

Mobile Food Establishments AMENDMENT APPLICATION

February 2019
(enter year)

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The purpose of this application is for the below named Neighborhood Association or Neighborhood Plan Contact Team to recommend to the Austin City Council that additional regulations be put in place *to govern the hours of operation and location of mobile food establishments.*

1. Name of Neighborhood Association or Contact Team

Harris Branch Residential OA

Please Note: A Neighborhood Association or Neighborhood Plan Contact Team must be registered with the City of Austin Public Information Office: <http://www.austintexas.gov/cr>

2. Location: Describe the general boundary covered by the neighborhood association or neighborhood planning area boundary. Also, please attach a thumbnail map of your planning area or neighborhood association boundaries.

Bluegoose north to Clinton Ave.

Harris Branch Pkwy to (E) Farmhaven Rd.

Harris Branch Pkwy to (W) Adair Dr.

3. Name of Neighborhood Association Officer/Office or Contact Team Chair:

Anthony Murray

4. Mailing Address of Officer/Chair:

6831 William Wallace Way

Austin TX 78754

5. Mailing Address of Association (if different):

6. Phone # of Officer or Chair (please include area code):

(405) 343-9399

QUESTIONS: The following questions refer to the official vote taken by the Neighborhood Association or Neighborhood Plan Contact Team as it relates to the Mobile Food Establishments Ordinance.

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1. Was the vote taken in accordance with Association's or Contact Team's bylaws?

☒ Yes ☐ No

If No, please explain why and how the vote was taken:

2. Provide the results of the vote:

For: 7 Against: 0

Total # of eligible votes: 7

3. **Outreach and Notification of Meeting:** A contact team or neighborhood association is required to notify all persons in their neighborhood of the meeting to vote on action being taken on the Mobile Food Establishment Ordinance.

☒ Please provide a **HARD COPY** of the meeting notice

Below or on a separate page, please explain how and to whom the notice of the meeting, at which the vote was taken, was provided:

4. Are you aware of other Neighborhood Associations that have overlapping boundaries with the Neighborhood Association referred to on this application?

☐ Yes ☒ No

If yes, identify the overlapping Association

Have attempts been made to contact these Associations? ☐ Yes ☐ No

If yes, do other associations favor inclusion on the map? ☐ Yes ☐ No

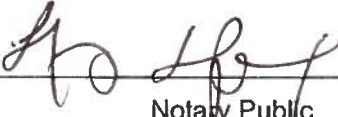
OFFICIAL CERTIFICATION OF APPLICATIONRECEIVED
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To be completed by a notary public:

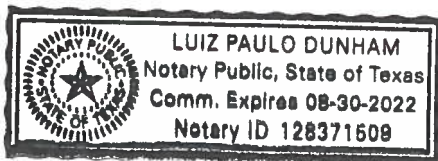
I, Anthony Murray, as an officer or representative of a registered City of Austin neighborhood association or neighborhood plan contact team, called Harris Branch Residential OA hereby certify that all the information provided in this application packet is correct and that I am an authorized officer of our neighborhood association or planning area contact team. Additionally, the vote taken on the **Mobile Food Establishments Ordinance** was conducted according to our contact team or neighborhood association bylaws.

On this, the 14th day of Month 1 2019 year before me a notary public, the undersigned officer, personally appeared Anthony Murray, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness hereof, I hereunto set my hand and official seal.



Notary Public



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Harris Branch Residential OA

November 2018 - Board Meeting Notice

The next Board of Directors meeting of the Harris Branch Residential OA will take place on Thursday, November 15th at 6:30 p.m. at 6633 East Highway 290, Suite 204, Austin, Texas 78723.

Attached is the meeting agenda.

Please do not reply to this email as it serves the purpose of only delivering notice of the meeting.

We look forward to seeing you!

Yours truly,
Board of Directors

++++++
As required by law, you are notified that matters to be discussed at the meeting shall be approval of the prior meeting minutes; old business from the prior meeting(s); new business which may include property service contracts, utility issues, common area maintenance issues; issues pertaining to the health/safety/welfare of members in the association; insurance issues; tax matters; accounting/budget/finance matters; approval of the annual operating and reserve budget and the determination of assessments; special assessments; the handling of the association's reserves; collection cases and action to be taken against members that have not paid assessments including the filing of liens and the foreclosure of their properties; architectural and restrictive covenant violations and related enforcement action; suspension of member rights to use common areas and amenities due to failure to pay assessments; formation, operation, and powers of committees; reports of committees; communications to membership; appointment of directors to fill positions that may come vacant prior to the next scheduled annual meeting; rule/regulation promulgation and/or revision; restrictive covenant and/or by-laws amendment; the conduct of periodic board and annual meetings; the promulgation of the annual meeting notice, proxy, ballot; absentee and electronic voting procedures; the date/time/place/agenda of the annual meeting; and any other matter reasonably within the purview and authority of the board of directors or membership.

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MANAGEMENT**

www.goodwinbx.com

info@goodwinbx.com

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**GOODWIN
MANAGEMENT**

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Approved by Electronic Vote on Nov 27, 2018.

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Board of Directors Meeting

- Date: November 15, 2018
 - Time: 6:30 PM
 - Location: 6633 East Highway 290, Suite 204, Austin, Texas 78723
1. Call Meeting to Order/Establish Quorum.
 - a. The meeting was called to order by HOA President Mike McLaughlin at 6:30 pm.
 - b. Quorum was established with five of seven board members in attendance:
 - i. Mike McLaughlin (President)
 - ii. David Alley (Vice President)
 - iii. Anthony Murray (Director)
 - iv. Sheran Campbell (Director)
 - v. Gary Belcher (Director)
 - c. Mike McLaughlin welcomed two of the three newly elected board members who attended as observers. Their service on the board will begin in January.
 2. Homeowner Forum
 - a. Mike McLaughlin welcomed the homeowners and explained the board meeting process.
 - b. Four homeowners, from Stirling Bridge, Belhaven, and Lakeview attended the meeting. One homeowner presented the issue of the \$15.00 certified mail fee, inquiring why the fee was charged and what management checks are in place to validate the use of certified mail. The board president has addressed the matter with the HOA attorney. The certified mail fee is applied to all accounts for correspondence required by governing rules to be sent certified mail. The management company uses traceable certified mail and maintains records of correspondence sent by that means. The management company does not use the signature required aspect of certified mail, nor are they required to. The board president concurs that signature required certified mail is not required to fulfill board responsibilities for homeowner correspondence. All mail sent by certified mail is also sent by regular US mail. The Community Manager will update the board at the next meeting on (1) the specific practices used, and records maintained by Goodwin Management for certified mail processing, and (2) legal and covenant requirements for official communication in writing with homeowners.
 3. Approve Prior Meeting Minutes
 - a. The minutes from the October 18, 2018 Board of Directors Meeting were provided electronically prior to the meeting. To waive reading of the June 21 minutes and to approve the June 21 minutes, M-Belcher/S-Alley/C with no dissent. Enclosure 1 is a copy of

the approved minutes. October minutes will be posted.

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4. Treasurer's Report –October Financial Review

- a. Mike McLaughlin presented the financial report as of October 31, 2018.

Balance Sheet		
Account	Balance	Notes
Operating Cash	\$550,818.31	Cking, MMA Western Alliance & MMA-Commerce Natl & MMA2-Union Bank Opr
Reserve Cash	\$704,631.60	Reserve MMA-Union Bank & Reserve MMA2-Equi Trust
Accounts Receivable	\$140,691.10	AR Past due
Prepaid Balances	\$18,804.53	AR Prepaid
Net Income or Loss YTD	\$263,223.80	Fund change end of October

b. Variances of interest:

- i. Water and waste water charges and variances from the budget are being closely examined by the Community Manager and the board. Reconciliation of charges by meter is challenging. Effort is ongoing to align water meters and the billing from the City of Austin with specific irrigation systems. Community Manager will review City of Austin billing and update the board at the next meeting.
 - ii. Porter services. Community Manager will review contract, charges for supplies, and performance and update the board at the next meeting.
 - iii. \$10K overage for lifeguard services will be refunded to the HOA.
 - iv. Amenity Center cleanliness/repairs/updates is well below budget for this year. Community Manager will review condition of the facility and equipment and make recommendations to the board at the next meeting. The condition of the workout equipment and cleanliness are often mentioned by neighborhood contacts as an area needing attention.
- c. Accounts Receivable reflects past due accounts of homeowners in arrears on annual assessment fees and CCA enforcement actions. The board has approved a \$10.00 annual increase (~2%) in the annual homeowner dues. The Community Manager indicated that statements for 2019 will be mailed in November.
- d. Operating fund balances through the end of 2018 are satisfactory.
- e. A copy of the Income Statement with budget comparison is provided as Enclosure 2.
- f. For approval of the Financial Report through Oct 31, 2018, M-Belcher/S-Murray/C with no dissent.

5. President's Report

- a. Issues on clearing the right-of-way documents for the amenity center addition will be resolved this week.
- b. The abandoned vehicle at the amenity center was towed.

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- c. Permanent installation of the end-poles in the tennis courts is ongoing, and this should deter vandalism of the nets for playing soccer inside the courts. One homeowner inquired if the tension cranks will also be repaired. The Community Manager will update the board at the next meeting on this issue. Signs are now posted that the tennis courts are for tennis only.

6. Committee Reports

- a. Neighborhood Representatives—items provided by neighborhood representatives for inclusion in the board discussion:
 - i. Street lights in the vicinity of the Children's Courtyard are inoperable. A board member will check operability of street lights at night and notify either Austin Power or Bluebonnet of lights needing attention. The two lights at HB Parkway and St. Merryn have been removed. Bluebonnet is waiting for City of Austin approval for replacement.
 - ii. Violations of parked commercial vehicles continue to be an annoyance. Homeowners may report the violations to the Community Manager. Since this is a nighttime occurrence, periodic drive-throughs are unlikely to see this. Community Manager will report to the board concerning the process for homeowners reporting parked commercial vehicles.
 - iii. Comments about the cleanliness and condition of the equipment at the fitness center are covered in the President's report.
- b. Architectural Change—process was explained for the new board members. The committee has one vacancy, and one of the new board members has volunteered to fill the position.
- c. Communication
 - i. Homeowners have begun to select the option to receive the Neighborhood News electronically. While sign up is low at this point, the board will continue to advertise the opportunity.
- d. Regarding to opting in the City of Austin programs for enforcing certain parking restrictions (off street and off driveway in yards) and regulating locations for food vendors, for approval of opting in M-Belcher/S-Murray/C with no dissent
- e. Yard of the Month—a home in the Thistle Hill neighborhood was selected for Yard of the Month. This is the final month for Yard of the Month this year; the program will resume in the Spring. Christmas lighting/outdoor decoration competition will continue this year in December. Nights of judging in all 10 neighborhoods will be announced. Best displays in each neighborhood are selected and the top three receive gift cards.

