



REST

2004063062

33 PGS

8/25/04

cc: Sales

Liddiard

STATE OF TEXAS

COUNTY OF WILLIAMSON

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

Cedar Park Town Center

Dated as of July 31, 2004

By

CONTINENTAL HOMES OF TEXAS, L.P.

A TEXAS LIMITED PARTNERSHIP DOING BUSINESS AS
D.R. HORTON ~ AMERICA'S BUILDER

"Declarant"

DECLARANT'S ADDRESS:

Continental Homes of Texas, L.P.
12554 Riata Vista Circle, 2nd Floor
Austin, Texas 78727

PROPERTY:

Cedar Park Town Center

Cedar Park Town Center

MASTER DECLARATION OF RESIDENTIAL COVENANTS, CONDITIONS, AND RESTRICTIONS

INTRODUCTION

UNDERSTANDING THIS DECLARATION

This Declaration has important rules which effect every homeowner in Cedar Park Town Center. This Declaration applies only to the residential areas of Cedar Park Town Center, and the commercial areas will be subject to a different declaration.

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

PRIMARY PURPOSES OF THE DECLARATION

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

Association & Common Areas. This Declaration establishes a mandatory homeowner's association which has the ability to own common areas, facilities, and amenities for the benefit of all residential owners in Cedar Park Town Center. These may include, for example, trails, parks, and the entryway to Cedar Park Town Center and its landscaping. The Association enforces this

Declaration and has other responsibilities which are described in this Declaration. There will be a separate property owners association for the commercial areas of Cedar Park Town Center. The Association may jointly own certain common areas and/or share in the costs of maintaining certain common areas.

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

Restrictions on Activities & Uses. There are various rules and restrictions as to what can and cannot be done on the Property; these include the covenants, conditions, and restrictions which are in Article IV.

Assessments. The CPTC Owners Association is a "mandatory homeowners association". If you own a lot in Cedar Park Town Center, you must be a member of the association and pay assessments. The association uses assessments for a number of purposes, but one is to pay for upkeep and maintenance of the amenities and other common areas which each member or owner has the right to use and enjoy. If someone doesn't pay their assessments, then the association can take that person's house away from them by foreclosing on it.

OTHER IMPORTANT DOCUMENTS

Cedar Park Town Center is part of a master planned development. The City of Cedar Park passed an ordinance establishing its "Downtown District" and approved the Urban Code and Regulating Plan for the Downtown District. The developers and the City of Cedar Park have entered or may enter into agreements which establish rules, requirements, and restrictions (in addition to this Declaration) which impact your use and ownership of your house. You should also read and understand the Urban Code and Regulating Plan.

Cedar Park Town Center

MASTER DECLARATION OF RESIDENTIAL COVENANTS, CONDITIONS, AND RESTRICTIONS

TABLE OF CONTENTS

Article I

<u>General Information & Development of the Property</u>	1
1.01 Introduction	1
1.02 Defined Terms	1
1.03 Architectural and Design Requirements.....	1
1.04 Development by Declarant.....	2
1.05 Addition, Withdrawal, and/or Exemption of Land.....	2
1.06 Cedar Park Town Center Commercial Areas	2
1.07 Subordinate Declarations.....	2

Article II

<u>Association</u>	2
2.01 Organization	2
2.02 Membership.....	2
2.03 Voting Rights	2
2.04 Duties of the Association.....	3
2.05 Powers and Authority of the Association	3
2.06 Indemnity.....	5
2.07 Sub-Associations	5

Article III

<u>Architecture and Design Review Committee</u>	5
3.01 Membership.....	5
3.02 Adoption of Rules	5
3.03 Review of Proposed Construction	6
3.04 Variance	6
3.05 Actions of the ADRC.....	6
3.06 Duration of Approval.....	6
3.07 Failure to Act.....	7
3.08 No Waiver of Future Approvals.....	7
3.09 Address	7

Article IV

<u>Covenants, Conditions, and Restrictions</u>	7
4.01 Construction of Improvements	7
4.02 Repair and Maintenance of Improvements.....	7
4.03 General Use Restrictions and Covenants.....	7
4.04 Restrictions on Houses.	9
4.05 Restrictions on Other Structures and Improvements	11

Article V

<u>Owner's Covenant of Compliance</u>	12
5.01 Covenant of Compliance	12
5.02 Restriction Violations	12
5.03 No Warranty of Enforceability	13

Table of Contents

Article VI

Funds and Assessments	13
6.01 Assessments	13
6.02 Operating Fund	13
6.03 Regular Annual Assessments	13
6.04 Special Assessments	14
6.05 Owner's Personal Obligation for Payment of Assessments.	14
6.06 Exempt Property	14
6.07 Assessment Lien	14
6.08 Foreclosure	15
6.09 Fines	16

Article VII

Easements	16
7.01 Reserved Easements	16
7.02 Installation and Maintenance	16
7.03 Drainage Easements	17
7.04 Surface Areas	17

Article VIII

Common Area and Facilities	17
8.01 Dedication of Common Area and Facilities	17
8.02 Use of Common Area and Facilities	17
8.03 Condemnation	17
8.04 Common Area and Facilities	18
8.05 Shared Common Areas	18

Article IX

Term, Amendments, & Exemptions	18
9.01 Term	18
9.02 Amendment/Extinguishment	18
9.03 Addition of Land	18
9.04 Public Property	19
9.05 Removal or Withdrawal of Property	19

Article X

Mortgage Protection	20
10.01 Notice to Association	20
10.02 Examination of Books	20
10.03 Taxes, Assessment and Charges	20

Article XI

General Disclosures and Notices	20
11.01 Construction Matters	20
11.02 Views	20
11.03 Storm Water Drainage	20

Article XII

Miscellaneous	20
12.01 Notices	20
12.02 Interpretation	21
12.03 Exemption of Declarant	21
12.04 Nonliability of ADRC and Board Members	21
12.05 Assignment by Declarant	21
12.06 Enforcement and Nonwaiver	21
12.07 Mediation	21
12.08 Arbitration	21
12.09 General	22

Table of Contents

MASTER DECLARATION OF RESIDENTIAL COVENANTS, CONDITIONS, AND RESTRICTIONS

CEDAR PARK TOWN CENTER

THE STATE OF TEXAS

§

COUNTY OF WILLIAMSON

§

§

Continental Homes of Texas, L.P. ("*Declarant*"), is the owner of the Property described and defined in the attached Addendum I-Glossary of Defined Terms, which Declarant proposes to develop for residential purposes.

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

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

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

Article I

GENERAL INFORMATION & DEVELOPMENT OF THE PROPERTY

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

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

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

1.03 Architectural and Design Requirements. A summary of architectural and design requirements is attached to this Declaration as Addendum II. If for any reason there is a conflict between the requirements set forth in the body of this Declaration (most of which requirements are in Article IV below), then the requirements in Article IV shall control. The language of Article IV should be reviewed to interpret and understand the summary of the requirements in Addendum II.

1.04 Development by Declarant. Declarant may divide or subdivide the Property into several areas, develop some of the Property, and, at Declarant's option, sell any portion of the Property free of these restrictions.

1.05 Addition, Withdrawal, and/or Exemption of Land. Declarant may, at any time and from time to time, add or annex or withdraw and/or exempt land from this Declaration, as more fully set forth in Article IX below.

1.06 Cedar Park Town Center Commercial Areas. The Property is part of the mixed use development known as "Cedar Park Town Center", as described in the Urban Code and Regulating Plan, and referred to in this Declaration as "CPTC". The commercial areas of CPTC are or will be subject to a separate declaration of covenants, conditions, and restrictions (the "*Commercial Declaration*"), and a separate property owners association will be established pursuant to the Commercial Declaration (the "*CPTC Commercial POA*")

1.07 Subordinate Declarations. Any Developer shall have the right to create and file, against any portion of the Property owned by such Developer, a Subordinate Declaration. Such Subordinate Declaration shall be in all respects subordinate and inferior to this Declaration and subject to all terms, conditions, restrictions, and provisions of this Declaration. So long as Declarant holds any Class B Membership, any Subordinate Declaration must be approved by the Declarant; at such time as no Class B Membership exists, a Subordinate Declaration must be approved by the Board. Any Developer who files a Subordinate Declaration shall be the Sub-Declarant under such Subordinate Declaration. In no event shall any Subordinate Declaration permit any of the Property to be developed, or any Improvements on the Property to be constructed, in a manner inconsistent with this Declaration or the Architectural Standards.

(a) **Declarant's Intent.** Declarant expressly intends that Declarant shall have the express authority and power to establish Subordinate Declarations and to create Sub-Associations and that Declarant shall have the right to delegate and/or assign such authority and power to another Developer or Person (a "*Designated Developer*"). Declarant expressly intends that the Subdivision will include a variety of Residential Uses, including without limitation single family residences, duplexes, triplexes, townhomes, and condominiums. Further, Declarant expressly intends that Declarant and any Designated Developer shall have the right, power, and authority to establish Sub-Associations for owners in an area of the Property encumbered by a Subordinate Declaration.

