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AFTER RECORDING RETURN TO:

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ROUGH HOLLOW SOUTH SHORE II
[LAKEWAY HIGHLANDS PHASE 1, SECTION 3]

DEVELOPMENT AREA DECLARATION

DECLARANT: **ROUGH HOLLOW DEVELOPMENT, LTD., a Texas limited partnership**

Cross reference to Rough Hollow South Shore II Master Covenant recorded under Document No.2009056508, Official Public Records of Travis County, Texas, as amended by that certain Rough Hollow South Shore II First Amendment to Master Covenant recorded under Document No.2010041140, Official Public Records of Travis County, Texas, and Notice of Applicability of Rough Hollow South Shore II Master Covenant [Phase 1, Section 3], recorded as Document No. _____, Official Public Records of Travis County, Texas. The terms and provisions of the aforementioned documents also apply to the Development Area encumbered by this Development Area Declaration.

Armbrust & Brown LLP

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ROUGH HOLLOW SOUTH SHORE II

DEVELOPMENT AREA DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

[LAKEWAY HIGHLANDS PHASE 1, SECTION 3]

This Development Area Declaration of Covenants, Conditions and Restrictions – Rough Hollow South Shore II [Lakeway Highlands Phase 1, Section 3] (the "**Declaration**") is made by **ROUGH HOLLOW DEVELOPMENT, LTD.**, a Texas limited partnership ("**Declarant**"), and is as follows:

RECITALS

A. Declarant, together with Las Ventanas Land Partners, Ltd. and JH West Land Ventures, Ltd., each a Texas limited partnership, each previously executed that certain Rough Hollow South Shore II Master Covenant recorded under Document No.2009056508, Official Public Records of Travis County, Texas, as amended by that certain Rough Hollow South Shore II First Amendment to Master Covenant recorded under Document No.2010041140, Official Public Records of Travis County, Texas (the "**Master Covenant**"). Declarant holds all rights as the Declarant under the Master Covenant.

B. Pursuant to that certain Notice of Applicability of Rough Hollow South Shore II [Phase 1, Section 3], recorded as Document No. 201111 4429 in the Official Public Records of Travis County, Texas, Lakeway Higlands, Phase 1, Section 3, a subdivision of record in Travis County, Texas, according to the map or plat thereof recorded under Document No. 201100022, Official Public Records of Travis County, Texas (collectively, the "**Development Area**"), is subject to the terms and provisions of the Master Covenant.

C. The Master Covenant permits Declarant to file Development Area Declarations applicable to specific Development Areas, as those terms are used and defined in the Master Covenant, which shall be in addition to the covenants, conditions, and restrictions of the Master Covenant.

D. Declarant intends for this Development Area Declaration to serve as one of the Development Area Declarations permitted under the Master Covenant and desires that the Development Area described and identified in Recital B hereinabove shall constitute one of the Development Areas which is permitted, contemplated and defined under the Master Covenant.

E. Declarant desires to create upon the Development Area a residential community and carry out a uniform plan for the improvement and development of the Development Area for the benefit of the present and all future owners thereof.

F. Declarant desires to provide a mechanism for the preservation of the community and for the maintenance of common areas and, to that end, desires to subject the Development Area to the covenants, conditions, and restrictions set forth in this Development Area Declaration for the benefit of the Development Area, and each owner thereof, which shall be in addition to the covenants, conditions, and restrictions set forth in the Master Covenant.

NOW, THEREFORE, it is hereby declared: (i) that all of the Development Area shall be held, sold, conveyed, and occupied subject to the following covenants, conditions and restrictions which shall run with the Development Area and shall be binding upon all parties having right, title, or interest in or to the Development Area or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof; and (ii) that each contract or deed which may hereafter be executed with regard to the Development Area, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not the same are set out in full or by reference in said contract or deed; and (iii) that this Declaration shall supplement and be in addition to the covenants, conditions, and restrictions of the Master Covenant. In the event of a conflict between the terms and provision of this Development Area Declaration and the Master Covenant, the terms of the Master Covenant will control.