7. Old Business

- a. Amenity Center expansion. Two responses to the RFP have been received. Significant variance between the two in terms of cost, both total cost and line items costs. Award of a contract will not happen until questions on cost can be answered.
- b. Ranger Protection and parking lot lighting at the Amenity Center. Daily reports from Ranger are received and reviewed. People on the Amenity Center grounds after closure are asked to leave. To date, the Ranger patrol has had no difficulties with people leaving. Signage is up to allow City of Austin police enforcement when required.

2018

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- c. September lifeguard expenses have been resolved. Overcharge for September in the amount of \$10,384 will be refunded by Safeguard Aquatics.
- d. Tennis Courts nets will have permanently installed posts. Community Manager will report to the board on any additional repairs needed to nets and tension rigs.
- e. Reserve contribution for this year is compliant with the Reserve Study recommendations. An update to the Reserve Study should be planned for 2019.
- f. Tree trimming along HB Parkway and Farmhaven is required. The Community Manager will arrange with the landscaping company.
- g. The gates to the water detention area near the dog park can be moved inward to allow using the curb cut-in to be used for access to a pervious cover parking area for the dog park. The Community Manager is seeking estimates for doing so in 2019.

8. New Business

- a. 2019 Budget. Adjustments to the draft budget plan from the last meeting have been made. At the October meeting, the board approved the homeowner assessment rate for 2019 at \$494.00, representing a \$10 increase (approx. 2%). Final adjustments will be made by the Community Manager; board will review final version of the draft budget for approval at the December meeting.
- b. The board approved opting in to the City of Austin programs regarding parking and food vendors.
- c. As discussed during this meeting, action items for the Community Manager:
 - i. Item 2.a regarding the practice and charges associated with homeowner communication and the use of certified mail
 - ii. Item 4.b.i regarding water/waste water billing
 - iii. Item 4.b.ii regarding costs and routine of picking up trash at dog park.
 - iv. Item 6.a.ii regarding enforcement of CCR on parking commercial vehicles.
 - v. Item 4.b.iv regarding cleanliness and condition of equipment at Amenity Center.
 - vi. Item 4.c regarding mailing of 2019 assessment notices in November
 - vii. Item 7.d regarding the condition of nets and tension rigs at tennis courts
 - viii. Item 7.f. regarding scheduling of tree trimming along HB Parkway and Farmhaven.
 - ix. Item 7.g. regarding seeking estimates for moving gates and adding stone in the vicinity of the dog park.
 - x. Item 8.a regarding completing final adjustments to the 2019 budget plan.

9. Adjourn Meeting. With the published agenda complete, the meeting was adjourned at 7:50 pm. Visiting homeowners departed.

- a. In executive session, the board discussed homeowner-specific matters.

//s//Gary Belcher on behalf of Kyle Mason, Secretary.

Approved by Electronic Vote on Nov 27, 2018



Board of Directors Meeting

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- Date: October 18, 2018
 - Time: 6:30 PM
 - Location: 6633 East Highway 290, Suite 204, Austin, Texas 78723
1. Call Meeting to Order/Establish Quorum
 - a. 6:28 PM - The Board of Directors' Meeting was called to order by HBRPOA President Michael McLaughlin.
 - i. Board Members in attendance (7 of 7 - Quorum Established):
 1. Mike McLaughlin (President)
 2. David Alley (Vice President)
 3. Will Hendricks (Treasurer)
 4. Kyle Mason (Secretary)
 5. Gary Belcher (Director)
 6. Sheran Campbell (Director)
 7. Anthony Murray (Director)
 2. Homeowner Forum
 - a. No homeowners were present for this meeting.
 3. Approve Prior Meeting Minutes
 - a. Motion made to accept and approve of the August, 2018 Minutes.
 - i. Kyle Mason (motion)
 - ii. Gary Belcher (second)
 - iii. Approved, no dissent.
 4. Treasurer's Report – September, 2018 Financial Review
 - a. Water meter identifications to be made with SunScapes.
 - b. Motion made to approve of the September, 2019 Financials.
 - i. Will Hendricks (motion)
 - ii. Gary Belcher (second)
 - iii. Approved, no dissent.
 5. President's Report
 - a. Business as usual regarding communication with homeowners, etc.

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6. Committee Reports

a. Neighborhood Representatives

- i. Trees across Harris Branch Parkway are becoming overgrown and the canopy is lowering.
- ii. Dog Park entry to be moved – seeking estimates.

b. Architectural Change

- i. No updates at this time.

c. Communication

- i. Neighborhood Fall Garage Sale was advertised on social media sites.

d. Yard of the Month

- i. A home in Belhaven was selected for the YotM award.

7. Old Business (Updates)

a. Amenity Center Expansion

b. Meadowview Signage

- i. Installed and complete.

c. Ranger Protection and parking lot lighting

- i. Signs installed and patrols have started.

d. Elections

- i. 3 new candidates have been elected to the Board for 2019.

8. New Business

a. 2019 Budget

- i. All line items for the 2019 budget have been looked over and a draft of the budget is being written. Finalization/submission of the budget will take place after the final costs of the Amenity Center Expansion are received.
- ii. A motion was made to increase homeowner dues by \$10/year (approx. 2%).
 - 1. David Alley (motion)
 - 2. Gary Belcher (second)
 - 3. Approved, no dissent.