Article II **ASSOCIATION**

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

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

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

(a) The Owner (other than Declarant) of each Lot within the Property shall have one (1) vote for each Lot so owned and each such Owner is a Class A Member.

(b) Declarant shall have (i) fifty (50) votes for each Lot owned by Declarant or subject to an option to purchase in favor of Declarant, plus (ii) ten (10) votes for each acre of unplatted land comprising the Property owned by Declarant, plus (iii) ten (10) votes for each acre of unplatted land comprising the Property which is subject to the option in favor of Declarant, until such time as Declarant no longer owns any Lots within the Property, any other portion of the Property, or any of the CPTC Development Land. Thereafter, the Class B membership shall cease to exist.

(c) Any property interest entitling its Owner to vote as a Class A Member and which is held jointly or in common by more than one Owner shall require that such Owners designate, in writing to the Board, a single Owner who shall be entitled to cast such vote, and no other person shall be authorized to vote in behalf of such property interest. A copy of such written designation shall be filed with the Board before any such vote may be cast, and, upon the failure of the Owners to file such designation, such vote shall neither be cast nor counted for any purpose whatsoever.

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

(a) accept, own, operate, and maintain all personal and real property conveyed to or leased by the Association ("*Association Property*"), and which is approved by the Board, together with all Improvements thereon and all appurtenances thereto;

(b) pay all real and personal property taxes and other taxes and assessments levied upon or with respect to the Association Property, to the extent that such taxes and assessments are not levied directly upon the Members; and the Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments;

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

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

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

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

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

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

(b) The Association shall have the power and authority to enter at any time in an emergency (or in a non-emergency after twenty-four (24) hours written notice to the Owner of the affected Lot), without being liable to any Owner, upon any Lot for the purpose of enforcing this Declaration or

maintaining or repairing any Lot or Improvement so as to conform with this Declaration, as more particularly provided in Section 4.02 of this Declaration.

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

(d) The Association shall have the power and authority to grant and convey to any person or entity any Association Property and/or any interest therein, including fee title, leasehold estates, easements, rights-of-way, or Mortgages, out of, in, on, over, or under any of same for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder:

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

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

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

(f) The Association shall have the power and authority:

- (i) to retain and pay for legal and accounting services necessary or proper in the operation of the Association;
- (ii) to pay for water, sewer, garbage removal, landscaping, gardening, and all other utilities or services to and all maintenance of the Association Property, in accordance with this Declaration;
- (iii) to obtain and pay for any other property and services and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law or this Declaration;
- (iv) to construct new Improvements or additions to the Association Property, subject to the approval of the ADRC;
- (v) to enter into contracts with Declarant and with any other Person on such terms and provisions as the Board shall determine, and to acquire, own, and dispose of all manner of real and personal property, whether by grant, lease, gift, or otherwise; and

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

2.06 Indemnity. To the maximum extent permitted by Article 2.22A of the Texas Non-Profit Corporation Act (the "*Act*") (without regard, however, to Section Q of such Article), the Association shall indemnify any person who is or was a director or officer of the Association against any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with a proceeding (as defined in Article 2.22A) because of that person's service or status as a director or officer. Further, the Association shall pay or reimburse reasonable expenses incurred by a director or officer who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by Article 2.22A; provided, however, that payment or reimbursement of expenses pursuant to the procedures set out in Section K of Article 2.22A may be conditioned upon a showing, satisfactory to the Board in its sole discretion, of the financial ability of the officer or director in question to make the repayment referred to in such Section. Further, the Association may indemnify, and may reimburse or advance expenses to or purchase and maintain insurance or any other arrangement on behalf of, any person who is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, director, employee, agent or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, in connection with any liability asserted against such person because of such service or status, to such further extent, consistent with Article 2.22A and other applicable law, as the Board may from time to time determine. The provisions of this Section 2.06 shall not be deemed exclusive of any other rights to which any such person may be entitled under any bylaw, agreement, insurance policy, or otherwise. No amendment, modification or repeal of this Section 2.06 shall in any manner terminate, reduce or impair the right of any person to be indemnified by the Association in accordance with the provisions of this Section as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

2.07 Sub-Associations. The Sub-Association Articles and Sub-Association Bylaws adopted pursuant to any Subordinate Declaration shall not be inconsistent with or conflict with this Declaration or the Articles or Bylaws.

Article III **ARCHITECTURE AND DESIGN REVIEW COMMITTEE**

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

3.01 Membership. The Architectural Design and Review Committee ("*ADRC*") shall consist of not more than three (3) voting members.

(a) **Declarant's Rights of Appointment.** Declarant shall have the right to appoint and remove all members of the ADRC. Declarant may delegate to the Board, in whole or in part, its right to appoint and remove members of the ADRC by written instrument.

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

3.02 Adoption of Rules. The ADRC may adopt such procedural and substantive rules, standards, policies and development guidelines, not in conflict with this Declaration, as it may deem necessary or proper

for the performance of its duties and for the orderly development of the Property, including but not limited to architectural and landscaping guidelines, and other similar codes or guidelines as it may deem necessary and desirable. Such rules, standards, policies, procedures and development guidelines shall be binding and enforceable against each Owner in the same manner as any other restriction set forth herein. Nothing contained herein shall be deemed to affect any approval granted by the ADRC in accordance with the terms of this Declaration prior to the amendment of such rules, standards, policies, procedures or development guidelines.

3.03 Review of Proposed Construction. The ADRC shall have the right whenever its approval is required under this Declaration to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts and information which in its sole discretion are relevant. Except as otherwise specifically provided herein, before beginning construction of any Improvement on any portion of the Property, the Plans and Specifications for that Improvement, together with the review fee, shall be submitted to the ADRC. Construction may not begin unless and until the ADRC has approved the Plans and Specifications in writing. A non-refundable review fee of \$50.00 will be charged by the ADRC for reviewing Plans and Specifications submitted for its approval unless the ADRC specifically waives such fee in writing. Upon written request, the ADRC may waive the requirement of such Plans and Specifications for any Lot if the builder uses Plans and Specifications previously approved by the ADRC for another Lot. There shall be no revisions made to the approved Plans and Specifications without first submitting the revised plans to the ADRC and receiving the ADRC's approval of the revision. The ADRC shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or from time to time by the Board, including without limitation, inspecting construction in progress to assure its conformance with Plans and Specifications approved by the ADRC. The ADRC may postpone review of any Plans and Specifications submitted for approval until it receives any information which it deems necessary. The ADRC shall have the authority to disapprove any proposed Improvement based upon this Declaration, and the decision of the ADRC shall be final and binding so long as it is made in good faith. The ADRC shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

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

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

3.06 Duration of Approval. The approval of the ADRC of any Plans and Specifications, whether by action or inaction, and any variances granted by the ADRC shall be valid for a period of ninety (90) days only. If construction in accordance with such plans and specifications or variance is not commenced within such ninety (90) day period and diligently prosecuted to completion thereafter, the Owner shall be required to resubmit such Plans and Specifications to or request a variance from the ADRC, and the ADRC shall have the authority to re-evaluate such Plans and Specifications in accordance with this Section 3.06 and may, in addition, consider any change in circumstances which may have occurred since the time of the original approval thereof. The construction of any single family residence on a Lot pursuant to approved Plans and

Specifications shall be completed within eighteen (18) months after the Plans and Specifications have been approved by the ADRC.

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

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

3.09 Address. Plans and Specifications shall be submitted to the ADRC (c/o Steve Herring, 12554 Riata Vista Circle, 2nd Floor, Austin, Texas 78727), or such other address as may be designated by Declarant (or the Board, if Declarant have delegated such designation right to the Board) from time to time.

Article IV **COVENANTS, CONDITIONS, AND RESTRICTIONS**

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

4.01 Construction of Improvements. No Improvements shall be constructed upon any of the Property without the prior written approval of the ADRC; however, the ADRC may limit its review to a review of a typical floor plan for the proposed residence, and upon the ADRC's approval of such floor plan, residences may be constructed consistent with the approved floor plan without the requirement of further review or approval by the ADRC, anything herein to the contrary notwithstanding.

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

4.03 General Use Restrictions and Covenants.

(a) **Use.** The Property shall be improved and used solely for single-family residential use, including related or ancillary uses approved by Declarant, except as otherwise set forth in this Declaration. "*Single-family*" means a group of persons related by blood, marriage or adoption and shall also include foster children and domestic servants. Notwithstanding the foregoing, any Owner who is a homebuilder may construct a model home on any Lot owned by such Owner, and may conduct marketing, sales and interior design activities from such Lot(s) and Improvements thereon so long as such Owner owns or has a contractual right or option to purchase other Lots within the Property.

