, and use restrictions of this Declaration; provided, however, that any enforcement action brought by the Association against the Declarant, or vice versa, is not an Exempt Claim hereunder.

A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

20.1.4. “Respondent” means any Party against which a Claim has been asserted by a Claimant.

Mandatory Procedures. Claimant may not initiate any proceeding before any administrative tribunal seeking redress of resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in Section 20.7 below, a Claim will be resolved by binding arbitration.

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 20.4 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 20.4, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. Section 20.4 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 21.5 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 20.5 is required without regard to the monetary amount of the Claim.

20.4. **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.

20.5. **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 30-day period, Respondent will submit the Claim to mediation in accordance with this Section 20.5.

20.6. **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.

20.7. **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 20.7. This section may not be amended without the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding at least seventy percent (70%) of the votes in the Association.

20.7.1. **Governing Rules.** If a Claim has not been resolved after Mediation as required by Section 20.5, the Claim will be resolved by binding arbitration in accordance with the terms of this Section 20.7 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 20.7, this Section 20.7 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 (1) arbitrator shall be selected by Respondent, in its sole and absolute discretion;

(ii) one (1) arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

(iii) one (1) arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

20.7.2. Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 20.7 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.

20.7.3. Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this Section 20.7.

20.7.4. 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 20.7; 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. The arbitrator may
also grant such ancillary relief as is necessary to make effective the award. In all
arbitration proceedings in which the amount in controversy exceeds $50,000.00, in the
aggregate, the arbitrator shall make specific, written findings of fact and conclusions of
law. In all arbitration proceedings in which the amount in controversy exceeds
$50,000.00, in the aggregate, the parties shall have the right to seek vacation or
modification of any award that is based in whole, or in part, on an incorrect or erroneous
ruling of law by appeal to an appropriate court having jurisdiction; provided, however,
that any such application for vacation or modification of an award based on an incorrect
ruling of law must be filed in a court having jurisdiction over the Claim within fifteen
(15) days from the date the award is rendered. The arbitrator's findings of fact shall be
binding on all parties and shall not be subject to further review except as otherwise
allowed by Applicable Law. In no event may an arbitrator award speculative,
consequential, or punitive damages for any Claim.

20.7.5. **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. The
arbitrator shall have the power to award recovery of all costs and fees (including
attorney’s fees, administrative fees, and arbitrator’s fees) to the prevailing party. 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.

20.8. **Allocation Of Costs.** Except as otherwise provided in this Article, 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 attorneys fees.
Respondent and Claimant will equally divide all expenses and fees charged by the mediator
and arbitrator.

20.9. **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. The Respondent and Claimant to any Exempt Claim may
mutually agree to submit such Exempt Claim to the negotiation, mediation, and/or arbitration sections above.

20.10. **Period of Limitation.**

20.10.1. **For Actions by an Owner or Resident of a Unit.** The exclusive period of limitation for any of the Parties to bring any Claim of any nature against Declarant or its contractors, 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 Resident discovered or reasonably should have discovered evidence of the Claim, provided, however, that in no event shall the limitation period exceed four (4) years and one (1) day from the date Declarant conveyed the Unit to the original Owner unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; or (ii) for Claims other than those alleging construction defect or defective design, two (2) years and one (1) day after the date Declarant conveyed the Unit to the original Owner or such other shorter period specified in any written agreement between Declarant and the Owner to whom Declarant initially conveyed the Unit, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the Applicable Law governing the limitation period and period of repose shall apply to the Claim.

20.10.2. **For Actions by the Association.** The exclusive period of limitation for the Association to bring any Claim of any nature against Declarant or its contractors, 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, provided, however, that in no event shall the limitation period exceed four (4) years from the date Declarant substantially completed the Common Elements unless the basis of the Claim was intentionally concealed or willfully concealed by Declarant or its contractors, in which case, the state law governing the limitation period and period of repose shall apply to the Claim; or (ii) for Claims other than those alleging construction defect or defective design of the Common Elements, two (2) years and one (1) day after the Declarant Control Period, unless the basis of the Claim was intentional fraud or willful misconduct, in which case, the Applicable Law governing the limitation period and period of repose shall apply to the Claim.

20.11. **Approval & Settlement.** Notwithstanding any provision in this Article to the contrary, the initiation of binding arbitration as required by this Article is subject to the following conditions:
20.11.1. **Owner Acceptance.** 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 this *Section 20.11* and *Article 19*.

20.11.2. **Owner Approval.** The Association may not initiate binding arbitration or any judicial proceeding without the prior approval of Owners holding at least a Majority of the votes in the Association, except that no such approval is required for the initiation of arbitration or litigation to resolve any Exempt Claim.

20.11.3. **Funding Arbitration and Litigation.** Except for Exempt Claims, 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.

20.11.4. **Settlement.** The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate the settlement of arbitration and litigation, and may execute any document related thereto, such as settlement agreement and waiver or release of claims.

This *Section 20.11* may only be amended with the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding seventy percent (70%) of the votes of the Association.

**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 personally or by mail. 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 of created.

21.2. **Compliance.** The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and Applicable Law.

21.3. **Higher Authority.** The documents are subordinate to federal and State law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with Applicable Law.
21.4. **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.

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

21.6. **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. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

21.7. **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.

21.8. **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, insolvent, 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 Texas Non-profit Corporation Act 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.

21.9. Attachment/Appendix/Exhibits. The following appendixes and exhibits are attached to this Declaration and are incorporated herein by reference:

Attachment 1 Plats and Plans
Attachment 2 Encumbrances
Attachment 3 Schedule of Allocated Common Interests
Attachment 4 Guide to Association’s Examination of Common Elements
Attachment 5 Guide to Association’s Major Management and Governance Functions
Attachment 6 Maintenance and Responsibility Chart
Attachment 7 Tax Certificate
Appendix “A” Declarant Reservations and Representations

[Signature Page Follows]
EXECUTED on this 17th day of October, 2012.

DECLARANT:

NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company

By:  
Printed Name:  GARY NEWMAN  
Title:  Authorized Agent

THE STATE OF TEXAS  §

COUNTY OF TRAVIS  §

This instrument was acknowledged before me this 17th day of October, 2012 by  
GARY NEWMAN, of Northwoods Avery Ranch, LLC, a Texas limited liability company, on behalf of said limited liability company.

CATHERINE L. REARICK
Notary Public, State of Texas
My Commission Expires March 08, 2014

Notary Public Signature
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: David A. Miller
RPLS or License No. 90235

BOUNDARIES OF UNIT

The legal boundaries of each Unit are established by the Declarant and the plats and plans attached hereto. However, each Owner acknowledges that the Unit may be measured and depicted in a manner which differs from the legal boundaries of a Unit. For example, the Unit may be measured or depicted differently for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air conditioned space, or the area within the Unit’s legal boundaries. The Unit’s partition wall cavities and/or its perimeter wall cavities may or may not be included. The Unit’s garage area, attic area, front porch, and/or balcony space may or may not be included.

SEE NEXT PAGE FOR ORIGINAL CERTIFICATION

{W0535444.5}
ATTACHMENT 1

NORTHWOODS AVERY STATION CONDOMINIUMS

[PLATS AND PLANS]

[CERTIFICATION OF ENGINEER]

THE ATTACHED PLATS AND PLANS, ATTACHED HERETO AS ATTACHMENT 1, CONTAIN THE INFORMATION REQUIRED BY SECTION 82.059 OF THE TEXAS UNIFORM CONDOMINIUM ACT, AS APPLICABLE.

DAVID A. MILLER, P.E.

DATE: 06.14.12

PHASE 1 — UNITS 1 THRU 42

Bury+Partners
221 West Sixth Street, Suite 800
Austin, Texas 78701
Tel. (512)328-0011 Fax (512)328-0325
TBPE Registration Number F-1048
Bury+Partners, Inc. @Copyright 2012

NORTHWOODS AVERY STATION CONDOMINIUMS

LOT 2, BLOCK 1, AVERY STATION SECTION 1A, PHASE 1 SUBDIVISION, RECORDED AS DOCUMENT No. 2011052951 IN WILLIAMSON COUNTY, TEXAS.

DATE: 06/14/12 SCALE: N.T.S. DRAWN BY: RC FILE: 102667\01\CD\102667001CONDO PROJECT No.: 102667-10001

PHASE ONE
GENERAL NOTES:

1. All improvements and land reflected on the plat are designated as general common elements, save and except portions of the regime designated as limited common elements or units: (i) in the declaration of condominium regime for Northwoods Avery Station Condominiums (the "Declaration") or (ii) on the plats and plans of the regime.

2. Ownership and use of condominium units are subject to the rights and restrictions contained in the Declaration.

3. Each unit, building, limited common element and general common element is subject to special rights reserved by the declarant as provided provision A.4. of appendix "A" to the declaration. Pursuant to such provisions, among other things, declarant has reserved the right to (i) complete or make improvements indicated on the plat and plans, as provided in the declaration; (ii) exercise any development right permitted by the Texas Uniform Condominium Act (the "Act") and the declaration, including the addition of real property in the regime, which property may be added as units, general common elements and/or limited common elements, as provided in the declaration; (iii) make the property part of a larger condominium or planned community, as provided in the declaration; (iv) use units owned or leased by declarants as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the property, as provided in the declaration; and (v) appoint or remove any declarant-appointed officer or director of the association during the declarant control period (as defined in the declaration) consistent with the act, as provided in the declaration. As provided in the declaration, 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 location that are prohibited to other owners. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the property. As provided in the declaration, declarant has an easement and right of ingress and egress in and through the common elements (as defined in the declaration) 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 the declaration.
LOT 1
BLOCK 9
MUR-SF-T
12 DU/ACRE

NORTHWOODS AVERY STATION
CONDOMINIUMS

LOT 2, BLOCK 1, AVERY STATION SECTION 1A,
PHASE 1 SUBDIVISION, RECORDED AS DOCUMENT No. 2011052951
IN WILLIAMSON COUNTY, TEXAS.

DATE: 06/14/12  SCALE: 1"=40'   DRAWN BY: RC   FILE: 102667\01\CD\102667001CONDO   PROJECT No.: 102667-1001
15.00' SETBACK

PUBLIC
EASEMENT
NO. 2012012971

REMAINDER OF TRACT 1
104.79 ACRES
FLEUR LAND, LTD.
DOC. NO. 9815649

NORTHWOODS AVERY STATION
CONDONMINIUMS
LOT 2, BLOCK 1, AVERY STATION SECTION 1A,
PHASE 1 SUBDIVISION, RECORDED AS DOCUMENT No. 2011052951
IN WILLIAMSON COUNTY, TEXAS.

BURY+PARTNERS
221 WEST SIXTH STREET, SUITE 600
AUSTIN, TEXAS 78701
TELEPHONE (512) 328-0011 FAX (512) 328-0325
TBPE REGISTRATION NUMBER F-1048
BURY+PARTNERS, INC. ©COPYRIGHT 2012

DATE: 06/14/12 SCALE: 1"=40' DRAWN BY: RC FILE: 102667\D1\CD\1026677001CONDO PROJECT No.: 102667-10001

ATTACHMENT 1 SHEET 11 OF 15
REMAINDER OF TRACT 1
104.79 ACRES
FLEUR LAND, LTD.
DOC. NO. 9815649
G.C.E., SUBJECT TO
DEVELOPMENT RIGHTS

NORTHWOODS AVERY STATION
CONDOMINIUMS

LOT 2, BLOCK 1, AVERY STATION SECTION 1A,
PHASE 1 SUBDIVISION, RECORDED AS DOCUMENT No. 2011052951
IN WILLIAMSON COUNTY, TEXAS.

REMAINDER OF TRACT 1
104.79 ACRES
FLEUR LAND, LTD.
DOC. NO. 9815649
NORTHWOODS AVERY STATION
CONDOMINIUMS
LOT 2, BLOCK 1, AVERY STATION SECTION 1A,
PHASE 1 SUBDIVISION, RECORDED AS DOCUMENT No. 2011052951
IN WILLIAMSON COUNTY, TEXAS.

DATE: 06/14/12  SCALE: 1"=40'
DRAWN BY: RC  FILE: 102687\01\CD\102668001CONDO  PROJECT No.: 102687-10001
ATTACHMENT 2

ENCUMBRANCES


2. The following matters and all terms of the documents creating or offering evidence of the matters:
   a. Easement:
      To: the City of Austin
      Purpose: water lines
   b. Mineral and/or royalty interest:
   c. Mineral and/or royalty interest:
   d. Lien for maintenance Charges and/or Assessments as provided for in instrument(s) recorded in Document Nos. 2002042824 and 2011031122, Official Public Records, Williamson County, Texas. Said lien for charges and assessments is subordinate to tax liens and all sums unpaid on a first Mortgage lien of record as set out therein.
   e. Transfer Fee or Charge as set out in Document No. 2011031122, Official Public Records, Williamson County, Texas.
   f. Terms, conditions, provisions, easements, restrictions, reservations and other matters:
      Document: Declaration of Covenants, Conditions and Restrictions
g. Terms, Conditions, and Stipulations in the Agreement

Recorded: Document No. 9802790, Official Records, Williamson County, Texas and further affected by that Assignment of Rights With Respect to Leander Rehabilitation Plan recorded in Document No. 2006080338, Official Public Records, Williamson County, Texas and that Assignment and Assumption of Leander Rehabilitation Plan recorded in Document No. 2006102082, Official Public Records, Williamson County, Texas.

Type: Order of the Special Board of Review Regarding the Leander Rehabilitation Plan

h. Terms, Conditions, and Stipulations in the Agreement


Type: Second Order of the Special Board of Review Regarding the Leander Rehabilitation Plan

i. Terms, Conditions, and Stipulations in the Agreement by and between:


Parties: Langley Ranches Limited Partnership, an Arizona limited partnership, Fleur Land, Ltd., a Texas limited partnership and 138 Acres, Ltd., a Texas limited partnership

Type: Development Costs Sharing Agreement
Said Agreement being affected by that Partial Release recorded in Document No. 2003022892, Official Public Records, Williamson County, Texas.

j. Inclusion within the Upper Brushy Creek WCID.

k. Notice Regarding: Water and Sewer Service

l. Easement: (affects that portion of Lot 2, Block 1 that lies within the 22.570 acre tract)
   Recorded: Volume 1651, Page 127, Official Records, Williamson County, Texas and as shown on plat in Document No. 2011052951, Official Public Records, Williamson County, Texas.
   To: the City of Austin
   Purpose: electric lines and systems
   Affected by that Partial Release of Easement recorded in Document No. 2011078975, Official Public Records, Williamson County, Texas.

m. Terms, Conditions, and Stipulations in the Agreement by and between:
   Parties: Northwoods Avery Ranch, LLC and the City of Austin
   Type: Subdivision Construction Agreement

n. Terms, Conditions and Stipulations in the Agreement by and between:
   Parties: Northwoods Avery Ranch, LLC and the City of Austin
   Type: Subdivision Construction Agreement

o. Easement:
   To: City of Austin
   Purpose: water and wastewater lines
p. Easement:
Recorded: Document No. 2012012972, Official Public Records, Williamson County, Texas
To: City of Austin
Purpose: wastewater lines

q. Easement:
Recorded: Document No. 2012057313, Official Public Records, Williamson County, Texas
To: Texas Gas Service
Purpose: natural gas lines

r. Easement:
Recorded: Document No. 2012063753, Official Public Records, Williamson County, Texas
To: City of Austin
Purpose: water and wastewater lines, natural gas lines, electric lines and all other public utilities

s. Easement:
Recorded: Document No. 2012063754, Official Public Records, Williamson County, Texas
To: City of Austin
Purpose: water and wastewater lines, natural gas, electric lines and all other public utilities

t. Easement:
Recorded: Document No. 2012017338, Official Public Records, Williamson County, Texas
Parties: Northwoods Avery Ranch, LLC, a Texas limited liability company and Northwoods HP, LLC, a limited liability company
Type: Water Quality and Detention Easement Agreement
ATTACHMENT 3

SCHEDULE OF ALLOCATED COMMON INTERESTS

The Common Interest Allocation and percentage of liability for common expenses for each Unit is 1/42. Each Unit is allocated one (1) vote.

THE COMMON INTEREST ALLOCATION ASSIGNED TO A PARTICULAR UNIT WILL DECREASE IF ADDITIONAL UNITS ARE CREATED AND ADDED TO THE REGIME BY THE DECLARANT.
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 examination is required by Section 9.3 of the Declaration and is a necessary prerequisite to establishing sufficient reserves. 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. 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
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 a 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 (IT, cable, fiber optics, etc), a “Reserve Study” specialist or from using tables in technical manuals on useful lives of various components. As provided in Section 9.3 of the Declaration, the Board must reevaluate its funding level each year 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, roofing, electrical systems, plumbing, information technology equipment, floor coverings, air conditioning systems, heating and hot water equipment, 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. Typically, the deferred maintenance account would include such components as painting, staining, and caulking.
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 Association’s Board of Directors 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 Association and/or the Board should not use this Guide without taking account of applicable changes in law and practices.

<table>
<thead>
<tr>
<th>MAJOR MANAGEMENT &amp; GOVERNANCE FUNCTIONS</th>
<th>PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS</th>
<th>DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT</th>
</tr>
</thead>
</table>

**FINANCIAL MANAGEMENT**

To adopt annual budget and levy assessments, per Declaration.

Prepare annual operating budget, periodic operating statements, and year-end statement.

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.

Collect assessments and maintain Association accounts.

Pay Association’s expenses and taxes.

Obtain annual audit and income tax filing.

Maintain fidelity bond on whomever handles the Association funds.

Report annually to members on financial status of the Association.
<table>
<thead>
<tr>
<th>MAJOR MANAGEMENT &amp; GOVERNANCE FUNCTIONS</th>
<th>PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS</th>
<th>DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHYSICAL MANAGEMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspect, maintain, repair, and replace, as needed, all components of the property for which the Association has maintenance responsibility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract for services, as needed to operate or maintain the property.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare specifications and call for bids for major projects.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordinate and supervise work on the property, as warranted.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADMINISTRATIVE MANAGEMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive and respond to correspondence from owners, and assist in resolving owners' problems related to the Association.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct hearings with owners to resolve disputes or to enforce the governing documents.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obtain and supervise personnel and/or contracts needed to fulfill Association’s functions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schedule Association meetings and give owners timely notice of same.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schedule board meetings and give directors timely notice of same.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforce the governing documents.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain insurance and bonds as required by the governing documents or state law, or as customary for similar types of property in the same geographic area.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAJOR MANAGEMENT &amp; GOVERNANCE FUNCTIONS</td>
<td>PERFORMED BY ASSOCIATION OFFICERS OR DIRECTORS</td>
<td>DELEGATED TO ASSOCIATION EMPLOYEE OR AGENT</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>Maintain Association books, records, and files.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain Association’s corporate charter and registered agent &amp; address.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OVERALL FUNCTIONS**
- Promote harmonious relationships within the community.
- Protect and enhance property values in the community.
- Encourage compliance with governing documents and Applicable Law.