9. Adjourn Meeting

- a. Executive Session / Violations
- b. Meeting adjourned at 8:12 PM

Harris Branch Residential OA

Income Statement with Budget Comparison

Period 10/1/2018 to 10/31/2018 11:59:00 PM

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	Current Month Operating				Year to Date Operating				Annual
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	
Income									
Assessments									
Assessments	3,760.88	0.00	3,760.88	0.00%	963,164.47	976,712.00	(13,547.53)	1.39%	976,712.00
Total Assessments	3,760.88	0.00	3,760.88	0.00%	963,164.47	976,712.00	(13,547.53)	1.39%	976,712.00
Other Income									
Collection Fee	0.00	833.00	(833.00)	100.00%	0.00	8,330.00	(8,330.00)	100.00%	10,000.00
Insurance Proceeds	2,700.00	0.00	2,700.00	0.00%	5,441.50	0.00	5,441.50	0.00%	0.00
Interest Income	346.42	54.00	292.42	-541.52%	3,846.07	540.00	3,306.07	-612.24%	650.00
Key/Remote Deposit	0.00	0.00	0.00	0.00%	(150.00)	0.00	(150.00)	0.00%	0.00
Key/Remote Fee	0.00	42.00	(42.00)	100.00%	75.00	420.00	(345.00)	82.14%	500.00
Late Fee	256.99	83.00	173.99	-209.63%	10,248.07	830.00	9,418.07	-1134.71%	1,000.00
Legal Fee Reimb	1,910.17	3,750.00	(1,839.83)	49.06%	23,217.05	37,500.00	(14,282.95)	38.09%	45,000.00
NSF Fees	0.00	0.00	0.00	0.00%	155.00	0.00	155.00	0.00%	0.00
Pool Keys/Cards/Transmtr	0.00	42.00	(42.00)	100.00%	0.00	420.00	(420.00)	100.00%	500.00
Pre BK Income	0.00	0.00	0.00	0.00%	(203.34)	0.00	(203.34)	0.00%	0.00
Prior Mgr Colllction Fee Income	0.00	0.00	0.00	0.00%	23,068.97	0.00	23,068.97	0.00%	0.00
Violation Fine	5,487.40	500.00	4,987.40	-997.48%	21,434.14	5,000.00	16,434.14	-328.68%	6,000.00
Working Cap/Entry Fee	4,200.00	2,000.00	2,200.00	-110.00%	39,186.06	20,000.00	19,186.06	-95.93%	24,000.00
Total Other Income	14,900.98	7,304.00	7,596.98	-104.01%	126,318.52	73,040.00	53,278.52	-72.94%	87,650.00
Total Income	18,661.86	7,304.00	11,357.86	-155.50%	1,089,482.99	1,049,752.00	39,730.99	-3.78%	1,064,362.00
Expense									
Administrative Expenses									
Accounting-Audit	0.00	0.00	0.00	0.00%	4,567.02	4,568.00	(0.98)	0.02%	4,568.00
Copies	1,338.97	833.00	505.97	-60.74%	14,535.00	8,330.00	6,205.00	-74.49%	10,000.00
Dues/Licenses/Permits	0.00	0.00	0.00	0.00%	221.00	450.00	(229.00)	50.89%	450.00
Legal	940.11	5,000.00	(4,059.89)	81.20%	62,776.60	50,000.00	12,776.60	-25.55%	60,000.00
Legal Settlement	152.44	1,667.00	(1,514.56)	90.86%	6,855.48	16,670.00	(9,814.52)	58.88%	20,000.00
Management Fees	5,500.00	5,500.00	0.00	0.00%	55,000.00	55,000.00	0.00	0.00%	66,000.00
Master HOA Dues	0.00	0.00	0.00	0.00%	162,757.00	162,757.00	0.00	0.00%	162,757.00
Meeting Expense	120.75	0.00	120.75	0.00%	1,335.75	375.00	960.75	-256.20%	500.00
Offsite Storage	100.00	90.00	10.00	-11.11%	980.00	900.00	80.00	-8.89%	1,080.00
Other Professional Svcs	0.00	62.00	(62.00)	100.00%	162.38	620.00	(457.62)	73.81%	740.00
Pool Mgmt-Lifeguards	0.00	0.00	0.00	0.00%	76,648.50	47,500.00	29,148.50	-61.37%	47,500.00
Postage/Delivery	(40.75)	1,667.00	(1,707.75)	102.44%	8,120.68	16,670.00	(8,549.32)	51.29%	20,000.00
Printing-Newsletter	0.00	0.00	0.00	0.00%	0.00	4,000.00	(4,000.00)	100.00%	4,800.00
Social Events	0.00	0.00	0.00	0.00%	3,863.66	5,000.00	(1,136.34)	22.73%	5,000.00
Website Maint	0.00	75.00	(75.00)	100.00%	459.68	750.00	(290.32)	38.71%	900.00
Total Administrative Expenses	8,111.52	14,894.00	(6,782.48)	45.54%	398,282.75	373,590.00	24,692.75	-6.61%	404,295.00
Non-Recurring Expenses									
NR-Refund to Owners	0.00	1,833.00	(1,833.00)	100.00%	270.63	18,330.00	(18,059.37)	98.52%	22,000.00
Total Non-Recurring Expenses	0.00	1,833.00	(1,833.00)	100.00%	270.63	18,330.00	(18,059.37)	98.52%	22,000.00
Property Expenses									
Capital Improvements	6,616.78	7,668.00	(1,051.22)	13.71%	62,971.39	76,680.00	(13,708.61)	17.88%	92,011.00
Club/Fitness Repair/Maint	2,817.59	5,025.00	(2,207.41)	43.93%	26,882.12	52,875.00	(25,992.88)	49.16%	63,800.00
Extermination	0.00	32.00	(32.00)	100.00%	449.29	320.00	129.29	-40.40%	384.00
Irrigation Repair/Maint	1,751.36	1,250.00	501.36	-40.11%	12,652.53	12,500.00	152.53	-1.22%	15,000.00
Janitorial-Porter	4,765.36	2,148.00	2,617.36	-121.85%	27,805.36	21,480.00	6,325.36	-29.45%	25,776.00
Keys/Locks	0.00	0.00	0.00	0.00%	2,030.00	500.00	1,530.00	-306.00%	500.00
Landscape-Enhancements	0.00	2,500.00	(2,500.00)	100.00%	4,611.58	25,000.00	(20,388.42)	81.55%	30,000.00
Landscape-Force Mow	(162.38)	0.00	(162.38)	0.00%	(81.19)	0.00	(81.19)	0.00%	0.00
Landscape-Maint	12,681.72	12,364.00	317.72	-2.57%	126,704.50	123,636.00	3,068.50	-2.48%	148,364.00
Pond Maintenance	1,764.39	2,400.00	(635.61)	26.48%	18,508.84	24,000.00	(5,491.16)	22.88%	28,800.00
Pool/Spa-Maint/Supplies	1,495.92	2,083.00	(587.08)	28.18%	18,314.89	20,830.00	(2,515.11)	12.07%	25,000.00
Pool-Repairs	474.40	0.00	474.40	0.00%	474.40	0.00	474.40	0.00%	0.00
Total Property Expenses	32,205.14	35,470.00	(3,264.86)	9.20%	301,323.71	357,821.00	(56,497.29)	15.79%	429,635.00
Tax/Ins/Interest Exp									
Ins-F&EC or Package	5,261.30	0.00	5,261.30	0.00%	37,481.70	34,100.00	3,381.70	-9.92%	34,100.00
Taxes-Property	0.00	0.00	0.00	0.00%	1,114.19	1,500.00	(385.81)	25.72%	1,500.00
Total Tax/Ins/Interest Exp	5,261.30	0.00	5,261.30	0.00%	38,595.89	35,600.00	2,995.89	-8.42%	35,600.00
Transfer Proof									
Tran fr Cking to MMA	0.00	0.00	0.00	0.00%	506,000.00	0.00	506,000.00	0.00%	0.00
Dep fr Cking to MMA	0.00	0.00	0.00	0.00%	(506,000.00)	0.00	(506,000.00)	0.00%	0.00
Tran fr MMA to Cking	0.00	0.00	0.00	0.00%	350,000.00	0.00	350,000.00	0.00%	0.00
Dep fr MMA to Cking	0.00	0.00	0.00	0.00%	(350,000.00)	0.00	(350,000.00)	0.00%	0.00
Tran fr Oper to Res	0.00	0.00	0.00	0.00%	50,000.00	103,100.00	(53,100.00)	51.50%	103,100.00
Dep fr Oper to Res	0.00	0.00	0.00	0.00%	(50,000.00)	0.00	(50,000.00)	0.00%	0.00
Tran fr MMA to Res	0.00	0.00	0.00	0.00%	53,000.00	0.00	53,000.00	0.00%	0.00
Dep fr MMA to Res	0.00	0.00	0.00	0.00%	(53,000.00)	0.00	(53,000.00)	0.00%	0.00
Total Transfer Proof	0.00	0.00	0.00	0.00%	0.00	103,100.00	(103,100.00)	100.00%	103,100.00
Utility Expenses									
Clean Comm Svc	20.75	21.00	(0.25)	1.19%	207.50	210.00	(2.50)	1.19%	252.00
Drainage	148.54	137.00	11.54	-8.42%	1,473.81	1,370.00	103.81	-7.58%	1,644.00
Electric	1,673.16	2,000.00	(326.84)	16.34%	17,449.30	23,000.00	(5,550.70)	24.13%	27,000.00
Street Service	750.07	750.00	0.07	-0.01%	7,500.70	7,500.00	0.70	-0.01%	9,000.00

Harris Branch Residential OA**Income Statement with Budget Comparison****Period 10/1/2018 to 10/31/2018 11:59:00 PM****RECEIVED**
2/12/19

	Current Month Operating				Year to Date Operating				Annual
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	
Tel/Cell/Pager	435.74	320.00	115.74	-36.17%	3,722.63	3,200.00	522.63	-16.33%	3,840.00
Trash	527.53	391.00	136.53	-34.92%	4,176.30	3,910.00	266.30	-6.81%	4,692.00
Wastewater	104.94	156.00	(51.06)	32.73%	11,981.88	1,580.00	10,421.88	-668.07%	1,872.00
Water	6,146.90	1,786.00	4,360.90	-244.17%	41,274.09	17,860.00	23,414.09	-131.10%	21,432.00
Total Utility Expenses	9,807.63	5,561.00	4,246.63	-76.36%	87,786.21	58,610.00	29,176.21	-49.78%	69,732.00
Total Expense	55,385.59	57,758.00	(2,372.41)	4.11%	826,259.19	947,051.00	(120,791.81)	12.75%	1,064,362.00
Fund Change	(36,723.73)	(50,454.00)	13,730.27	27.21%	263,223.80	102,701.00	160,522.80	-156.30%	0.00



RECEIVED
2/12/19

Board of Directors Meeting

- Date: November 15, 2018
 - Time: 6:30 PM
 - Location: 6633 East Highway 290, Suite 204, Austin, Texas 78723
1. Call Meeting to Order/Establish Quorum
 2. Homeowner Forum
 3. Approve Prior Meeting Minutes
 4. Treasurers Report – September Financial Review
 5. President's Report
 6. Committee Reports
 - a. Neighborhood Representatives
 - b. Architectural Change
 - c. Communication
 - d. Yard of the Month
 7. Old Business (Updates)
 - a. Amenity Center Extension
 - b. Ranger Protection and parking lot lighting
 - c. September Lifeguard expenses
 - d. Tennis Courts
 - e. Ect????
 8. New Business
 - a. 2019 Budget.
 9. Adjourn Meeting
 - a. Executive Session / Violations

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2/12/19

Mobile Food Establishments

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2/12/19

APPLICANT SUBMITTAL CHECKLIST

- ☒ 1. A completed copy of the Mobile Food Establishment Amendment application.
- ☒ 2. An official certification of the action taken by the association or contact team on the mobile food issue that includes the notarized signature of the authorized officer of the association or chair of the contact team. (Fill out the area on the following page with a notary public to complete this requirement.)
- ☒ 3. A hard copy of the meeting minutes that describes the vote on the mobile food establishment issue.
- ☒ 4. A hard copy of the neighborhood association or neighborhood plan contact team bylaws.
- ☒ 5. A hard copy of the notice of the meeting at which the vote was taken.
- ☒ 6. A brief statement of the process by which the notice was issued.
- ☒ 7. A thumbnail map of your neighborhood association or adopted neighborhood planning area boundaries. (We suggest using the Official Neighborhood Planning Map to print out a map of your area and then highlight your neighborhood association OR planning area boundaries.)

Please Mail the Above Materials To:

(Deadline: Last day of February in the calendar year in which you are applying)

City of Austin
Planning and Zoning Department (PAZ)
Attention: Maureen Meredith
P.O. Box 1088
Austin, TX 78767



Mobile Food Establishments

City of Austin Application Packet

*This review process supports Imagine Austin, our plan for a vibrant, livable, connected Austin.
Para información en español llame al (512) 978-4000.*

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2/12/19

PURPOSE:

The intent of this ordinance is to regulate mobile food establishments most often trailers located in parking lots or vehicles that drive from one location to another.

ORDINANCE REFERENCES:

Specific ordinance requirements can be found in Section 25-2-812 of the City Code.

HOW THE MOBILE FOOD ESTABLISHMENT APPLICATION PROCESS WORKS:

1. The establishment of the additional regulations governing the hours of operation and location of mobile food establishments will apply to the boundary of the applying neighborhood association or neighborhood plan contact teams. (See the cover letter contained in this packet). The open period to submit applications will be during the month of February in the calendar year in which you are applying. For areas with an adopted neighborhood plan, the application must be submitted by the neighborhood plan contact team chair or by an officer of the neighborhood association if there is no official contact team. For areas without an adopted neighborhood plan, the application must be submitted by an officer of the neighborhood association.
2. Please go to this [link](#) to verify if your neighborhood is within the boundaries of an adopted neighborhood planning area.

DEADLINE:

Applications must be received by the last day of February in the calendar year in which you are applying. Applications may be hand delivered to the Planning and Zoning Office at 505 Barton Springs Road, 5th Floor or returned via the U.S. Postal Service to Planning and Zoning Department, Attn: Maureen Meredith, P.O. Box 1088, Austin, TX 78767. Office hours are 8:00 a.m. – 5:00 p.m., Monday – Friday. If mailed, applications must be postmarked by the last day of February in the calendar year in which you are applying.

SUBMITTAL REQUIREMENTS:

Refer to application and submittal checklist. **An incomplete application *will not* be considered for inclusion in this round of applications.** If an incomplete application is submitted before the end of February, staff will attempt to contact the neighborhood representative listed on the application. However, materials not included in the initial application submittal will not be accepted after the last day of February in the calendar year in which you are applying.