(b) **No Commercial Use.** No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot; provided that, in connection with its development of the Property and sale of Lots, Declarant, or Declarant's licensees, shall have the right to maintain model

homes, temporary sales and marketing centers and offices, and conduct open houses or other marketing events, to which the general public may be invited. Notwithstanding anything in this Section or the Declaration to the contrary, Owner may conduct "discreet business activities" within a single family residence constructed upon a Lot so long as the existence or operation of the business activity is not apparent or detectable by site, sound or smell from outside the residence; the business activity does not involve regular visitation of the Lot or door-to-door solicitation of residents of the Property; and the business activity is consistent with the residential character of the Property and does not violate any term or provision of this Declaration.

(c) Subdividing. No Lot shall be further divided or subdivided, and no easements or other interests therein less than the whole shall be conveyed by the Owner thereof, without the prior written approval of Declarant.

(d) Insurance Rates. Nothing shall be done or kept on the Property which would increase the customary rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon without the prior written approval of Declarant.

(e) Rubbish and Debris. No rubbish or debris of any kind (including weeds, brush or material of any nature deemed to be rubbish or debris by the ADRC) shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other portion of the Property or to its occupants. The ADRC shall determine what constitutes rubbish, debris or odors, and what conditions render any portion of the Property unsanitary, unsightly, offensive or detrimental to any other property or to its occupants, and the decisions of the ADRC shall be final and binding on all parties. Refuse, garbage and trash shall be kept at all times in covered containers with tightly fitting lids, which containers shall be maintained in a clean and sanitary condition and kept within enclosed structures or appropriately screened from view. In no event shall such containers be maintained so as to be visible from neighboring properties or the streets except to make the same available for collection, and then only for the shortest time reasonably necessary to effect such collection.

(f) Noise or Nuisance. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any of the Property, except with the approval of the ADRC. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants. No exterior lighting of any sort shall be installed or maintained on a Lot where the light source is offensive or a nuisance to neighboring property (except any reasonable security, landscape, tennis court, or other lighting that has approval of the ADRC). Upon being given notice by the ADRC that any lighting is objectionable, the Owner shall take all necessary steps to properly shield same.

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

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

(i) Unsightly Articles; Vehicles. No article deemed to be unsightly by the ADRC shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall at all times, except when in actual use, be kept in enclosed structures or screened from view, and no repair or maintenance work shall be done on any of the foregoing or on any automobile (other than minor

emergency repairs) except in enclosed garages or other structures. Each single family residential structure constructed within the Property shall have sufficient garage space, as approved by the ADRC, to house a minimum of two vehicles. No Owner shall keep more than two (2) automobiles in such manner as to be visible from any other portion of the Property for any period in excess of seventy-two (72) hours. No inoperable automobiles or other vehicles may be parked overnight on any roadway within the Property. No automobiles or other vehicles may be parked overnight on any roadway within the Property for more than two (2) consecutive nights. No parking, at any time, in the alleyways. Service areas, storage areas, air conditioning units, compost piles, and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view; no facilities for hanging, drying or airing clothing or household fabrics shall be visible from any street or neighboring Lot. No lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse, or trash shall be kept, stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view. This provision shall not prohibit the storage of new building materials used in the construction or remodeling of Improvements on a Lot during the period of construction, so long as the construction progresses without unreasonable delay.

(j) Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot at any time, and no travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or public or private thoroughfares for any period in excess of forty-eight (48) hours.

(k) Animals - Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property. The ADRC may enact rules which limit the number of ordinary household pets to be kept on any one Lot. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large and all animals shall be kept within enclosed areas which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed areas shall be constructed in accordance with plans approved by the ADRC, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property.

(l) Rentals. Nothing in this Declaration shall prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes; provided that all rentals must be for terms of at least six (6) months.

4.04 Restrictions on Houses.

(a) Minimum Floor Area. All single-story dwellings shall contain not less than one thousand (1000) square feet of enclosed living space, exclusive of porches (open or covered), decks, garages, and carports. All two-story dwellings shall contain not less than one thousand fifty (1,050) square feet of enclosed living space, exclusive of porches (open or covered), decks, garages, and carports.

(b) Masonry Requirements. The exterior of each structure built upon any Lot shall be constructed of a combination of native stone, brick and/or cementitious siding products which collectively comprise a "75% masonry" veneer, exclusive of roofs, eaves, soffits, windows, doors, gables, garage doors and trim work.

(c) Design. No structure may exceed two and one-half (2 ½) stories in height or may have a garage which is intended to shelter more than four (4) cars.

(d) Roofing Materials. If dimensional fiberglass asphalt or composition shingles are used, shingle color shall be weatherwood or barnwood. Roof pitch must be at least 5:12 (2:12 for porches/stoops). Any other type of roof must be approved by the ADRC.

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

(f) Landscaping. The front yards of all Lots, from the front property line to the front wall of the House, shall be fully sodded with St. Augustine, Bermuda, Prairie Buffalo Grass or other sod approved by the ADRC. At least two (2) trees of approximately three inch (3") caliper measured three feet (3') above grade shall be in the front yard of each Lot prior to the occupancy of the residence located on the Lot; this may include existing trees. Declarant or any homebuilder may satisfy the requirement of one (1) of the two-tree requirement by installing a tree in the front yard of no less than two inch (2") caliper.

(g) Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as unreasonably to interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs, or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to construction practices customary in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the ADRC, provided that such waiver shall be only for the reasonable period of such construction.

(h) Location of Improvements. No buildings or other Improvements shall be located on any Lot nearer to the front Lot line than fifteen feet (15'), and no garage shall be located on any Lot nearer to the front Lot line than twenty-five feet (25') unless the automobile door opening of such garage faces the side or rear of the Lot. The front of a primary dwelling structure shall face the front of a similar structure across the street whenever feasible, and the ADRC shall resolve any conflicts arising from this requirement and make the final determination with regard to the orientation of the front of Improvements upon any Lot. All buildings and other improvements will comply with the setback lines shown on the applicable Plat. No swimming pool may be located between the front Lot line and the fence closest to such front Lot line. For the purposes of this Declaration, eaves, steps and unroofed terraces shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot.

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

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

(k) Sidewalks; Driveways. Each Owner is hereby required to construct or cause to be constructed a sidewalk in the public street right-of-way adjacent to such Lot in accordance with the specifications set forth in the applicable Plat. All sidewalks and driveways shall be constructed of washed aggregate unless prohibited by governmental regulations. Sidewalks located in the public right of way shall be extended from Lot line to Lot line and shall follow the pattern of the incoming sidewalks (as proposed or built) on adjacent Lots. Placement of sidewalks in public rights-of-way around the terminus of cul-de-sac streets shall follow the pattern of the incoming sidewalk (as proposed or built) on adjacent Lots and shall be placed four feet (4') from the curb line, so as to insure a continuous walk around the terminus. Owners of

corner Lots shall install sidewalks in the right-of-way parallel to the front Lot line and the side street Lot line. If not otherwise provided, the Owners of corner Lots shall extend sidewalks to a terminus at and with the street curb in accordance with all applicable regulations respecting sidewalk construction and/or specifications. Any area encumbered by public utility easements provided along front and side Lot lines may be used for construction of the sidewalks which parallel the streets with the prior written approval of the ADRC and of any utility companies furnishing utility service through such easements.

(l) Sewer. No residence on a Lot shall be serviced other than by a public sanitary sewer system.

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

(n) Basketball Goals: Permanent and Portable. Permanent basketball goals are allowed but must be approved by the ADRC before installation. The metal pole must be permanently installed in the ground, approximately twenty-five (25') feet back from the curb. The permanent basketball goal must be properly maintained and painted, with nets in good repair. Portable goals may be used; provided, however, when not in use, portable basketball goals must be stored in an enclosed structure or screened from view from other Houses and all streets at all times.

(o) Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residential building site, and may place or construct Improvements on such site with the prior written approval of the ADRC. In cases of such consolidation of Lots, setback lines shall be measured from the two side Lot lines existing after consolidation, rather than from the Lot lines shown on the Plat. The Owner may not thereafter resubdivide the consolidated Lots without the prior written approval of Declarant.

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

(q) Unfinished Structures. No structure shall remain unfinished for more than two hundred seventy (270) days after construction has begun. A structure shall be deemed "unfinished" if a certificate of occupancy has not been issued by the City of Cedar Park, or if all exterior and interior details are not completed and operational. Construction of residential Improvements shall begin no later than one (1) year after ownership of the Lot has been legally conveyed by the applicable Declarant, and shall be considered to have begun on the date on which foundation forms are set.