ARTICLE 1
DEFINITIONS

Unless the context specifies or requires otherwise, capitalized terms used but not defined in this Declaration are used and defined as they are used and defined in the Master Covenant. The following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

1.01. "**Architectural Reviewer**" means the person or entity having authority pursuant to the *Article 6* of the Master Covenant to review and approve plans for the construction, placement, modification, alteration or remodeling of any Improvements on any Lot.

1.02. "**Assessment**" or "**Assessments**" means all assessment(s) imposed by the Association under the Master Covenant.

1.03. "**Association**" means Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation.

1.04. "**Board**" means the Board of Directors, which is the governing body of the Association.

1.05. "**Bylaws**" means the Bylaws of the Association, as amended from time to time.

1.06. "**Declarant**" means **ROUGH HOLLOW DEVELOPMENT, LTD,** a Texas limited partnership, its successors or assigns; provided that any assignment(s) of the rights of **ROUGH HOLLOW DEVELOPMENT, LTD.**, a Texas limited partnership, as Declarant, must be expressly set forth in writing and recorded in the Official Public Records of Travis County, Texas.

1.07. "**Design Guidelines**" means the standards for design, construction, landscaping, and exterior items placed on any Lot adopted pursuant to *Section 6.06(b)* of the Master Covenant, as the same may be amended or supplemented from time to time.

1.08. "**Development Area Declaration**" means this instrument as it may be amended from time to time.

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

1.10. "**Lot**" or "**Lots**" means one or more of the subdivided lots within the Development Area, other than Master Community Facilities and Special Common Area.

1.11. "**Master Community Facilities**" means property and facilities that the Association owns or in which it otherwise holds possessory or use rights for the common use or benefit of more than one Lot or Condominium Unit. The Master Community Facilities also include any property that the Association holds possessory rights under a lease, license or any easement in favor of the Association. Some Master Community Facilities will be for the common use and enjoyment of the Development's Occupants, *e.g.*, subdivision swimming pools or internal pocket parks, while some portion of the Master Community Facilities may be for the use and enjoyment of the public, *e.g.*, open space, parks, and recreational facilities. Open space, parks and/or recreational facilities dedicated to the public may be classified as Master Community Facilities under this Master Covenant to permit the Association to provide maintenance services to such facilities. No portion of any Master Community Facilities dedicated in whole or in part for public use may be designated as Special Common Area. Declarant, from time to time and at any time, may designate Master Community Facilities.

1.12. "**Master Covenant**" means that certain Rough Hollow South Shore II Master Covenant, recorded as Document No. 2009056508, Official Public Records of Travis County, Texas, as the same may be amended from time to time.

1.13. "**Master Restrictions**" means the Master Covenant, this Development Area Declaration, any Design Guidelines adopted by Architectural Reviewer pursuant to *Section 6.06(b)* of the Master Covenant, any Rules or regulations adopted by the Board pursuant to *Section 3.07(a)* of the Master Covenant and the Certificate of Formation and Bylaws of the Association.

1.14. "**Mortgage**" or "**Mortgages**" means any mortgage(s) or deed(s) of trust securing indebtedness and covering any portion of the Development Area given to secure the payment of a debt.

1.15. "**Mortgagee**" or "**Mortgagees**" means the holder or holders of any Mortgage(s).

1.16. "**Occupant**" means any person, including any Owner, having a right to occupy or use all or any portion of a Lot for any period of time.

1.17. "**Owner**" or "**Owners**" means the person(s), entity or entities, including Declarant, holding all or a portion of the fee simple interest in any Lot, but shall not include the Mortgagee under a Mortgage prior to acquisition of its fee simple interest in such Lot pursuant to foreclosure of the lien of such Mortgage.