- Act as liaison between the community of owners and governmental, taxing, or regulatory bodies.
- Protect the Association and the property from loss and damage by lawsuit or otherwise.
ATTACHMENT 6

MAINTENANCE AND RESPONSIBILITY CHART

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

<table>
<thead>
<tr>
<th>COMPONENT OF PROPERTY</th>
<th>ASSOCIATION RESPONSIBILITY</th>
<th>OWNER RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control access gate at street entrance, if any.</td>
<td>All aspects.</td>
<td>None.</td>
</tr>
<tr>
<td>Water detention pond, if any.</td>
<td>All aspects.</td>
<td>None.</td>
</tr>
<tr>
<td>Fences, screening walls, and retaining walls around perimeter of property.</td>
<td>All aspects.</td>
<td>None.</td>
</tr>
<tr>
<td>Interior asphalt streets.</td>
<td>All aspects.</td>
<td>None.</td>
</tr>
<tr>
<td>Street lights.</td>
<td>All aspects.</td>
<td>None.</td>
</tr>
<tr>
<td>Sidewalks.</td>
<td>All aspects.</td>
<td>None.</td>
</tr>
<tr>
<td>Mailboxes &amp; exterior street addresses or Unit numbers.</td>
<td>All aspects if located outside of Unit.</td>
<td>All aspects if located within Unit.</td>
</tr>
<tr>
<td>Trash receptacles.</td>
<td>All aspects with respect to those serving the community as a whole.</td>
<td>Bags or individual wheeled cans, if used.</td>
</tr>
<tr>
<td>COMPONENT OF PROPERTY</td>
<td>ASSOCIATION RESPONSIBILITY</td>
<td>OWNER RESPONSIBILITY</td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Landscaped areas.</td>
<td>All aspects with respect to General Common Elements. “Landscape Services” to be provided as set forth in Article 9 of the Declaration.</td>
<td>All aspects, other than “Landscape Services” to be provided by the Association as set forth in Article 9 of the Declaration.</td>
</tr>
<tr>
<td>Roofs.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Gutters and downspouts.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Roof-mounted attachments.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Building exteriors.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Building foundations, patio slabs and A/C slabs.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Concrete driveways.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Exterior light fixtures on Buildings.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Garages.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Fireplaces &amp; chimneys.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Skylights, if any.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Attics.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Insulation &amp; weatherstripping.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Building interior, including Improvements, fixtures, partition walls and floors within Unit.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>COMPONENT OF PROPERTY</td>
<td>ASSOCIATION RESPONSIBILITY</td>
<td>OWNER RESPONSIBILITY</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Sheetrock in Building (walls and ceilings) &amp; treatments on walls.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Exterior doors of Units.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Windows of Units.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Water, wastewater, electrical lines &amp; systems — General Common Elements.</td>
<td>All aspects.</td>
<td>None.</td>
</tr>
<tr>
<td>Water, wastewater, electrical lines &amp; systems within or serving a Unit exclusively.</td>
<td>None</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Heating and cooling systems &amp; water heaters.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Intrusion alarms smoke/heat detectors, monitoring equipment.</td>
<td>None.</td>
<td>All aspects.</td>
</tr>
<tr>
<td>Cable for television or internet.</td>
<td>Standards for location and appearance of exterior cable and/or conduit.</td>
<td>All other aspects.</td>
</tr>
<tr>
<td>Television antennas &amp; satellite dishes.</td>
<td>Standards for location and appearance of exterior cable and/or conduit.</td>
<td>All aspects.</td>
</tr>
</tbody>
</table>
SUMMARY OF ALL ACCOUNT(S)

<table>
<thead>
<tr>
<th>Description</th>
<th>Tax Year</th>
<th>Base Tax</th>
<th>DUE 10/12</th>
<th>DUE 11/12</th>
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</thead>
<tbody>
<tr>
<td>CITY OF AUSTIN</td>
<td>2011</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>WILLIAMSON COUNTY</td>
<td>2011</td>
<td>0.00</td>
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</tr>
<tr>
<td>AUSTIN COMMUNITY COLLEGE</td>
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<tr>
<td>ISD - ROUND ROCK</td>
<td>2011</td>
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<tr>
<td>UPPER BRUSHY CREEK WCID</td>
<td>2011</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>NORTHWOODS ROAD DISTRICT</td>
<td>2011</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>TOTAL TAX</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

********** COMMENTS ********** CAUTION ********** READ BEFORE CLOSING **********

WILLIAMSON COUNTY - RATE INCLUDES COUNTY (.457687) FARM/ROAD (.03)
AUSTIN COMMUNITY COLLEGE - BOND ELECTION ADDED AUSTIN COMMUNITY COLLEGE TO ROUND ROCK AREA FOR 2009
UPPER BRUSHY CREEK WCID - BONDS APPROVED: 0 / BONDS ISSUED: 0
NORTHWOODS ROAD DISTRICT # - NEW FOR 2012

2012 ASSESSED VALUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Land</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND</td>
<td>1,943,374</td>
<td>0</td>
</tr>
</tbody>
</table>

CAD# R-511863
DESC S10140 - AVERY STATION SEC 1A PH 1, BLOCK 1, Lot 2, ACRES 11.897 ABST/
SUB ID S10140
ACREAGE 11.897
SITUS STAKED PLAINS DR CAU
MAIL 7811 RANCH ROAD 2338 GEORGETOWN TX 78633
ASSESSED OWNER(S) NORTHWOODS AVERY RANCH LLC

CAU GWI J01 SRR W09 R08 TR3/AHP
<table>
<thead>
<tr>
<th>TAX ENTITY INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY OF AUSTIN</td>
</tr>
<tr>
<td>COLL BY WILLIAMSON COUNTY</td>
</tr>
<tr>
<td>PHONE 512-943-1603</td>
</tr>
</tbody>
</table>

*** DATA FOR THIS JURISDICTION IS UNAVAILABLE ***
*** MANUAL RESEARCH REQUIRED ***
TAX CERTIFICATE
DATA TRACE
10920 W. SAM HOUSTON PKWY N. SUITE 400
HOUSTON, TX 77064

800-869-6660 FAX 866-646-1330

CUST: ARMBRUST & BROWN, LLP
BRANCH: 
ORDER: 000000009 CLOSER: 
ORDER TYPE: A SUBTYPE: R DATE: 10/04/2012

WILLIAMSON COUNTY
904 S MAIN ST GEORGETOWN TX 78626
PHONE 512-943-1603

11 TAX RATE 0.4876870
W/O EXEMPT 9,477.58

*** DATA FOR THIS JURISDICTION IS UNAVAILABLE ***
*** MANUAL RESEARCH REQUIRED ***

AUSTIN COMMUNITY COLLEGE
COLL BY WILLIAMSON COUNTY
PHONE 512-943-1603

11 TAX RATE 0.0948000
W/O EXEMPT 1,842.32

*** DATA FOR THIS JURISDICTION IS UNAVAILABLE ***
*** MANUAL RESEARCH REQUIRED ***

ISD - ROUND ROCK
1311 ROUND ROCK AVE ROUND ROCK TX 78681
PHONE 512-464-5120

11 TAX RATE 1.3350000
W/O EXEMPT 25,944.04

*** DATA FOR THIS JURISDICTION IS UNAVAILABLE ***
*** MANUAL RESEARCH REQUIRED ***

UPPER BRUSHY CREEK WCID
COLL BY WILLIAMSON COUNTY
PHONE 512-943-1603

11 TAX RATE 0.0200000
W/O EXEMPT 388.67

*** DATA FOR THIS JURISDICTION IS UNAVAILABLE ***
*** MANUAL RESEARCH REQUIRED ***

NORTHWOODS ROAD DISTRICT #1
UNKNOWN

11 TAX RATE 0.0000000
W/O EXEMPT 0.00

*** DATA FOR THIS JURISDICTION IS UNAVAILABLE ***
*** MANUAL RESEARCH REQUIRED ***
TAX CERTIFICATE

DATA TRACE
10920 W. SAM HOUSTON PKWY N. SUITE 400
HOUSTON, TX 77064

800-869-6660 FAX 866-646-1330

CUST: ARMBRUST & BROWN, LLP
ORDER: 000000009
CLOSER:

REMIT CERT FEE TO:
DATATRACE
P.O. BOX 731206
DALLAS, TX 75373-1206

ORDER TYPE: A
SUBTYPE: R
DATE: 10/04/2012

CROSS-REFERENCED CAD NUMBERS

ADDITIONAL TAXES MAY APPLY TO CAD# R-NS2012

*ACCT# NEW FOR 2012 - 2012 AMNTS NOT AVAILABLE -

*NON AG VALUE PARENT ACCT(S) PAID IN FULL

CONDITIONS, DISCLAIMERS AND EXCLUSIONS

This Tax Certificate/Tax Order Report does not constitute a report on or certification of: (1) mineral (productive and/or non-productive) taxes or leases; (2) personal property taxes; or (3) other non ad valorem taxes (such as paving liens, stand-by charges or maintenance assessments).

Data Trace Information Services LLC ("Data Trace") may have warranted the accuracy of this Tax Certificate/Tax Order Report to its customer (the "Data Trace Customer") pursuant to the terms and conditions of a written tax service agreement between Data Trace and said Data Trace Customer (the "Tax Service Agreement"). Any such warranty (hereinafter, "Data Trace Customer Warranty") does not: (a) extend to a third party bearer of this Tax Certificate/Tax Order Report; (b) cover any changes made to the records of the taxing authority after the "payments as of," "paid," or "payment" dates delineated above; and (c) cover any invalid tax information shown on the records of the taxing authority or resulting from an error by the Data Trace Customer (including, without limitation, submission of incorrect property information by said Data Trace Customer). DATA TRACE MAKES NO WARRANTIES (EXPRESS OR IMPLIED) WITH RESPECT TO THIS TAX CERTIFICATE/TAX ORDER REPORT OTHER THAN (WHERE APPLICABLE) THE DATA TRACE CUSTOMER WARRANTY. Any and all claims under a Data Trace Customer Warranty must be submitted to Data Trace by the corresponding Data Trace Customer and are subject to the terms and conditions set forth in the pertinent Tax Service Agreement (including, without limitation, the filing deadlines applicable to such claims). In some jurisdictions Data Trace’s validation of a Tax Certificate/Tax Order Report is required to activate a Data Trace Customer Warranty.
HOA CERTIFICATE

DATA TRACE
10920 W. SAM HOUSTON PKWY N. SUITE 400
HOUSTON, TX 77064
800-869-6660 FAX 866-646-1330

CUST: ARMBRUST & BROWN, LLP
BRANCH:
ORDER: 000000009 CLOSER:
ORDER TYPE: A SUBTYPE: R DATE: 10/04/2012

SELLER NORTHWOODS AVERY RANCH LL
BUYER
COUNTY WILLIAMSON
SUBD NAME / BLK AVERY STATION SEC 1A PH 1
NO HOA FOUND FOR AVERY STATION SEC 1A PH 1

*** OUR RESEARCH DOES NOT INDICATE THE EXISTENCE OF AN ***
*** HOA. PLEASE VERIFY WITH YOUR TITLE REPORT. IF AN ***
*** HOA IS KNOWN, PLEASE CONTACT DATA TRACE ***

SUMMARY OF ACCOUNT R-511863

DESC S10140 - AVERY STATION SEC 1A PH 1, BLOCK 1, Lot 2, ACRES 11.897 ABST/
SITUS STAKED PLAINS DR CAU

CONDITIONS, DISCLAIMERS AND EXCLUSIONS

This HOA Certificate does not constitute a report on or certification of: (1) mineral (productive and/or non-productive) taxes or leases; (2) personal property taxes; or (3) other non ad valorem taxes (such as paving liens, stand-by charges or maintenance assessments).

Data Trace Information Services LLC ("Data Trace") may have warranted the accuracy of this HOA Certificate to its customer (the "Data Trace Customer") pursuant to the terms and conditions of a written tax service agreement between Data Trace and said Data Trace Customer (the "Tax Service Agreement"). Any such warranty (hereinafter, "Data Trace Customer Warranty") does not: (a) extend to a third party bearer of this HOA Certificate; (b) cover any changes made to the records of the association or other assessment authority after the "payments as of," "paid," or "payment" dates delineated above; and (c) cover any invalid assessment information shown on the records of the association or other assessment authority or resulting from an error by the Data Trace Customer (including, without limitation, submission of incorrect property information by said Data Trace Customer). DATA TRACE MAKES NO WARRANTIES (EXPRESS OR IMPLIED) WITH RESPECT TO THIS HOA CERTIFICATE OTHER THAN (WHERE APPLICABLE) THE DATA TRACE CUSTOMER WARRANTY. Any and all claims under a Data Trace Customer Warranty must be submitted to Data Trace by the corresponding Data Trace Customer and are subject to the terms and conditions set forth in the pertinent Tax Service Agreement (including, without limitation, the filing deadlines applicable to such claims). In some jurisdictions Data Trace's validation of a HOA Certificate is required to activate a Data Trace Customer Warranty.
APPENDIX "A"

DECLARANT RESERVATIONS AND REPRESENTATIONS


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 the Section 1.15 of the Declaration, means the seven (7) 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. Declarant Control Period is defined in Section 1.13 of the Declaration. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days’ written notice.

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. Association Budget. During the Declarant Control Period, the Declarant-appointed Board will establish a projected budget for the Property as a fully developed, fully constructed, and fully occupied residential community with a level of services and maintenance that is typical for similar types of developments in the general
area of the Property, using cost estimates that are current for the period in which the budget is prepared. The Association budget may not include enhancements voluntarily provided by Declarant to facilitate the marketing of new homes in the Property.

A.2.2. Officers and Directors. During Declarant Control Period, the Board will consist of three (3) persons. Declarant may appoint, remove, and replace any 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 limitation: within one hundred and twenty (120) days after fifty percent (50%) of the maximum number of Units that may be created have been conveyed to Owners other than Declarant, at least one (1) Board member must be elected by Owners other than Declarant.

A.2.3. 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 common expenses as they are paid and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. 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 according to the Unit's allocated Interest for Assessments.

A.2.4. 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.2.5. Enhancements. During the Declarant Control and Development Periods, Declarant — solely at Declarant's discretion — may voluntarily provide enhancements for the Property, such as higher levels of maintenance, management, insurance, and seasonal color in landscaping.

A.2.6. Expenses of Declarant. Expenses related to the marketing of the Property will be paid by Declarant and are not expenses of the Association.

A.2.7. Management Contract. If Declarant enters into a professional management contract on behalf of the Association during Declarant Control Period, the Association has the right to terminate the contract without cause or penalty, but with at
least thirty (30) days written notice to the manager, at any time after a Board elected by the Owners other than Declarant takes office.

A.3. Development Period Rights. Declarant makes the following representations and reservations regarding Declarant’s development of the Property:

A.3.1. Annexation. The Property is subject to expansion by phasing for up to seven (7) 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 forty-two (42) Units; however, Declarant reserves the right to create up to and including one hundred and five (105) 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 own a Unit in 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. Architectural Control. During the Development Period, Declarant has the absolute right of architectural control. Notwithstanding the foregoing, during the Development Period and after termination of Declarant Control, or earlier if Declarant permits, the Board may appoint or serve as a “modifications committee” to respond exclusively to modifications of completed Units that are owned by persons other than Declarant. A modifications committee may not involve itself with the approval of new Units or Common Elements.

A.3.5. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.

A.3.6. Website & Property Name. During the Development Period, Declarant has the unilateral right to approve or disapprove uses of any website purporting to serve the Property or the Association, all information available on or through the Property website, if any, and all uses of the property name by the Association.
A.3.7. **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.3.8. **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 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.3.9. **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.3.10. **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 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.

(ix) For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

A.4. **Special Declarant Rights.** As permitted by the Act, Declarant reserves the below described 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. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant so long as Declarant holds a Development Right to create additional Units or Common Elements or Declarant owns a Unit, whichever ceases last. Earlier termination of certain rights may occur by statute.

(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 Residents. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. 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 elsewhere in this Declaration or the other 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 Element Improvements.
(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.

A.6. **Common Elements.** Because the Common Elements are owned by the Owners, collectively and in undivided interest, the Common Elements are not capable of being separately conveyed. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of the ownership of the Common Elements. Because ownership of the Common Elements is not conveyed by Declarant to the Association, there is no basis for the popular misconception that Owners may "accept" or "refuse" the Common Elements.

A.7. **Successor Declarant.** Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and Recorded in the Official Public Records of Williamson County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.
FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM REGIME
FOR NORTHWOODS AVERY STATION

This First Amendment to Declaration of Condominium Regime for Northwoods Avery Station (the "Amendment") is made by NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company ("Declarant"), and is as follows:

RE C I T A L S:

A. Declarant previously executed and recorded that certain Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2012086773, Official Public Records of Williamson County, Texas (the "Declaration"), thereby creating a condominium regime governed by the Declaration and known as “Northwoods Avery Station” (the "Regime").

B. As the owner of all condominium units established by the Regime, Declarant now desires to amend the Declaration to withdraw land from the Regime and to modify the description of the Property submitted to the Regime accordingly, as set forth more fully hereinbelow.

NOW THEREFORE, the Declaration is hereby amended as follows:

1. Withdrawal of Property from the Regime.

   (a) That certain tract of land more particularly described on Attachment 1, attached hereto and incorporated herein by reference, is hereby withdrawn from the Regime.

   (b) The description of the Property submitted to the Regime set forth in the recitals to the Declaration and in Section 1.27 of the Declaration is hereby deleted in its entirety and replaced with the description set forth on Attachment 2, attached hereto and incorporated herein by reference.

2. Miscellaneous. Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Declaration. Unless expressly amended by this Amendment, all other terms and provisions of the Declaration remain in full force and effect as written, and are hereby ratified and confirmed.

[SIGNATURE PAGE FOLLOWS]
EXECUTED to be effective as of the 28th day of February, 2013.

DECLARANT/OWNER:

NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company

By: [Signature]
Printed Name: GARY L. NEWMAN
Title: Vice President

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me this 1st day of March, 2013 by Gary L. Newman, Vice President of Northwoods Avery Ranch, LLC, a Texas limited liability company, on behalf of said limited liability company.

[Notary Public Signature]
ATTACHMENT 1

DESCRIPTION OF WITHDRAWN PROPERTY

1.382 ACRE

AVERY STATION

DESCRIPTION

OF A 1.382 ACRE TRACT OF LAND, SITUATED IN THE RACHEL SAUL SURVEY, ABSTRACT NO. 551, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF LOT 1, BLOCK 1 (4.405 ACRES) AND LOT 2, BLOCK 1 (11.897 ACRES) AVERY STATION SECTION 1A, PHASE 1, A SUBDIVISION OF RECORD IN DOCUMENT NO. 2011052991 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.382 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2-inch iron rod with cap set at the intersection of the northerly right-of-way line of Lakeline Boulevard (R.O.W. varies) and the westerly right-of-way line of Staked Plains Drive (R.O.W. varies), for the southeasterly corner of said Lot 1 and hereof;

THENCE, S71°07'27"W, leaving said westerly right-of-way line of Staked Plains Drive, along said northerly right-of-way line of Lakeline Boulevard, for the southerly line of said Lot 1 and hereof, a distance of 160.94 feet to a 1/2-inch iron rod with cap set for the southwesterly corner hereof, from which a 1/2-inch iron rod found at the southwesterly corner of said Lot 1 bears S71°07'27"W, a distance of 476.07 feet;

THENCE, leaving said northerly right-of-way line of said Lakeline Boulevard, over and across said Lot 1 and said Lot 2, for the westerly and northerly lines hereof, the following six (6) courses and distances:

1) N18°52'33"W, a distance of 22.00 feet to a 1/2-inch iron rod with cap set for an angle point;

2) N16°03'27"E, a distance of 53.48 feet to a 1/2-inch iron rod with cap set for an angle point;

3) N18°52'33"W, a distance of 218.12 feet to a 1/2-inch iron rod with cap set for the northwesterly corner hereof;

4) N60°52'30"E, a distance of 93.41 feet to a 1/2-inch iron rod with cap set for an angle point;

5) N27°57'12"W, a distance of 69.29 feet to a 1/2-inch iron rod with cap set for an angle point;

6) N68°58'49"E, a distance of 102.23 feet to a 1/2-inch iron rod with cap set in the easterly line of said Lot 2, being said westerly right-of-way line of Staked Plains Drive, for the northeasterly corner hereof, from which a 1/2-inch iron rod found at a point of curvature in said westerly right-of-way line bears N21°01'11"E, a distance of 76.28 feet;
TBENCg, along said westerly right-of-way line of Staked Plains Drive, being the easterly lines of said Lot 2 and said Lot 1, for the easterly line hereof, the following two (2) courses and distances:

1) S21°01'11"E, a distance of 239.70 feet to a 1/2-inch iron rod with cap set for an angle point;

2) S06°19'28"W, a distance of 145.12 feet to the POINT OF BEGINNING, and containing 1.382 acre (60,209 square feet) of land, more or less, within these metes and bounds.

THE BEARING BASIS IS THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILIZING LCRA GPS CONTROL MONUMENTS E107-002, AZ12-001 AND AZ11-001.