4.05 Restrictions on Other Structures and Improvements.

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

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

(c) Temporary Structures, Garage Apartments and Outbuildings. No (i) tent, shack or other temporary building, improvement or structure nor (ii) outbuilding or storage shed shall be placed, erected or permitted to remain upon the Property without the prior written approval of the ADRC. No structure of a temporary character may be used at any time as a residence on the Property. The preceding sentences will not prohibit temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction (or in the event of repair), which may be maintained with the prior written approval of the ADRC, which approval will not be unreasonably withheld or delayed. The ADRC's approval may be conditioned on specifications as to the nature, size, duration and location of such structure. This Section 4.05(c) shall not prohibit a separate garage building, guest house or servants quarters so long as such building, house or quarters: (a) does not exceed thirty feet (30') in height, (b) does not exceed eight hundred (800) square feet of floor area, and (c) is attached to the main residence by a common wall or a covered passageway. Any permitted garage, guest house or servants quarters shall meet or exceed the masonry requirements set forth in Section 4.04 above. All structures described in this Section 4.05(c), at a minimum, shall be constructed of the same or substantially similar materials and colors as the main structure on the Lot (as determined by the ADRC), and shall have roofs of the same color and weight as the main structure on the Lot. Metal roofs are expressly prohibited.

(d) Fences. All fencing will comply with the requirements of the Urban Code and is subject to the prior written approval of the ADRC. If applicable, a fencing plan for each Lot shall be submitted as part of the Plans and Specifications. Notwithstanding the foregoing, the ADRC may in its discretion prohibit the construction of any proposed fence or the design of a fence.

Article V

OWNER'S COVENANT OF COMPLIANCE

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

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

(a) Violation Assessments. The cost of curing any Restriction Violation, any fine levied by the Association, and any attorney's fees, court costs, expenses of litigation, if incurred by the Association or Declarant, whether the matter proceeds to suit or not, shall be a "*Violation Assessment*" against the Lot and the Owner and shall automatically become a part of the Assessments and secured by the lien for the Assessments which is established by this Declaration.

(b) Declarant's Right to Cure. If an Owner who has committed a Restriction Violation does not cure it within such fifteen-day period, then Declarant shall have the right and power to enter onto the

Lot and correct the failure without any liability for damages for wrongful entry, trespass or otherwise to any Person. The Owner of the Lot on which such curative work is performed shall be liable for the cost of such work and shall promptly reimburse Declarant for such cost. If the Owner fails to reimburse such Declarant within ten (10) days after receipt of a statement for such work from such Declarant, then said indebtedness shall be a personal debt of such Owner, shall be a Violation Assessment, and shall be secured by a lien against the Lot on which said work was performed. Such lien shall have the same attributes as the liens for Assessments set forth herein, which provisions are incorporated herein by reference, and Declarant shall have identical powers and rights in all respects, including but not limited to the right of foreclosure. Declarant shall have the right to designate the ADRC or the Board as the Declarant's agent for purposes of delivering any notice, performing any action, or otherwise enforcing each Owner's obligations in the manner described herein, in which event the ADRC or Board, as applicable, shall have the same rights as are granted to Declarant under this Section 5.02.

5.03 No Warranty of Enforceability. While Declarant has no reason to believe that any of the covenants, terms or provisions of this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such covenant, term or provision. Any Owner acquiring a Lot in reliance on one or more of such covenants, terms or provisions shall assume all risks of the validity and enforceability thereof, and by acquiring such Lot agrees to hold Declarant harmless therefrom.

Article VI

FUNDS AND ASSESSMENTS

6.01 Assessments. Assessments established pursuant to this Declaration shall be levied on a uniform basis against each Occupied Lot within the Property for the purpose of enforcing these restrictions, maintaining Association Property, and maintaining such other property as the Board may determine. If Lots are combined into one homesite, each Lot so combined shall be considered an Occupied Lot for purposes of Assessments (so that if two Lots are combined into one homesite, when the homesite is occupied, the Owner thereof shall be treated as owning two Occupied Lots). Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.

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

6.03 Regular Annual Assessments. Until January 1, 2005, without the consent and approval of two-thirds (2/3rds) of the votes of Members who are eligible to vote at a meeting duly called to vote on such matter with at least a quorum of Members who are eligible to vote represented in person or by proxy, the annual Assessment per Lot shall be a minimum of Three Hundred Fifty and 00/100 Dollars (\$350.00). For the 2005 fiscal year, the Board shall establish a budget for the Association, and as of January 1, 2005, may levy assessments based on that budget against all Lots. For fiscal year 2006, and every year thereafter, the Board shall estimate the net expenses of the Association for such fiscal year, which shall be (i) the expenses to be incurred by the Association during such year in performing its functions under the Restrictions, including but not limited to the cost of all duties required and activities authorized herein of the Association, the Board, and the ADRC, and a reasonable provision for contingencies and appropriate replacement reserves, less (ii) any expected income and any surplus from the prior year's operating fund. Assessments sufficient to pay such estimated net expenses shall then be levied as provided herein, and the Assessments so levied by the Board shall be final and binding so long as it is made in good faith. In no event, however, may the Board increase an annual Assessment by more than five percent (5%) over the previous year's annual Assessment without the assent of two-thirds (2/3rds) of the votes of Members who are eligible to vote at a meeting duly called to vote on such matter with at least a quorum of Members who are eligible to vote represented in person or by proxy.

Each Owner shall be given written notice of the amount of such annual Assessment at least thirty (30) days prior to the date such annual Assessment is due and payable. All such regular annual Assessments shall be due and payable to the Association, at the discretion of the Board, either in one (1) payment at the beginning of the fiscal year or in twelve (12) monthly payments equal to 1/12th of the total annual Assessment, or at such time and in such other manner as the Board may from time to time designate. The Bylaws shall set forth requirements for quorums of Members and eligibility to vote.

6.04 Special Assessments. In addition to the regular annual Assessments provided herein, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the functions of the Association under the Restrictions. The amount of any special Assessments shall be at the reasonable discretion of the Board. In no event shall the total special Assessment per Lot during the fiscal year 2005 exceed the sum of \$100.00. Thereafter, the Board may not levy a special Assessment which represents more than a five percent (5%) per year increase over any previously levied special Assessment without the assent of sixty percent (60%) of the votes of Members who are eligible to vote at a meeting duly called to vote on such matter with at least a quorum of Members who are eligible to vote represented in person or by proxy. Each Owner shall be given written notice of the amount of any special Assessment at least thirty (30) days prior to the date such special Assessment is due and payable. All such special Assessments shall be due and payable to the Association at such time and in such other manner as the Board may designate, in its sole and absolute discretion.

6.05 Owner's Personal Obligation for Payment of Assessments. The regular and special Assessments provided for herein shall be the personal and individual debt of the Owner as of the date of levy of the Lot subject to each such Assessment, and no Owner shall be exempt from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot subject thereto shall be obligated to pay interest at the highest rate allowed by applicable laws then in effect on the amount of the Assessment from the due date thereof (or if there is no such highest rate, then at the rate of 1.5% per month), together with all costs and expenses of collection including reasonable attorneys' fees. The Board shall have the right to charge a one-time late fee for delinquent payment of Assessments in such amount as the Board may from time to time deem appropriate.

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

6.07 Assessment Lien. All regular and special Assessments provided for herein which are not paid when due, together with interest and collection costs and expenses as herein provided, shall be secured by a continuing lien and charge in favor of the Association on the Lot subject to such Assessment and any Improvements thereon, which shall bind such Lot and Improvements and the Owner thereof and such Owner's heirs, devisees, personal representatives, successors or assigns. The obligation to pay Assessments hereunder is part of the purchase price of each Lot when sold to an Owner, and an express vendor's lien is hereby retained to secure the payment thereof and is hereby transferred and assigned to the Association. Additionally, a lien with a power of sale is hereby granted and conveyed to the Association to secure the payment of such Assessments. Such liens shall be superior to all other liens and charges against such Lot, except only for tax liens and the lien of any Mortgage of record and securing sums borrowed for the acquisition or improvement of such Lot. The Board in its sole discretion may subordinate its Assessment liens to any other lien, and any such subordination shall be signed by an officer of the Association. Any Assessment lien hereunder shall attach with the priority set forth herein from the date payment is due.

(a) **Notice of Assessment Lien.** To evidence any Assessment liens hereunder, the Association may prepare a written Notice of Assessment Lien setting forth the amount of the unpaid Assessments, the name of the Owner of the Lot subject to such Assessments and a description of such Lot, which shall be signed by an officer of the Association and may be recorded in the Office of the County Clerk of Williamson County, Texas.

(b) Mortgagee. Upon the written request of any Mortgagee, the Association shall report to such Mortgagee any Assessments then unpaid with respect to any Lot on which such Mortgagee holds a Mortgage. Mortgagees are not required to collect any Assessments, which may be owed on any Lot. An Owner's failure to pay Assessments does not constitute a default under an insured mortgage.

6.08 Foreclosure.

(a) Power of Sale & Non-Judicial Foreclosure. Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of the lien for Assessments as being prior to his ownership of such Lot and hereby vests in the Board the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, both judicially and by non-judicial foreclosure pursuant to Texas Property Code § 51.002 (as same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Lot, expressly GRANTS, BARGAINS, SELLS AND CONVEYS to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust with power of sale, for the purpose of securing the aforesaid Assessment, and other sums due hereunder remaining unpaid hereunder by such Owner from time to time. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and attested to by the Secretary of the Association and filed in the Office of the County Clerk of Williamson County, Texas.