1.18. "**Special Common Area**" means any interest in real property or Improvements which is designated by Declarant in a Notice of Applicability filed pursuant to *Section 9.05* of he Master Covenant, in a Development Area Declaration or in any written instrument recorded by Declarant in the Official Public Records of Travis County, Texas (which designation will be made in the sole and absolute discretion of Declarant) as Master Community Facilities which benefit one or more, but less than all of the Lots, Condominium Units, Owners or Development Areas, and is or will be conveyed to the Association, or otherwise held by Declarant for the benefit of the Owners of property to which such Special Common Area benefits. The Notice of Applicability, Development Area Declaration, or other written notice will identify the Lots, Condominium Units, Owners or Development Areas benefited by such Special Common Area. By way of illustration and not limitation, Special Common Area might include such things as private roadways or gates, entry features, walkways or landscaping which Declarant desires to dedicate for the exclusive use of certain Lots and/or Condominium Units. All costs associated with maintenance, repair, replacement, and insurance of Special Common Area will be assessed as a Special Common Area Assessment against the Owners of the Lots and/or Condominium Units to which the Special Common Area is assigned. No portion of any Master Community Facilities, which is open to the public use, may be designated as Special Common Area.

ARTICLE 2
GENERAL RESTRICTIONS

All of the Development Area shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions:

2.01 Subdividing. No Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof, without the prior written approval of Architectural Reviewer; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot, and convey any easements or other interests less than the whole, all without the approval of Architectural Reviewer.

2.02 Hazardous Activities. No activities may be conducted on or within the Development Area, and no Improvements constructed on any portion of the Development Area which, in the opinion of Architectural Reviewer, are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks may be discharged upon any portion of the Development Area unless discharged in conjunction with an event approved in advance by the Board, and no open fires may be lighted or permitted except within safe and well-designed fireplaces or in contained barbecue units while attended and in use for cooking purposes. No portion of the Development Area may be used for the takeoff, storage, or landing of aircraft (including, without limitation, helicopters) except for medical emergencies.

2.03 Insurance Rates. Nothing shall be done or kept on the Development Area which would increase the rate of casualty or liability insurance or cause the cancellation of any such insurance on the Master Community Facilities, including any Special Common Area, or the Improvements located thereon, without the prior written approval of the Board.

2.04 Mining and Drilling. No portion of the Development Area may be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth. This provision will not be construed to prevent the excavation of rocks, stones, sand, gravel, aggregate, or earth or the storage of such material for use as fill provided that such activities are conducted in conjunction with the construction of Improvements and/or the development of the Development Area. Furthermore, this provision will not be interpreted to prevent the drilling of water wells approved in advance by Architectural Reviewer which are required to provide water to all or any portion of the Property or the Development. All water wells must also be approved in advance by any applicable regulatory authority.

2.05 Noise. Except as otherwise provided herein, no exterior speakers, horns, whistles, bells, or other sound devices (other than security devises used exclusively for security purposes) shall be located, used, or placed on any of the Development Area. No noise or other

nuisance shall be permitted to exist or operate upon any portion of the Development Area so as to be offensive or detrimental to any other portion of the Development Area or to its occupants. Without limiting the generality of the foregoing, if any noise or nuisance emanates from any Improvement on any Lot or the Association may (but shall not be obligated to) enter any such Improvement and take such reasonable actions necessary to terminate such noise (including silencing any burglar or break-in alarm). Exterior speakers are only permitted within the rear yard of each Lot and placed in such manner so as to minimize their effect upon any other portion of the Development Area or to its Occupants and the operation thereof shall be specifically subject to this Section. The "rear yard" for the purpose of this provision means the yard area in the rear or posterior to the residence constructed on a Lot. In the event of any dispute regarding what portion of a Lot constitutes the "rear yard," the opinion of Architectural Reviewer will be final, binding, and conclusive.