I, ABRAM C. DASHNER, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PROPERTY DESCRIBED HEREIN WAS DETERMINED BY A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION. A LAND TITLE SURVEY WAS PREPARED TO ACCOMPANY THIS FIELDNOTE DESCRIPTION.
LEGEND

• 1/2" IRON ROD FOUND
○ 1/2" IRON ROD SET
P.O.B. POINT OF BEGINNING

NORTHWOODS AVERY RANCH, LLC

REMAINDER OF
11.897 ACRES
LOT 2, BLOCK 1
avery station
SECTION 1A, PHASE 1
DOCUMENT NO.
2011052951

NORTHWOODS AVERY RANCH, LLC

REMAINDER OF
4.405 ACRES
LOT 1, BLOCK 1
avery station
SECTION 1A, PHASE 1
DOCUMENT NO.
2011052951

1.382 ACRES
PORTION OF
LOT 1, BLOCK 1 &
LOT 2, BLOCK 1
avery station
SECTION 1A, PHASE 1
DOCUMENT NO.
2011052951

RACHEL SAUL SURVEY
ABSTRACT NO. 551

21.81Z M, 48.27B N

571°7'27"W 169.94'

P.O.B.

S71°7'27"W 662.75'

LAKELINE BOULEVARD
(R.O.W. VARIES) (CABINET "W", SLIDES 21-25)

BURY+PARTNERS

DATE: 12/21/11
FILE: M:\77137\08\713003\EW25.DWG
FN No.: FN11-43046T
DRAWN BY: WLT
PROJ. No.: 713009

ATTACHMENT 1
ATTACHMENT 2

DESCRIPTION OF PROPERTY

LOTS 1 AND 2, BLOCK 1, AVERY STATION SECTION 1A, PHASE 1, according to the map or plat thereof recorded under Document No. 2011052951 in the Official Public Records of Williamson County, Texas, SAVE AND EXCEPT the 1.382 acre portion thereof described below:

1.382 ACRE
AVERY STATION

DESCRIPTION

OF A 1.382 ACRE TRACT OF LAND, SITUATED IN THE RACHEL SAUL SURVEY, ABSTRACT NO. 551, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF LOT 1, BLOCK 1 (4.405 ACRES) AND LOT 2, BLOCK 1 (11.897 ACRES) AVERY STATION SECTION 1A, PHASE 1, A SUBDIVISION OF RECORD IN DOCUMENT NO. 2011052951 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.382 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2-inch iron rod with cap set at the intersection of the northerly right-of-way line of Lakeline Boulevard (R.O.W. varies) and the westerly right-of-way line of Staked Plains Drive (R.O.W. varies), for the southeasterly corner of said Lot 1 and hereof;

THENCE, S71°07'27"W, leaving said westerly right-of-way line of Staked Plains Drive, along said northerly right-of-way line of Lakeline Boulevard, for the southerly line of said Lot 1 and hereof, a distance of 160.94 feet to a 1/2-inch iron rod with cap set for the southwesterly corner hereof, from which a 1/2-inch iron rod found at the southwesterly corner of said Lot 1 bears S71°07'27"W, a distance of 476.07 feet;

THENCE, leaving said northerly right-of-way line of said Lakeline Boulevard, over and across said Lot 1 and said Lot 2, for the westerly and northerly lines hereof, the following six (6) courses and distances:

1) N18°52'33"W, a distance of 22.00 feet to a 1/2-inch iron rod with cap set for an angle point;
2) N16°03'27"E, a distance of 53.48 feet to a 1/2-inch iron rod with cap set for an angle point;
3) N18°52'33"W, a distance of 218.12 feet to a 1/2-inch iron rod with cap set for the northwesterly corner hereof;
4) N60°52'30"E, a distance of 93.41 feet to a 1/2-inch iron rod with cap set for an angle point;
5) N27°57'12"W, a distance of 69.29 feet to a 1/2-inch iron rod with cap set for an angle point;
6) N68°58'49"E, a distance of 102.23 feet to a 1/2-inch iron rod with cap set in the easterly line of said Lot 2, being said westerly right-of-way line of Staked Plains Drive, for the northeasterly corner hereof, from which a 1/2-inch iron rod found at a point of curvature in said westerly right-of-way line bears N21°01'11"E, a distance of 76.28 feet;
THENCE, along said westerly right-of-way line of Staked Plains Drive, being the easterly lines of said Lot 2 and said Lot 1, for the easterly line hereof, the following two (2) courses and distances:

1) S21°01'11"E, a distance of 239.70 feet to a 1/2-inch iron rod with cap set for an angle point;

2) S06°19'29"W, a distance of 145.12 feet to the POINT OF BEGINNING, and containing 1.382 acre (60,209 square feet) of land, more or less, within these metes and bounds.

THE Bearings BASIS IS THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILIZING LCRA GPS CONTROL MONUMENTS E107-002, AZ12-001 AND AZ11-001.

I, ABRAM C. DASHNER, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PROPERTY DESCRIBED HEREIN WAS DETERMINED BY A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION. A LAND TITLE SURVEY WAS PREPARED TO ACCOMPANY THIS FIELDNOTE DESCRIPTION.

ABRAM C. DASHNER 
R.P.L.S. NO. 5901 
STATE OF TEXAS

{W0570985.3} ATTACHMENT 2
VICINITY MAP
NOT TO SCALE

NORTHWOODS AVERY RANCH, LLC
REMAINDER OF
11.697 ACRES
LOT 2, BLOCK 1
avery STATION
SECTION 1A, PHASE 1
DOCUMENT NO.
2011052951

LEGEND

1/2" IRON ROD FOUND
1/2" IRON ROD SET
P.O.B. POINT OF BEGINNING

1.382 ACRES
PORTION OF
LOT 1, BLOCK 1 &
LOT 2, BLOCK 1
avery STATION
SECTION 1A, PHASE 1
DOCUMENT NO.
2011052951

RACHEL SAUL SURVEY
ABSTRACT NO. 551

NORTHWOODS AVERY RANCH, LLC
REMAINDER OF
4.405 ACRES
LOT 1, BLOCK 1
avery STATION
SECTION 1A, PHASE 1
DOCUMENT NO.
2011052951

LAKE LINE BOULEVARD
(R.O.W. Varies) (Cabinet "W", Slides 21-25)

Bury+Partners
Bury+Partners
Bury+Partners

SKETCH TO ACCOMPANY DESCRIPTION
OF A 1.382 ACRE TRACT, BEING A PORTION OF LOT 1
AND LOT 2, BLOCK 1, AVERY STATION SECTION 1A,
PHASE 1, AS RECORDED IN DOCUMENT NO. 2011052951
OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS.

WATERSTONE DEVELOPMENT

ATTACHMENT 2
FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM REGIME
FOR NORTHWOODS AVERY STATION
(A Residential Condominium in Williamson County, Texas)

Declarant: NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company

Cross Reference to Declaration of Condominium Regime for Northwoods Avery Station, recorded under Document No. 2012086773 in the Official Public Records of Williamson County, Texas.
SECOND AMENDMENT TO
DECLARATION OF CONDOMINIUM REGIME
FOR NORTHWOODS AVERY STATION
(A Residential Condominium Community in Williamson County, Texas)

Cross reference to that certain Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2012086773, Official Public Records of Williamson County, Texas and that certain First Amendment to Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2013019238, Official Public Records of Williamson County, Texas.

(W0624517.2)
SECOND AMENDMENT TO
DECLARATION OF CONDOMINIUM REGIME FOR NORTHWOODS AVERY STATION

This Second Amendment to Declaration of Condominium Regime for Northwoods Avery Station (the “Amendment”) is made by NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company (“Declarant”), and is as follows:

RECITALS:

A. Northwoods Avery Station, a residential condominium project (the “Regime”), located in Williamson County, Texas, was established pursuant to that certain Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2012086773, Official Public Records of Williamson County, Texas and that certain First Amendment to Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2013019238, Official Public Records of Williamson County, Texas (collectively, the “Declaration”).

B. Pursuant to Provision A.3.10(iv) and Provision A.3.8 of Appendix “A” to the Declaration, during the “Development Period” (as defined in the Declaration), Declarant may amend the Declaration, without consent of other Owners or any mortgagee, to create Units, General Common Elements and Limited Common Elements within the Property.

C. The “Development Period” is defined in the Declaration as a seven (7) year period commencing on the date the Declaration was recorded in the Official Public Records of Williamson County, Texas. The Declaration was recorded in the Official Public Records of Williamson County, Texas, on October 18, 2012. Accordingly, the Development Period has not yet expired.

D. Declarant now desires to amend the Declaration for the purpose of creating thereon thirty-eight (38) additional Units within the Regime. The total number of Units within the Regime after giving effect to this Amendment is equal to eighty (80), and the total number of remaining Units which Declarant has reserved the right to create by amendment is equal to twenty-five.

NOW THEREFORE, the Declaration is hereby amended as follows:

1. Creation of New Units. In accordance with the rights reserved by the Declarant pursuant to Provisions A.3.10(iii) and (iv) and Provision A.3.8 of Appendix “A” to the Declaration, Declarant hereby creates thirty-eight (38) Units (collectively, the “New Units”), as indicated on the supplemental Plats and Plans attached hereto and incorporated herein by reference as Attachment 1 (the “Supplemental Plats and Plans”).
2. **Supplement to Attachment 1.** Attachment 1 to the Declaration is hereby supplemented by the Supplemental Plats and Plans. The Supplemental Plats and Plans: (i) assign an identifying number to the New Units; (ii) describe the portion of the limited common elements created or assigned to the New Units; and (iii) include the information required by Section 82.059 of the Texas Uniform Condominium Act.

3. **Replacement of Attachment 3.** The Common Interest Allocation and number of votes allocated to all Units within the Regime, after the addition of the New Units, is set forth on Attachment 3, attached hereto and incorporated herein by reference. Attachment 3, attached hereto, will supersede and replace Attachment 3 attached to the Declaration.

4. **Miscellaneous.** Any capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Declaration. Unless expressly amended by this Amendment, all other terms and provisions of the Declaration remain in full force and effect as written, and are hereby ratified and confirmed.

[SIGNATURE PAGE Follows]
EXECUTED to be effective as of the date this instrument has been recorded in the Official Public Records of Williamson County, Texas.

DECLARANT:

NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company

By: 

Printed Name: 

Title: 

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me this 16th day of June, 2014 by 

Authorized Agent of Northwoods Avery Ranch, LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public Signature
ATTACHMENT 1

NORTHWOODS AVERY STATION CONDOMINIUMS

[PLATS AND PLANS]

[CERTIFICATION OF ENGINEER]

THE ATTACHED PLATS AND PLANS, ATTACHED HERETO AS ATTACHMENT 1, CONTAIN THE INFORMATION REQUIRED BY SECTION 82.059 OF THE TEXAS UNIFORM CONDOMINIUM ACT, AS APPLICABLE.

SHERVIN NOOSHIN, P.E.

DATE:

6-25-14

PHASE 2 — UNITS 43 THRU 94
GENERAL NOTES:

1. ALL IMPROVEMENTS AND LAND REFLECTED ON THE PLAT ARE DESIGNATED AS GENERAL COMMON ELEMENTS, SAVE AND EXCEPT PORTIONS OF THE REGIME DESIGNATED AS LIMITED COMMON ELEMENTS OR UNITS: (i) IN THE DECLARATION OF CONDOMINIUM REGIME FOR NORTHWOODS AVERY STATION CONDOMINIUMS (THE "DECLARATION") OR (ii) ON THE PLATS AND PLANS OF THE REGIME.

2. OWNERSHIP AND USE OF CONDOMINIUM UNITS ARE SUBJECT TO THE RIGHTS AND RESTRICTIONS CONTAINED IN THE DECLARATION.

3. EACH UNIT, BUILDING, LIMITED COMMON ELEMENT AND GENERAL COMMON ELEMENT IS SUBJECT TO SPECIAL RIGHTS RESERVED BY THE DECLARANT AS PROVIDED PROVISION A.4. OF APPENDIX "A" TO THE DECLARATION, PURSUANT TO SUCH PROVISIONS, AMONG OTHER THINGS, DECLARANT HAS RESERVED THE RIGHT TO (i) COMPLETE OR MAKE IMPROVEMENTS INDICATED ON THE PLAT AND PLANS, AS PROVIDED IN THE DECLARATION; (ii) EXERCISE ANY DEVELOPMENT RIGHT PERMITTED BY THE TEXAS UNIFORM CONDOMINIUM ACT (THE "ACT") AND THE DECLARATION, INCLUDING THE ADDITION OF REAL PROPERTY IN THE REGIME, WHICH PROPERTY MAY BE ADDED AS UNITS, GENERAL COMMON ELEMENTS AND/OR LIMITED COMMON ELEMENTS, AS PROVIDED IN THE DECLARATION (iii) MAKE THE PROPERTY PART OF A LARGER CONDOMINIUM OR PLANNED COMMUNITY, AS PROVIDED IN THE DECLARATION; (iv) USE UNITS OWNED OR LEASED BY DECLARANTS AS MODELS, STORAGE AREAS, AND OFFICES FOR THE MARKETING, MANAGEMENT, MAINTENANCE, CUSTOMER SERVICE, CONSTRUCTION, AND LEASING OF THE PROPERTY, AS PROVIDED IN THE DECLARATION; AND (v) APPOINT OR REMOVE ANY DECLARANT-APPOINTED OFFICER OR DIRECTOR OF THE ASSOCIATION DURING THE DECLARANT CONTROL PERIOD (AS DEFINED IN THE DECLARATION) CONSISTENT WITH THE ACT, AS PROVIDED IN THE DECLARATION. AS PROVIDED IN THE DECLARATION, 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 LOCATION THAT ARE PROHIBITED TO OTHER OWNERS. DECLARANT RESERVES AN EASEMENT AND RIGHT TO MAINTAIN, RELOCATE, REPLACE, OR REMOVE THE SAME FROM TIME TO TIME WITHIN THE PROPERTY. AS PROVIDED IN THE DECLARATION, DECLARANT HAS AN EASEMENT AND RIGHT OF INGRESS AND EGRESS IN AND THROUGH THE COMMON ELEMENTS (AS DEFINED IN THE DECLARATION) 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 THE DECLARATION.
EXISTING 20.00'
05-P-DUE
DOC. NO. 2014052951
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**NORTHWOODS AVERY STATION CONDOMINIUMS**

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ATTACHMENT 3

SCHEDULE OF ALLOCATED COMMON INTERESTS

The Common Interest Allocation and percentage of liability for common expenses for each Unit is 1/80. Each Unit is allocated one (1) vote.

THE COMMON INTEREST ALLOCATION ASSIGNED TO A PARTICULAR UNIT WILL DECREASE IF ADDITIONAL UNITS ARE CREATED AND ADDED TO THE REGIME BY THE DECLARANT.
SCRIVENER'S AFFIDAVIT

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §

KNOW ALL MEN BY THESE PRESENTS:

Joshua D. Bernstein personally appeared before the undersigned and being duly sworn, states the following:

1. Avery Station is a condominium regime located in Williamson County, Texas (the "Regime"), established by that certain Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2012086773, Official Public Records of Williamson County, Texas (the "Declaration").

2. The Declaration has been amended by virtue of that certain First Amendment to Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2013019238, Official Public Records of Williamson County, Texas, and that certain Second Amendment to Declaration of Condominium Regime for Northwoods Avery Station, recorded as Document No. 2014049288, Official Public Records of Williamson County, Texas (the "Second Amendment").

3. Due to a scrivener's error, the number of condominium units within the Regime, as described in the Second Amendment, was incorrect. The total number of condominium units added to the Regime as a result of the Amendment is fifty-two (52). Accordingly: (i) the total number of condominium units within the Regime is ninety-four (94); and (ii) the Common Interest Allocation and percentage of liability for common expenses for each condominium unit in the Regime is 1/94.

EXECUTED this 7th day of July, 2014.

JOSHUA D. BERNSTEIN

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was signed, sworn to, and acknowledged before me by Joshua D. Bernstein on July 7, 2014.

Notary Public Signature

(SEAL)

UPON RECORDING RETURN TO:

Joshua D. Bernstein
Armbrust & Brown, PLLC
100 Congress Avenue, Suite 1300
Austin, Texas 78701

2014052408
Electronically Recorded

OFFICIAL PUBLIC RECORDS

Nancy E. Rister, County Clerk
2014 July 08 11:26 AM
FEE: $21.00    PGS:1
Williamson County Texas
CERTIFICATE OF FILING
OF
Northwoods Avery Station Condominium Community, Inc.
File Number: 801657069

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/19/2012
Effective: 09/19/2012

Hope Andrade
Secretary of State
Certificate of Formation
Nonprofit Corporation

Article 1 - Corporate Name
The filing entity formed is a nonprofit corporation. The name of the entity is:
Northwoods Avery Station Condominium Community, Inc.

Article 2 - Registered Agent and Registered Office
A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:
Name: Gary Newman

C. The business address of the registered agent and the registered office address is:
Street Address: 7811 Ranch Road 2338 Georgetown TX 78633

Consent of Registered Agent
A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Management
A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: Gary Newman Title: Director
Address: 7811 Ranch Road 2338 Georgetown TX, USA 78633

Director 2: Aaron Googins Title: Director
Address: 205 Wild Basin Road, Bldg. 1 Austin TX, USA 78746

Director 3: Eric Rome Title: Director
Address: 205 Wild Basin Road, Bldg. 1 Austin TX, USA 78746

Article 4 - Organization Structure
A. The corporation will have members.

or

B. The corporation will not have members.

Article 5 - Purpose
The corporation is organized for the following purpose or purposes:
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. The Association is formed
for the purpose of exercising all of the powers and privileges, and performing all of the duties, obligations, and purposes of the Association as set forth in that certain "Declaration of Condominium Regime for Northwoods Avery Station", which is recorded in the Official Public Records of Williamson County, Texas, as the same may be amended from time to time (the "Declaration").

Supplemental Provisions / Information

**ARTICLE 6 - MEMBERSHIP**
Membership in the Association shall be determined by the Declaration.

**ARTICLE 7 - 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 8 - LIMITATION OF DIRECTOR LIABILITY**
A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

**ARTICLE 9 - INDEMNIFICATION**
Each person who acts as a director, 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 such director or officer or by reason of any action alleged to have been taken or omitted by him 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 10 - 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 11 - 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
ARTICLE 12 - AMENDMENT
This Certificate of Formation may be amended by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of two-thirds (2/3) majority of the total number of votes of the Association, as determined under the Declaration. In the case of any conflict between the Declaration and this Certificate of Formation, the Declaration shall control; and in the case of any conflict between this Certificate of Formation and the Bylaws of the Association, this Certificate of Formation shall control.

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

Joshua D. Bernstein  Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701-2744

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Joshua D. Bernstein
Signature of organizer.

FILING OFFICE COPY
NORTHWOODS AVERY STATION

COMMUNITY MANUAL

Consisting of:
- Bylaws
- Initial Rules & Regulations
- Assessment Collection Policy
- Fine Policy
- Certificate of Formation

For Owners & Residents of
Northwoods Avery Station

PROPERTY

Northwoods Avery Station is subject to the Declaration of Condominium Regime for Northwoods Avery Station, recorded or to be recorded in the Official Public Records of Williamson County, Texas.
# NORTHWOODS AVERY STATION
COMMUNITY MANUAL

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I. NORTHWOODS AVERY STATION CONDOMINIUM COMMUNITY, INC.
BYLAWS
(a Texas condominium association)

ARTICLE 1
INTRODUCTION

1.1. Property. These Bylaws of Northwoods Avery Station Condominium Community, Inc., provide for the governance of the condominium regime known as Northwoods Avery Station, established on certain real property located in Williamson County, Texas (the “Property”), as more particularly described in that certain Declaration of Condominium Regime for Northwoods Avery Station, 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 Applicable 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 may 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 a 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 (2/3) 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 each calendar quarter. 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 residents.
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. 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 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 twenty percent (20%) 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. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, provided that Members representing at least twenty percent (20%) of the Units in the Property remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute 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, at which meeting the Members present in person or by proxy (even if representing less than twenty percent (20%) of the Units) will be sufficient to constitute a quorum for the purposes of that meeting.

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 resident, 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 residents.

## 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 unless the Owner was given notice and a reasonable opportunity to a cure a similar violation within the preceding twelve (12) months.