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

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

(d) Texas Property Code § 51.002. It is the intent of the provisions of this Section to comply with the provisions of Texas Property Code § 51.002, relating to non-judicial sales by power of sale and, in the event of the amendment of said § 51.002 hereafter, which amendment is applicable hereto, the President of the Association, acting without joinder of any other Owner or Mortgagee or other person may, by

amendment to this Declaration filed in the Office of the County Clerk of Williamson County, Texas, amend the provisions hereof so as to comply with said amendments to § 51.002.

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

(a) the Association, acting through a ADRC member, officer, Board member or Association Manager, must give the Owner notice of the fine or damage charge not later than thirty (30) days after the assessment of the fine or damage charge by the Association;

(b) the notice of the fine or damage charge must describe the violation or damage;

(c) the notice of the fine or damage charge must state the amount of the fine or damage charge;

(d) the notice of the fine or damage charge must state that the Owner may, not later than thirty (30) days after the date of the notice, request a hearing before the full Board to contest the fine or damage charge; and

(e) the notice of the fine must allow the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months.

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

Article VII **EASEMENTS**

7.01 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 prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other Person, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes (including without limitation, gas, water, electricity, telephone and drainage) in favor of any Person along any front, rear, or side boundary line of any Lot, which said easements shall have a maximum width of ten feet (10') provided, however, that easements along side yard lot lines shall straddle such lot lines with five feet (5') on each of the adjoining Owner's Lots).

7.02 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, including but not limited to, water, wastewater, gas, telephones, and electricity lines and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service 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 thereto may be relocated on the Property until approved by Declarant or the ADRC. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

7.03 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 ADRC thereon, require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat. There shall be no construction of Improvements, temporary or permanent, in any drainage easement, except as approved in writing by the ADRC.

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

Article VIII

COMMON AREA AND FACILITIES

8.01 Dedication of Common Area and Facilities. Common Area and Facilities may be designated by Declarant and dedicated or otherwise conveyed to the Association from time to time and at any time. The Association may, with Declarant's approval so long as there is Class B Membership and thereafter with the Board's approval, accept Common Area and Facilities designated and conveyed by a Sub-Declarant. If and at the time Declarant annexes additional real property to the Property in accordance with Article IX of this Declaration, additional Common Area and Facilities may be designated. Nothing herein shall limit the right or power of a Sub-Declarant to establish common areas and facilities for the exclusive use of the members of a Sub-Association as long as the cost and maintenance of such common area and facilities is borne entirely by the Sub-Association.

8.02 Use of Common Area and Facilities. No land within any Common Area and Facilities shall be improved, used or occupied, except in such manner as shall have been approved by a two-thirds (2/3rds) vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for special Assessments herein. Such required approval shall extend to the nature and type of use, occupancy and improvement. Notwithstanding the foregoing provision, during the time that Declarant owns Lots within the Subdivision, Declarant shall have the right to construct Improvements within the Common Areas, including park areas, if any, without the consent of the Members or the Association. Access to any Common Area and Facilities may be limited to persons currently paying Assessments, fees and other charges, or otherwise conditioned or restricted, or made available to non-owners, all upon such terms and conditions as the Board may determine.

8.03 Condemnation. If all or any part of the Common Area and Facilities is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association shall be entitled to participate in the proceedings incident thereto. The expense of participation in such proceedings by the Association shall be a common expense to be paid out of

Assessments. The Association is specifically authorized to obtain and to pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association, in its discretion, deems necessary or advisable to aid it in any matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association. The Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to contest or defend any such proceedings, to make any settlement with respect thereto or to convey such property to the condemning authority in lieu of condemnation.

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

(a) The right of the Association to suspend the Owner's voting rights and right to use the Common Area and Facilities for any period during which an Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association;

(b) The right of the Association to dedicate or transfer all or any part of the Common Area and Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a two-thirds (2/3rds) vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for special Assessments herein;

(c) The right of the Association to borrow money for the purpose of improving the Common Area and Facilities and, in furtherance thereof, mortgage the Common Area and Facilities, all in accordance with the Articles and Bylaws;

(d) The right of the Association to promulgate reasonable rules and regulations regarding use of the Common Area and Facilities; and

(e) The right of the Association to contract for services with third parties on such terms as the Association may determine.

8.05 Shared Common Areas. Certain common areas may be established which are shared by the Association and by the CPTC Commercial POA. The Association may enter into contracts and agreements with the CPTC Commercial POA with respect to sharing costs of maintaining any such shared common areas.

Article IX

TERM, AMENDMENTS, & EXEMPTIONS

9.01 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until January 1, 2028, unless amended as herein provided. After January 1, 2028, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished as set forth in Section 9.02 below.

9.02 Amendment/Extinguishment. This Declaration may be amended or extinguished by the recording in the Official Public Records of Williamson County, Texas of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment or extinguishment and certifying that such amendment or extinguishment has been approved by Owners entitled to cast at least ninety percent (90%) of the number of votes entitled to be cast pursuant to Section 2.03 hereof for the first twenty years from the date hereof, and by seventy-five percent (75%) of said Owners thereafter.

9.03 Addition of Land. Declarant may, at any time and from time to time, add land from within the areas described in the instrument of record in Volume 2638, Page 477, of the Official Records of Williamson County, Texas, to the Property (all such land being the "CPTC Development Land"). Upon the filing of a notice as hereinafter described, such land shall be considered part of the Property for purposes of this

Declaration, and such land shall be subject to the terms, covenants, conditions, restrictions and obligations set forth in this Declaration. Notwithstanding the foregoing provision, a notice of addition of land may include modifications or amendments to the terms and provisions of the Declaration as applied to such additional land. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Official Public Records of Williamson County, Texas, a notice of addition of land containing the following provisions: (a) a reference to this Declaration, which reference shall state the volume and page numbers and/or the Document number in the Official Public Records of Williamson County, Texas, wherein this Declaration is recorded; (b) a statement that the provisions of this Declaration shall apply to the added land; and (c) a legal description of the added land.

9.04 Public Property.

(a) Exemption and Withdrawal of Public Park Property, Public School Property, or other Public Property. Any Public Park Property and/or Public School Property or any other part of the Property which is used for civic or public uses ("*Public Property*") and which is exempted and withdrawn from this Declaration shall be subject to a restriction in the form attached hereto as Addendum III (the "*Public Use Restriction*") which shall be filed of record in the Official Public Records of Williamson County, Texas concurrently with the recordation of any Notice of Withdrawal/Exemption for such Public Property.

(b) Exemption of Certain Property from Assessments. In addition to the exemption of Public Park Property and Public School Property from Assessments hereunder, Declarant shall have the right (so long as there is a Class B Membership) to exempt other Public Property from Assessments so long as such Public Property is used for public purposes. At such time as there is no Class B Membership, the exemption of any Public Property will require approval by Owners entitled to cast at least ninety percent (90%) of the number of votes entitled to be cast pursuant to Section 2.03 above for the first twenty years from the date hereof, and by seventy-five percent (75%) of said Owners thereafter. Provided, however, if any such Public Property is subject to Section 43.002 of the Texas Property Code (as amended from time to time), then no such exemption by Declarant, the Association, or the Owners is required (Section 43.002 of the Texas Property Code provides that real property of the State of Texas, including real property held in the name of state agencies and funds, and the real property of a political subdivision of the state of Texas are exempt from attachment, execution, and forced sale).

(c) No Rights as a Member. Any owner of Public Park Property, Public School Property, or other Public Property which is exempt from Assessments and/or this Declaration or any portion hereof shall not be entitled to membership in the Association and shall not be entitled to the use or benefit of any Common Area and Facilities.

(d) Termination of Exemption. If any Public School Property shall cease to be used for Public School purposes or any other Public Property shall cease to be used for public purposes, then (i) any exemptions for such property granted in or pursuant to this Declaration shall terminate, (ii) all covenants, conditions, and restrictions established by the Declaration shall thereafter burden and encumber such property, and (iii) this Declaration shall thereafter again be a covenant running with such Property.

(e) Applicability of Declarant's Rights. Declarant's rights of withdrawal under this 9.04 shall apply to all portions of the Property.

9.05 Removal or Withdrawal of Property. Declarant may, at any time and from time to time, reduce or withdraw from the Property, and/or remove and exclude and/or permanently, temporarily, or conditionally exempt, from the burden of this Declaration or specific provisions hereof and the jurisdiction of the Association: (i) any portions of the Property which have not been included in a Plat; (ii) any portion of the Property included in a Plat if Declarant (or any Developers to whom Declarant has assigned all or a portion of Declarant's rights hereunder, a "*Declarant Developer*") owns all Lots described in such Plat; and (iii) any portions of the Property included in a Plat even if Declarant (or the applicable Declarant Developer) does not own all Lot(s) described in such Plat, provided that Declarant obtains the written consent of all other Owners of Lot(s) described in such Plat.