2.06 Animals; Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words, may be kept, maintained, or cared for on or within the Development Area. No Owner may keep a dangerous or exotic animal, trained attack dog, or any other animal deemed by the Board to be a potential threat to the well-being of people or other animals. No animal may be kept, bred, or maintained for any commercial purpose or for food. No animal will be allowed to make an unreasonable amount of noise, or to become a nuisance, and no animals will be allowed on or within the Development Area other than on the Lot of its Owner unless confined to a leash or otherwise restrained or contained. No animal will be allowed to run at large. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration within the Development Area, and no kennels or breeding operation will be allowed. Except as otherwise provided herein, at all times animals shall be kept within fenced or enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste. All fencing and outdoor enclosed areas constructed hereunder must be: (i) constructed in accordance with materials, plans and specifications in conformance with the terms and provisions of this Declaration and the Design Guidelines and any additional conditions imposed by Architectural Reviewer; (ii) of reasonable design and construction to adequately fence and/or enclose such animals in accordance with the provisions hereof; and (iii) approved in advance and in writing by the Architectural Reviewer. All pet waste must be removed and appropriately disposed of by the Owner of the pet. All pets must be registered, licensed and inoculated as required by law.

2.07 Rubbish and Debris. No rubbish or debris of any kind may be placed or permitted to accumulate on or within the Development Area, and no odors will be permitted to arise therefrom so as to render all or any portion of the Development Area unsanitary, unsightly, offensive, or detrimental to any other property or to its Occupants. Refuse, garbage, and trash must be kept at all times in covered containers, and such containers must be kept within enclosed structures or appropriately screened from view. Each Owner will contract with an independent disposal service to collect all garbage or other wastes, if such service is not provided by a governmental entity or the Association.

2.08 Maintenance. Each Owner Lot shall have the duty and responsibility, at the Owner's sole cost and expense, to (i) keep the Owner's entire Lot and all Improvements thereon in good condition and repair and in a well-maintained, safe, clean and attractive condition at all times. An Owner's "entire Lot" shall include, without limitation, any portion of such Lot upon which a subdivision perimeter fence has been constructed, or any portion of such Lot between such subdivision perimeter fence and any boundary line of such Lot. The Architectural Reviewer, in its sole discretion, shall determine whether a violation of the maintenance obligations set forth in this *Section 2.08* has occurred. Such maintenance includes, but is not limited to the following, which shall be performed in a timely manner, as determined by Architectural Reviewer, in its sole discretion:

(a) prompt removal of all litter, trash, refuse, and wastes;

(b) lawn mowing;

(c) tree and shrub pruning;

(d) watering;

(e) keeping exterior lighting and mechanical facilities in working order;

(f) keeping lawn and garden areas alive, free of weeds, and attractive;

(g) keeping planting beds free from turf grass;

(h) keeping sidewalks and driveways in good repair;

(i) complying with all government, health and police requirements;

(j) repainting of Improvements; and

(k) repairing of exterior damage, and wear and tear to Improvements.

2.09 Antennae. Except as expressly provided below, no exterior radio or television antennae or aerial or satellite dish or disc, nor any solar energy system, shall be erected, maintained or placed on a Lot without the prior written approval of Architectural Reviewer; provided, however, that (i) an antenna designed to receive direct broadcast services, including direct-to-home satellite services, that is one meter or less in diameter; or (ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or (iii) an antenna that is designed to receive television broadcast signals; (collectively, (i) through (iii) are referred to herein as the "**Permitted Antennas**") will be permitted, subject to reasonable requirements as to location and screening as may be set forth in rules adopted by Architectural Reviewer, consistent with applicable law, in order to minimize obtrusiveness as

viewed from streets and adjacent property. Declarant and/or the Association will have the right, but not the obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or any portion of the Development.

2.10 **Location of Permitted Antennas.** A Permitted Antenna may be installed solely on the Owner's Lot and shall not encroach upon any street, Master Community Facilities, Special Common Area, or any other portion of the Development Area or the Property. A Permitted Antenna shall be installed in a location on the Lot from which an acceptable quality signal can be obtained and where least visible from the street and the Development Area, other than the Lot. In order of preference, the locations of a Permitted Antenna which will be considered least visible by Architectural Reviewer are as follows: (i) attached to the back of the principal single-family residence constructed on the Lot, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Lots and the street; then (ii) attached to the side of the principal single-family residence constructed on the Lot, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Lots and the street. The Architectural Reviewer may, from time to time, modify, amend, or supplement the rules regarding installation and placement of Permitted Antennas.