6.2.1. **Notice of Violation.** The Board’s written violation notice will contain the following: (i) the date the violation notice is prepared or mailed; (ii) a description of the violation; (iii) a reference to the rule or provision of the Documents that is being violated; (iv) a description of the action required to cure the violation; (v) the amount of the fine to be levied and/or the abatement action to be taken; (vi) the date the fine begins accruing or abatement action becomes possible; and (vi) a statement that not later than the 30th day after the date of the violation notice, the Owner may request a hearing before the Board to contest the fine or the abatement action.
6.2.2. **Notice to Resident.** 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 resident, 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 the date of the violation notice. Within ten (10) days after receiving the Owner’s request for a hearing, the Board will give the Owner notice of the date, time, and place of the hearing. The hearing will be scheduled for a date within forty-five (45) days from the date the Board receives the Owner’s request, 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. **Notice of Sale.** Any Owner intending to sell or convey his Unit or any interest therein must give written notice to the Board of his intention, together with: (i) the address or legal description of the Unit being conveyed; (ii) the name and address of the intended purchaser; (iii) the name, address, and phone number of the title company or attorney designated to close the transaction; (iv) names and phone numbers of real estate agents, if any, representing seller and purchaser; and (v) scheduled date of closing. An Owner will furnish this information to the Board at least ten (10) business days before the scheduled date of closing or conveyance. The requirements of this Section may be satisfied by giving the Association a copy of an accepted resale contract in connection with the Owner's request to the Association for a resale certificate.

7.2. **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.

7.3. **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, telephone number, and driver's license number, if any; the name and telephone number of any resident 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.

7.4. **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.

7.5. **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.

7.6. **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.

7.7. **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 (1) person, notice to one (1) 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 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, the notice is deemed delivered on successful transmission of the facsimile.

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 residents. 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 be amended by a majority vote of the Board of Directors.

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 Eligible 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 Eligible 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 resident 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 resident. Nevertheless,

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

ii. A director, officer, Member, or resident 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 Joshua D. Bernstein, Esq., Armbrust & Brown, PLLC, 100 Congress Ave., Suite 1300, Austin, Texas 78701.
II. INITIAL RULES & REGULATIONS

These Initial Rules & Regulations are established by NORTHWOODS AVERY RANCH, LLC., a Texas limited liability company, for the benefit of the Northwoods Avery Station 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 Northwoods Avery Station, 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 Resident agrees to abide by these Rules and to comply with the obligations of Owners and Residents 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 Residents 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 “Resident,” each of those terms are deemed to include the other, and applies to all persons for whom an Owner or Resident 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.

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.

A-2. Additional Rules. Each Resident must comply with any rules and signs posted from time to time on the Property by the Association. Each Resident 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.

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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 Resident to enforce these Rules against another Resident. Residents 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 Residents 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 Residents to help keep each other informed about the Rules. Recognizing that a Resident may be reluctant to confront another Resident about a violation, the Association will work with Residents to enforce the Rules. Generally, a complaint must be in writing and must be signed by a Resident 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 RESIDENTS**

B-1. **Damage.** An Owner is responsible for any loss or damage he causes to improvements within his Unit, other Units, the personal property of other Residents 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 Resident is solely responsible for insuring his 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. THE ASSOCIATION STRONGLY RECOMMENDS THAT ALL OWNERS AND RESIDENTS PURCHASE AND MAINTAIN INSURANCE ON THEIR PERSONAL BELONGINGS AND IMPROVEMENTS AND BETTERMENTS INSTALLED BY AN OWNER IN THEIR UNIT.

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 eighteen (18) years must be under the general control and supervision of their parents or guardians at all times while on the Property. Persons who are below the chronological or mental age of thirteen (13) years must at all times be in the actual company of a person at least thirteen (13) years old who is responsible for their well being. A person under thirteen (13) years may not be left unattended in a Unit at any time. After nightfall, unless accompanied by a parent or guardian, persons under eighteen (18) years may not be on the common elements.

**C. OCCUPANCY STANDARDS**

C-1. **Numbers.** The maximum number of persons who may occupy a Unit is one more than the number of bedrooms in the Unit. Two persons per bedroom, however, may occupy a Unit if the occupants qualify for familial status protection under the Fair Housing Act. Occupancy of a Unit, for purposes of these Rules, means occupancy in excess of thirty (30) continuous days or sixty (60) days in any twelve (12) month period.

C-2. **Leases.** 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, federal and State laws, and local ordinances.

C-3. **Danger.** As permitted by the federal Fair Housing Act Rules, no 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.

**D. FIRE AND SAFETY**

D-1. **Safety.** Each Resident 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 Resident has a duty of care, control, or custody.

D-2. **Fires.** Except for barbecue fires as permitted by these Rules, 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. **Safety Equipment.** No person may use, tamper with, or modify the fire and safety equipment, if any, in the common elements of the Property, such as alarms, extinguishers, monitors, and self-closing gates or doors. This Section may not be construed to require the installation or use of such equipment.

D-5. **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, Resident, 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 on 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 a Resident 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.** A Resident may not use his Unit in a way that: (a) annoys Residents of neighboring Units; (b) reduces the desirability of the Property as a residential community; (c) endangers the health or safety of other Residents; or (d) violates any law or any provision of the Documents.

E-3. **Maintenance.** An Owner, at his expense, will maintain his Unit and all improvements therein and keep it in good condition and repair.
E-4. **Balcony & Porch Maintenance.** A Resident will maintain the porch, balcony, and deck portions of his Unit in a clean manner. A Resident will take care that the cleaning of his porch, balcony, and deck does not annoy or inconvenience other Residents. A porch, balcony, or deck may not be enclosed or used for storage purposes. If the Board determines that a porch, balcony, or deck is unsightly, the Board may give the Owner notice of the problem and a reasonable time period in which to correct it, after which the Board may take corrective action at the Owner’s expense.

E-5. **Glass.** Each Owner, at his expense, must promptly repair and replace any broken or cracked glass in his Unit’s windows and doors, regardless of the source of the damage. Replacement glass must conform to the standard for the Property.

E-6. **Utility Equipment.** Each Owner, at his expense, will maintain, repair, and replace the water heating and air heating and cooling equipment/system serving his Unit.

E-7. **Combustibles.** A Resident may not store or maintain, anywhere on the Property — including within a Unit — explosives or materials capable of spontaneous combustion.

E-8. **Report Malfunctions.** A Resident 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. A Resident 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.

E-9. **Emergencies.** In case of continuous water overflow, a Resident should immediately turn off water and TURN THE SHUT-OFF VALVES BEHIND THE TOILET OR UNDER THE SINK.

E-10. **Cable.** A Resident who subscribes directly to cable service is solely responsible for maintaining that subscription and the appurtenant equipment. A Resident who obtains cable service through the Association is responsible for the proper use, maintenance, and return of cable connections or equipment. Wires may not be draped, hung, or strong on the building or the grounds, the Owner of the Unit to which cable service is provided is responsible to the Association for any damage to the Property caused by the cable installer or servicer.

E-11. **Utilities.** Each Resident will try to conserve the use of utilities furnished through the Association, including water consumption within his Unit.

E-12. **Frozen Water Pipes.** Some Units are constructed with water lines in exterior walls. It is the duty of every Owner and Resident of such a Unit to protect the water lines from freezing during winter months. During periods of anticipated below freezing temperatures, water lines in exterior walls should be allowed to drip continuously, and cabinets enclosing plumbing lines should be left ajar. Dishwashers on exterior walls should not be used during and immediately after periods of extreme cold. Failure by an
Owner or Resident to monitor the local weather and take appropriate precautions may be deemed negligence.

E-13. Unsightly Articles. No article deemed to be unsightly by the Board shall be permitted to remain within any Unit so as to be visible from adjoining Units or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, all-terrain vehicles, toys and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view. Service areas, storage areas and compost piles shall be appropriately screened from view, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash shall be kept, stored, or allowed to accumulate on any portion of the Regime except within enclosed structures or appropriately screened from view.

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, Residents may not use or abuse 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.

F-4. Trash Containers. Except for consecutive twelve (12) hour periods before and after any designated waste pick-up time, no trash containers or recycling bins may be stored in such a manner so as to be visible from neighboring or adjoining Units or from public or private thoroughfares. The Board reserves the right to specify locations within each Owner’s Unit in which trash containers or recycling bins must be stored.

G. COMMUNITY ETIQUETTE

G-1. Courtesy. Each Resident will endeavor to use his Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.

G-2. Annoyance. A Resident will avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Residents or their guests, or the Association’s employees and agents.

G-3. Noise and Odors. Each Resident 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 Residents of other Units. Loud vocalizations and boisterous conduct on common elements are expressly prohibited.

G-4. **Parties.** In planning private social functions at the Property, each Resident should be aware of the potential consequences on the Property’s parking resources and on the sensibilities of other Residents. A Resident intending to use his Unit for a party or other activity that may be expected to produce a higher-than-customary level or duration of noise or other disturbance will make a diligent effort to give Residents of adjoining Units timely prior notice of the event, as a courtesy. If the event is expected to attract twenty (20) or more guests to the Property, the Resident will also give the Board timely prior written notice of the event.

G-5. **Reception Interference.** Each Resident 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. ARCHITECTURAL CONTROL; WORK UPON UNITS AND COMMON ELEMENTS**

**H-1. Exteriors.** Without the written approval of the Architectural Reviewer, an Owner or Resident may NOT change, remodel, decorate, destroy, or improve any exterior surface or component of the Property, nor do anything to change the outside appearance of the Property, including without limitation the entry door, front porch, windows, garage doors, and driveway appurtenant to the Unit.

**H-2. Protrusions.** An Owner or Resident may not cause anything to protrude or project through the boundaries of the Unit, such as the foundation, roof, or an exterior wall of a Unit. Examples of installations that may entail protruding wires or conduits include, without limitation, exterior horns, lights, speakers, or aerials.

**H-3. Balconies & Porches.** Because balconies, decks, and front porches are distinctive architectural features of the Property, an Owner or Resident may not change the appearance or condition of the balcony or porch portion of his Unit in any manner, without the prior authorization of the Architectural Reviewer. Prohibited activities include the following:

a. Painting or staining any part of the balcony or porch.

b. Installing a cover of any kind over the open slat top of the balcony.

c. Enclosing or covering of the balcony or porch in any manner.

d. Hanging items from the trellis, arbor, walls, roof, or railing, or failing to remove hanging items that the Architectural Reviewer has determined to be unattractive, such as windchimes, windsocks, birdfeeders, rope lights, and hanging baskets.
e. Maintaining anything on the balcony or porch that the Architectural Reviewer determines to be unattractive, such as umbrellas, items of storage, bicycles, and oversize or inappropriate furniture.

f. Barbeque grills may not be kept - even temporarily - on front porches or balconies.

H-4. Satellite Dishes. A Resident who desires satellite television service must strictly comply with the applicable requirements set forth in the Declaration. As described in the Declaration, in order of preference, the locations of a Permitted Antenna which will be considered least visible by the Board 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. No holes or protrusions may be made in any exterior surface of the Property. Wires may not be draped, hung, or strong an the building or the grounds. The Owner of the Unit to which satellite service is provided is responsible to the Association for any damage to the Property caused by the satellite dish installer or servicer. Contact the Association before shopping for an exterior satellite dish or antenna to determine if such equipment is permitted for a particular Unit and, if so, where it may be located. Owners should get Association's written authorization before any installation.

H-5. Work Upon Common Elements and Units. Notwithstanding any provision in the Declaration or these Rules to the contrary, no Owner or Resident shall perform or permit to be performed any work to any portion of his: (i) Unit, which work may require access to, over or through the Common Elements or other Units or (ii) the Common Elements, without the prior consent of the Board of Directors except in case of an emergency. All such work may only be performed by a person who shall deliver to the Board of Directors prior to commencement of such work, in form satisfactory to the Board of Directors:

(i) releases of the Board of Directors and the Association for all claims that such Person may assert in connection with such work;

(ii) indemnities of the Board of Directors and the Association, holding each and all of them harmless from and against any claims asserted for loss or damage to persons or property, including, but not limited to, Common elements or other Units;

(iii) certificates of insurance, including liability and workmen's compensation coverage, in amounts and with companies reasonably acceptable to the Board of Directors; and
(iv) all other information and protections which the Board of Directors may reasonably require.

H-6. Window Treatments. An Owner MAY install window treatments inside his Unit, provided:

a. The window treatment, including drapes, blinds, shades, or shutters, must appear to be (1) clear, (2) white, (3) near-white light neutral, or (4) light wood tone when viewed from outside the Unit.

b. The use of bed sheets, tablecloths, or other obviously non-drapery fabrics is expressly prohibited, even on a temporary basis.

c. Aluminum foil, reflective window treatments, window tinting, and window decals or stickers are expressly prohibited.

d. 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 Board.

H-7. Prohibited Acts. In addition to the foregoing, a person may not:

a. Post signs, notices, or advertisements on the common elements or in a Unit if the sign is visible from outside the Unit.

b. Place or hang an object in, on, from, or above any window, interior window sill, deck, balcony or patio that, in the sole opinion of the Board, detracts from the appearance of the Property. Prohibited objects include planters and planter boxes, flower pots, window boxes, birdfeeders, windsocks, mobiles, windchimes, and other outside accessories.

c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, or other similar items from windows, doors, balconies, patios, or passageways.

d. Have bicycles or similar sporting equipment on balconies or decks.

e. Place decorations on exterior walls, doors, and fences, or on the general common elements.

f. Enclose or cover a balcony, porch, or deck.

g. Install storm or screen doors and windows, including solar screen.

H-8. Board Approval. To obtain the Architectural Reviewer’s written consent for an alteration or modification, an Owner must comply with the architectural control
requirements of the Declaration. An applicant may not rely on verbal assurances of an Association manager, director, or officer. If approval is obtained, the Owner must maintain the approved item in a good and attractive condition. For example, if the Architectural Reviewer approves a potted plant, the pot must be removed if the plant dies or becomes unsightly.

I. VEHICLE RESTRICTIONS

I-1. Permitted Vehicles. To be permitted on the Property, a vehicle must be operable, and must display a current license tag and inspection sticker. For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. The following are not permitted on the Property without the Board's consent: trailers, boats, recreational vehicles, buses, large commercial trucks, industrial vehicles. Motorcycles, motorbikes, or other motorized vehicles may not be operated on the Property except to provide transportation to and from a Unit.

I-2. Repairs. Washing, repairs, restoration, or maintenance (including oil changes) of vehicles is prohibited on driveways, the private streets, and in offstreet parking areas, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.

I-3. Proper Placement. No vehicle, including motorcycles, may be driven, parked, or placed anywhere on the Property except in designated areas. Motorcycles may not be chained to buildings, fences, or any other part of the Property, unless designated for that purpose.

I-4. Nuisances. Each vehicle must be muffled and must be maintained and operated to minimize noise, odor, and oil emissions. The use of car horns on the Property is discouraged. No vehicle may be kept on the Property if the Board deems it to be unsightly, inoperable, inappropriate, or otherwise violative of these Rules.

I-5. Private Firelanes/Obstructions. All drives in the Property are private firelanes and utility easements on which parking of vehicles is prohibited at all times. No vehicle may be parked in a manner that impedes or prevents ready access to the Property, driveways, 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 spaces reserved for others, in firelanes, or in any area designated as "No Parking."

I-6. Garages. Because of the shortage of visitor parking within the Property, it is imperative that each Resident use their garage for the parking of vehicles. A Resident with a car 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 closed at all times, except when entering or exiting.

I-7. **Visitor Spaces.** The use of unassigned and visitor parking spaces, if any, must be rotated, may not be used for storage of vehicles, and may not be used consistently by the same driver or vehicle. The Board may designate some of the unassigned offstreet parking spaces, if any, as “visitor spaces” for use, exclusively, by guests of Residents.

I-8. **Violations.** A vehicle in violation of these Rules may be stickered, wheel-locked, towed, or otherwise removed from the Property by the Board, at the expense of the vehicle’s Owner. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

**J. TRASH DISPOSAL**

J-1. **General Duty.** Residents 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. Residents may NOT litter common elements.

J-2. **Hazards.** Residents 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, Resident will ensure that the debris is thoroughly cold.

J-3. **Excess Trash.** Residents will place trash entirely within the designated receptacle, and may place trash outside, next to, or an top of the receptacle. If a receptacle is full, Residents should locate another receptacle to hold his trash. Boxes and large objects should be crushed or broken down before placed in a receptacle. Receptacles are to be closed at all times when not in use. Residents must arrange privately for removal of discarded furnishings or any unusually large volume of debris.

**K. PETS**

K-1. **Permitted Pets.** A Resident may not keep or permit on the Property a pet or animal of any kind, except as permitted by these Rules and the Documents. Subject to these Rules, a Resident may keep in his Unit customary domesticated housepets, such as domesticated dogs, cats, caged birds, and aquarium fish, provided there are not more than two (2) cats, or two (2) dogs, or one (1) cat and one (1) dog.

K-2. **Prohibited Animals.** No Resident may keep a dangerous or exotic animal, pit bull terrier, doberman pincher, rottweiler, 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 housepet may be kept, bred, or maintained for any commercial purpose or for food.
K-3. **Indoors/Outdoors.** A permitted pet must be maintained inside the Unit, and may not be kept on a porch, balcony, or deck. No pet is allowed on common elements unless carried or leashed. No pet may be leashed to a stationary object on the common elements.

K-4. **Disturbance.** Pets must be kept in a manner that does not disturb another Resident’s 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.

K-5. **Damage.** Each Resident is responsible for any property damage, injury, or disturbance his pet may cause or inflict. A Resident who keeps a pet on the Property is deemed to indemnify and agrees to hold harmless the Board, the Association, and other Owners and Residents, 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.

K-6. **Pooper Scooper.** No Resident may permit his pet to relieve itself on the Property, except in areas designated by the Board for this purpose. Each resident is responsible for the removal of his pet’s wastes from the Common Elements. 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 Resident.

K-7. **Removal.** If a Resident or his pet violates these Rules, or if a pet creates a noise, odor, or other disturbance or nuisance, the Resident 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 ten (10) days), the Resident, upon written notice from the Board, may be required to remove the animal. Each Resident agrees to permanently remove his violating animal from the Property within ten (10) days after receipt of a removal notice from the Board.

**L. MISCELLANEOUS**

L-1. **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-2. **Revision.** These Rules are subject to being revised, replaced, or supplemented, and Owners and Residents are urged to contact the Association to verify the rules currently in effect on any matter of interest. These Rules will remain effective until ten (10) days...
after an Owner of each Unit has been given a notice of the amendment or revocation of these Rules.

L-3. **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.
III. ASSESSMENT COLLECTION POLICY

Northwoods Avery Station is a condominium regime created by and subject to the Declaration of Condominium Regime for Northwoods Avery Station, recorded or to be recorded in the Official Public Records of Williamson County, Texas, as it may be amended (the "Declaration"). As a condominium regime, Northwoods Avery Station is also subject to State laws, including Chapter 82 of the Texas Property Code -- the Texas Uniform Condominium Act ("TUCA"). The operation of Northwoods Avery Station is vested in the Northwoods Avery Station 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. Each owner will timely and fully pay regular assessments and special assessments. Regular assessments are due and payable on the first calendar day of each month.

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 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.

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**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.

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1-E. **Insufficient Funds.** The Association may levy a charge of $25 for any check returned to the Association marked “not sufficient 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 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 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 may 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:
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 to be 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, State 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 a unit is owned by two (2) or more persons, notice to one (1) co-owner is deemed notice to all co-owners. Similarly, notice to one (1) resident is deemed notice to all residents. 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.
IV. 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 residents of the unit, and the relatives, guests, employees, and agents of the owner and residents. 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 resident.

4. Violation Notice. Before levying a fine, the Association will give the owner a written violation notice and an opportunity to be heard. 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; (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 amount of the fine; (6) a statement that not later than the thirtieth (30th) day after the date of the violation notice, the owner may request a hearing before the Board to contest the fine; and (7) the date the fine attaches or begins accruing (the “Start Date”), subject to the following:

   a. New Violation. If the owner was not given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months, the notice will state a specific date by which the violation must be cured to avoid the fine, if the violation is ongoing or continuous. If the violation is not ongoing, but is instead sporadic or periodic, the notice must state that any future violation of the same rule may result in the levy of a fine.
b. **Repeat Violation.** In the case of a repeat violation, the notice will state that, because the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months, the fine attaches from the date of the violation notice.

4. **Violation Hearing.** An owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, an owner must submit a written request to the Board within thirty (30) days after the date of the violation notice. Within ten (10) days after owner’s request for a hearing, the Association will give the owner at least fifteen (15) days’ notice of the date, time, and place of the hearing, which must be within forty five (45) days from the date the Board received the owner’s request for a hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the owner to attend. Pending the hearing, the Association may continue to exercise its 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 a fine. 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. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. 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 meeting, the notice requirements will be deemed satisfied.