(a) **Effect.** Upon any such withdrawal, removal, or exemption of Property, this Declaration and the covenants conditions, restrictions, easements and obligations set forth herein shall no longer apply to the portion of the Property withdrawn (subject to any conditions or limitations provided for in the Notice of Withdrawal/Exemption, as defined below).

(b) **Procedure.** To withdraw and/or exempt lands from the Property hereunder, Declarant shall be required only to record in the Official Public Records of Williamson County, Texas, a notice of withdrawal and/or exemption of land (the "*Notice of Withdrawal/Exemption*") containing the following provisions: (i) a reference to this Declaration, which reference shall state the volume and initial page number and/or the Document number of the Williamson County Official Public Records wherein this Declaration is recorded; (ii) a statement that the provisions of this Declaration shall no longer apply to the withdrawn land and/or that the land is exempt (permanently, temporarily, or conditional) from the covenants conditions, restrictions, easements and obligations of this Declaration (and, if any such exemption is temporary or conditional, the express terms pursuant to which the exemption may or will expire and/or the specific conditions which may result in termination or revocation of the exemption; and (iii) a legal description of the withdrawn land. Declarant's rights of withdrawal under this Section 9.05 shall apply to all portions of the Property.

Article X

MORTGAGE PROTECTION

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

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

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

Article XI

GENERAL DISCLOSURES AND NOTICES

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

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

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

Article XII

MISCELLANEOUS

12.01 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 second (2nd) day (other than a Sunday or legal holiday) after deposit in the United States mail, postage prepaid, addressed to the Owner at the address given by such Owner to the Association

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

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

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

12.04 Nonliability of ADRC and Board Members. Neither the ADRC, nor any member thereof, nor the Board, nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage, or injury arising out of their being in any way connected with the performance of the ADRC's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the ADRC or its member or the Board or its member, as the case may be.

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

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

12.07 Mediation. In the event of any dispute, controversy, or claim which arises from, relates to, or is connected with this Declaration, the Association Rules, Architectural & Design Rules, or any similar rules promulgated hereunder or under or pursuant to any Subordinate Declaration, which is between or among any Owner, or any person claiming by, through, or under an Owner, including without limitation any permitted tenant or lessee (each, an "*Owner Party*") and the Association, the Board, the ADRC, Declarant, any Sub-Association, any Sub-Association Board, the ADRC of any Sub-Association, any Sub-Declarant, any Developer, or any officer, member, or representative of any one or more of the foregoing (each, an "*Association Party*") the parties to such dispute agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the dispute shall be submitted to mediation before the parties resort to arbitration or litigation and a mutually acceptable mediator shall be chosen by the parties to the dispute who shall share the cost of mediation services equally.

12.08 Arbitration. If any dispute, controversy, or claim as described in this Section 12.08 arises which is not resolved by mediation as provided above, then either the Owner Party or the Association Party may upon written request cause such dispute, controversy, or claim, including any claim based on or arising from an alleged tort, to be submitted to binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state law), the Rules of the American Arbitration Association, and the "Special Rules" set forth below. In the event of any inconsistency, the Special Rules shall control. Judgment upon any arbitration award may be entered in any court having jurisdiction. Any Owner Party or Association Party to any such dispute, controversy, or claim may bring an action, including a summary or expedited

proceeding, to compel arbitration of any such dispute, controversy, or claim to which this Declaration applies in any court having jurisdiction over such action. The party that requests arbitration has the burden to initiate the arbitration proceedings pursuant to and by complying with the Real Estate Industry Rules of the American Arbitration Association and shall pay all associated administrative and filing fees.

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

(b) Nothing in this Declaration shall be deemed to (i) limit the applicability of any otherwise applicable statutes of limitation or repose and any waivers contained in this Agreement; or (ii) limit the right of the Association or any Sub-Association hereto (A) to exercise self help remedies, or (B) to foreclose against any real property subject to a lien granted or created by this Declaration or any Subordinate Declaration in accordance with applicable law, or (C) to obtain from a court provisional or ancillary remedies such as (but not limited to) injunctive relief in accordance with applicable law. The Association or any Sub-Association may exercise such self help rights, foreclose upon such property, or obtain such provisional or ancillary remedies before, during or after the pendency of any arbitration proceeding brought pursuant to this Declaration. Neither the exercise of self help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies shall constitute a waiver of the right of any party, including the claimant in any such action, to arbitrate the merits of the dispute, controversy, or claim occasioning resort to such remedies.

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

12.09 General.

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

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

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

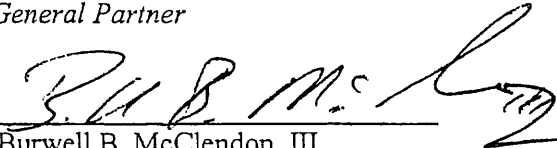
[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Declarant has executed this Declaration as of August 9, 2004

DECLARANT:

Continental Homes of Texas, L.P.
(a Texas limited partnership)

By: CHTEX of Texas, Inc.
(a Delaware corporation)
Its General Partner

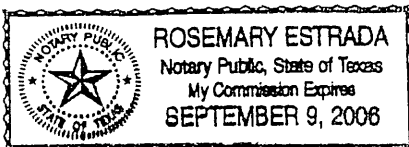
By: 
Burwell B. McClendon, III
Secretary

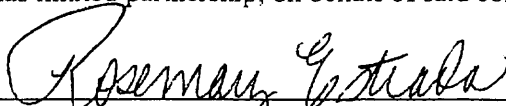
STATE OF TEXAS

COUNTY OF TRAVIS

§
§
§

This instrument was acknowledged before me, the undersigned authority, this 9th day of August, 2004, by Burwell B. McClendon, III, Secretary of CHTEX of Texas, Inc., a Delaware corporation, General Partner of Continental Homes of Texas, L.P., a Texas limited partnership, on behalf of said corporation and said partnership.




Notary Public, State of Texas
Print Name: Rosemary Estrada
My Commission Expires: Sept. 9, 2006

After Recording, Please Return To:

Timothy C. Taylor, Esq.
JACKSON WALKER L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701-4099

ADDENDUM I

GLOSSARY OF DEFINED TERMS

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

1. ADRC. "*ADRC*" means the architecture and design review committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property.
2. Articles. "*Articles*" means the Articles of Incorporation of CPTC Residential Owners Association, Inc., to be filed in the office of the Secretary of State of the State of Texas, as from time to time amended.
3. Assessment. "*Assessment*" means such assessments as may be levied by the Association under the terms and provisions of this Declaration.
4. Association. "*Association*" means CPTC Residential Owners Association, Inc., a Texas nonprofit corporation.
5. Board. "*Board*" means the Board of Directors of the Association.
6. Bylaws. "*Bylaws*" means the Bylaws of the Association adopted by the Board, as from time to time amended.
7. Common Area and Facilities. "*Common Area and Facilities*" and "*Common Areas*" means Lots and other properties, if any, designated by Declarant and conveyed to the Association along with any areas within public right-of-ways or easements that the Board deems necessary or appropriate to maintain for the common benefit of the Owners. Common Area and Facilities may be designated by Declarant and dedicated or otherwise conveyed to the Association from time to time and at any time. If and at the time Declarant annexes additional real property to the Property in accordance with the Declaration, additional Common Area and Facilities may be designated by Declarant.
8. Declarant. "*Declarant*" means Continental Homes of Texas, L.P., or its successors or assigns. Any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of the Declarant shall not be sufficient to constitute an assignment of the rights of Declarant.
9. Declaration. "*Declaration*" means this instrument, as from time to time amended.
10. House. "*House*" means a detached or attached single family residence (including a townhome) built on a Lot.
11. Improvement. "*Improvement*" means every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, and any facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.
12. Lot. "*Lot*" means any parcel or parcels of land within the Property shown as a subdivided lot on and Plat, together with all Improvements located thereon.
13. Member. "*Member*" means any Person holding membership rights in the Association.
14. Mortgage. "*Mortgage*" means any mortgage or deed of trust covering any portion of the Property given to secure the payment of debt.
15. Mortgagee. "*Mortgagee*" means the owner and holder of a Mortgage.
16. Occupied Lot. "*Occupied Lot*" means a Lot upon which building Improvements have been constructed and which has been occupied for residential use. Once a Lot has been so occupied and used, it will be deemed an "Occupied Lot" for purposes of this Declaration regardless of whether it ceases to be occupied at any time thereafter.
17. Owner. "*Owner*" means any Person, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include a Mortgagee.