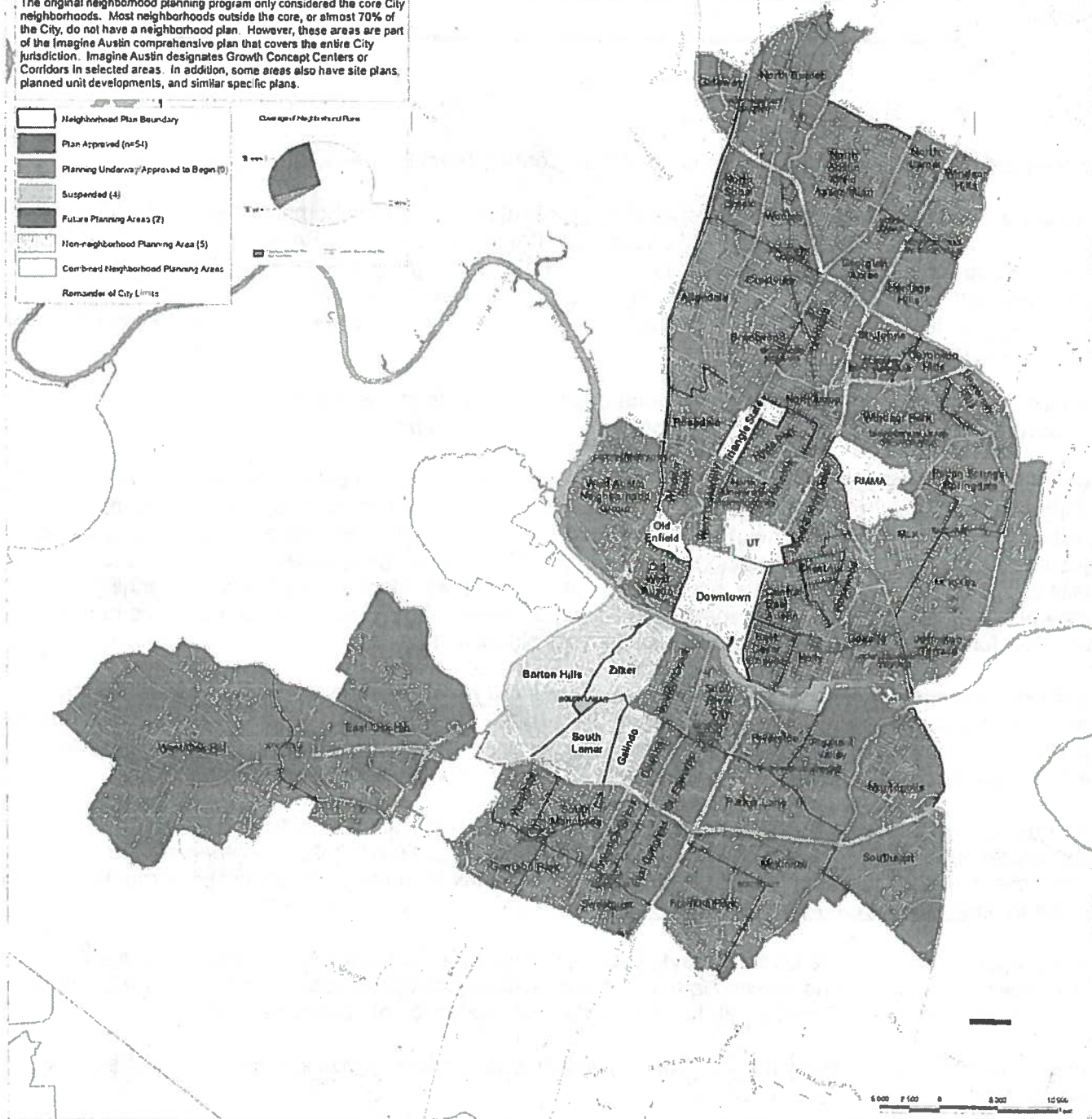
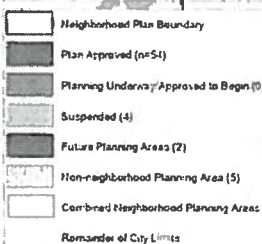
QUESTIONS:

Any questions regarding the Mobile Food Establishments Application should be directed to Planning and Zoning Department staff Maureen Meredith at (512) 974-2695 or by email at maureen.meredith@austintexas.gov.

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3/12/19

The City of Austin and the community began to create neighborhood plans for the core areas of the City in the 1990's. Plan boundaries were drawn and modified based on logical and efficient geographic areas, and approved by City Council. In a few cases, neighborhood associations were used as boundaries where possible. The Council reviews boundaries at the beginning of a new planning process for each area. Staff can not change boundaries for neighborhood plans without a Council approval process.

The original neighborhood planning program only considered the core City neighborhoods. Most neighborhoods outside the core, or almost 70% of the City, do not have a neighborhood plan. However, these areas are part of the Imagine Austin comprehensive plan that covers the entire City jurisdiction. Imagine Austin designates Growth Concept Centers or Corridors in selected areas. In addition, some areas also have site plans, planned unit developments, and similar specific plans.



City of Austin Neighborhood Planning Areas

<http://www.austintexas.gov/department/neighborhood-planning>

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City of Austin
Planning and Zoning Department (PAZ)
Greg Guernsey, Director
P.O. Box 1088, Austin, Texas 78767

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2/12/19

October 10, 2018

Dear Neighborhood Association or Neighborhood Plan Contact Team Representative:

You received this letter because you are listed as a representative of a Neighborhood Plan Contact Team or Neighborhood Association that is registered on the City of Austin's Community Registry. As such, the Planning and Zoning Department (PAZ) would like to inform you of the annual **Mobile Food Establishments** application period for neighborhoods or neighborhood planning areas an opportunity to "opt-in" to placing additional regulations on Mobile Food Establishments located in your area. (Go to: <http://www.austintexas.gov/cr> to check if your group is registered).

For more information on the additional regulations, please go to the website:
<http://www.austintexas.gov/department/mobile-food-establishments>.

If your neighborhood is located within an adopted planning area and has an established neighborhood planning contact team, the Neighborhood Planning Contact Team would be the body responsible for this submitting the application. If your neighborhood is NOT located within an area with a City Council-approved neighborhood plan, a registered neighborhood association may submit the application. Please go to this website to see if your neighborhood is located inside or outside of an adopted neighborhood planning area: **ftp://ftp.ci.austin.tx.us/npzd/Austingo/npstatus_tab.pdf**. Please contact Maureen at the phone number listed below for the list of contact team members for your planning area.

Neighborhoods with previously approved applications DO NOT need to submit a new application, unless the neighborhood would like to remove the additional mobile food vendor regulations from the area. Please see the attached map to determine if your area has an existing approved application or view the map at this website: ftp://ftp.ci.austin.tx.us/npzd/Austingo/mfv_map.pdf.

If your neighborhood is considering applying for these additional regulations, an officer of the registered a neighborhood organization or neighborhood plan contact team is required to follow the application instructions. The application and application checklist must be submitted to the Planning and Zoning Department in person or postmarked **no later than February 28, 2019**.

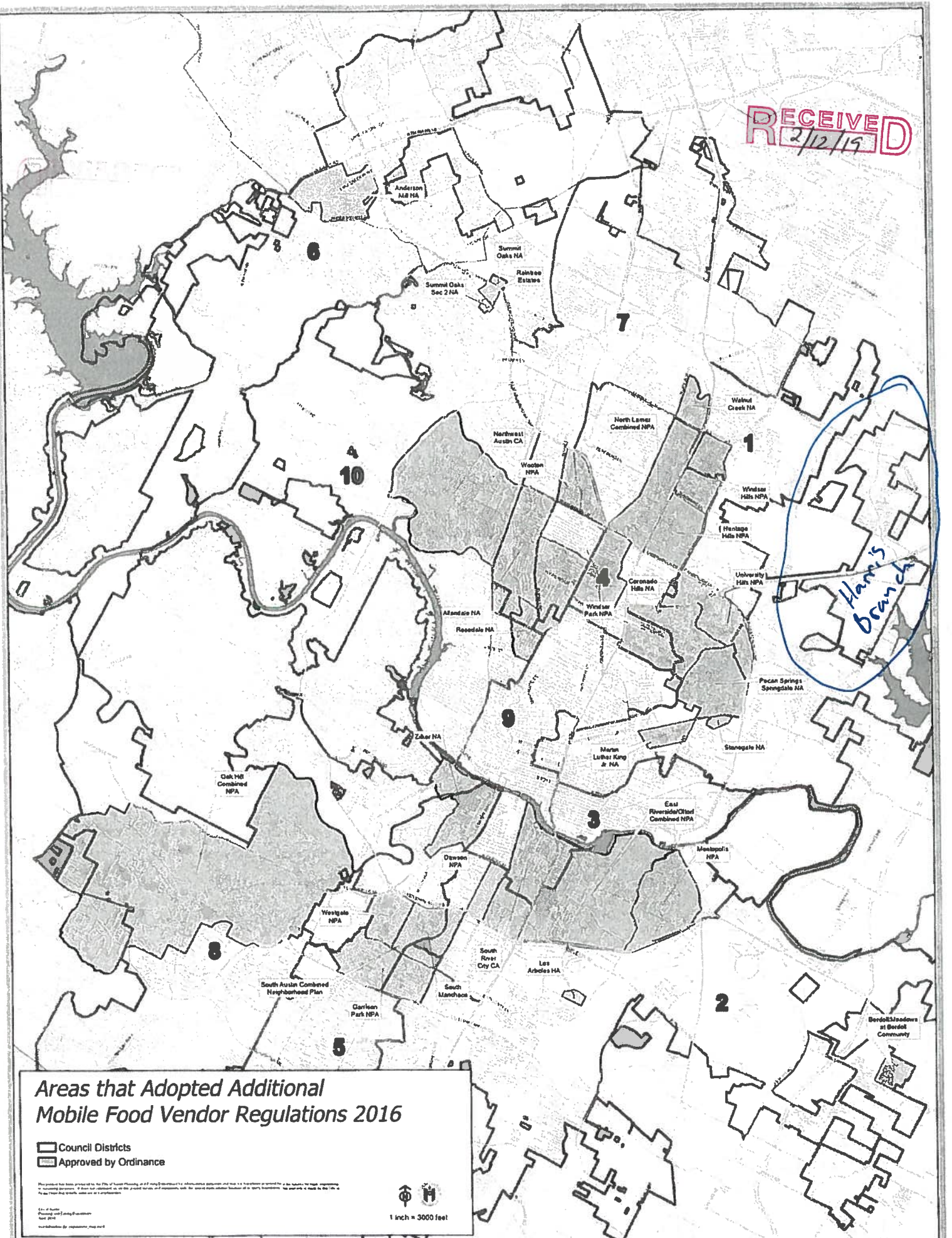
Once the application is received, verified and processed, it will be scheduled for consideration by the Austin City Council at a public hearing meeting later in the year. Notification will be sent to the primary neighborhood contacts in the Community Registry with the date, time, and location of this public hearing.