5. **Levy of Fine.** Within thirty (30) days after levying the fine, the Board must give the owner notice of the levied fine. If the fine is levied at the hearing at which the owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the owner periodic written notices of an accruing fine or the application of an owner’s payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.

6. **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.

7. **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), beginning on the Start Date. If the
violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

8. 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.

9. 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.
CERTIFICATE OF FILING
OF
Northwoods Avery Station Condominium Community, Inc.
File Number: 801657069

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/19/2012
Effective: 09/19/2012

Hope Andrade
Secretary of State
Certificate of Formation
Nonprofit Corporation
Filed in the Office of the
Secretary of State of Texas
Filing #: 801657069 09/19/2012
Document #: 444253870002
Image Generated Electronically for Web Filing

Article 1 - Corporate Name
The filing entity formed is a nonprofit corporation. The name of the entity is:

Northwoods Avery Station Condominium Community, Inc.

Article 2 - Registered Agent and Registered Office
A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name: Gary Newman

C. The business address of the registered agent and the registered office address is:

Street Address: 7811 Ranch Road 2338 Georgetown TX 78633

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Management
A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: Gary Newman
Title: Director
Address: 7811 Ranch Road 2338 Georgetown TX, USA 78633

Director 2: Aaron Googins
Title: Director
Address: 205 Wild Basin Road, Bldg. 1 Austin TX, USA 78746

Director 3: Eric Rome
Title: Director
Address: 205 Wild Basin Road, Bldg. 1 Austin TX, USA 78746

Article 4 - Organization Structure
A. The corporation will have members.

OR

B. The corporation will not have members.

Article 5 - Purpose
The corporation is organized for the following purpose or purposes:
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. The Association is formed...
for the purpose of exercising all of the powers and privileges, and performing all of the duties, obligations, and purposes of the Association as set forth in that certain "Declaration of Condominium Regime for Northwoods Avery Station", which is recorded in the Official Public Records of Williamson County, Texas, as the same may be amended from time to time (the "Declaration").

### Supplemental Provisions / Information

**ARTICLE 6 - MEMBERSHIP**  
Membership in the Association shall be determined by the Declaration.

**ARTICLE 7 - 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 8 - LIMITATION OF DIRECTOR LIABILITY**  
A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

**ARTICLE 9 - INDEMNIFICATION**  
Each person who acts as a director, 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 such director or officer or by reason of any action alleged to have been taken or omitted by him 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 10 - 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 11 - 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
ARTICLE 12 - AMENDMENT
This Certificate of Formation may be amended by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of two-thirds (2/3) majority of the total number of votes of the Association, as determined under the Declaration. In the case of any conflict between the Declaration and this Certificate of Formation, the Declaration shall control; and in the case of any conflict between this Certificate of Formation and the Bylaws of the Association, this Certificate of Formation shall control.

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

☐ A. This document becomes effective when the document is filed by the secretary of state.

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.
Joshua D. Bernstein, Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701-2744

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Joshua D. Bernstein
Signature of organizer.

FILING OFFICE COPY
V. CERTIFICATION & ACKNOWLEDGMENT

NORTHWOODS AVERY STATION

COMMUNITY MANUAL

As the Declarant of Northwoods Avery Station and the initial and sole member of Northwoods Avery Station Condominium Community, Inc. (the "Association"), I certify that the foregoing Northwoods Avery Station Community Manual was adopted by the Board of Directors of the Association for the benefit of the Association as part of the initial project documentation for Northwoods Avery Station, located in Austin, Williamson County, Texas. This Community Manual becomes effective when recorded.

SIGNED on this 17th day of October 2012.

NORTHWOODS AVERY RANCH, LLC, a Texas limited liability company

By:  
Printed Name:  GARY NEWMAN
Title:  Authorized Agent

THE STATE OF TEXAS  
COUNTY OF TRAVIS

This instrument was acknowledged before me this 17th day of October 2012 by

GARY NEWMAN of Northwoods Avery Ranch, LLC, a Texas limited liability company, on behalf of said limited liability company.

CATHARINE L. REARICK
Notary Public, State of Texas
My Commission Expires March 08, 2014
# Northwoods Avery Station Condo
## 2014 Budget - Developer Approved

### Assessment Income

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>440 - 4013 -- Current Year Assessment</td>
<td>3,700</td>
<td>4,144</td>
<td>4,588</td>
<td>5,032</td>
<td>5,476</td>
<td>5,920</td>
<td>6,364</td>
<td>6,808</td>
<td>7,252</td>
<td>7,696</td>
<td>8,140</td>
<td>8,584</td>
<td>73,704</td>
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<tr>
<td><strong>Total Assessment Income</strong></td>
<td><strong>4,030</strong></td>
<td><strong>4,474</strong></td>
<td><strong>4,918</strong></td>
<td><strong>5,362</strong></td>
<td><strong>5,806</strong></td>
<td><strong>6,250</strong></td>
<td><strong>6,694</strong></td>
<td><strong>7,138</strong></td>
<td><strong>7,582</strong></td>
<td><strong>8,026</strong></td>
<td><strong>8,470</strong></td>
<td><strong>8,914</strong></td>
<td><strong>77,664</strong></td>
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</tbody>
</table>

### Total Income

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assessment Income</strong></td>
<td><strong>4,030</strong></td>
<td><strong>4,474</strong></td>
<td><strong>4,918</strong></td>
<td><strong>5,362</strong></td>
<td><strong>5,806</strong></td>
<td><strong>6,250</strong></td>
<td><strong>6,694</strong></td>
<td><strong>7,138</strong></td>
<td><strong>7,582</strong></td>
<td><strong>8,026</strong></td>
<td><strong>8,470</strong></td>
<td><strong>8,914</strong></td>
<td><strong>77,664</strong></td>
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### Administrative

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>440 - 5055 -- HoA Fees to Master / Sub</td>
<td>1,200</td>
<td>1,344</td>
<td>1,488</td>
<td>1,632</td>
<td>1,776</td>
<td>1,920</td>
<td>2,064</td>
<td>2,208</td>
<td>2,352</td>
<td>2,496</td>
<td>2,640</td>
<td>2,784</td>
<td>23,904</td>
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<tr>
<td><strong>Total Administrative</strong></td>
<td><strong>1,200</strong></td>
<td><strong>1,344</strong></td>
<td><strong>1,488</strong></td>
<td><strong>1,632</strong></td>
<td><strong>1,776</strong></td>
<td><strong>1,920</strong></td>
<td><strong>2,064</strong></td>
<td><strong>2,208</strong></td>
<td><strong>2,352</strong></td>
<td><strong>2,496</strong></td>
<td><strong>2,640</strong></td>
<td><strong>2,784</strong></td>
<td><strong>23,904</strong></td>
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### Communications

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>440 - 5205 -- Meeting Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>375</td>
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<tr>
<td>440 - 5215 -- Freight &amp; Postage</td>
<td>480</td>
<td>50</td>
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<td>480</td>
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<td><strong>480</strong></td>
<td><strong>50</strong></td>
<td><strong>10</strong></td>
<td><strong>480</strong></td>
<td><strong>50</strong></td>
<td><strong>10</strong></td>
<td><strong>480</strong></td>
<td><strong>50</strong></td>
<td><strong>10</strong></td>
<td><strong>480</strong></td>
<td><strong>50</strong></td>
<td><strong>10</strong></td>
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### Insurance

<table>
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<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
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<tbody>
<tr>
<td>440 - 5400 -- Property Taxes</td>
<td>350</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>440 - 5405 -- Insurance Expense</td>
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<td>4,800</td>
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<td>0</td>
<td>4,800</td>
</tr>
<tr>
<td><strong>Total Insurance</strong></td>
<td><strong>350</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>4,800</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
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<td><strong>0</strong></td>
<td><strong>0</strong></td>
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<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>5,150</strong></td>
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</table>

### Utilities

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
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<td>440 - 6000 -- Electricity</td>
<td>150</td>
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<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>1,800</td>
</tr>
<tr>
<td>440 - 6025 -- Water &amp; Sewer</td>
<td>155</td>
<td>165</td>
<td>185</td>
<td>295</td>
<td>325</td>
<td>395</td>
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<td>480</td>
<td>410</td>
<td>295</td>
<td>225</td>
<td>155</td>
<td>3,540</td>
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<td>440 - 6050 -- Telephone Service</td>
<td>2</td>
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<td>440 - 6070 -- Water Common</td>
<td>85</td>
<td>95</td>
<td>110</td>
<td>125</td>
<td>140</td>
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<tr>
<td>440 - 6075 -- Other Utility/Street Lights</td>
<td>200</td>
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<td>200</td>
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</tr>
<tr>
<td><strong>Total Utilities</strong></td>
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<td><strong>612</strong></td>
<td><strong>647</strong></td>
<td><strong>772</strong></td>
<td><strong>817</strong></td>
<td><strong>957</strong></td>
<td><strong>1,032</strong></td>
<td><strong>1,057</strong></td>
<td><strong>912</strong></td>
<td><strong>782</strong></td>
<td><strong>727</strong></td>
<td><strong>657</strong></td>
<td><strong>9,564</strong></td>
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### Contracted Services

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>440 - 6418 -- Fountains/Ponds/Lakes Services</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>500</td>
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<td>2,000</td>
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<tr>
<td>440 - 6422 -- Gate Services</td>
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<td>117</td>
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<td>1,400</td>
</tr>
<tr>
<td><strong>Total Contracted Services</strong></td>
<td><strong>617</strong></td>
<td><strong>116</strong></td>
<td><strong>117</strong></td>
<td><strong>617</strong></td>
<td><strong>116</strong></td>
<td><strong>117</strong></td>
<td><strong>617</strong></td>
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<td><strong>117</strong></td>
<td><strong>617</strong></td>
<td><strong>116</strong></td>
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</tr>
</tbody>
</table>

### Repair & Maintenance

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>440 - 6100 -- Landscaping Contract</td>
<td>486</td>
<td>540</td>
<td>594</td>
<td>648</td>
<td>702</td>
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<td>918</td>
<td>972</td>
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<td>1,080</td>
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<td>440 - 6140 -- Maintenance (Other)</td>
<td>400</td>
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<td>440 - 6165 -- Pest Control/Exterminating</td>
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<td>800</td>
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</tbody>
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**Page 1 of 2**
# Spread Report

**Northwoods Avery Station Condo**  
**2014 Budget - Developer Approved**

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Repair &amp; Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>440 - 6530 -- Common Areas Repair &amp; Maintenance</td>
<td>95</td>
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<td><strong>Total Repair &amp; Maintenance</strong></td>
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<td><strong>Professional Services</strong></td>
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<tr>
<td>440 - 7000 -- Audit &amp; Tax Services</td>
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<td><strong>Total Professional Services</strong></td>
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<td>474</td>
<td>513</td>
<td>553</td>
<td>592</td>
<td>632</td>
<td>672</td>
<td>711</td>
<td>751</td>
<td>790</td>
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<td><strong>Reserve Expenses</strong></td>
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<td>440 - 9100 -- Reserve Transfer</td>
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<tr>
<td><strong>Total Reserve Expenses</strong></td>
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<tr>
<td><strong>Net Income / (Loss):</strong></td>
<td>(1,332)</td>
<td>(749)</td>
<td>(509)</td>
<td>(5,373)</td>
<td>721</td>
<td>775</td>
<td>(263)</td>
<td>1,000</td>
<td>1,389</td>
<td>556</td>
<td>1,949</td>
<td>1,839</td>
<td>3</td>
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</table>
ATTACHMENT "S"
LIMITED WARRANTY
HOME OF TEXAS
PRESENTS
THE LIMITED WARRANTY
10 YEAR WRITTEN WARRANTY FOR NEW HOMES
SUBJECT TO CHANGE.
NO WARRANTY WILL BE ISSUED UNLESS THE BUILDER COMPLIES WITH ALL WARRANTY PROGRAM STANDARDS.

The HOME of Texas Limited Warranty displayed on this page is a SAMPLE only. The HOME of Texas Limited Warranty applicable to your home may differ from the one displayed here. You must consult your validated HOME of Texas Limited Warranty book for the terms of coverage that apply to your home.

Within 90 days after receiving this Warranty book, you should receive a validation sticker from HOME. If you do not, contact your Builder to verify that the forms were properly processed and sent to HOME. You do not have a warranty without the validation sticker.

Place validation sticker here.
Warranty is invalid without sticker.

This Limited Warranty does not cover consequential or incidental damages. The Warrantor's total aggregate liability of this Limited Warranty is limited to the Final Sales Price listed on the Application For Warranty form.

The Builder makes no housing merchant implied warranty or any other warranties, express or implied, in connection with the attached sales contract or the warranted Home, and all such warranties are excluded, except as expressly provided in this Limited Warranty. There are no warranties which extend beyond the face of this Limited Warranty.

Some regulating agencies do not allow the exclusion or limitation of incidental or consequential damages by the Builder so all of the limitations or exclusions of this Limited Warranty may not apply to you.

For your Limited Warranty to be in effect, you should receive the following documentation:
• Limited Warranty #8319 • Application For Warranty form #8316 • (Refer to I.B.3 for applicability) • Validation Sticker #8385 •

Insurer: Warranty Underwriters Insurance Company
IMPORTANT NOTICE

To obtain information or make a complaint:

You may call the company's toll-free telephone number for information or to make a complaint at: (800) 445-8173.

You may also write to Warranty Underwriters Insurance Company at:

WUIC
PO Box 741808
Houston, TX 77274-1801

OR

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

(800) 252-3439

You may contact the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax # (512) 475-1771
Web: http://www.tdi-state.tx.us
Email: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim, you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

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Dear Home Buyer,

Congratulations on the purchase of your new Home. This is probably one of the largest, most important investments you've ever made and we wish you many years of enjoyment. You've chosen a Home built by a leading Builder which includes the HOME of Texas Limited Warranty, assurance that your investment is well protected. This book explains the Limited Warranty in its entirety, and we encourage you to take time to READ IT CAREFULLY.

This Limited Warranty provides you with protection in accordance with this warranty book for ten full years of Home ownership. During the first two years, your Builder is responsible for specified warranty obligations. In the unlikely event your Builder is unable or unwilling to perform, the Warranty is provided subject to the conditions, terms and exclusions listed. For the remaining eight years, your Warranty applies to Major Structural Defects as defined in this book.

This is not a warranty service contract, but a written ten year limited warranty which your Builder has elected to provide with your Home.

Take time now to read this book. Familiarize yourself with the Warranty and its limitations. Contact your Builder regarding specific construction standards and how they apply to your Home.

Again, congratulations and enjoy your new Home!

Very truly yours,

HOME OF TEXAS

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<thead>
<tr>
<th>TABLE OF CONTENTS</th>
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<tbody>
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<td>Section I. Definitions .............................................. 1</td>
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<td>Section II. The Limited Warranty .................................... 3</td>
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<td>Section III. Warranty Standards ...................................... 7</td>
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<td>Section IV. Requesting Warranty Performance ...................... 18</td>
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<td>Section V. Active Soils Guidelines .................................... 20</td>
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<td>Section VI. HUD Addendum ................................................ 21</td>
</tr>
</tbody>
</table>

The HOME of Texas Limited Warranty displayed on this page is a SAMPLE only. The HOME of Texas Limited Warranty applicable to your home may differ from the one displayed here. You must consult your validated HOME of Texas Limited Warranty book for the terms of coverage that apply to your home.
A. Introduction
To help you better understand your Limited Warranty, refer to the following list of definitions which apply in this book.

B. Definitions*

1. Administrator
HOME of Texas (HOME) is the Administrator of this Limited Warranty. HOME is neither Warrantor nor Insurer.

2. Appliances and Items of Equipment, including Attachments and Appurtenances
Water heaters, pumps, stoves, refrigerators, compactors, garbage disposals, ranges, dishwashers, washers and dryers, bathtubs, sinks, commodes, faucets, light fixtures, switches, outlets, thermostats, furnaces and oil tanks, humidifiers, oil purifiers, air conditioning materials, in-house sprinkler systems and similar items.

3. Application For Warranty form
The form signed at closing by you, the Purchaser, and your Builder which identifies the location, the Effective Date Of Warranty and the Final Sales Price of the enrolled Home. If the Builder is participating in the HOME electronic enrollment process, the Application for Warranty form is eliminated.

4. Arbitrator
The person appointed by the independent arbitration service to resolve an Unresolved Warranty Issue.

5. Builder
The person, corporation, partnership or other entity which participates in the HOME Limited Warranty Program and has obtained this Limited Warranty for you.

6. Consequential Damages
All consequential damages including, but not limited to, damage to the Home that is caused by a warranted Defect but is not itself a warranted Defect and costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repairs.

7. Cooling, Ventilating and Heating Systems
All ductwork, refrigerant lines, steam and water pipes, registers, convectors, and dampers.

8. Defect
A condition of any item warranted by this Limited Warranty which exceeds the allowable tolerance specified in this Limited Warranty. Failure to complete construction of the Home or any portion of the Home, in whole or in part, is not considered a Defect.

9. Effective Date Of Warranty
The date coverage begins as specified on the Application For Warranty form. If the Builder is participating in the electronic enrollment process the Effective Date is date of closing or occupancy, whichever comes first.*

10. Electrical Systems
All wiring, electrical boxes and connections up to the house side of the meter base.

11. HOME of Texas (HOME)
See Administrator.

12. Home
The single family dwelling, identified on the Application for Warranty form, which may be a townhome or duplex.

13. Insurer
Warranty Underwriters Insurance Company (WUIC). Located at 12651 Briar Forest, Suite 195, Houston, TX 77077, phone: 800-445-8173 (Refer to Section IV. for instructions on requesting warranty performance).

14. Limited Warranty
The terms and conditions contained in this book including any applicable addenda.

15. Major Structural Defects (MSD)*
All of the following conditions must be met to constitute a Major Structural Defect:

a. Actual physical damage to one or more of the following specified load-bearing components of the Home;

b. Causing the failure of the specific major structural components; and

c. Which affects its load-bearing function to the degree that it materially affects the physical safety of the occupants of the Home.

Load-bearing components of the Home deemed to have MSD potential:

(1) roof framing members (rafters and trusses);

(2) floor framing members (joists and trusses);

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*FHA/VA Homeowners, refer to HUD Addendum, Section VI.
**Section 1. Definitions (continued)**

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>(3)</td>
<td>bearing walls;</td>
</tr>
<tr>
<td>(4)</td>
<td>columns;</td>
</tr>
<tr>
<td>(5)</td>
<td>lintels (other than lintels supporting veneers);</td>
</tr>
<tr>
<td>(6)</td>
<td>girders;</td>
</tr>
<tr>
<td>(7)</td>
<td>load-bearing beams; and</td>
</tr>
<tr>
<td>(8)</td>
<td>foundation systems and footings.</td>
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Examples of non-load-bearing elements deemed not to have Major Structural Defect potential:

<p>| | |</p>
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<tbody>
<tr>
<td>(1)</td>
<td>non-load-bearing partitions and walls:</td>
</tr>
<tr>
<td>(2)</td>
<td>wall tile or paper, etc.;</td>
</tr>
<tr>
<td>(3)</td>
<td>plaster, laths or drywall;</td>
</tr>
<tr>
<td>(4)</td>
<td>flooring and subflooring material;</td>
</tr>
<tr>
<td>(5)</td>
<td>brick, stucco, stone, veneer, or exterior wall sheathing;</td>
</tr>
<tr>
<td>(6)</td>
<td>any type of exterior siding;</td>
</tr>
<tr>
<td>(7)</td>
<td>roof shingles, sheathing* and tar paper;</td>
</tr>
<tr>
<td>(8)</td>
<td>Heating, Cooling, Ventilating, Plumbing, Electrical and mechanical Systems;</td>
</tr>
<tr>
<td>(9)</td>
<td>Appliances, fixtures or Items of Equipment; and</td>
</tr>
<tr>
<td>(10)</td>
<td>doors, windows, trim, cabinets, hardware, insulation, paint and stains.</td>
</tr>
</tbody>
</table>

16. **Owner**
   See Purchaser.