ADDENDUM I

GLOSSARY OF DEFINED TERMS

18. Person. "*Person*" means any individual or entity having the legal right to hold title to real property.
19. Plans and Specifications. "*Plans and Specifications*" means the documents designed to guide or control the construction or erection of any Improvement, including but not limited to those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors (including roof colors), plans for utility services, and all other documentation or information relevant to such Improvement.
20. Plats. "*Plat*" or "*Plats*" means the subdivision plat or plats, for Cedar Park Town Center, a subdivision in Williamson County, Texas, according to the map or plat recorded in Book *, Pages *, of the Plat Records of Williamson County, Texas.
21. Property. "*Property*" means the lots in Cedar Park Town Center Section I, a subdivision in Williamson County, Texas, according to the map or plat recorded in Book X, Pages 325-332, of the Plat Records of Williamson County, Texas and the lots in Cedar Park Town Center Section II, a subdivision in Williamson County, Texas, according to the map or plat recorded in Book Y, Pages 186-191, of the Plat Records of Williamson County, Texas, a subdivision in Williamson County, Texas, which are described on Exhibit "A" attached hereto.
22. Regulating Plan. "*Regulating Plan*" means the Regulating Plan adopted in conjunction with the Urban Code (as defined below) and as described in City of Cedar Park Ordinance 2-01-12-20-10.C and which is codified in Section 15: Downtown District of Chapter 12, Article 12.200, of the Zoning Ordinances of the City of Cedar Park.
23. Residential Use. "*Residential Use*" means the single family use of a House or attached residential dwelling for residential occupancy in accordance with this Declaration and applicable laws, but excluding multi-family use.
24. Restrictions. "*Restrictions*" means this Declaration, the Articles and Bylaws of the Association, and any rules of the Association or its committees, as from time to time in effect and from time to time amended.
25. Sub-ACC. "*Sub-ACC*" means, with respect to any Lot, the ADRC created pursuant to the Subordinate Declaration filed for that portion of the Property of which the Lot is a part. If for any reason there is no ADRC with control over a Lot pursuant to a Subordinate Declaration, then the ADRC shall be the ADRC with authority and control over such Lot.
26. Sub-Association. "*Sub-Association*" means and refers to an owner's association created pursuant to a Subordinate Declaration.
27. Sub-Association Articles. "*Sub-Association Articles*" means the Articles of Incorporation of a Sub-Association, which will be filed in the office of the Secretary of State of the State of Texas, as the same are from time to time amended.
28. Sub-Association Board. "*Sub-Association Board*" means the Board of Directors of a Sub-Association.
29. Sub-Association Bylaws. "*Sub-Association Bylaws*" means the Bylaws of a Sub-Association which may be adopted by a Sub-Association Board, as the same are from time to time amended.
30. Sub-Declarant. "*Sub-Declarant*" means any Declarant under a Subordinate Declaration.
31. Subordinate Declaration. "*Subordinate Declaration*" means any declaration of covenants, conditions, and restrictions which may be hereafter recorded by Continental, V-S Cedar Park, Ltd., or any Developer owning a portion of the Property which is expressly made subject to all the terms and restrictions of this Declaration.
32. Supplemental Declaration. "*Supplemental Declaration*" means any supplemental declaration of covenants, conditions, and restrictions which supplements or amends this Declaration.
33. Urban Code. "*Urban Code*" means the Urban Code as described in City of Cedar Park Ordinance 2-01-12-20-10.C and which is codified in Section 15: Downtown District of Chapter 12, Article 12.200, of the Zoning Ordinances of the City of Cedar Park.

ADDENDUM I
GLOSSARY OF DEFINED TERMS

ADDENDUM II**SUMMARY OF ARCHITECTURAL & DESIGN GUIDELINES**

Standard	Requirement	Section Reference
Minimum Floor Area – Single Story	1,000 square feet	§ 4.04(a)
Minimum Floor Area – Two Story	1,050 square feet	§ 4.04(a)
Masonry	75% overall	§ 4.04(b)
Height	Cannot exceed two stories	§ 4.04(c)
Garage	No more than 4 cars	§ 4.04(c) & (d)
Roofing	Dimensional fiberglass asphalt or composition shingles – color must be weatherwood or barnwood	§ 4.04(f)
Landscaping	Front yards must be fully sodded with at least 2 trees of approximately 3" caliper	§ 4.04(h)
Setbacks	15' for front Lot line and as set forth on the applicable Plat	§ 4.04(j)

ADDENDUM II**SUMMARY OF ARCHITECTURAL & DESIGN REQUIREMENTS**

ADDENDUM III

PUBLIC USE RESTRICTION

This Addendum III sets for the provisions which will apply to and govern any Public Park Property, any Public School Property, or any other Public Property which is out of and a part of the Property, whether fully released from the Declaration or subject to the Declaration:

1. Public Park Property. The following provisions shall apply to any Public Park Property released or exempted from the Declaration:

(a) The Public Park Property shall only be used for the following purposes: public parks, trails, greenbelts, and recreational areas and related uses; provided, however, no fields, courts, or other play or recreational areas shall be lighted for night use (except for security lighting) (the "*Public Park Use Restriction*"). This Public Park Use Restriction shall be a covenant which shall run with such Public Park Property and shall be binding on all parties having any right, title, or interest in or to such Public Park Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof and to the benefit of the Declarant and the Association. In the event that this Public Park Use Restriction is violated, then upon the recordation in the Official Public Records, Williamson County, Texas of a Violation Affidavit (as described and defined below), the Public Park Property shall no longer be exempt from the Declaration and all covenants, conditions, and restrictions established by the Declaration shall thereafter burden and encumber the Public Park Property and the Declaration shall thereafter again be a covenant running with the Public Park Property.

(b) If for any reason the exemption of the Public Park Property from the Declaration should ever be determined to be invalid, illegal, or unenforceable, then Declarant and the Association hereby agree and declare the following with respect to the Public Park Property: (a) the right to use the Public Park Property as a public park site is hereby granted to the City of Cedar Park, (b) so long as the Public Park Property is used as a public park, the owner of the Public Park Property shall not be entitled to membership in the Association (as defined in the Declaration), and (c) the owner of the Public Park Property shall not be entitled to the use or benefit of any Common Area and Facilities (as defined in the Declaration).

(c) If the owner of the Public Park Property violates the Public Park Use Restriction, then the Association shall give the City of Cedar Park or the then owner of the Public Park Property, if not the City of Cedar Park (the "*Park Property Owner*") written notice of the Park Use Violation. The Park Property Owner shall have sixty (60) days from and after the date of such notice to cure the Park Use Violation. If the Park Property Owner fails to cure such Park Use Violation within such 60-day period, then the Association may file of record in the Official Public Records of Williamson County, Texas an affidavit signed by the President and Secretary of the Association (the "*Violation Affidavit*") stating and verifying, under oath, the following: (i) the Public Park Property is no longer being used for a public park and related uses, (ii) the Association gave written notice to the Park Property Owner of its violation of the Public Use Restriction, (iii) the Park Property Owner failed to cure its violation of the Public Use Restriction within sixty (60) days after the date of such notice of violation, and (iv) as a result of the violation of the Public Use Restriction and the Park Property Owner's failure to cure such violation, the Public Park Property is subject to the Declaration in all respects.

2. Public School Property. The following provisions shall apply to any Public School Property released or exempted from the Declaration:

(a) The Public School Property shall only be used for the following purposes: public school and related uses; provided, however, no ball fields, playing fields, tracks, or other play or athletic areas shall be lighted for night use (except for security lighting) (the "*School Use Restriction*"). This School Use Restriction shall be a covenant which shall run with such Public School Property and shall be binding on all parties having any right, title, or interest in or to such Public School Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof and to the benefit of the Declarant and the Association. In the event that this School Use Restriction is violated, then upon the recordation in the Official Public Records, Williamson County, Texas of a Violation Affidavit (as described and defined below), the Public School Property shall no longer be exempt from the Declaration and all covenants, conditions, and restrictions established by the Declaration shall thereafter burden and encumber the Public School Property and the Declaration shall thereafter again be a covenant running with the Public School Property.

ADDENDUM III

PUBLIC USE RESTRICTIONS

(b) If for any reason the exemption of the Public School Property from the Declaration should ever be determined to be invalid, illegal, or unenforceable, then Declarant and the Association hereby agree and declare the following with respect to the Public School Property: (a) the right to use the Public School Property as a public school site is hereby granted to the School District, (b) so long as the Public School Property is used as a public school and related uses, the owner of the Public School Property shall not be entitled to membership in the Association (as defined in the Declaration), and (c) the owner of the Public School Property shall not be entitled to the use or benefit of any Common Area and Facilities (as defined in the Declaration).

(c) If the owner of the Public School Property violates the School Use Restriction, then the Association shall give the School District or the then owner of the Public School Property, if not the School District (the "School Property Owner") written notice of the School Use Violation. The School Property Owner shall have sixty (60) days from and after the date of such notice to cure the School Use Violation. If the School Property Owner fails to cure such School Use Violation within such 60-day period, then the Association may file of record in the Official Public Records of Williamson County, Texas an affidavit signed by the President and Secretary of the Association (the "Violation Affidavit") stating and verifying, under oath, the following: (i) the Public School Property is no longer being used for a public school and related uses, (ii) the Association gave written notice to the School Property Owner of its violation of the School Use Restriction, (iii) the School Property Owner failed to cure its violation of the School Use Restriction within sixty (60) days after the date of such notice of violation, and (iv) as a result of the violation of the School Use Restriction and the School Property Owner's failure to cure such violation, the Public School Property is subject to the Declaration in all respects.