If your application is approved by the City Council, mobile food vendors operating in the area will have 60 days to comply with the new regulations.

If you have any questions, please contact Maureen Meredith at 512-974-2695 or at maureen.meredith@austintexas.gov.

Attachment: MFV Application & Neighborhood Planning Areas map

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Areas that Adopted Additional Mobile Food Vendor Regulations 2016

- Council Districts
- Approved by Ordinance

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1 inch = 3000 feet

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DOC. NO.
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FILM CODE
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AFTER RECORDATION, RETURN TO:

John W. Elliott
Jenkins & Gilchrist, P.C.
100 Congress, Suite 1800
Austin, Texas 78701

11:23 AM 6269

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

HARRIS BRANCH RESIDENTIAL PROPERTIES

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

11107 0065

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2024g - 4/05/89

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

11107 0069

- TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>	<u>Page First Appearing</u>
"A"	Land Initially Submitted	1
"B"	Land Subject to Annexation	3

2024g

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

HARRIS BRANCH RESIDENTIAL PROPERTIES

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 29th day of December, 1989, by Lexington Development Company, a Texas limited partnership doing business under the name Provident Development Company (hereinafter referred to as "Declarant").

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Properties. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or hereafter subjected to this Declaration.

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. This Declaration does not and is not intended to create a condominium within the meaning of the Texas Property Code, Section 81.001, et seq.

Article I
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration or by contract or

agreement with any Neighborhood become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Harris Branch Residential Property Owners Association, Inc., as filed with the Secretary of State of Texas.

Section 3. "Association" shall mean and refer to Harris Branch Residential Property Owners Association, Inc., a Texas corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under Texas corporate law. The use of the term "association" or "associations" in lower case shall refer to any condominium association or other owners association having jurisdiction over any part of the Properties.

Section 4. "Base Assessment" shall mean and refer to assessments levied against all Units in the Properties to fund Common Expenses.

Section 5. "By-Laws" shall mean and refer to the By-Laws of Harris Branch Residential Property Owners Association, Inc., as they may be amended from time to time.

Section 6. "Class "B" Control Period" shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors, as provided in Article III, Section 2, of the By-Laws.

Section 7. "Common Area" shall be an inclusive term referring to all General Common Area and all Exclusive Common Area, as defined herein.

Section 8. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Unit Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association, but shall not include any expenses incurred during the Class "B" Control Period for initial development, original construction or installation of infrastructure, original capital improvements, or other original construction costs.

Section 9. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the New Construction Committee.

Section 10. "Declarant" shall mean and refer to Provident Development Company, a Texas limited partnership, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and/or sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 11. "Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods, as more particularly described in Article II of this Declaration.

Section 12. "General Common Area" shall mean all real and personal property, which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners (excluding those portions thereof which are or have been dedicated to the City of Austin or other governmental or quasi-governmental authorities).

Section 13. "Master Land Use Plan" shall mean and refer to the plan for the development of the property described on Exhibits "A" and "B", prepared by Thompson, Hancock, Witte & Associates, Inc. and dated May 8, 1989, as it may be amended from time to time.

Section 14. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein.

Section 15. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 16. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 17. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 18. "Neighborhood" shall mean and refer to each separately developed residential area comprised of one (1) or more housing types subject to this Declaration, whether or

not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Association Members. For example, and by way of illustration and not limitation, each condominium, townhome development, cluster home development, and single-family detached housing development shall constitute a separate Neighborhood. In addition, each parcel of land intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the By-Laws) or Neighborhood Association (as defined in Article III, Section 3) having jurisdiction over the property within the Neighborhood. It shall not be necessary for any Neighborhood to be governed by an additional owners association except in the case of a condominium or otherwise as required by law. Neighborhoods may be divided or combined in accordance with Article III, Section 3, of this Declaration.

Section 19. "Neighborhood Assessments" shall mean assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as more particularly described in Article X, Section 1, of this Declaration.

Section 20. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

Section 21. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner. If a Unit is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board of

Directors the lessee (rather than the fee owner) will be considered the Owner for the purpose of exercising all privileges of membership in the Association. Every Owner shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit.

Section 22. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

Section 23. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 24. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 4, of this Declaration.

Section 25. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein. The term shall also refer to the instrument recorded by the Association pursuant to Article VIII, Section 2, of this Declaration to subject additional property to this Declaration.

Section 26. "Unit" shall mean a portion of the Properties, whether developed or undeveloped, intended for development, use, and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Properties. The term shall include all portions of the lot owned as well as any structure thereon. Apartment units located within Harris Branch shall not be Units as defined herein. Occupants of apartment units shall not be entitled to membership in the Association or to use the common area based on their occupancy of an apartment unit, other than for access to the apartment unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for

residential use for such parcel on the Master Land Use Plan or the site plan approved by Declarant, whichever is more recent, until such time as a certificate of occupancy is issued on all or a portion thereof by the local governmental entity having jurisdiction. After issuance of a certificate of occupancy on any portion thereof, the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Article II Property Rights

Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to the limitations and rights as set forth in the Declaration and By-Laws.

Any Owner may delegate his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the community pursuant to Article VIII hereof, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for Harris Branch desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Harris Branch.

Article III Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the

Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Unit. The vote for each Unit shall be exercised by the Member, as defined in Article I, representing the Neighborhood of which the Unit is a part.

In any situation where a Member is entitled personally to exercise the vote for his Unit and more than one (1) Person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified in Article III, Section 2, of the By-Laws. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in Article III, Section 3, of the By-Laws. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of:

(i) the expiration of the Class "B" Control Period pursuant to Article III of the By-Laws; or

(ii) when, in its discretion, the Declarant so determines.

Section 3. Neighborhoods.

Neighborhoods. Every Unit shall be located within a Neighborhood as defined in Article I. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Neighborhood Association") in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium or otherwise as required by law. Any additional mandatory membership residential association established in Harris Branch by the Class "B" Member shall require approval by the U.S. Department of Housing and Urban Development. Any Neighborhood which does not have a Neighborhood Association shall elect a Neighborhood Committee, as described in Article V, Section 3, of the By-Laws, to represent the interests of Owners of Units in such Neighborhood. Any additional Neighborhood covenants shall require FHA approval.

Each Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood. The Association shall provide such services and the cost of such services shall be assessed against the benefitted Units as a Neighborhood Assessment pursuant to Article X hereof.

Initially, each portion of the Properties which is intended to be subdivided for development as two (2) or more Units at the time it is conveyed by the Declarant or is described on a single plat or series of plats by the same name shall constitute a separate Neighborhood. The developer of any such Neighborhood may apply to the Board of Directors to divide the parcel constituting the Neighborhood into more than one (1) Neighborhood or to combine two (2) or more Neighborhoods into one (1) Neighborhood at any time. Upon a petition signed by a majority of the Unit Owners in the Neighborhood, any Neighborhood may also apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods or to combine two (2) Neighborhoods into one (1) Neighborhood. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhood(s) or otherwise identifies the Units included within the proposed Neighborhood(s). A Neighborhood consolidation shall automatically be deemed granted upon the applicant filing the required documents with the Board. A Neighborhood division

requested by the Neighborhood or by the Neighborhood developer shall automatically be deemed granted unless the Board of Directors denies such application in writing within thirty (30) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

Article IV Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements, including all private streets, situated upon the Common Areas, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of General Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

The Association shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the

Community-Wide Standard of the Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association shall maintain property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

The Association shall perform its maintenance responsibilities hereunder in a manner consistent with the Community-Wide Standard established pursuant to the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association. Harris Branch Master Association, Inc. shall be authorized to assume the maintenance responsibilities of the Association hereunder and under the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association, and to assess all costs thereof to the Owners as a neighborhood assessment pursuant to Article X, Section 3 of such declaration.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless, such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit. If any Owner fails properly to perform his or her maintenance responsibility, in addition to any other enforcement rights available to the Association, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner thereof in accordance with Article X, Section 4 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Neighborhood's Responsibility. Upon resolution of the Board of Directors, each Neighborhood shall be responsible for paying, through Neighborhood Assessments, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood, which may include, without limitation, the costs of maintenance of any signage, entry features, right-of-way and greenspace

between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association.

Any Neighborhood having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to additional covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood fails to perform its maintenance responsibility as required herein and in any additional covenants, the Association may perform it and assess the costs against all Units within such Neighborhood as provided in Article X, Section 4, of this Declaration.

Section 4. Party Walls and Party Fences.

(a) General Rules of Law to Apply. Each wall or fence built as a part of the original construction on the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions.

(c) Damage and Destruction. If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the wall or fence may restore it. If the other Owner or Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

(e) Arbitration. In the event of any dispute arising concerning a party wall or fence, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other.

Article V
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, and shall, if so specified in a Supplemental Declaration affecting the Neighborhood, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, on properties within the Neighborhood. If all-risk insurance is not reasonably available, then fire and extended coverage may be substituted. Such coverage may be in such form as the Board of Directors deems appropriate and the face amount of the policy shall be sufficient to cover the full replacement cost of all structures to be insured. The costs thereof shall be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment, as defined in Article I hereof.

The Association shall have no insurance responsibility for any part of a golf course facility, if such a facility is developed in Harris Branch.

Insurance obtained on the properties within any Neighborhood, whether obtained by such Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Section 1, including the provisions of this

Article applicable to policy provisions, loss adjustment, and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be in a face amount sufficient to cover the full replacement cost of all insured structures. All such policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Association, and to the Neighborhood Association, if any.