17. **Plumbing Systems**
   All pipes located within the Home and their fittings, including gas supply lines and vent pipes.

18. **Purchaser**
   You. The Purchaser includes the first buyer of the warranted Home and any and all subsequent Owners who take title within the warranty period.

19. **Residence**
   See Home.

20. **Sewage Disposal System (Private or Public)**
   This system includes, but is not limited to, all waste, drainage, sewer pipes and lines, cleanouts, tanks, pumps, drainfields and seepage pits, outside and beyond the exterior wall of the Home.

21. **Structurally Attached**
   An integral part of the Home being structurally supported by footings, block walls or reinforced concrete and connected to the foundation of the Home.

22. **Unresolved Warranty Issue**
   All requests for warranty performance, demands, disputes, controversies and differences that may arise between the parties to this Limited Warranty that cannot be resolved among the parties. An Unresolved Warranty Issue may be a disagreement regarding:
   a. the coverages in this Limited Warranty;
   b. an action performed or to be performed by any party pursuant to this Limited Warranty;
   c. the cost to repair or replace any item covered by this Limited Warranty.

23. **Warrantor**
   Your Builder in Years 1 and 2; the Insurer in Years 3 through 10 and in Years 1 and 2 if your Builder defaults.

24. **Water Supply System (Private or Public)**
   This system includes, but is not limited to, all supply and distribution pipes, fittings, valves, pumps and wells, outside the exterior wall of the Home, which supply water to the Home.

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*FHA/VA Homeowners, refer to HUD Addendum, Section VI.
A. Introduction to the Limited Warranty

1. This book provides specific details, conditions and limitations of the Limited Warranty including procedures for requesting warranty performance and for binding arbitration, in accordance with the procedures of the Federal Arbitration Act. Additional information may be received by calling HOME at (717) 561-4480. Read this document in its entirety to understand the protection it affords, the exclusions applicable to it, the Warranty Standards which determine its interpretations and operation and your responsibilities.

2. This is NOT an insurance policy, a maintenance agreement or a service contract. It is an explanation of what you, the Purchaser, can expect from this Limited Warranty.

3. Appliances and Equipment included in the Home are not warranted under this Limited Warranty, but may be covered by separate warranties provided by the manufacturer or supplier. These warranties are passed on to you by your Builder at closing and are separate from this Limited Warranty.

4. You are responsible for maintenance of your new Home. General and preventative maintenance are required to prolong the life of your new Home.

5. This Limited Warranty is automatically transferred to subsequent Owners during the ten-year term of this Limited Warranty.

6. This Limited Warranty is subject to changes required by HUD. FHA and VA have mandated the additions noted in the Addendum Section of this Limited Warranty book. Notations throughout indicate where the Addendum applies.

B. The Limited Warranty

1. Actions taken to cure Defects will NOT extend the periods of specified coverages in this Limited Warranty.

2. Only warranted items which are specifically designated in the Warranty Standards are covered by this Limited Warranty.

3. The Warrantor has the choice to repair, replace or pay the reasonable cost to repair or replace warranted items which do not meet the Warranty Standards and are not excluded in the Limited Warranty.

4. If a warranted MSD occurs during the appropriate coverage period, and is reported as required in Section IV, the Warrantor will repair, replace or pay you the reasonable cost to repair or replace the warranted MSD, limited to actions necessary to restore the MSD to its load-bearing capacity.

C. Warranty Coverage

1. **ONE YEAR COVERAGE:** Your Builder warrants that for a period of one (1) year after the Effective Date Of Warranty, warranted items will function and operate as presented in the Warranty Standards of Year 1, Section III.A. Coverage is ONLY available where specific Standards and Actions are represented in this Limited Warranty.*

2. **TWO YEAR COVERAGE:** Your Builder warrants that for a period of two (2) years from the Effective Date Of Warranty, specified portions of the Heating, Cooling, Ventilating, Electrical and Plumbing Systems, as defined in this Limited Warranty, will function and operate as presented in the Warranty Standards of Years 1 and 2 only, Section III.B.

3. **TEN YEAR COVERAGE:** Major Structural Defects (MSD) are warranted for ten (10) years from the Effective Date Of Warranty.

Your Builder is the Warrantor during Years 1 and 2 of this Limited Warranty and the Insurer is the Warrantor in Years 3 through 10.

D. Conditions*

1. This Limited Warranty provides coverage only in excess of coverage provided by other warranties or insurance, whether collectible or not.

2. This Limited Warranty is binding on the Builder and you and your heirs, executors, administrators, successors and assigns.

3. This Limited Warranty shall be interpreted and enforced in accordance with the laws of the State of Texas.

4. This Limited Warranty is separate and apart from your contract and/or other sales agreements with your Builder. It cannot be affected, altered or amended in any way by any other agreement which you may have.

5. This Limited Warranty cannot be modified, altered or amended in any way except by a formal written instrument signed by you, your Builder and the Administrator.

*FHA/VA Homeowners, refer to HUD Addendum, Section VI.
6. If any provision of this Limited Warranty is determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.

7. All notices required under this Limited Warranty must be in writing and sent by certified mail, return receipt requested, postage prepaid, to the recipient's address shown on the Application For Warranty form, or to whatever address the recipient may designate in writing.

8. If actions by the Warrantor on any obligations under this Limited Warranty are delayed by an event beyond its control, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not limited to, acts of God, acts of the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by you or any other person not a party of this Limited Warranty.

9. If your Builder fails to complete any part of the Home that is reasonably foreseeable to cause damage to the Home, then it is your responsibility to complete such parts of the Home to avoid the damage. If you fail to complete the work, then any resulting damage is not covered under this Limited Warranty. The warranty period for any item completed after the Effective Date of Warranty shall be deemed to have commenced on the Effective Date of Warranty.*

10. Costs incurred for unauthorized repairs to warranted items are not reimbursable. Written authorization prior to incurring expenses must be obtained from the Administrator.*

11. Whenever appropriate, the use of one gender includes all genders and the use of the singular includes the plural.

12. Under this Limited Warranty, the Warrantor is not responsible for exact color, texture or finish matches in situations where materials are replaced or repaired, or for areas repainted or when original materials are discontinued.

13. Your Builder must assign to you all manufacturers’ warranties on products included in the Final Sales Price of your Home. Neither the Insurer nor the Administrator shall be liable for your Builder’s failure to do so.

14. You are responsible for establishing a written, final walk-through inspection list of items in need of service prior to occupancy or closing, whichever is first. This list must be signed and dated by you and your Builder. Keep a copy for your records.

E. Exclusions
The following are NOT covered under this Limited Warranty:

1. Loss or damage:
   a. to land.

b. to the Home, persons or property directly or indirectly caused by insects, birds, vermin, rodents, or wild or domestic animals.

c. which arises while the Home is used primarily for non-residential purposes.

d. which is covered by any other insurance or for which compensation is granted by legislation.*

e. resulting directly or indirectly from flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure), wetlands, springs or aquifers.*

f. from normal deterioration or wear and tear.

caused by material or work supplied by anyone other than your Builder or its employees, agents or subcontractors.

h. after Year 1, to, resulting from, or made worse by all components of structurally attached decks, balconies, patios, porches, stoops, porch roofs and porticos.

i. after Year 1, to, resulting from, or made worse by elements of the Home which are constructed separate from foundation walls or other structural elements of the Home such as, but not limited to, chimneys and concrete floors of basements and attached garages.

j. to wiring, to and between communication devices from the source of power, whether or not connected to the interior wiring system of the Home. Such devices shall include, but not be limited to, telephone systems, television cable systems, intercom systems, computer systems and security systems. Sources of power shall include, but not be limited to, service entrance conductors, switches, outlets, receptacles and junction boxes.

k. to, or caused by, recreational facilities; drive-
Section II
The Limited Warranty (continued)

ways; walkways; patios, porches and stoops not structurally attached; decks and balconies which are not bolted to or cantilevered from the main structure of the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; or any other improvements not part of the Home itself.

1. caused by any item listed as an additional exclusion on the Application for Warranty form.

2. Loss or damage resulting from, or made worse by:
   a. changes in the grading of the property surrounding the Home by anyone except your Builder or its employees, agents or subcontractors.
   b. changes in grading caused by erosion.
   c. modifications or additions to the Home, or property under or around the Home, made after the Effective Date Of Warranty (other than changes made in order to meet the obligations of this Limited Warranty).
   d. intrusion of water into crawl spaces.*
   e. the weight and/or performance of any type of waterbed or any other furnishing which exceeds the load-bearing design of the Home.
   f. the presence or consequence of unacceptable levels of radon, formaldehyde, carcinogenic substances or other pollutants and contaminants; or the presence of hazardous or toxic materials resulting in uninhabitability or health risk within the Home.
   g. acts or omissions by you, your agents, employees, licensees, invitees; accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, water escape, windstorms, tropical storms, hurricanes, hail, lightning, ice, snow, falling trees, aircraft, vehicles, flood, mud slides, sinkholes, mine subsidence, faults, crevices, earthquake, land shock waves or tremors occurring before, during or after a volcanic eruption, or manmade events such as war, terrorism or vandalism.
   h. your failure to perform routine maintenance.
   i. your failure to minimize or prevent such loss or damage in a timely manner.
   j. defects in, but not limited to: recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached; decks and balconies which are not bolted to or cantilevered from the main structure of the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; or any other improvements not part of the Home itself.
   k. defects in detached garages or outbuildings (except those which contain Plumbing, Electrical, Heating, Cooling or Ventilating Systems serving the Home, and then only to the extent where Defects would affect these systems). A detached garage is one which is constructed on its own foundation, separate and apart from the foundation of the Home. A breezeway, fence, utility line or similar union shall not cause a garage or outbuilding to be considered attached.
   l. negligent maintenance or operation of the Home and its systems by anyone other than your Builder or its agents, employees or subcontractors.
   m. any portion of a Water Supply System, private or public, including volume and pressure of water flow.*
   n. quality and potability of water.
   o. any portion of a Sewage Disposal System, private or public, including design.*
   p. dampness, condensation or heat build-up caused by your failure to maintain proper ventilation.*
   q. any Consequential Damages.*
   r. any portion of the Home or any part of the Home on or before the Effective Date Of Warranty or damages arising from such failure. An incomplete item is not considered a Defect, although your Builder may be obligated to complete such items under separate agreements between you and your Builder.
   s. any deficiency which does not result in actual physical damage or loss to the Home.
   t. Any Consequential Damages.*
   u. Personal property damage or bodily injury.

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Section II. The Limited Warranty (continued)

7. Violation of applicable Building Codes or ordinances unless such violation results in a Defect which is otherwise covered under this Limited Warranty. Under such circumstances, the obligation of the Warrantor under this Limited Warranty shall only be to repair the defective warranted portion of the Home, but not to restore or bring the Home to conform to code.

8. Any request for warranty performance submitted to the Administrator after an unreasonable delay or later than thirty (30) days after the expiration of the applicable warranty period.

9. Warranted Defects that you repair without prior written authorization of the Administrator.*

10. Any damages to, or resulting from a swimming pool whether located within or outside the Home, as a result of its construction, placement, use, equipment, maintenance, etc.

11. The removal and/or replacement of items specifically excluded from coverage under this Limited Warranty, such as landscaping or personal property, and items not originally installed by your Builder, such as wallpaper, where removal and replacement are required to execute a repair.

12. Any Defect consisting of, caused by, contributed to, or aggravated by moisture, wet or dry rot, mold, mildew, fungus or rust.

13. Sound transmission and sound proofing between rooms or floor levels.

14. Appliances and Equipment included in the Home are not warranted under this Limited Warranty, but may be covered by separate warranties provided by the manufacturer or supplier. These warranties are passed on to you by your Builder at closing and are separate from this Limited Warranty. Damage caused by improper maintenance or operation, negligence, or improper service of these items by you or your agent will not be covered under this Limited Warranty.

F. Limitation of Liability

1. The Warrantor's liability and obligations are limited to the repair, replacement or the payment of the reasonable cost of repair or replacement of warranted items not to exceed an aggregate equal to the Final Sales Price of the Home as listed on the Application For Warranty form or in the absence of an Application For Warranty form, as otherwise provided to the Administrator by the Builder. The choice to repair, replace or make payment is the Warrantor's.

2. All other warranties, express or implied, including, but not limited to, all implied warranties of fitness, merchantability or habitability, are disclaimed and excluded to the extent allowed by law.

*FHA/VA Homeowners, refer to HUD Addendum, Section VI.
### SECTION III.
### WARRANTY STANDARDS
### A. YEAR 1
### COVERAGE ONLY

The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>OBSERVATION</th>
<th>ACTION REQUIRED</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASEMENT</strong></td>
<td>1.1 Cracks appear in control joints.</td>
<td>No action required.</td>
<td>The expansion/contraction joint is placed to control cracking. This is not a deficiency.</td>
</tr>
<tr>
<td></td>
<td>1.2 Pit, depression or areas of unevenness in areas designed for living purposes.</td>
<td>Builder will correct those areas in which Defect exceeds 1/4 in. within a 32 in. measurement.</td>
<td>In rooms not initially designed as finished living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds 1/4 in. within a 32 in. measurement is not a deficiency.</td>
</tr>
<tr>
<td></td>
<td>1.3 Cracks in poured concrete foundation walls.</td>
<td>Builder will correct any crack which exceeds 1/8 in. in width.</td>
<td>Shrinkage cracks are common and should be expected. Surface patching and epoxy injections are examples of acceptable repair methods.</td>
</tr>
<tr>
<td></td>
<td>1.4 Cracks in block or veneer wall.</td>
<td>Builder will correct cracks which exceed 1/4 in. in width.</td>
<td>Some cracks are common through masonry and mortar joints. Cracks 1/4 in. or less are considered routine Owner maintenance.</td>
</tr>
<tr>
<td></td>
<td>1.5 Leaks resulting in actual flow or trickling of water through wall or floor, causing an accumulation.</td>
<td>Builder will correct.</td>
<td>A one-time occurrence may not indicate a Defect. Owner must maintain proper grading around the Home and maintain any surface water control systems installed by Builder. Dampness and condensation are normal conditions and are not covered by this Limited Warranty.</td>
</tr>
<tr>
<td></td>
<td>1.6 Disintegration of the concrete floor surface.</td>
<td>Builder will correct disintegrated surfaces caused by improper placement of concrete.</td>
<td>Disintegration caused by erosion due to salt, chemicals, implements used and other factors beyond Builder’s control is not a warranted deficiency.</td>
</tr>
<tr>
<td></td>
<td>1.7 Cracks in concrete floor which rupture or significantly impair performance of floor covering.</td>
<td>Builder will correct so Defect is not readily noticeable when floor covering is in place.</td>
<td>Minor impressions in floor covering are not considered significant imperfections.</td>
</tr>
<tr>
<td></td>
<td>1.8 Cracks in concrete floor of unfinished area (no floor covering) or in areas not designed for living.</td>
<td>Builder will correct cracks which exceed 1/4 in. in width or vertical displacement.</td>
<td>Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.</td>
</tr>
<tr>
<td></td>
<td>1.9 Condensation on walls, joists, support columns and other components of basement area.</td>
<td>No action required.</td>
<td>Maintaining adequate ventilation and moisture control is considered Owner maintenance.</td>
</tr>
<tr>
<td><strong>CRAWL SPACE</strong></td>
<td>1.10 Cracks in poured concrete foundation walls.</td>
<td>Builder will correct any crack which exceeds 1/8 in. in width.</td>
<td>Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks of 1/8 in. or less are common and should be expected.</td>
</tr>
<tr>
<td></td>
<td>1.11 Cracks in block or veneer wall.</td>
<td>Builder will correct cracks greater than 1/4 in. in width.</td>
<td>Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks of 1/4 in. or less are common and should be expected.</td>
</tr>
<tr>
<td></td>
<td>1.12 Inadequate ventilation.</td>
<td>Builder will install properly sized louvers or vents.</td>
<td>Maintaining adequate ventilation and moisture control, including seasonal adjustment of vent openings, is considered Owner maintenance.</td>
</tr>
</tbody>
</table>
The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

### CATEGORY OBSERVATION ACTION REQUIRED COMMENTS

#### 1. FOUNDATIONS (CONTINUED)

<table>
<thead>
<tr>
<th>CRAWL SPACE (CONTINUED)</th>
<th>1.13 Condensation on walls, joists, support columns and other components of the crawl space area.</th>
<th>No action required.</th>
<th>Maintaining adequate ventilation and moisture control, including seasonal adjustment of vent openings, is considered Owner maintenance.</th>
</tr>
</thead>
</table>

| SLAB ON GRADE | 1.14 Cracks appear at control joints. | No action required. | Expansion/contraction joint is placed to control cracking. This is not a deficiency. |

| 1.15 Pits, depressions or areas of unevenness in areas designed for living purposes. | Builder will correct areas in which Defect exceeds 1/4 in. within a 32 in. measurement. | In rooms not initially designed as finished living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds 1/4 in. within a 32 in. measurement is acceptable. |

| 1.16 Disintegration of concrete floor surface. | Builder will correct disintegrated surfaces caused by improper placement of concrete. | Disintegration caused by erosion due to salt, chemicals, implements used and other factors beyond Builder's control is not a warranted deficiency. |

| 1.17 Crack in concrete floor which ruptures or significantly impairs performance of floor covering. | Builder will correct so Defect is not readily noticeable when floor covering is in place. | Minor impressions in floor covering are not considered significant imperfections. |

| 1.18 Cracks in attached garage slab. | Builder will correct cracks which exceed 1/4 in. in width or vertical displacement. | Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected. |

| 1.19 Cracks in concrete floor of unfinished area (no floor covering) or in areas not designed for living. | Builder will correct cracks which exceed 1/4 in. in width or vertical displacement. | Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected. |

| 1.20 Cracks in visible face of foundation. | Builder will correct cracks in excess of 1/8 in. in width. | Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected. |

#### 2. FRAMING

| CEILING | 2.1 Uneven ceiling. | Builder will correct if unevenness exceeds 1/4 in. within a 32 in. measurement. | Some minor framing imperfections should be expected. |

| FLOOR | 2.2 High and low areas. | Builder will correct if high or low areas exceed 1/4 in. within a 32 in. measurement. | Some minor framing imperfections should be expected. |

| 2.3 Floor squeaks. | Builder will correct if caused by a defective joist or improperly installed subfloor. | A squeak-proof floor cannot be guaranteed. Lumber shrinkage as well as temperature and humidity changes may cause squeaks. |

| ROOF | 2.4 Split or warped rafters or trusses. | No action required. | Some splitting and warping is normal and is caused by high temperature effects on lumber. |

| WALL | 2.5 Bow or bulge. | Builder will correct if bow or bulge exceeds 1/4 in. within 32 in. horizontal or vertical measurement. | Minor framing imperfections should be expected. |
### SECTION III
**WARRANTY STANDARDS**