2.11 **Signs.**

(a) Generally. No sign of any kind shall be displayed to the public view on any Lot without the prior written approval of Architectural Reviewer, except for: (i) signs which are permitted pursuant to the Design Guidelines or Rules adopted by Architectural Reviewer; (ii) signs which are part of Declarant's overall marketing or construction plans or activities for the Property and/or Development Area; (iii) as may be required by legal proceedings; (iv) permits as may be required by any governmental entity; and (v) a "no soliciting" sign posted near or on the front door to their residence, provided that the sign does not exceed twenty-five (25) square inches.

(b) For Sale; For Rent Signs. Unless otherwise permitted pursuant to *Section 2.11(a)*, no "For Sale", "For Rent", "For Lease", or similar sign advertising a Lot for sale or for lease may be placed on any Lot or any portion of the Property without the prior consent of Architectural Reviewer.

2.12 **Tanks.** The Architectural Reviewer must approve any tank used or proposed in connection with a single family residential structure, including tanks for storage of fuel, water, oil, or LPG, and including swimming pool filter tanks. No elevated tanks of any kind may be erected, placed or permitted on any Lot without the advance written approval of Architectural Reviewer. All permitted tanks must be screened from view in accordance with a screening plan approved in advance by Architectural Reviewer. This provision will not apply to a tank used to operate a standard residential gas grill. Underground storage tanks are expressly prohibited.

2.13 **Barbecue Units**. Barbecue units are only permitted within the rear yard of each Lot. The "rear yard" for the purpose of this provision means the yard area in the rear or posterior to the residence constructed on a Lot. In the event of any dispute regarding what portion of a Lot constitutes the "rear yard," the opinion of Architectural Reviewer will be final, binding, and conclusive.

2.14 **Clotheslines; Awnings**. No clotheslines and no outdoor clothes drying or hanging shall be permitted in the Development Area, nor shall anything be hung, painted or displayed on the outside of the windows (or inside, if visible from the outside) or placed on the outside walls or outside surfaces of doors of any residence on any Lot, and no awnings, canopies or shutters (except for those heretofore or hereinafter installed by Declarant) shall be affixed or placed upon the exterior walls or roofs of any residence on any Lot, or any part thereof, nor relocated or extended, without the prior written consent of Architectural Reviewer.

2.15 **Temporary Structures**. No tent, shack, or other temporary building, structure, or other Improvement shall be placed upon the Development Area without the prior written approval of Architectural Reviewer; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for architects, builders, and foremen during actual construction, may be maintained with the prior approval of the Architectural Reviewer, such approval to include the nature, size, duration, and location of such structure. No shed, outbuilding, or other storage building may be erected on any Lot without the advance written approval of the Architectural Reviewer, which approval may include requirements regarding placement, design, screening, and construction materials.

2.16 **Unsightly Articles; Vehicles**. No article deemed to be unsightly by Architectural Reviewer shall be permitted to remain on any Lot so as to be visible from adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, all terrain vehicles and garden maintenance equipment shall be kept at all times, except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Notwithstanding the foregoing provision, all terrain vehicles, motor scooters, and motorized mini-bikes may not be used within the Development Area or on any road or street within the Development Area. Service areas, storage areas and compost piles shall be appropriately screened from view, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash shall be kept, stored, or allowed to accumulate on any portion of the Development Area except within enclosed structures or appropriately screened from view. No: (i) racing vehicles; or (ii) other vehicles (including, without limitation, motorcycles or motor scooters) which are inoperable or do not have a current license tag shall be permitted to remain visible on any Lot or to be parked on any roadway within the Development Area. Parking of commercial vehicles or equipment, boats and other watercraft, trailers, stored vehicles or inoperable vehicles in places other than in enclosed garages is

prohibited; provided, however, construction, service and delivery vehicles may be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a residence.