The Board shall also obtain a public liability policy covering the Area of Common Responsibility, insuring the Association and its Members for all damage or injury caused by the negligence of the Association, any of its Members or agents, or any other person who has a right to occupy a Unit. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Three Million (\$3,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses of the Association and shall be included in the Base Assessment, as defined in Article I and as more particularly described in Article X, Section 1; provided, premiums to insure Exclusive Common Areas shall be included in the Neighborhood Assessment of the Neighborhood(s) benefitted thereby unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. The policies may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefitted parties, as further identified in subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to do business in Texas which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly

equivalent rating which is available.

(b) All policies on the Common Area shall be for the benefit of the Association and its Members; all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, if any, the Owners of Units within the Neighborhood, and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Austin, Texas area.

(f) The Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of any one or more individual Owners;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within

which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) a statement that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than one-sixth (1/6) of the annual Base Assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth in Section 1 of this Article V for insurance on the Common Area, unless either the Neighborhood in which the Unit is located or the Association carries such insurance (which they are not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to

the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the Community-Wide Standard.

A Neighborhood may impose more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units within the Neighborhood and the standard for returning the Units to their natural state in the event the structures are not rebuilt or reconstructed.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area or to the common property of any Neighborhood shall be repaired or reconstructed unless the Members representing at least seventy-five (75%) percent of the total Class "A" vote of the Association, if Common Area, or the Unit Owners representing at least seventy-five (75%) percent of the total vote of the Neighborhood Association whose common property is damaged, if common property of a Neighborhood Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area or common property of a Neighborhood Association shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or to the common property of any Neighborhood

Association shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association, or the Neighborhood Association, as applicable, in a neat and attractive condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners on the same basis as provided for Base Assessments; provided, if the damage or destruction involves the common property of a Neighborhood Association, only the Owners of Units in the affected Neighborhood shall be subject to assessment therefor. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from

the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration. Owners shall not be assessed for any maintenance of any property acquired by the Association which is not subject to this Declaration.

Article VII Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting with the approval of Members representing at least sixty-seven (67%) percent of the total Class "A" vote in the Association and of the Declarant, as long as the Declarant owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Class "B" Control Period exists, as provided in Article III, Section 2 of the By-Laws, and Members representing at least seventy-five (75%) percent of the total Class "A" vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII Annexation of Additional Property

Section 1. Annexation Without Approval of Class "A" Membership. Declarant shall have the unilateral right,

privilege, and option, from time to time at any time until all property described on Exhibit "B" has been subjected to this Declaration or December 31, 2008, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto. Such annexation shall be accomplished by filing in the public records of Travis County, Texas, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of the Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person the right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Section 2. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex real property other than that described on Exhibit "B", and following the expiration of the right in Section 1, any property described on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of the Members or alternates representing two thirds (2/3) of the Class "A" votes of the Association (other than those held by Declarant) present at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject hereto in accordance with Section 1 of this Article.

Annexation shall be accomplished by filing of record in the public records of Travis County, Texas, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. Acquisition of Additional Common Area. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibits "A" or "B" which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members. Any such property conveyed shall be free and clear of all liens.

Section 4. Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" hereof.

Article IX
Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant. Any such property conveyed by the Declarant shall be free and clear of all liens.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association.

The Association, through the Board, by contract or other agreement, shall have the right to enforce county ordinances and to permit Travis County to enforce ordinances on

the Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Governmental Interests. For so long as the Declarant owns any property shown on Exhibits "A" or "B", the Association shall permit the Declarant authority to designate sites within the Properties, which may include Common Area owned by the Association, for fire, police, water, and sewer facilities, public schools and parks, and other public facilities.

Article X Assessments

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; (b) Neighborhood Assessments for Neighborhood Expenses benefitting only Units within a particular Neighborhood or Neighborhoods; and (c) Special Assessments as described in Section 4 below. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

Base Assessments shall be levied equally on all Units. Neighborhood Assessments shall be levied equally on all Units in the Neighborhood for whose benefit Neighborhood Expenses are incurred as provided in Section 3 below. Special Assessments shall be levied as provided in Section 4 below. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest (at a rate not to exceed the highest rate allowed by Texas law) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which

each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Twenty-Five (\$25.00) Dollars for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. Unless the Board otherwise provides, the Base Assessment and any Neighborhood Assessment may be paid in quarterly installments. Each Owner, by acceptance of a deed to his or her Unit, acknowledges that all Base Assessments and Neighborhood Assessments levied hereunder are annual assessments due and payable in advance on the first day of the fiscal year; provided, the Board may permit any assessment to be paid in installments. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may revoke the privilege of paying in installments and require annual assessments to be paid in full immediately.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

In order to preserve the financial viability of the Association, until termination of the Class "B" Control Period, in lieu of paying regular assessments on its unsold Units the Declarant shall be obligated for the difference between the amount of assessments levied on all Units subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year.

Section 2. Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared, as provided in Section 6 of this Article.

The Base Assessment to be levied against each Unit for the coming year shall be set at a level which is reasonably expected to produce total income to the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Units subject to assessment under Section 7 hereof on the first day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Article VIII hereof, the Declarant may elect on an annual basis, but shall not be obligated, to reduce the resulting assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 1 above); provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Members by Members representing at least a majority of the total Class "A" vote in the Association, and by the Class "B" Member, if such exists. Notwithstanding the above, any proposed annual budget which increases the Base Assessment more than ten (10%) percent

over the previous years Base Assessment shall require approval of the Members representing two-thirds (2/3) of the total Class "A" vote in the Association and the Class "B" member so long as a Class "B" membership exists. There shall be no obligation to call a meeting for the purpose of considering the budget except when the proposed budget increases the Base Assessment more than ten (10%) percent over the previous years budget or on petition of the Members as provided for special meetings in Article II, Section 4, of the By-Laws, which petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Computation of Neighborhood Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood benefitted thereby and levied as a Neighborhood Assessment. The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood which the Neighborhood Assessment applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten (10%) percent of the Units in such Neighborhood; and provided,

further, the right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood.

In the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Assessments.

(a) Entire Membership. The Association may levy Special Assessments from time to time provided such assessment receives the affirmative vote or written consent of the Members representing two-thirds (2/3) of the total Class "A" votes in the Association and the affirmative vote or written consent of the Class "B" Member, if such then exists. Special Assessments pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

(b) Less Than All Members. The Association may levy a Special Assessment against any Member individually and against such Member's Unit to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, or the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. The Association may also levy a Special Assessment against the Units in any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Assessment may be levied upon the vote of the Board after notice to the senior officer of the Neighborhood and an opportunity for a hearing.

Section 5. Assessments Payable to Harris Branch Residential Property Owners Association, Inc. The Association, on behalf of all Units subject to assessment hereunder, shall pay assessments to Harris Branch Master Association, Inc., as provided in Article X of the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association. Such assessments shall constitute a Common Expense of the Association and shall be included in the

operating budget of the Association, and shall have first priority for payment out of any income of the Association. This assessment obligation shall be enforceable by Harris Branch Master Association, Inc. against the Association and each Unit Owner as provided in the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association.

Section 6. Lien for Assessments. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments on the respective Unit prior and superior to all other liens, except (a) all taxes, bonds, assessments, and other levies which by law would be superior thereto; (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value; and (c) the lien for assessments or other charges of Harris Branch Master Association, Inc.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure. Failure to pay assessments does not constitute a default under the insured mortgage.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. Any foreclosure shall be subject to the rights established in the insured first mortgage.

Section 7. Reserve Budget and Capital Contribution. The Board of Directors shall annually prepare a reserve budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Sections 2 and 3 of this Article.

Section 8. Date of Commencement of Assessments. The obligation to pay the assessments provided for herein shall commence as to each Unit ninety (90) days after the date on which a building permit is issued for the Unit. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

Section 9. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Texas law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The lien for assessments remains the personal obligation of the seller, and does not pass to successors in title unless personally and expressly assumed. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

Section 10. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Base Assessment per Unit for that year as determined by the Board. This amount shall be in addition to, not in lieu of, the annual Base Assessment levied on the Unit and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.

Section 11. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments, Neighborhood Assessments, and Special Assessments:

(a) all Common Area; and

(b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

Article XI
Architectural Standards

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until the requirements below have been fully met, and until the approval of the appropriate committee has been obtained pursuant to Sections 1 and 2 below. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect.

This Article shall not apply to the activities of the Declarant, nor to construction or improvements or modifications to the Common Area by or on behalf of the Association.

Section 1. New Construction Committee. The New Construction Committee (NCC) shall have exclusive jurisdiction over all original construction on any portion of the Properties. Until one hundred (100%) percent of the Properties have been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC, which shall consist of at least three (3), but not more than five (5), persons. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by

Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the NCC in the same manner as provided in Section 2 of this Article for the Modifications Committee.

The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate design and development guidelines and application and review procedures. Copies shall be available from the New Construction Committee for review. The guidelines and procedures shall be those of the Association, and the NCC shall have sole and full authority to prepare and to amend them. It shall make the guidelines and procedures available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Properties and such Owners, builders and developers shall conduct their operations strictly in accordance therewith. In the event that the NCC fails to approve or disapprove plans submitted to it, or to request additional information reasonably required, within forty-five (45) days after submission thereof, the plans shall be deemed approved.

Section 2. Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by the Board of Directors. Members of the MC may include architects or similar professionals who are not Members of the Association. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereto; provided, however, the MC may delegate this authority to the appropriate board or committee of any Neighborhood Association subsequently created or subsequently subjected to this Declaration so long as the MC has determined that such board or committee has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice.

The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice, consistent with those of the NCC. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding

structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired; provided, modifications or alterations to the interior of screened porches, patios and similar portions of a Unit visible from outside the Unit shall be subject to approval hereunder. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

Section 3. No Waiver of Future Approvals. The approval of either the NCC or MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 4. Variance. The NCC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 5. Compliance With Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the NCC or MC may be excluded by the Board from the Properties without liability to any person, subject to the notice and hearing procedures contained in Article III, Section 22, of the By-Laws.