#### A. YEAR 1
**COVERAGE ONLY**

The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

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</thead>
<tbody>
<tr>
<td><strong>2. FRAMING</strong> (CONTINUED)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WALL</strong> (CONTINUED)</td>
<td>2.6 Out-of-plumb.</td>
<td>Builder will correct where out-of-plumb condition exceeds 3/4 in. within 8 ft. vertical measurement.</td>
<td>Minor framing imperfections should be expected.</td>
</tr>
<tr>
<td></td>
<td>2.7 Wall is out-of-square.</td>
<td>No action required.</td>
<td>A wall out-of-square is not a Defect.</td>
</tr>
<tr>
<td><strong>3. EXTERIOR</strong></td>
<td>3.1 Wood twisting, warping or splitting.</td>
<td>Builder will correct only if due to improper installation.</td>
<td>Twisting, warping or splitting of wood deck material is normal due to exposure to the elements. Owner maintenance is required.</td>
</tr>
<tr>
<td></td>
<td>3.2 Settlement.</td>
<td>Builder will correct slope of deck which exceeds a ratio of 2 in. in a 10 ft. measurement.</td>
<td>Some slope is often provided to allow for water drainage.</td>
</tr>
<tr>
<td></td>
<td>3.3 Loose railing or post.</td>
<td>Builder will correct if due to improper installation.</td>
<td>Owner maintenance is required.</td>
</tr>
<tr>
<td><strong>DOORS</strong></td>
<td>3.4 Binds, sticks or does not latch.</td>
<td>Builder will correct if caused by faulty workmanship or materials.</td>
<td>Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.</td>
</tr>
<tr>
<td></td>
<td>3.5 Wood door panel shrinks.</td>
<td>No action required.</td>
<td>Panels will shrink and expand and may expose unfinished surfaces.</td>
</tr>
<tr>
<td></td>
<td>3.6 Warping.</td>
<td>Builder will correct warping which exceeds 1/4 in., measured vertically, horizontally or diagonally.</td>
<td>Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.</td>
</tr>
<tr>
<td></td>
<td>3.7 Split in panel.</td>
<td>Builder will correct if split allows the entrance of elements.</td>
<td>Splits which do not allow the entrance of elements are considered normal. Owner maintenance is required.</td>
</tr>
<tr>
<td></td>
<td>3.8 Separation between door and weather stripping.</td>
<td>Builder will correct if daylight is visible or if entrance of elements occurs under normal conditions.</td>
<td>Even with properly installed weather stripping, some movement of the door, when closed, may be expected. Owner maintenance is required for minor alterations to adjustable thresholds and other parts of the door.</td>
</tr>
<tr>
<td><strong>ROOFING</strong></td>
<td>3.9 Screen mesh is torn or damaged.</td>
<td>Builder will correct only if damage is documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td></td>
<td>3.10 Overhead garage door fails to operate or allows rain or snow to leak through.</td>
<td>Builder will correct garage doors which do not fit or operate properly.</td>
<td>Some entrance of elements can be expected and is not considered a deficiency. If Owner installs a garage door opener, Builder is not responsible for operation of door.</td>
</tr>
<tr>
<td></td>
<td>3.11 Roof and roof flashing leaks.</td>
<td>Builder will correct if leak occurs under normal conditions.</td>
<td>No action is required if leak is due to snow or ice build-up, high winds or driving rains. Prevention of snow or ice buildup is the Owner's responsibility.</td>
</tr>
<tr>
<td></td>
<td>3.12 Lifted, torn or curled shingles.</td>
<td>Builder will correct if due to poor installation.</td>
<td>Owner maintenance is required. No Warrantor action required if due to high winds.</td>
</tr>
<tr>
<td></td>
<td>3.13 Inadequate ventilation.</td>
<td>Builder will provide adequate ventilation.</td>
<td>Moisture accumulation in attics which are not adequately vented is a deficiency. Owner is responsible to keep vents clear of obstructions to promote air flow.</td>
</tr>
</tbody>
</table>

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</thead>
<tbody>
<tr>
<td><strong>ROOFING (CONTINUED)</strong></td>
<td>3.14 Water stays in gutters.</td>
<td>Builder will correct to limit standing water depth at 1 in.</td>
<td>Owner is responsible for keeping gutters and downspouts clean.</td>
</tr>
<tr>
<td></td>
<td>3.15 Gutter or downspout leaks.</td>
<td>Builder will correct leaks at connections.</td>
<td>Owner is responsible for keeping gutters and downspouts clean. Gutters may overflow during heavy rains.</td>
</tr>
<tr>
<td><strong>SITE WORK</strong></td>
<td>3.16 Standing water within 10 ft. of the foundation.</td>
<td>Builder will correct water which stands for more than 24 hours, or more than 48 hours in swales.</td>
<td>Standing water beyond the 10 ft. perimeter of the foundation is not covered by this Limited Warranty. Owner is responsible for establishing and maintaining adequate ground cover.</td>
</tr>
<tr>
<td></td>
<td>3.17 Setting of ground around foundation walls, utility trenches or other filled areas on property where there has been excavation and backfill which affected foundation drainage.</td>
<td>If final grading was performed by Builder, he will replace fill in excessively settled areas only once.*</td>
<td>If settlement does not exceed 6 in., it is Owner's responsibility to fill affected areas. The party responsible for establishing the final grade shall provide for positive drainage away from foundation. Owner is responsible for establishing and maintaining adequate ground cover.</td>
</tr>
<tr>
<td><strong>STRUCTURALLY ATTACHED STOOP, PORCH &amp; PATIO</strong></td>
<td>3.18 Settlement, heaving or movement.</td>
<td>Builder will correct if movement exceeds 1 in. from the Home for stoops, porches and patios which are structurally attached.</td>
<td>Stoops, porches and patios which are poured separately and simply abut the house are not covered by this Limited Warranty.</td>
</tr>
<tr>
<td></td>
<td>3.19 Concrete splatters on adjacent surfaces.</td>
<td>Builder will correct only if damage is documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td><strong>WALL COVERING</strong></td>
<td>3.20 Entrance of elements through separations of siding or trim joints, or separation between trim and surfaces of masonry or siding.</td>
<td>Builder will correct entrance of elements or separations exceeding 3/8 in. by caulking or other methods.</td>
<td>Any separations 3/8 in. or less are considered routine Owner maintenance.</td>
</tr>
<tr>
<td></td>
<td>3.21 Cracks in stucco, cement and plaster surfaces.</td>
<td>Builder will correct cracks which exceed 1/8 in. in width.</td>
<td>Hairline cracks are common.</td>
</tr>
<tr>
<td></td>
<td>3.22 Siding materials deteriorate, delaminate or come loose.</td>
<td>Builder will correct affected area if due to improper workmanship or materials.</td>
<td>Separated, loose or delaminated siding can also be due to improper maintenance. Wavy siding may be due to temperature changes and can be expected.</td>
</tr>
<tr>
<td></td>
<td>3.23 Siding is wavy or has holes.</td>
<td>Builder is responsible only if installed improperly.</td>
<td>Siding can become wavy or fade. Check your manufacturer's warranty on this product for coverage regarding dents, holes, wind specifications, etc.</td>
</tr>
<tr>
<td></td>
<td>3.24 Paint or stain peels or deteriorates.</td>
<td>Builder will correct. If 75% of a particular wall is affected, entire wall will be corrected.</td>
<td>Some fading is normal due to weathering. Mildew and fungus on exterior surfaces are caused by climatic conditions and are considered routine maintenance. Varnish or lacquer deteriorates quickly and is not covered by this Limited Warranty.</td>
</tr>
<tr>
<td></td>
<td>3.25 Paint splatters and smears on other surfaces.</td>
<td>Builder will correct only if damage is documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
</tbody>
</table>
The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

### CATEGORY: EXTERIOR (CONTINUED)

<table>
<thead>
<tr>
<th>WALL COVERING (CONTINUED)</th>
<th>OBSERVATION</th>
<th>ACTION REQUIRED</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.26 Faulty application of paint on wall and trim surfaces.</td>
<td>Builder will correct affected area. If greater than 75% of wall or trim piece is affected, entire surface will be corrected.</td>
<td>Some minor imperfections such as overspray, brushmarks, etc., are common and should be expected.</td>
<td></td>
</tr>
<tr>
<td>3.27 Knot holes bleed through paint or stain.</td>
<td>Builder will correct affected areas where excessive bleeding of knots appear.</td>
<td>Knot holes will be apparent depending on the quality of material used.</td>
<td></td>
</tr>
<tr>
<td>3.28 Vent or louver leaks.</td>
<td>Builder will correct if caused by improper installation.</td>
<td>Properly installed louvers or vents may at times allow rain or snow to enter under strong wind conditions and is not a deficiency.</td>
<td></td>
</tr>
<tr>
<td>3.29 Cracks in masonry, veenter, stone, etc.</td>
<td>Builder will correct cracks which exceed 1/4 in. in width.</td>
<td>Some cracks are common through masonry and mortar joints. Cracks 1/4 in. or less are considered routine Owner maintenance.</td>
<td></td>
</tr>
</tbody>
</table>

### WINDOWS

<table>
<thead>
<tr>
<th>OBSERVATION</th>
<th>ACTION REQUIRED</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.30 Condensation or frost on interior window surface.</td>
<td>No action required.</td>
<td>Condensation is relative to the quality and type of windows. Temperature differences in high levels of humidity along with individual living habits will cause condensation.</td>
</tr>
<tr>
<td>3.31 Clouding or condensation between panes of glass.</td>
<td>Builder will correct only if damage is documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td>3.32 Glass breakage.</td>
<td>Builder will correct only if damage is documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td>3.33 Excessive drafts and leaks.</td>
<td>Builder will correct poorly fitted windows.</td>
<td>Relative to the quality and type of windows, drafts are sometimes noticeable around windows, especially during high winds. It may be necessary for the Owner to have storm windows installed to provide a satisfactory solution in high wind areas. All caulking materials expand and contract due to temperature variation and dissimilar materials. Maintenance of weather stripping is Owner’s responsibility.</td>
</tr>
<tr>
<td>3.34 Difficult to open, close or lock.</td>
<td>Builder will correct.</td>
<td>Windows should open, close and lock with reasonable pressure.</td>
</tr>
</tbody>
</table>

### INTERIOR

<table>
<thead>
<tr>
<th>DOORS</th>
<th>OBSERVATION</th>
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<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Latch is loose or rattles.</td>
<td>No action required.</td>
<td>Some minor movement should be expected.</td>
<td></td>
</tr>
<tr>
<td>4.2 Binds, sticks or does not latch.</td>
<td>Builder will correct if due to faulty workmanship and materials.</td>
<td>Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.</td>
<td></td>
</tr>
<tr>
<td>4.3 Warping.</td>
<td>Builder will correct warping which exceeds 1/4 in., measured vertically, horizontally or diagonally.</td>
<td>Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.</td>
<td></td>
</tr>
<tr>
<td>4.4 Excessive opening at bottom.</td>
<td>Builder will correct gaps in excess of 1-1/2 in. between bottom of passage door and finished floor or 2 in. between bottom of closet door and finished floor.</td>
<td>Gaps under doors are intended for air flow.</td>
<td></td>
</tr>
</tbody>
</table>
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<tr>
<td>4. INTERIOR (CONTINUED)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WOODS, CEILINGS, SURFACES, FINISHES &amp; TRIM</td>
<td>4.5 Rubs on carpet.</td>
<td>Builder will correct.</td>
<td>Builder is not responsible if Owner installs carpet.</td>
</tr>
<tr>
<td></td>
<td>4.6 Cracks and separations in drywall, lath or plaster, nail pops.</td>
<td>Builder will correct cracks in excess of 1/8 in. in width. Builder will correct nail pops which have broken finished surface. Repair cracks and touch up paint to match as close as possible, one time only. Such conditions should be reported near the end of Year 1 of the warranty period to allow for normal movement of the Home.</td>
<td>Minor seam separations and cracks, and other slight imperfections, are common and should be expected. Minor depressions and slight mounds at nail heads are not Defects.</td>
</tr>
<tr>
<td></td>
<td>4.7 Peeling of wallpaper.</td>
<td>Builder will correct if not due to Owner neglect or abuses.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.8 Separated seams in wallpaper.</td>
<td>Builder will correct if wall surface is readily visible.</td>
<td>Minor imperfections can be expected.</td>
</tr>
<tr>
<td></td>
<td>4.9 Lumps, ridges and nail pops in wallboard which appear after Owner has wall covering installed by himself or others.</td>
<td>No action required.</td>
<td>Owner should insure that surface to be covered is suitable for installation of wall covering.</td>
</tr>
<tr>
<td></td>
<td>4.10 Surface deficiencies in finished woodwork.</td>
<td>Builder will correct readily apparent splits, cracks, hammer marks and exposed nail heads, only if documented prior to occupancv.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td></td>
<td>4.11 Gaps between trim and adjacent surfaces, and gaps at trim joints.</td>
<td>Builder will correct gaps in excess of 1/8 in. at trim joints and 1/4 in. between trim and adjacent surfaces.</td>
<td>Some separation due to lumber shrinkage is normal and should be expected.</td>
</tr>
<tr>
<td></td>
<td>4.12 Cracks in ceramic grout joints.</td>
<td>Builder will correct cracks in excess of 1/8 in. one time only.</td>
<td>Cracking of grout joints is common and is considered routine Owner maintenance unless excessive.</td>
</tr>
<tr>
<td></td>
<td>4.13 Ceramic tile cracks or becomes loose.</td>
<td>Builder will correct only if documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td></td>
<td>4.14 Cracking or deterioration of caulking.</td>
<td>No action required.</td>
<td>All interior caulking shrinks and deteriorates. Owner maintenance is required.</td>
</tr>
<tr>
<td></td>
<td>4.15 Wall or trim surfaces visible through paint.</td>
<td>Builder will correct affected area. If greater than 75% of wall, trim piece, or ceiling is affected, entire surface will be corrected.</td>
<td>Some minor imperfections such as overspray, brushmarks, etc., are common and should be expected.</td>
</tr>
</tbody>
</table>

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### SECTION III.

**WARRANTY STANDARDS**

**A. YEAR 1 COVERAGE ONLY**

The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

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<tbody>
<tr>
<td><strong>FLOOR COVERING</strong></td>
<td>4.16 Resilient flooring comes loose at edge.</td>
<td>Builder will correct.</td>
<td>Owner maintenance is required.</td>
</tr>
<tr>
<td></td>
<td>4.17 Fades, stains or discolors.</td>
<td>Builder will correct stains or spots only if documented prior to occupancy.</td>
<td>Fading is not a deficiency. Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td></td>
<td>4.18 Premature wearing of carpet.</td>
<td>No action required.</td>
<td>Excessive wear in high-traffic areas such as entryways and hallways is normal. Wearability is directly related to quality of carpet.</td>
</tr>
<tr>
<td></td>
<td>4.19 Visible gaps at carpet seams.</td>
<td>Builder will correct gaps.</td>
<td>Seams will be apparent. Owner maintenance is required.</td>
</tr>
<tr>
<td></td>
<td>4.20 Carpet becomes loose or buckles.</td>
<td>Builder will correct.</td>
<td>Some stretching is normal. Owner should exercise care in moving furniture.</td>
</tr>
<tr>
<td></td>
<td>4.21 Gaps at seams of resilient flooring.</td>
<td>Builder will correct gaps of similar materials in excess of 1/8 in., and 3/16 in. where dissimilar materials abut.</td>
<td>Minor gaps should be expected.</td>
</tr>
<tr>
<td></td>
<td>4.22 Fastener pops through resilient flooring.</td>
<td>Builder will correct affected area where fastener has broken through floor covering.</td>
<td>Sharp objects such as high heels, table and chair legs, can cause similar problems, and are not covered by this Limited Warranty.</td>
</tr>
<tr>
<td></td>
<td>4.23 Depressions or ridges in resilient flooring at seams of sub-flooring.</td>
<td>Builder will correct depressions or ridges which exceed 1/8 in. in height or depth.</td>
<td>This is determined by placing a 6 in. straight edge over ridge or depression, with 3 in. on either side, and measuring height or depth at sub-flooring seam.</td>
</tr>
<tr>
<td></td>
<td>4.24 Cuts and gouges in any floor covering.</td>
<td>Builder will correct only if documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td></td>
<td>4.25 Hollow sounding marble or tile.</td>
<td>No action required.</td>
<td>Hollow sounding marble or tile is not a Deficiency of construction and is not covered under this warranty.</td>
</tr>
<tr>
<td><strong>SUB-FLOORING</strong></td>
<td>4.26 Loose sub-flooring.</td>
<td>Builder will correct if due to a defective joist or improper fastening.</td>
<td>Lumber shrinkage as well as temperature and humidity changes may cause loose sub-flooring.</td>
</tr>
</tbody>
</table>

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<tr>
<td><strong>MECHANICAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRICAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.1 Circuit breakers trip excessively.</td>
<td>Builder will correct if tripping occurs under normal usage.</td>
<td>Ground Fault Circuit Interrupters (GFCI) are intended to trip as a safety factor. Tripping that occurs under abnormal use is not covered by this Limited Warranty.</td>
<td></td>
</tr>
<tr>
<td>5.2 Outlets, switches or fixtures malfunction.</td>
<td>Builder will correct if caused by defective workmanship or materials.</td>
<td>Owner should exercise routine care and maintenance. Replacement of light bulbs is Owner’s responsibility.</td>
<td></td>
</tr>
<tr>
<td><strong>HEATING &amp; COOLING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3 Condensation lines clog under normal use.</td>
<td>No action required.</td>
<td>Condensation lines will clog under normal conditions. Continued operation of drain line requires Owner maintenance.</td>
<td></td>
</tr>
<tr>
<td>5.4 Noisy duct work.</td>
<td>Builder will correct oil canning noise if caused by improper installation.</td>
<td>When metal heats and cools, ticking and cracking may occur and are not covered by this Limited Warranty.</td>
<td></td>
</tr>
<tr>
<td>5.5 Insufficient heating.</td>
<td>Builder will correct if Heating System cannot maintain a 70 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 ft. above center of floor in affected area. On extremely cold days, a 6 degree difference between actual inside temperature and thermostat setting is acceptable. All rooms may vary in temperature by as much as 4 degrees.</td>
<td>Orientation of the Home, location of rooms and location of vents will also provide a temperature differential. There may be periods when outdoor temperature falls below design temperature thereby lowering temperature in the Home. Certain aspects of the Home including, but not limited to, expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variation from these Standards and are not covered by this Limited Warranty.</td>
<td></td>
</tr>
<tr>
<td>5.6 Insufficient cooling.</td>
<td>Builder will correct if Cooling System cannot maintain a 78 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 ft. above center of the floor in the affected room. On excessively hot days, where outside temperature exceeds 95 degrees Fahrenheit, a difference of 17 degrees from outside temperature will be difficult to maintain. All rooms may vary in temperature by as much as 4 degrees.</td>
<td>Orientation of the Home, location of rooms and location of vents will also provide a temperature differential. There may be periods when outdoor temperature rises above design temperature thereby raising temperature in the Home. Certain aspects of the Home including, but not limited to, expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variation from these Standards and are not covered by this Limited Warranty.</td>
<td></td>
</tr>
<tr>
<td>5.7 Refrigerant line leaks.</td>
<td>Builder will correct.</td>
<td>Owner maintenance is required on the system.</td>
<td></td>
</tr>
<tr>
<td><strong>PLUMBING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.8 Pipe freezes and bursts.</td>
<td>Builder will correct if due to faulty workmanship or materials.</td>
<td>Proper winterization of pipes is considered routine maintenance and Owner should maintain suitable temperatures inside the Home.</td>
<td></td>
</tr>
<tr>
<td>5.9 Noisy water pipe.</td>
<td>Builder will correct hammering noise if caused by improper installation.</td>
<td>Some noise can be expected due to flow of water and pipe expansion. This is not a Defect.</td>
<td></td>
</tr>
<tr>
<td>5.10 Plumbing fixtures and trim fittings leak or malfunction.</td>
<td>Builder will correct if due to faulty workmanship and materials.</td>
<td>Owner maintenance is required. Scratches, tarnishing or marring must be noted on a pre-closing walk-through inspection list.</td>
<td></td>
</tr>
</tbody>
</table>
### SECTION III.
**WARRANTY STANDARDS**