2.17 **Mobile Homes, Travel Trailers and Recreational Vehicles**. No mobile homes, travel trailers and/or recreational vehicles shall be parked or placed on any Lot or used as a residence, either temporary or permanent, at any time.

2.18 **On Street Parking.** No vehicle may be permanently parked on any road or street within the Development Area unless in the event of an emergency. "Emergency" for purposes of the foregoing sentence shall mean an event which jeopardizes life or property. "Parked" as used herein shall be defined as a vehicle left unattended for more than thirty (30) consecutive minutes.

2.19 **Basketball Goals; Permanent and Portable**. Permanent basketball goals are permitted on any Lot with a single-family residence thereon provided that the residence has a side=facing garage and the basketball goal backboard is parallel to the side of the residence and does not face the street. Portable basketball goals are permitted but must be stored in the rear of the Lot or inside the garage from sundown to sunrise. Basketball goals must be properly maintained and painted, with the net kept at all times in good repair. All basketball goals, whether permanent or portable, must be approved by Architectural Reviewer prior to being placed on any Lot.

2.20 **Compliance with Master Restrictions**. Each Owner, his or her family, Occupants of a Lot, tenants, and the guests, invitees, and licensees of the preceding shall comply strictly with the provisions of the Master Restrictions. Failure to comply with any of the Master Restrictions shall constitute a violation thereof and may result in a fine against the Owner in accordance with *Section 5.15* of the Master Covenant, and shall give rise to a cause of action to recover sums due for damages or injunctive relief, or both, maintainable by Declarant, the Manager, the Board on behalf of the Association, the Architectural Reviewer, or by an aggrieved Owner. Without limiting any rights or powers of the Association, either the Board or Architectural Reviewer may (but shall not be obligated to) remedy or attempt to remedy any violation of any of the provisions of Master Restrictions, and the Owner whose violation has been so remedied shall be personally liable to the Association for all costs and expenses of effecting (or attempting to effect) such remedy. If such Owner fails to pay such costs and expenses upon demand by the Association, such costs and expenses (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one half percent (1½%) per month) shall be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed and chargeable against a Lot shall be secured by the liens reserved in the Master Covenant for Assessments and may be collected by any means provided in the Master Covenant for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). Each such Owner shall indemnify and hold harmless the Association and their officers, directors,

employees and agents from any cost, loss, damage, expense, liability, claim or cause of action incurred or that may arise by reason of the Association's acts or activities under this *Section 2.20* (including any cost, loss, damage, expense, liability, claim or cause of action arising out of the Association's negligence in connection therewith), except for such cost, loss, damage, expense, liability, claim or cause of action arising by reason of the Association's gross negligence or willful misconduct. "Gross negligence" as used herein does not include simple negligence, contributory negligence or similar negligence short of actual gross negligence.

2.21 **Liability of Owners for Damage to Master Community Facilities; Special Common Area**. No Owner shall in any way alter, modify, add to or otherwise perform any work upon the Master Community Facilities or Special Common Area without the prior written approval of the Declarant during the Development Period and the Board thereafter. Each Owner shall be liable to the Association for any and all damages to: (i) the Master Community Facilities, Special Common Area and any improvements constructed thereon; or (ii) any Improvements constructed on any Lot, the maintenance of which has been assumed by the Association, which damages were caused by the neglect, misuse or negligence of such Owner or Owner's family, or by any tenant or other Occupant of such Owner's Lot, or any guest or invitee of such Owner. The full cost of all repairs of such damage shall be an assessment against such Owner's Lot, secured by a lien against such Owner's Lot and collectable in the same manner as provided for in *Section 5.13* of the Master Covenant.

2.22 **No Warranty of Enforceability**. Declarant makes no warranty or representation as to the present or future validity or enforceability of any restrictive covenants, terms, or provisions contained in the Declaration. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms, or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

2.23 **Party Wall Fences**.

(a) Definition. A fence or wall located on or near the dividing line between two (2) Lots and intended to benefit both Lots constitutes a "**Party Wall**" and, to the extent not inconsistent with the provisions of this *Section 2.23*, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions.