Section 6. NCC/MC Right to Inspect. Any member of the NCC or the MC or their representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such Person or Persons shall

not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this Section, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

Section 7. No Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither committee shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, any committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

Article XII Use Restrictions

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association as may more particularly be set forth in this Declaration and amendments hereto. Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties, in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. Such regulations and use restrictions shall be binding upon all Owners, occupants, invitees and licensees, if any, until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Members representing a majority of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership shall exist.

Section 1. Signs. No sign of any kind shall be erected within the Properties without the written consent of the Board of Directors, except entry and directional signs installed by Declarant. If permission is granted to any Person to erect a sign within the Properties, the Board reserves the

right to restrict the size, color, lettering and placement of such sign. The Board of Directors or Declarant shall have the right to erect signs as they, in their discretion, deem appropriate. Notwithstanding the above, no signs, flags, banners or similar items advertising or providing directional information with respect to activities being conducted outside the Properties shall be permitted within the Properties.

Section 2. Parking and Prohibited Vehicles.

(a) Parking. Vehicles shall be parked only in the garages or in the driveways, if any, serving the Units or in appropriate spaces or designated areas in which parking may or may not be assigned and then subject to such reasonable rules and regulations as the Board of Directors, or any Neighborhood Association, if any, having concurrent jurisdiction over parking areas within the Neighborhood, may adopt. The Declarant and/or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules.

(b) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, off-road or unlicensed motorcycles or three or four wheel off-road open vehicles designed for one person, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Board or by the Neighborhood Association, if any, having jurisdiction over parking areas within a particular Neighborhood. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Properties except within enclosed garages. For purposes of this Section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Properties during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Areas. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with Article III, Section 22 of the By-Laws.

Section 3. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees

of any Unit. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that dogs, cats, or other usual and common household pets not to exceed a total of two (2) may be permitted in a Unit. However, those pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs shall at all times whenever they are outside a Unit be confined on a leash held by a responsible person, and no pet shall be permitted to leave its droppings on any portion of the Common Areas, and the Owner of such pet shall immediately remove the same.

Section 5. Quiet Enjoyment. No portion of the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious, illegal, or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Properties.

Section 6. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and

other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 7. Antennas. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Properties, including any Unit, without the prior written consent of the Board or its designee. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Properties, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

Section 8. Clotheslines, Garbage Cans, Tanks, Etc. All clotheslines, garbage cans, above-ground storage tanks, mechanical equipment, playground equipment and other similar items on Units shall be located or screened so as to be concealed from view of neighboring Units, streets, and property located adjacent to the Unit. All rubbish, trash, and garbage shall be stored in appropriate containers approved pursuant to Article XI hereof and shall regularly be removed from the Properties and shall not be allowed to accumulate thereon.

Section 9. Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

No Unit shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years, except that the Declarant hereby reserves the right for itself and its assigns to operate such a program with respect to Units which it owns.

Section 10. Firearms. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, cross bows, archery equipment, yard darts and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Association shall not

be obligated to take action to enforce this Section.

Section 11. Pools. No above-ground swimming pools shall be erected, constructed or installed on any Unit. Hot tubs, and whirlpools shall be permitted subject to approval in accordance with Article XI of this Declaration.

Section 12. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties unless prior written approval has been received from the NCC. All sprinkler and irrigation systems shall be subject to approval in accordance with Article XI of this Declaration. Private irrigation wells are prohibited on the Properties. Provided, however, this Section 12 shall not apply to the Declarant, and it may not be amended without Declarant's written consent so long as Declarant has the right to add property in accordance with Article VIII, Section 1.

Section 13. Tents, Trailers and Temporary Structures. Except as may be permitted by the Declarant or the NCC during initial construction within the Properties, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties.

Section 14. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic tanks and drain fields are prohibited on the Properties.

Section 15. Tree Removal. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in accordance with Article XI of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more trees of such size and number, and in such locations, as such committee may determine in its sole discretion.

Section 16. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 17. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

Section 18. Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any Unit.

Section 19. Lighting. Except for reasonable seasonal decorative lights, which may be displayed between Thanksgiving and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration.

Section 20. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, flags, and similar items must be approved in accordance with Article XI of this Declaration.

Section 21. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Unit unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XI hereof.

Section 22. Lakes and Water Bodies. All lakes, ponds, and streams within the Properties, if any, shall be aesthetic amenities only, and no other use thereof, including, without limitation, fishing, swimming, boating, playing, or use of personal flotation devices, shall be permitted without the prior approval of the Board of Directors. This Section shall not apply to prohibit use by the golf course facility, if any, of lakes, ponds, or streams within such golf course facility for irrigation of the property comprising such golf course facility or other purposes in connection with golf course play. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Properties. No docks, piers, or other structures shall be constructed on or over any

body of water within the Properties, except such as may be constructed by the Declarant or the Association.

Section 23. Playground. Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 24. Fences. No hedges, walls, dog runs, animal pens or fences of any kind shall be permitted on any Unit except as approved in accordance with Article XI of this Declaration.

Section 25. Business Use. No garage sale, moving sale, rummage sale or similar activity shall be permitted except with the approval of the Association and in accordance with any rules established by the Association, and no trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this section. This Section shall not apply to a golf course facility nor shall it apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties, including the operation of a timeshare or similar program.

Section 26. On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Properties except that up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association and a golf course facility, if any, shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 27. Leasing of Units.

(a) Definition. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(b) Leasing Provisions.

(i) General. Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Unit. All leases shall be in writing and shall be for an initial term of no less than thirty (30) days, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations. The Board may adopt reasonable rules regulating leasing and subleasing.

(ii) Compliance with Declaration, By-Laws and Rules and Regulations. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

Section 28. Laws and Ordinances. Every Owner and occupant of any Unit, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Properties and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Section 29. Other Prohibited Uses. In addition to uses which are inconsistent with zoning for the Properties or otherwise prohibited by this Declaration, the following uses and activities are prohibited within the Properties:

- (a) hotels, trailer courts, mobile home parks, and campgrounds;
- (b) oil drilling, water drilling, oil refining, quarrying, or mining operations and all construction incident thereto;
- (c) junk yards and recycling facilities; and
- (d) commercial excavation of building or construction materials, except in the usual course of construction of improvements.

Section 30. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration and the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association and with the rules and regulations of Harris Branch Master Association, Inc.

Article XIII General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year

preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend this Declaration. After such conveyance, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as it still owns property described in Exhibits "A" or "B" for development as part of the Properties, the Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of the Members representing sixty-seven (67%) percent of the total Class "A" votes in the Association, including sixty-seven (67%) percent of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists. In addition, the approval requirements set forth in Article XIV hereof shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of Travis County, Texas.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and such portion or portions of the Common Area as are adjacent thereto and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Area or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant, or the Association.

Section 5. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibits "A" or "B", the Association, and the designees of each (which may include, without limitation, Travis County, Texas, Municipal Utilities District(s) to which the Properties are subject and any utility), blanket easements upon, across, over, and under all of the Properties for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, fences, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity; provided, the exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry into any Unit shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Units and the Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to the City of Austin and/or Travis County, Texas, or to any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in Article XIV, Section 2 of this Declaration.

Section 6. Easement for Golf Balls. Every Unit and the Common Area and the common property of any Neighborhood are burdened with an easement permitting golf balls unintentionally to come upon the Common Area, Units or common property immediately adjacent to the golf course, if one is developed, and for golfers at reasonable times and in a reasonable manner

to come upon the Common Area, common property of a Neighborhood, or the exterior portions of a Unit to retrieve errant golf balls; provided, however, if any Unit is fenced or walled, the golfer will seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall the Association be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement.

Section 7. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association rules, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

Section 9. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 10. Cumulative Effect; Conflict. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any Neighborhood and the Association may, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Neighborhood shall be subject and subordinate to

those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association. If the Association is dissolved, the assets shall be dedicated to a public body, or conveyed to a nonprofit corporation with a similar purpose.

Section 11. Use of the Words "Harris Branch" or "Harris Branch Residential Property Owner's Association, Inc." No Person shall use the words "Harris Branch Residential Property Owner's Association, Inc." or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms "Harris Branch" or "Harris Branch Residential Property Owner's Association, Inc." in printed or promotional matter where such term is used solely to specify that particular property is located within Harris Branch and the Association shall each be entitled to use the words "Harris Branch" in its name.

Section 12. Compliance. Every Owner and occupant of any Unit shall comply with all lawful provisions of this Declaration, the By-Laws and rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Unit Owner or Owners.

Section 13. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNIT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE NEW CONSTRUCTION AND MODIFICATIONS COMMITTEES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE NEW CONSTRUCTION OR MODIFICATIONS COMMITTEES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS

DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

Section 14. Notice of Sale or Transfer of Title. In the event that any Owner desires to sell or otherwise transfer title to his or her Unit, such Owner shall give the Board of Directors at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Board of Directors, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Unit hereunder, including payment of assessments, notwithstanding the transfer of title to the Unit.

Article XIV Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects

any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or By-Laws of the Association which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

Section 2. Special Mortgagee Provision. So long as required by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration or Department of Housing and Urban Development ("The Mortgage Corporations") the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven (67%) percent of the Members of the Association entitled to vote and at least sixty-seven (67%) percent of the first Mortgagees consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding assessments for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area (The issuance and amendment of

architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 4. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 5. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 6. Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Texas law for any of the acts set out in this Article.

Section 7. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of

the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Section 8. VA/HUD Approval. As long as the Declarant has an option unilaterally to subject property to this Declaration as provided in Article VIII, the following actions shall require the prior approval of the Veterans Administration ("VA") so long as the VA is guaranteeing any Mortgage in Harris Branch, and the Department of Housing and Urban Development ("HUD") so long as HUD is insuring any Mortgage in Harris Branch: annexation of additional property to Harris Branch, except for annexation by Declarant in accordance with Article VIII hereof pursuant to a plan of annexation previously approved by the VA and/or HUD; dedication of Common Property to any public entity; mortgaging the Common Area; dissolution of the Association; and material amendment of the Declaration, By-Laws or Articles of Incorporation.

Article XV Declarant's Rights

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein or in the By-Laws, as applicable, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public records of Travis County, Texas. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Units owned by the Declarant and any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively.

Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the community pursuant to Article VIII, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Properties desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) twenty (20) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article XVI Golf Course Facility

The Declarant may, but shall not be obligated to, develop a golf course facility in or adjacent to Harris Branch. This facility, if created, shall be operated and maintained by the Declarant or a third party as a public golf course facility.

