

ARTICLE VII  
FUNDS AND ASSESSMENTS

7.01 Assessments.

(A) The Association may from time to time levy and collect Assessments against each Lot, whether or not improved. The level of Assessments will be equal and uniform between all Lots, except that (i) no Assessments will be levied against Declarant, and (ii) no Assessments will be levied against any Lot purchased by a homebuilder under a contract with Declarant for construction of a single-family residence for a period of 6 months from the date of closing of the purchase of the Lot by the homebuilder.

(B) If the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment will be prorated as of the date when the obligation first arose, in proportion to the amount of the Assessment year or other period remaining after that date.

(C) Each unpaid Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, will be the personal obligation of the Owner of the Lot against which the Assessment fell due, and will become a lien against the Lot and its Improvements. The Association may enforce payment of Assessments in accordance with the provisions of this Article.

7.02 Maintenance Fund. The Board will establish a maintenance fund into which all monies paid to the Association will be deposited and from which disbursements will be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as from time to time amended.

7.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board will estimate the expenses to be incurred by the Association during the year in performing its functions under the Restrictions, including the cost of maintenance of roadway rights-of-way and Common Areas and Facilities, the cost of enforcing the Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay the estimated net expenses will then be levied as herein provided, and the level of Assessments set by the Board will be final and binding so long as made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association, may, at any time and from time to time, levy further Assessments in this same manner. All such regular Assessments will be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal quarterly installments, or in such other manner as the Board may designate in its sole and absolute discretion.

7.04 Special Assessments. In addition to regular annual Assessments, the Board may levy special Assessments whenever, in the Board's opinion, special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Restrictions. The amount of any special Assessments will be at the reasonable discretion of the Board.

7.05 Owner's Personal Obligation for Payment of Assessments. Regular and special Assessments will be the personal and individual debt of the Owner of the Lot covered by the Assessments. Except as otherwise provided in Section 7.01(A), no Owner may exempt himself from liability for Assessments. In the event of default in the payment of any Assessment, the Owner of the Lot will be obligated to pay interest at the highest rate allowed by applicable law then in effect (or, if there is no such highest rate, then at the rate of 2% per month) on the amount of the Assessment from its due date, together with all costs and expenses of collection, including reasonable attorneys' fees.

7.06 Assessment Lien and Foreclosure. All sums assessed under this Article but unpaid, will, together with interest as provided in Section 7.05 and the cost of collection, including attorneys fees as herein provided, become a continuing lien and charge on the Lot covered by such Assessments, which will bind the Lot in the hands of the Owner, and his or her heirs, devisees, personal representatives, successors or assigns. This lien will be superior to all other liens and charges against the Lot, except for tax liens and sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed for the improvement or acquisition of the Lot in question. The Association may subordinate its Assessment lien to any other lien. This power will be entirely discretionary with the Board and any subordination may be signed by an officer of the Association. To evidence an Assessment lien, the Association will prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. This notice will be signed by one of the officers of the Association and recorded in the office of the County Clerk of Travis County, Texas. The lien for payment of Assessments will attach with the priority above set forth from the date that the payment becomes delinquent and may be enforced by the foreclosure on the defaulting Owner's Lot by the Association in like manner as a mortgage on real property subsequent to the recording of the notice of Assessment lien, or the Association may institute suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the lien judicially. In any foreclosure proceeding, whether judicial or not, the Owner will be required to pay the costs, expenses, and reasonable attorneys fees incurred by the Association. The Association may bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the property. Upon the written request of any Mortgagee, the Association will report any unpaid Assessments remaining unpaid for longer than 30 days after they are due.

ARTICLE VIII  
EASEMENTS

8.01 Reserved Easements. All dedications, limitations, restrictions and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights made by Declarant prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and will be construed as being adopted in each and every contract, deed or conveyance conveying any part of the Property. Declarant reserves the right to make changes in and additions to easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including gas, water, electricity, telephone and drainage), in favor of any person or entity, along and on either or both sides of any Lot line, which easement will have a maximum width of 7.5 feet on each side of a Lot line.

8.02 Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Property for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities and appurtenances, including water, gas, telephones, electricity. By virtue of this easement, subject to Section 2.12, the utility companies and other entities supplying service may install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement. Notwithstanding any provision contained in this Section, no electrical lines, water lines or other utilities or appurtenances may be relocated on the Property until approved by Declarant or the Architectural Committee. All utility companies furnishing service may remove trees situated within the utility easements shown on the Plat, and trim overhanging trees and shrubs located on portions of the Property abutting such easements.

8.03 Drainage Easements. Each Owner covenants to provide easements for drainage and water flow as contours of land and the arrangement of Improvements approved by the Architectural Committee require. Each Owner covenants not to disturb or displace any trees or other vegetation within the drainage easements

as defined in this Declaration and shown on the Plat. No Improvements, temporary or permanent, may be constructed in any drainage easement, except as approved in writing by the Architectural Committee.

8.04 Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither the Declarant nor any supplier of utility service using any easement area will be liable to any Owner or to the Association for any damage done by them, or their respective agents, employees, servants or assigns, to any vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any easement area.