(b) Encroachments & Easement. If the Party Wall is located on one Lot due to an error in construction, the Party Wall is nevertheless deemed to be on the dividing line for purposes of this *Section 2.23*. Each Lot sharing a Party Wall is subject to an easement for the existence and continuance of any encroachment by the Party Wall as a result of construction, repair, shifting, settlement, or movement in any portion of the Party Wall, so that the encroachment may remain undisturbed as long as the Party Wall stands. Each Lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall.

(c) Right to Repair. If the Party Wall is damaged or destroyed from any cause, the Owner of either Lot may repair or rebuild the Party Wall to its previous condition, and the Owners of both Lots, their successors and assigns, have the right to the full use of the repaired or rebuilt Party Wall.

(d) Maintenance Costs. The Owners of the adjoining Lots share equally the costs of repair, reconstruction, or replacement of the Party Wall, subject to the right of one Owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions. If an Owner is responsible for damage to or destruction of the Party Wall, that Owner will bear the entire cost of repair, reconstruction, or replacement. If an Owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the Official Public Records of Travis County, Texas, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to require contribution from another Owner under this Section is appurtenant to the Lot and passes to the Owner's successors in title.

(e) Alterations. The Owner of a Lot sharing a Party Wall may not cut openings in the Party Wall or alter or change the Party Wall in any manner that affects the use, condition, or appearance of the Party Wall to the adjoining Lot. The Party Wall will always remain in the same location as when erected.

2.24 **Recreational Courts and Playscapes.** No recreational courts, *e.g.*, "sport court", playscape or other similar recreational facility may be constructed on any Lot unless expressly approved by the Architectural Reviewer. The Architectural Reviewer may, in its sole and absolute discretion, prohibit the installation of a recreational court, playscape or other similar recreational facility on any Lot. Tennis courts may not be constructed on any Residential Lot.

2.25 **Release and Indemnity. EACH OWNER HEREBY RELEASES AND HOLDS HARMLESS THE ASSOCIATION AND DECLARANT AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF SUCH OWNER'S USE OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA. EACH SUCH OWNER SHALL INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND DECLARANT AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF AN OWNER, OR SUCH OWNER'S GUESTS, TENANTS, LICENSEES, EMPLOYEES, SUBCONTRACTORS, USE OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA (INCLUDING ANY COST, FEES, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE ASSOCIATION'S OR DECLARANT'S NEGLIGENCE IN CONNECTION THEREWITH), EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING**

BY REASON OF THE ASSOCIATION OR DECLARANTS GROSS NEGLIGENCE OR WILFUL MISCONDUCT. "GROSS NEGLIGENCE" AS USED HEREIN DOES NOT INCLUDE SIMPLE NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE. NEITHER THE ASSOCIATION NOR DECLARANT SHALL ASSUME ANY RESPONSIBILITY OR LIABILITY FOR ANY PERSONAL INJURY OR PROPERTY DAMAGE WHICH IS OCCASIONED BY USE OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA, AND IN NO CIRCUMSTANCE SHALL WORDS OR ACTIONS BY THE ASSOCIATION OR DECLARANT CONSTITUTE AN IMPLIED OR EXPRESS REPRESENTATION OR WARRANTY REGARDING THE FITNESS OR CONDITION OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA.

ARTICLE 3
USE AND CONSTRUCTION RESTRICTIONS

3.01 Design Guidelines. Any and all Improvements erected, placed, constructed, painted, altered, modified, or remodeled on any portion of the Development Area shall strictly comply with the requirements of the Design Guidelines, unless a variance is obtained pursuant to the Master Covenant. The Design Guidelines may be supplemented, modified, amended, or restated by the Architectural Reviewer as authorized by the Master Covenant and the Design Guidelines.

3.02 Approval for Construction. No Improvements shall be constructed upon any Lot without the prior written approval of Architectural Reviewer. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any Improvement, or the removal of any Improvement shall be performed only with the prior written approval of Architectural Reviewer.