Section 1. General. Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use the golf course facility. Rights to use the golf course facilities will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the then owner of the golf course facilities. The owner of the golf course facilities shall have the right, from time to time in its sole

and absolute discretion and without notice, to amend or waive the terms and conditions of use of the golf course facilities, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether.

Section 2. Conveyance of the Golf Course Facilities.

All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant or any other Person with regard to the continuing ownership or operation of a proposed golf course facility and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment hereto executed or joined into by the Declarant. Further, the ownership or operational duties of and as to any proposed golf course facilities may change at any time and from time to time by virtue of, but without limitation, (a) the sale or assumption of operations of any proposed golf course facilities by/to an independent Person, or (b) the conveyance, pursuant to contract, option, or otherwise, of any golf course facilities to one or more affiliates, shareholders, employees, or independent contractors of Declarant. As to any of the foregoing or any other alternative, no consent of the Association, any Neighborhood, or any Owner shall be required to effectuate such transfer. Notwithstanding the above, under no circumstances shall any proposed golf course be conveyed to the Association and no Owner shall have any right or interest in any proposed golf course by virtue of ownership or occupancy of a Unit.

Section 3. Rights of Access and Parking. The owner of any proposed golf course, if developed, and its users, customers, guests, invitees, and the employees, agents, contractors, and designees of the golf course facilities shall at all times have a right and non-exclusive easement of access and use over all roadways located within the Properties reasonably necessary to travel from/to the entrance to the Properties to/from the golf course facility, respectively, and, further, over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the golf course facilities. Without limiting the generality of the foregoing, users of the golf course facilities and permitted members of the public shall have the right to park their vehicles on the roadways located within the Properties at reasonable times before, during, and after golf tournaments and other similar functions held by/at the golf course facilities.

Section 4. Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the owner of the proposed golf course facility, no amendment to this Article, and no amendment in derogation hereof to any other provisions of this Declaration, may be made without the written approval thereof by the then owner of the proposed golf course facility. The foregoing shall not apply, however, to amendments made by the Declarant.

Section 5. Jurisdiction and Cooperation. It is Declarant's intention that the Association and the owner of the golf course facility shall cooperate to the maximum extent possible in the operation of the Properties. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Community Development Code and Land Use Standards. Except as specifically provided herein or in the By-Laws, the Association shall have no power to promulgate rules and regulations affecting activities on or use of the golf course facility without the prior written consent of the then owner of the golf course facility.

Article XVII
Harris Branch Master Association, Inc.

Section 1. Harris Branch Master Association, Inc. Every Owner, by acceptance of a deed to a portion of the Properties, acknowledges that he or she is subject to the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association recorded in the land records of Travis County, Texas and is automatically a member of the Harris Branch Master Association, Inc.

Section 2. Supremacy of Harris Branch Master Declaration. In addition to all of the rights and obligations which have been conferred or imposed upon the Association pursuant to this Declaration, the By-Laws or the Articles of Incorporation, the Association shall be entitled to exercise any of the rights conferred upon it and shall be subject to all of the obligations imposed upon it pursuant to the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association and the By-Laws of Harris Branch Master Association, Inc. The Association and all committees thereof shall also be subject to all superior rights and powers which have been conferred upon Harris Branch Master Association, Inc. pursuant to its declaration and by-laws. The Association shall take no action in derogation of the rights of, or contrary to

the interests of Harris Branch Master Association, Inc.; all matters as to which there is disagreement shall be resolved in favor of Harris Branch Master Association, Inc.

Section 3. Powers of the Harris Branch Master Association, Inc. The Harris Branch Master Association, Inc. shall have the power to veto any action taken or contemplated to be taken by the Association which the Board of Directors of Harris Branch Master Association, Inc. reasonably determines to be adverse to the interests of that association or its members or inconsistent with the Community-Wide Standard. The Harris Branch Master Association, Inc. shall also have the power to require specific action to be taken by the Association in connection with its obligations and responsibilities hereunder or under any other covenants affecting the Properties. Without limiting the generality of the foregoing, the Harris Branch Master Association, Inc. may require specific maintenance or repairs or aesthetic changes to be effectuated by the Association, may require that a proposed budget include certain items and that expenditures be made therefor, and may veto or cancel any contract providing for maintenance, repair, or replacement of the property governed by Association.

Any action required by the Harris Branch Master Association, Inc. in a written notice pursuant to the foregoing paragraph to be taken by the Association shall be taken within the time frame set in such written notice. If the Association fails to comply with the requirements set forth in such written notice, the Harris Branch Master Association, Inc. shall have the right to effect such action on behalf of the Association and shall assess the Units on the Properties for their pro rata share of any expenses incurred by the Harris Branch Master Association, Inc. under the circumstances (to cover such association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of such association) in the manner provided in Article X, Section 3 of the Declaration of Covenants, Conditions, and Restrictions for Harris Branch Master Association. Such assessments may be collected as a Special Assessment thereunder and shall be subject to all lien rights provided for therein.

Section 4. Enforcement. A breach of any of the limitations, restrictions, conditions and covenants set forth in this Declaration, or the continuing violation thereof, may be enjoined, abated or remedied by appropriate legal proceedings by Harris Branch Master Association, Inc. Harris Branch Master Association, Inc. shall be entitled to enforce the provisions of this Declaration in the same manner and to the same extent as the Board or any Owner. The failure of

Harris Branch Master Association, Inc. to enforce any of the limitations, restrictions, conditions or covenants contained herein shall not constitute a waiver of the right to enforce the same thereafter. No liability shall be imposed on, or incurred by, Harris Branch Master Association, Inc. as a result of such failure. The prevailing party in any action at law or in equity instituted by Harris Branch Master Association, Inc. to enforce or interpret said limitations, restrictions, conditions or covenants, shall be entitled to all costs incurred in connection therewith, including without limitation, reasonable attorneys' fees.

Section 5. Easement to Harris Branch Master Association, Inc. The officers, agents, employees and independent contractors of Harris Branch Master Association, Inc. shall have a nonexclusive easement to enter upon any portion of the Properties for the purpose of performing or satisfying the duties and obligations of Harris Branch Master Association, Inc. as set forth in its by-laws and rules and regulations and the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association, its by-laws and rules and regulations.

Section 6. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association; provided, however, in the event of conflict between or among the provisions of this Declaration, the By-Laws, Articles of Incorporation or rules and regulations adopted pursuant thereto and the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association, the By-Laws, Articles of Incorporation or rules and regulations of Harris Branch Master Association, Inc., the latter shall be superior to those of the Association.

The foregoing priorities shall not prevent enforcement by the Association of provisions or rules which are stricter than those of Harris Branch Master Association, Inc., and shall apply, but not be limited to, the lien for assessments created in favor of the Association.

Section 7. Amendment. No amendment to this Declaration which materially affects the rights or interests of Harris Branch Master Association, Inc. shall be valid unless approved in writing by the Board of Directors of Harris Branch Master Association, Inc..

Section 8. Condition of Annexation. No property shall hereafter be made subject to this Declaration unless at the time it is made subject hereto, it is subject to the Declaration of Covenants, Conditions, and Restrictions for Harris Branch Master Association.

Section 9. Termination. The homeowners association structure created by this Declaration shall not be terminated without the prior written consent of the board of directors of Harris Branch Master Association, Inc.

Section 10. Dispute Resolution. Harris Branch Master Association, Inc., may, but shall not be obligated to, exercise jurisdiction over and act as an arbiter with respect to any dispute between the Association and any other Neighborhood within Harris Branch Master Association, as defined in the Declaration of Covenants, Conditions and Restrictions for Harris Branch Master Association.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 29th day of December, 1989.

LEXINGTON DEVELOPMENT COMPANY, a
Texas limited partnership doing
business under the name Provident
Development Company

By: Z. O. Hamilton, Jr.
Z. O. Hamilton, Jr., Agent and
Attorney-in-Fact

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 29th day of December, 1989, by Z. O. HAMILTON, JR., as Agent and Attorney-in-Fact for LEXINGTON DEVELOPMENT COMPANY, a Texas limited partnership doing business under the name Provident Development Company, on behalf of said limited partnership.



Melissa R. Hodges
Notary Public, State of Texas

MELISSA R. HODGES
Printed Name of Notary

My Commission Expires: 11/25/91

EXHIBIT "B"

Land Subject to Annexation

The land subject to annexation to the Declaration is all property which Declarant may now or hereafter own in the County of Travis, Texas, on any plat, with the exception of the property initially submitted to the Declaration described in Exhibit "A."

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on
the date and at the time stamped hereon by me, and
was duly RECORDED, in the Volume and Page of the
named RECORDS of Travis County, Texas, on

JAN 22 1990



Dana Benavoir
COUNTY CLERK
TRAVIS COUNTY, TEXAS

FILED
90 JAN 22 AM 11:07
DANA BENAIVOIR
COUNTY CLERK
TRAVIS COUNTY, TEXAS

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

11107 0126

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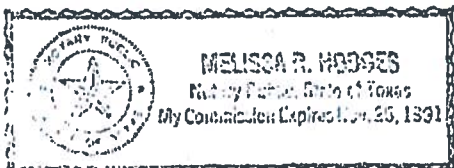
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Z. O. Hamilton, Jr., Agent and
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 §
COUNTY OF TRAVIS §

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Melissa R. Hodges
Notary Public, State of Texas

MELISSA R. HODGES
Printed Name of Notary

My Commission Expires: 11/25/91

EXHIBIT "A"

Land Initially Submitted

HARRIS BRANCH PHASE ONE-A, SECTIONS II AND III, AS ORIGINALLY
PLATTED AND/OR AMENDED, A SUBDIVISION IN TRAVIS COUNTY, TEXAS,
ACCORDING TO THE MAP(S) OR PLAT(S) THEREOF FILED OF RECORD IN THE
PLAT RECORDS OF TRAVIS COUNTY, TEXAS.

EXHIBIT "B"

Land Subject to Annexation

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STATE OF TEXAS COUNTY OF TRAVIS
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the date and at the time stamped hereon by me, and
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JAN 22 1990



Dana DeBeauvoir
COUNTY CLERK
TRAVIS COUNTY, TEXAS

FILED
90 JAN 22 AM 11:07
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TRAVIS COUNTY, TEXAS

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

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