#### ARTICLE IX ADDITION OF LAND

It is contemplated that Declarant will develop certain real property now owned or hereafter acquired by Declarant for residential purposes and add such real property to the Property. Declarant may, at any time and from time to time, add additional lands to the Property and, upon the filing of a notice of addition of land as hereinafter described, this Declaration and the covenants, conditions, restrictions and obligations set forth herein will apply to the added lands, and the rights, privileges, duties and liabilities of the persons subject to this Declaration will be the same with respect to the added land as with respect to the Property. In order to add lands to the Property, Declarant will be required only to record a notice of addition of land (which may be contained within any Supplemental Declaration affecting such land) containing the following provisions in the Real Property Records of Travis County, Texas:

- (A) A reference to this Declaration, stating the book and page numbers of the Real Property Records of Travis County, Texas where this Declaration is recorded;
- (B) A statement that the provisions of this Declaration apply to the added land; and
- (C) A legal description of the added land.

#### ARTICLE X MISCELLANEOUS

10.01 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, will run until December 31, 2017, unless amended as herein provided. After December 31, 2017, this Declaration, including all such covenants, conditions, and restrictions, will automatically be extended for successive periods of 10 years each, unless amended or extinguished by a written instrument, executed by the Owners of at least 3/4 of the Lots within the Property then subject to this Declaration and filed in the Real Property Records of Travis County, Texas.

#### 10.02 Amendment.

(A) By Declarant. This Declaration may be amended by the Declarant, acting alone, until December 31, 2002, and thereafter for so long as Declarant holds a majority of the votes of the Association. No amendment by Declarant after December 31, 2002, will be effective until an instrument, executed and acknowledged by Declarant, setting forth the amendment, and an instrument executed and acknowledged by the President and Secretary of the Board certifying that the Declarant had the requisite number of votes has been recorded in the Real Property Records of Travis County, Texas.

(B) By Owners. In addition to the method in Section 10.02(A), this Declaration may be amended by recording an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that the amendment has been approved by Owners

entitled to cast at least 66% of the number of votes entitled to be cast under Section 5.03 in the Real Property Records of Travis County, Texas.

(C) HUD/FHA Approval. Notwithstanding any provision in this Declaration to the contrary, the following actions of the Association or Declarant shall require the prior approval of the Federal Housing Administration ("FHA") and the Department of Housing and Urban Development ("HUD"): (i) the annexation of additional real property to the Property pursuant to the Declaration; (ii) any merger or consolidation of the Association; (iii) any mortgage of the Common Area and Facilities by the Association; (iv) any dissolution of the Association; or (v) any amendment to this Declaration. The prior approval of HUD and FHA with regard to any of the aforementioned items shall be required only if: (a) the rules, regulations, or guidelines of HUD or the FHA require such approval on the date the action is to be taken by the Association or Declarant; or (b) the Declarant has the power to exercise its voting rights pursuant to Section 5.3(B) of the Declaration on the date the action is to be taken by the Association or Declarant.

10.03 Notices. Any notice given under this Declaration must be in writing and may be delivered either personally or by mail. If delivery is made by mail, it will be deemed to have been delivered on the 3rd day (other than a Sunday or legal holiday) after it 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. An address may be changed from time to time by notice in writing given by such person to the Association.

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

10.05 Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities will in any way be subject to the control of or under the jurisdiction of the Architectural Committee. Without in any way limiting the generality of the preceding sentence, this Declaration will not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Property.

10.06 Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder. Any such assignment must be in writing and filed of record in the Real Property Records of Travis County, Texas.

10.07 Enforcement and Nonwaiver.

(A) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board will have the right to enforce all of the provisions of the Restrictions. Such right of enforcement will include both damages for, and injunctive relief against, the breach of any such provision.

(B) Nonwaiver. The failure to enforce any provision of the Restrictions at any time will not constitute a waiver of the right thereafter to enforce that provision or any other provision of the Restrictions.

(C) Liens. The Association will have the right, when appropriate in its judgment, to claim or impose a lien upon any Lot or Improvement in order to enforce any right or effect compliance with this Declaration.

10.08 Construction.

(A) Restrictions Severable. The provisions of the Restrictions will be independent and severable, and the invalidity or partial invalidity of any provision or portion will not affect the validity or enforceability of any other provision or portion.

(B) Singular Includes Plural. Unless the context requires a contrary construction, the singular will include the plural and the plural the singular; and the masculine, feminine or neuter will each include the masculine, feminine and neuter.

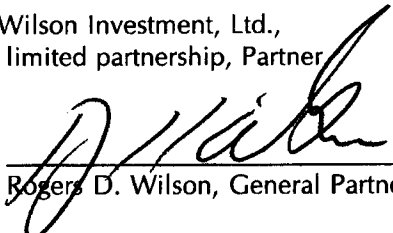
(C) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and do not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, sections or articles hereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of this the 19<sup>th</sup> day of February, 1997.

Declarant:

SPRINGBROOK VENTURE, a Texas joint venture partnership

By: Rogers Wilson Investment, Ltd.,  
a Texas limited partnership, Partner

By:   
Rogers D. Wilson, General Partner

By: R. L. Madden & Associates, Inc.,  
a Texas corporation, Partner

By:   
Rodney L. Madden, President

Address: 9130 Jollyville Road, #150  
Austin, Texas 78759