#### A. YEAR 1
**COVERAGE ONLY**

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<tbody>
<tr>
<td><strong>BATHROOM &amp; KITCHEN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>Cabinet separates from wall or ceiling.</td>
<td>Builder will correct separation in excess of 1/4 in.</td>
<td>Some separation is normal. Caulking is an acceptable method of repair.</td>
</tr>
<tr>
<td>6.2</td>
<td>Crack in door panel.</td>
<td>Builder will correct only if documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td>6.3</td>
<td>Warping of cabinet door or drawer front.</td>
<td>Builder will correct if warp exceeds 3/8 in. as measured from cabinet frame.</td>
<td>Seasonal changes may cause warping and may be a temporary condition.</td>
</tr>
<tr>
<td>6.4</td>
<td>Doors or drawers do not operate.</td>
<td>Builder will correct.</td>
<td>Owner maintenance is required.</td>
</tr>
<tr>
<td>6.5</td>
<td>Chips, cracks, scratches on countertop, cabinet fixture or fitting.</td>
<td>Builder will correct only if documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td>6.6</td>
<td>Delamination of countertop or cabinet.</td>
<td>Builder will correct only if documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td>6.7</td>
<td>Cracks or chips in fixture.</td>
<td>Builder will correct only if documented prior to occupancy.</td>
<td>Owner is responsible for establishing a pre-closing walk-through inspection list.</td>
</tr>
<tr>
<td>6.8</td>
<td>Defective fixture or fitting.</td>
<td>Builder will correct.</td>
<td>Owner maintenance is required.</td>
</tr>
<tr>
<td><strong>CHIMNEY &amp; FIREPLACE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.9</td>
<td>Exterior and interior masonry veneer cracks.</td>
<td>Builder will correct cracks in excess of 1/4 in. in width.</td>
<td>Some cracks are common in masonry and mortar joints. Cracks 1/4 in. in width or less are considered Owner maintenance.</td>
</tr>
<tr>
<td>6.10</td>
<td>Firebox color is changed; accumulation of residue in chimney or flue.</td>
<td>No action required.</td>
<td>Owner maintenance is required.</td>
</tr>
<tr>
<td>6.11</td>
<td>Chimney separates from the Home.</td>
<td>Builder will correct separation in excess of 1/2 in. within 10 ft.</td>
<td>Newly built chimneys will often incur slight amounts of separation.</td>
</tr>
<tr>
<td>6.12</td>
<td>Smoke in living area.</td>
<td>Builder will correct if caused by improper construction or inadequate clearance.</td>
<td>Temporary negative draft situations can be caused by high winds; obstructions such as large tree branches too close to chimney; the geographic location of the fireplace; or its relationship to adjoining walls and roof. In some cases, it may be necessary to open a window to create an effective draft. Since negative draft conditions could be temporary, it is necessary that Owner substantiate problem to Builder by constructing a fire so the condition can be observed.</td>
</tr>
<tr>
<td>6.13</td>
<td>Water infiltration into firebox from flue.</td>
<td>No action required.</td>
<td>A certain amount of rainwater can be expected under certain conditions.</td>
</tr>
<tr>
<td>6.14</td>
<td>Firebrick or mortar joint cracks.</td>
<td>No action required.</td>
<td>Intense heat may cause cracking.</td>
</tr>
<tr>
<td><strong>INSULATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.15</td>
<td>Air infiltration around electrical receptacles.</td>
<td>No action required.</td>
<td>Air flow around electrical boxes is normal and is not a deficiency.</td>
</tr>
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<tr>
<td>B. SYSTEMS — YEARS 1 AND 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRICAL</strong></td>
<td><strong>B.1</strong> Wiring fails to carry specified load.</td>
<td>Builder will correct if failure is due to improper installation or materials.</td>
<td>Switches, outlets and fixtures are applicable to <strong>Year 1 Coverage Only</strong>.</td>
</tr>
<tr>
<td><strong>HEATING &amp; COOLING</strong></td>
<td><strong>B.2</strong> Duct work separates.</td>
<td>Builder will correct.</td>
<td>Owner maintenance is required.</td>
</tr>
<tr>
<td><strong>PLUMBING</strong></td>
<td><strong>B.3</strong> Pipe leaks.</td>
<td>Builder will correct.</td>
<td><strong>[B.4] Water supply stops. Builder will correct if due to faulty workmanship or materials inside the Home.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Drought or causes other than faulty workmanship and materials will not be covered under this Limited Warranty.</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Owner maintenance and proper use is required.</strong></td>
</tr>
</tbody>
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<tbody>
<tr>
<td>MAJOR STRUCTURAL DEFECTS</td>
<td>C.1 Major Structural</td>
<td>The criteria for establishing the existence of a Major Structural Defect is set</td>
<td>The Warrantor will correct Major Structural Defects, limited to such</td>
</tr>
<tr>
<td></td>
<td>Defects</td>
<td>forth in Section I.B.15 of this Limited Warranty Agreement.</td>
<td>actions as are necessary to restore the load-bearing capability of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>component(s) affected by a Major Structural Defect.</td>
</tr>
</tbody>
</table>

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A. Notice to Warrantor in Years 1 & 2

1. If a Defect occurs in Years 1 and 2, you must notify your Builder in writing. Your request for warranty performance should clearly describe the Defect(s) in reasonable detail.

2. Request for warranty performance to your Builder does not constitute notice to the Administrator, and it will not extend applicable coverage periods.

3. If a request for warranty performance to your Builder does not result in satisfactory action within a reasonable time, written notice must be given to HOME of Texas, Administrator, 5300 Derry Street, Harrisburg, Pennsylvania 17111-3598, Attn: Warranty Resolution Department. This notice should describe each item in reasonable detail and should be forwarded by certified mail, return receipt requested.

4. Please note that a written request for warranty performance must be mailed to HOME and postmarked no later than thirty (30) days after the expiration of the applicable warranty period. For example, if the item is one which is warranted by your Builder during your second year of coverage, a request for warranty performance must be mailed to HOME and postmarked no later than thirty (30) days after the end of the second year to be valid.

5. You must provide the Warrantor with reasonable weekday access during normal business hours in order to perform its obligations. Failure by you to provide such access to the Warrantor may relieve the Warrantor of its obligations under this Limited Warranty.

6. If your Builder does not fulfill its obligations under this Limited Warranty, the Administrator will process the request for warranty performance as described in this Limited Warranty and subject to the provisions of IV.F.

B. Notice to Warrantor in Years 3 – 10

If a Defect related to a warranted MSD occurs in Years 3 through 10 of this Limited Warranty, you must notify the Administrator to review the item. All such notices must be presented in writing to HOME of Texas, Administrator, 5300 Derry Street, Harrisburg, Pennsylvania 17111-3598, Attn: Warranty Resolution Department, by certified mail, return receipt requested, within a reasonable time after the situation arises. Any such notice should describe the condition of the MSD in reasonable detail. Requests for warranty performance postmarked more than thirty (30) days after the expiration of the term of this Limited Warranty will not be honored.

C. Purchaser’s Obligations

1. Your notice to the Administrator must contain the following information:
   a. Validation # and Effective Date Of Warranty;
   b. Your Builder’s name and address;
   c. Your name, address and phone number (including home and work numbers);
   d. Reasonably specific description of the warranty item(s) to be reviewed;
   e. A copy of any written notice to your Builder;
   f. Photograph(s) may be required; and
   g. A copy of each and every report you have obtained from any inspector or engineer.

2. You have an obligation to cooperate with the Administrator’s mediation, inspection and investigation of your warranty request. From time to time, the Administrator may request information from you regarding an alleged Defect. Failure by you or your appointed representative to respond with the requested information within thirty (30) days of the date of the Administrator’s request can result in the closing of your warranty file.

D. Mediation and Inspection

Within thirty (30) days following the Administrator’s receipt of proper notice of a request for warranty performance, the Administrator may review and mediate your request by communicating with you, your Builder and any other individuals or entities who the Administrator believes possess relevant information. If, after thirty (30) days, the Administrator has not been able to successfully mediate your request, or at any earlier time when the Administrator believes that your Builder and you are at an impasse, then the Administrator will notify you that your request has become an Unresolved Warranty Issue. At any time following the receipt of proper notice of your request for warranty performance, the Administrator may schedule an inspection of the item. You must provide the Administrator reasonable access for any such inspection as discussed in Section IV.A.5. The Administrator, at its discretion, may schedule a subsequent inspection to determine Builder compliance.

When a request for warranty performance is filed and the deficiency cannot be observed under normal conditions, it is your responsibility to substantiate that the need for warranty performance exists including any cost involved. If properly substantiated, you will be reimbursed by the Warrantor.

E. Arbitration*

You begin the arbitration process by giving the Administrator written notice of your request for arbitration of an Unresolved Warranty Issue. The written notice of your request for arbitration must be received by the Administrator no later than thirty (30) days following the expiration of the ten year warranty period. However, if you receive notification of an Unresolved Warranty Issue from the Administrator following the expiration of the ten year warranty period, then this period is extended and written notice of your request for arbitration must be received by the Administrator no later than thirty (30) days from the date of your receipt of notification of the Unresolved Warranty Issue. Within twenty (20) days after the Administrator’s receipt of your notice of request for arbitration, any Unresolved Warranty Issue that you have with the Warrantor shall be submitted to an independent arbitration service experienced in arbitrating residential construction matters upon which you and the Administrator agree. This binding arbitration is governed by the procedures of the Federal Arbitration Act, 9

*FHA/VA Homeowners, refer to HUD Addendum, Section VI.
Section IV. Requesting Warranty Performance (continued)

U.S.C. 1 et. seq. If you submit a request for arbitration, you must pay the arbitration fees before the matter is submitted to the arbitration service. After arbitration, the Arbitrator shall have the power to award the cost of this fee to any party or to split it among the parties to the arbitration. The arbitration shall be conducted in accordance with this Limited Warranty and the arbitration rules and regulations to the extent that they are not in conflict with the Federal Arbitration Act.

Within one (1) year after an arbitration award, either party may apply to the U.S. District Court where the Home is situated to confirm the award. The Administrator’s receipt of a written request for arbitration in appropriate form shall stop the running of any statute of limitations applicable to the matter to be arbitrated until the Arbitrator renders a decision. The decision of the Arbitrator shall be final and binding upon all parties.

Since this Limited Warranty provides for mandatory binding arbitration of Unresolved Warranty Issues, if any party commences litigation in violation of this Limited Warranty, such party shall reimburse the other parties to the litigation for their costs and expenses, including attorney fees, incurred in seeking dismissal of such litigation.*

In Years 1 & 2, the Builder shall have sixty (60) days from the date the Administrator sends the Arbitrator’s award to the Builder to comply with the Arbitrator’s decision. In Years 3-10, the Warrantor shall have sixty (60) days from the date the Administrator receives the Arbitrator’s award to comply with the Arbitrator’s decision. Warranty compliance will begin as soon as possible and will be completed within the sixty-day compliance period with the exception of any repair that would reasonably take more than sixty (60) days to complete, including, but not limited to, repair delayed or prolonged by inclement weather. The Warrantor will complete such repair or replacement as soon as possible without incurring overtime or weekend expenses.

You may request a compliance arbitration within twenty (20) days after the sixty-day compliance period has expired by giving the Administrator written notice of your request. You must pay the fees for the compliance arbitration prior to the matter being submitted to the arbitration service.

F. Conditions of Warranty Performance

1. When your request for warranty performance is determined to be a warranted issue, the Warrantor reserves the right to repair or replace the warranted item, or to pay you the reasonable cost of repair or replacement.

2. In Years 1 and 2, if your Builder defaults in its warranty obligations, the Administrator will process the request for warranty performance provided you pay a warranty service fee of $250 for each request prior to repair or replacement.*

3. In Years 3 through 10 you must pay the Administrator a warranty service fee of $500 for each request.*

4. If the Administrator elects to award you cash rather than repair or replace a warranted item, the warranty service fee will be subtracted from the cash payment.

5. If the Warrantor pays the reasonable cost of repairing a warranted item, the payment shall be made to you and to any mortgagee or mortgagee’s successor as each of your interests may appear; provided that the mortgagee has notified the Administrator in writing of its security interest in the Home prior to such payment. Warrantor shall not have any obligation to make payment jointly to the Purchaser and mortgagee where the mortgagee has not notified your Builder or the Administrator in writing of its security interest in the Home prior to such payment. Any mortgagee shall be completely bound by any mediation or arbitration relating to a request for warranty performance between you and the Warrantor.*

6. Prior to payment for the reasonable cost of repair or replacement of warranted items, you must sign and deliver to the Builder or the Administrator, as applicable, a full and unconditional release, in recordable form, of all legal obligations with respect to the warranted Defects and any conditions arising from the warranted items.

7. Upon completion of repair or replacement of a warranted Defect, you must sign and deliver to the Builder or the Administrator, as applicable, a full and unconditional release, in recordable form, of all legal obligations with respect to the Defect and any conditions arising from the situation. The repaired or replaced warranted item will continue to be warranted by this Limited Warranty for the remainder of the applicable period of coverage.

8. If the Warrantor repairs, replaces or pays you the reasonable cost to repair or replace a warranted item, the Warrantor shall be subrogated to all your rights of recovery against any person or entity. You must execute and deliver any and all instruments and papers and take any and all other actions necessary to secure such rights, including, but not limited to, assignment of proceeds of any insurance or other warranties to the Warrantor. You shall do nothing to prejudice these rights of subrogation.

9. Any Warrantor obligation is conditioned upon your proper maintenance of the Home and grounds to prevent damage due to neglect, abnormal use or improper maintenance.

*FHA/VA Homeowners refer to HUD Addendum, Section VI.
Section V.  
Active Soils  
Guidelines

A. Introduction

1. Many areas have soils which are referred to as expansive or active. This type of soil generally contains clay minerals which expand and contract depending on their moisture content. Areas with extended dry or wet periods require special homeowner maintenance and precautions. Improper homeowner maintenance can adversely affect the performance and structural integrity of the foundation constructed on active soils and may void the Limited Warranty on your home. To minimize damage caused by shrinking and swelling of expansive soils, you should:
   a. maintain an even moisture content in the soil around the foundation;
   b. maintain the grading about the foundation;
   c. maintain the landscaping.

2. This section lists Homeowner maintenance requirements for homes constructed on active soils. Your failure to properly maintain your lot can void the Limited Warranty on your home.*

B. Maintenance

1. Trees and Shrubbery
   a. Trees and shrubbery may absorb large amounts of water daily, reducing the moisture in the soil and causing shrinkage. Soil shrinkage near the foundation causes settlement in that area. Soil in areas around trees and shrubbery must be adequately watered to prevent settlement and shrinkage. In extreme drought, areas around trees and shrubbery will need more water.
   b. Trees especially can damage the structural integrity of the foundation. Root systems of trees can penetrate the foundation, reduce moisture and cause additional damage to the foundation. Preventative measures may be needed to prevent trees from adversely affecting the foundation. Homeowner maintenance may include the placement of root shields which reduce the absorption of moisture from the soil between the shield and the foundation.
   c. Prior to planting trees and shrubbery, and if existing tree branches extend over your roof or the root system extends into the foundation, you should contact your Builder or those who are experienced in planting trees and shrubbery to discuss proper maintenance options, including the costs involved. Your county Agricultural Extension Office will be able to suggest appropriate plant life and proper maintenance procedures. Limited Warranty Coverage is conditioned upon proper Homeowner Maintenance.

2. Final Grade
   a. When a Final Grade Certificate is obtained, you should receive a copy from your Builder confirming that the grading (the slope of the ground) around the foundation has been established to cause water to flow away from the Home. It is your responsibility to maintain the grades. Make sure water does not collect or become trapped in localized areas near the foundation. These conditions can cause changes in moisture content that can damage the foundation.
   b. Builders often direct surface water to disposal areas (such as streets, storm sewers, etc.) by way of drainage channels called swales. Swales must be maintained and not left to erode or fill.
   c. Fences installed over drainage swales must be kept off the ground so water can drain properly. Obstructions in the drainage swale can interrupt proper drainage of water from the lot.

3. Landscaping and Yard Maintenance
   a. Maintaining adequate ground cover such as grass is essential to maintaining uniform moisture content in the soil. The presence of ground cover minimizes evaporation of moisture. When watering grass, shrubbery and other plantings, you should use a systematic, uniform manner of watering so soil on all sides of the foundation is kept moist, NOT SATURATED. Just as too little moisture causes soil shrinkage, too much moisture causes swelling. Both conditions can damage a foundation. Areas of soil that do not have ground cover may require additional watering as they are more susceptible to evaporation, causing an imbalance in soil moisture.
   b. Position sprinkler heads so water is directed away from the foundation. Shrubbery planted close to the foundation may have to be watered by hand.
   c. When landscaping, be sure that flower beds do not trap water next to the foundation. Planters and curbs often hold water, causing increased moisture in localized areas. This can cause damage to the foundation. If curbs and planters are installed, drainage holes must be provided to maintain balanced soil moisture around the foundation.

4. Gutters and Downspouts
   If the Home is equipped with a roof drainage system such as gutters and downspouts, water discharged from the downspouts should be directed to flow a minimum of 5 ft. away from the foundation. When downspout extensions are removed for mowing or other maintenance, they must be returned for proper surface drainage. Rainwater should not be rerouted to flower beds or other areas near the foundation. This can cause localized saturation and uneven moisture which may damage the foundation. Such negligence can void the Limited Warranty on your home. Placement of gutters and downspouts is a homeowner responsibility if not installed by the Builder.

5. General Information
   a. When very hot and dry conditions exist and soil begins to pull away from the foundation, you should act immediately to correct the situation. If you will be away from home during these conditions, you should plan to have someone maintain your lot.
   b. Uneven moisture content of the soil surrounding the foundation can cause movement in the foundation. If moisture content in one area is substantially different from another, differential movement can occur which can cause the foundation to bend. Although this may not damage the foundation, it may cause signs of distress such as wall and ceiling cracks, tape separations, doors which swing open or closed on their own, window frames out-of-square, and cracks in brick veneer and mortar joints. You should check the soil conditions around the foundation and correct any problems. Homeowner maintenance is a prerequisite to the Limited Warranty on your Home.

The HOME of Texas Limited Warranty displayed on this page is a SAMPLE only. The HOME of Texas Limited Warranty applicable to your home may differ from the one displayed here. You must consult your validated HOME of Texas Limited Warranty book for the terms of coverage that apply to your home.

*FHA/VA Homeowners, refer to HUD Addendum, Section VI.
Section VI. HUD Addendum

1. Section I.B. — The following definition is added: Emergency Condition is an event or situation that presents an imminent threat of damage to the Home and results in an unsafe living condition due to Defects or Major Structural Defects that manifests itself outside of the Warranty period and requires immediate business hours and precludes you from obtaining prior written approval to initiate repairs to stabilize the condition and prevent further damage.

2. Section I.B.9. Effective Date Of Warranty — The following language is substituted: The Effective Date Of Warranty will be the date on which closing or settlement occurs in connection with the initial sale of the Home. In no event will the Effective Date Of Warranty be later than the date of FHA endorsement of your Mortgage on the Home.

3. Section I.B.15. Major Structural Defects — The following language is substituted for a.-c.: A Major Structural Defect is actual physical damage to the designated load-bearing portions of a Home caused by failure of such load-bearing functions to the extent that the Home becomes unsafe, unsanitary, or otherwise unlivable. The following language is added: Delamination or rupture of roof sheathing shall be deemed a Major Structural Defect in need of warranty performance.

4. Section II.C.1. One Year Coverage — The following language is added: Notwithstanding anything to the contrary contained in this Limited Warranty, during the first year of coverage, your Builder will repair or restore the reliable function of Appliances and Equipment damaged during installation or improperly installed by your Builder. In addition, your Builder will correct Construction Deficiencies in workmanship and materials resulting from the failure of the Home to comply with the standards of quality as measured by acceptable trade practices. Construction Deficiencies are Defects (not of a structural nature) in the Home that are attributable to poor workmanship or to the use of inferior materials which result in the impaired functioning of the Home or some part of the Home. Defects resulting from your abuse or from normal wear and tear are not considered Construction Deficiencies.

5. Section II.D. — The following statement is added: This agreement is non-cancelable by the Warrantor.

6. Section II.D.9. is deleted.

7. Section II.D.10. — The following language is added: Repairs to the Home may be made without the prior written authorization of the Warrantor only in the event an Emergency Condition arises that necessitates repairs be made for the sole purpose of protecting the Home from further damage. You must notify the Warrantor as soon as possible, but in no event, later than five (5) days after the repairs have been made in order to qualify for reimbursement. An accurate, written record of the repair costs must accompany your notification.

8. Section II.E.1.d. — The following language is substituted: Loss or damage which is covered by any other insurance or for which compensation is granted by state legislation.

9. Section II.E.1.e. — The following language is substituted: Resulting directly or indirectly from flood, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, wetlands, springs or aquifers. Surface water and underground water which cause an unforeseeable hydrostatic condition with resultant damage to the structure are covered.

10. Section II.E.2.d. is deleted.

11. Section II.E.2.m. — The following language is substituted: Any portion of a public Water Supply System, including volume and pressure of water flow.

12. Section II.E.2.o. — The following language is substituted: Any portion of a public Sewage Disposal System, including design.

13. Section II.E.2.p. — exclusion is deleted.

14. Section II.E.5. — The following language is substituted: Consequential Damages to personal property are excluded. Consequential Damages to real property as a result of a Defect or repair of a Defect are covered.

15. Section II.E.9. — The following language is added: Warranted Defects repaired as a result of emergency property protection measures as described and defined in this addendum are covered.

16. Section III.A.

a Site Work — The following is substituted:

1. 3.17 (Action Required) If final grading was performed by the Builder, he will replace fill in excessively settled areas.