3. Public Property. The following provisions shall apply to any Public Property released or exempted from the Declaration:

(a) The Public Property shall only be used for the following purposes: *[Declarant or Association to define permitted uses]*; provided, however, the Public Property may not in any event be used for any of the purposes or uses: *[Declarant or Association to define and establish prohibited uses]* (the "Public Use Restriction"). This Public Use Restriction shall be a covenant which shall run with such Public Property and shall be binding on all parties having any right, title, or interest in or to such Public Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof and to benefit of the Declarant and the Association. In the event that this Public Use Restriction is violated, then upon the recordation in the Official Public Records, Williamson County, Texas of a Violation Affidavit (as described and defined below), the Public Property shall no longer be exempt from the Declaration and all covenants, conditions, and restrictions established by the Declaration shall thereafter burden and encumber the Public Property and the Declaration shall thereafter again be a covenant running with the Public Property.

(b) If for any reason the exemption of the Public Property from the Declaration should ever be determined to be invalid, illegal, or unenforceable, then Declarant and the Association hereby agree and declare the following with respect to the Public Property: (a) the right to use the Public Property for the public purposes and uses set forth above, (b) so long as the Public Property is used for the public purposes and uses set forth above, the owner of the Public Property shall not be entitled to membership in the Association (as defined in the Declaration), and (c) the owner of the Public Property shall not be entitled to the use or benefit of any Common Area and Facilities (as defined in the Declaration).

(c) If the owner of the Public Property violates the Public Use Restriction, then the Association shall give the owner of the Public Property (the "Public Property Owner") written notice of the Public Use Violation. The Public Property Owner shall have sixty (60) days from and after the date of such notice to cure the Public Use Violation. If the Public Property Owner fails to cure such Public Use Violation within such 60-day period, then the Association may file of record in the Official Public Records of Williamson County, Texas an affidavit signed by the President and Secretary of the Association (the "Violation Affidavit") stating and verifying, under oath, the following: (i) the Public Property is no longer being used for the public purposes and uses set forth above, (ii) the Association gave written notice to the Public Property Owner of its violation of the Public Use Restriction, (iii) the Public Property Owner failed to cure its violation of the Public Use Restriction within sixty (60) days after the date of such notice of violation, and (iv) as a result of the violation of the Public Use Restriction and the Public Property Owner's failure to cure such violation, the Public Property is subject to the Declaration in all respects.

ADDENDUM III
PUBLIC USE RESTRICTIONS

EXHIBIT "A"

THE PROPERTY

Cedar Park Town Center Section I, a subdivision of record in Williamson County, Texas according to the map or plat recorded as Document No. 200306692 or in Cabinet X, Slides 325-332, in the Plat Records of Williamson County, Texas; and

Cedar Park Town Center Section II, a subdivision of record in Williamson County, Texas according to the map or plat recorded as Document No. 2004005178 or in Cabinet Y, Slides 186-191, in the Plat Records of Williamson County, Texas

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS 2004063062

Nancy E. Rister

08/10/2004 11:15 AM

CARRILLO \$78.00

NANCY E. RISTER, COUNTY CLERK

WILLIAMSON COUNTY, TEXAS

Exhibit "A"

SPECIAL WARRANTY DEED

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

That Continental Homes of Texas, L.P., a Texas limited partnership ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration to the undersigned paid by CEDAR PARK TOWN CENTER RESIDENTIAL OWNERS ASSOCIATION, INC. a Texas non-profit corporation ("Grantee"), the receipt and sufficiency of which is hereby acknowledged by Grantor, has GRANTED, DEDICATED and CONVEYED, and by these presents does GRANT, DEDICATE and CONVEY unto Grantee, all of the following described real property in Williamson County, Texas (the "Property"), to-wit:

Lot 4, Block 42, Lot 4, Block 43, Lot 4 Block 44, Lot 16, Block 64, Lot 7, Block 73, Lot 7 Block 76, Lot 15, Block 78, Lot 19, Block 105, Lot 16, Block 117, Lot 1 Block 122, Lot 1, Block 130, Lot 1, Block 131, Lot 1, Block 134; Cedar Park Town Center, Section I, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet X, Slide 325-332 Plat Records of Williamson County, Texas;

(all collectively referred to herein as the "Property").

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in any way belonging, unto the said Grantee, its successors and assigns forever; and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the said property unto the said GRANTEE, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise; provided, however, that this conveyance is made by Grantor and accepted by Grantee subject to: (a) all regulations, restrictions, laws, statutes, ordinances, obligations or other matters which affect the Property and which are imposed by or exist by reason of any regulatory, governmental, or quasi-governmental districts, entities, agencies, authorities, or other bodies of any kind or nature ("Governmental Authorities"); (b) all riparian rights, water rights, access rights or other rights of any kind or nature which affect the Property and which are held by or relate to any Governmental Authorities, the public generally or any persons or entities; (C) all encroachments or overlapping of improvements, and all rights of adjoining landowners on or to any walls, fences, or other improvements situated on or across any common boundary; (d) all discrepancies, conflicts, or shortages in area or boundary lines; (e) all surface leases, leases of improvements, oil and gas leases, mineral leases, and other leases of any kind or nature, and all rights of parties in possession; (f) all ad valorem tax liens for the current and all subsequent years; and (g) all reservations, mineral severances, restrictions, covenants, conditions, easements, rights of way, prescriptive rights, claims or other matters of any kind or nature which affect the Property. Ad valorem taxes with respect to the Property for the current year have been prorated as of the date hereof. By acceptance of this deed, Grantee assumes and agrees to pay and indemnifies and agrees to hold Grantor harmless from and against all ad valorem taxes relating to the Property, for the current and all subsequent years, and for any assessments for the current and any prior years which arise on or after the date of this deed due to change in usage or ownership of the Property or otherwise.

GRANTOR HAS EXECUTED AND DELIVERED THIS WARRANTY DEED AND HAS CONVEYED THE PROPERTY AND GRANTEE HAS RECEIVED AND ACCEPTED THIS WARRANTY DEED AND HAS PURCHASED THE PROPERTY "AS IS", "WHERE IS", AND "WITH ALL FAULTS" AND WITHOUT REPRESENTATIONS OR WARRANTIES WHATSOEVER,

EXPRESS OR IMPLIED, WRITTEN OR ORAL. WITHOUT LIMITATION ON THE FOREGOING, GRANTEE, BY ACCEPTANCE OF THIS DEED, ACKNOWLEDGES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION THE ACREAGE, WATER, SOIL OR GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, INCLUDING WITHOUT LIMITATION ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, (E) THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS OR TOXIC MATERIALS, (F) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (G) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (H) THE STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, OR (I) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, EXCEPT THE WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN. GRANTOR SHALL NOT BE LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN.

EXECUTED this 30th day of January, 2006

Continental Homes of Texas, L.P.,
(a Texas limited partnership)

Grantee Address:
12335 Hymecadow Dr.
Suite 300
Austin, TX 78750

By: CHTEX of Texas, Inc.,
(a Delaware corporation, its sole, General Partner) KT

By: Richard N. Maier
Richard N. Maier
Vice President

RECEIVED. ACCEPTED AND AGREED TO BY GRANTEE this the 30 day of January, 2006.

CEDAR PARK TOWN CENTER RESIDENTIAL OWNERS
ASSOCIATION, INC.

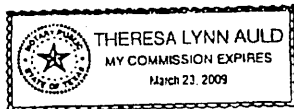
By: Danielle Sturm
Danielle Sturm, President

ATTEST:

Bill Fitzpatrick
Bill Fitzpatrick, Secretary/Treasurer

THE STATE OF TEXAS §
 §
COUNTY OF Texas §

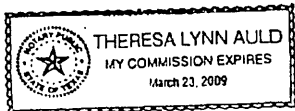
January This instrument was acknowledged before me this 30th day of January, 2006, by Richard N. Maier, Vice President of CHTEX of Texas, Inc., a Delaware corporation, sole general partner of Continental Homes of Texas, L.P., a Texas limited partnership, on behalf of said partnership.



[Signature]
Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF Texas §

January This instrument was acknowledged before me on the 30th day of January, 2006, by Danielle Sturm, Director of Cedar Park Town Center Residential Owners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



[Signature]
Notary Public, State of Texas

AFTER RECORDING RETURN TO:
D.R. Horton
Attn: Katherine Taylor
12554 Riata Vista Circle, Second Floor
Austin, Texas 78727

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS 2006007581

Nancy E. Rister

01/31/2006 03:48 PM

CARRILLO \$24.00

NANCY E. RISTER, COUNTY CLERK
WILLIAMSON COUNTY, TEXAS