3.03 Single-Family Residential Use. The Lots shall be used solely for private single family residential purposes and there shall not be constructed or maintained on each Lot more than one detached single-family residence. No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot, except that an Owner or Occupant may conduct business activities within a residence so long as: (i) such activity complies with all the applicable zoning ordinances, if any; (ii) the business activity is conducted without the employment of persons other than the Occupants of the residence; (iii) the existence or operation of the business activity is not apparent or detectable by sight, i.e., no sign may be erected advertising the business on any Lot, sound, or smell from outside the residence; (iv) the business activity conforms to all zoning requirements for the Development Area; (v) the business activity does not involve door-to-door solicitation within the Development Area; (vi) the business does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Development Area which is noticeably greater than that which is typical of residences in which no business activity is being conducted; (vii) the business activity is consistent with the residential character of the Development Area and does

not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Occupants of the Development Area as may be determined in the sole discretion of the Board; and (viii) the business does not require the installation of any machinery other than that customary to normal household operations. 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: (x) such activity is engaged in full or part-time; (y) such activity in intended to or does generate a profit; or (z) a license is required. Leasing of a residence, as permitted pursuant to *Section 3.05* of this Declaration, shall not be considered a business or trade within the meaning of this subsection. This Section shall not apply to any activity conducted by Declarant or a Homebuilder.

3.04 Certain Architectural Styles Prohibited. In no event or circumstance shall a residence be constructed upon a Lot which incorporates the following architectural styles: Colonial, Georgian, Federal, or Victorian. The Architectural Reviewer's interpretation of the architectural style of a residence for the purpose of compliance with this *Section 3.04* shall be final.

3.05 Square Footage and Masonry Requirements. Provisions governing square footage and masonry requirements applicable to the Development Area are set forth in the Design Guidelines.

3.06 Rentals. Nothing in this Declaration shall prevent the rental of any Lot and the Improvements thereon by the Owner thereof for residential purposes; provided that all rentals must be for a term of at least six (6) months. All leases shall be in writing. The Owner must provide to its lessee copies of the Master Restrictions. Notice of any lease, together with such additional information as may be required by the Board, must be remitted to the Association by the Owner within ten (10) days after the effective date of the lease.

3.07 Garages. Each Lot shall have a private garage for not less than two (2) automobiles and off-street parking for a minimum of two (2) automobiles. The location, orientation and opening of each garage to be located on a Lot shall be approved in advance of construction by the Master Architectural Control Committee. All garages shall be maintained for the parking of automobiles, may not be used for storage or other purposes which preclude its use for the parking of automobiles, and no garage may be permanently enclosed or otherwise used for habitation.

3.08 Windows. The windows of each residence shall be of a consistent design and construction throughout the residence and shall comply with the requirements of the Design Guidelines.

3.09 Fences and Gates. No fence shall be constructed within the Development Area without the prior written consent of the Architectural Reviewer. The height and location of all fences must be approved in advance by the Architectural Reviewer and all fences must comply with the requirements of the Design Guidelines. The Architectural Reviewer may, in its sole and absolute discretion, prohibit the construction of any proposed fence, or specify the materials of which said proposed fence must be constructed, or require that any proposed fence be screened by vegetation or otherwise screened so as not to be visible from other portions of the Development Area, or specify the location on any Lot of any proposed fence or gates.

3.10 Building Materials. All building materials must be approved in advance by the Architectural Reviewer, and only new building materials shall be used for constructing any Improvements. All projections from a dwelling or other structure, including but not limited to chimney flues, vents, gutters, downspouts, utility boxes, porches, railings and exterior stairways must, unless otherwise approved by the Architectural Reviewer, must match the color of the surface from which they project. No highly reflective finishes (other than glass, which may not be mirrored) shall be used on exterior surfaces (other than surfaces of hardware fixtures), including, without limitation, the exterior surfaces of any Improvements. The maximum building height and additional provisions governing the construction of Improvements on Lots shall be established and determined in accordance with the Design Guidelines.

3.11 Alteration or Removal of Improvements. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any Improvement, or the removal of any Improvement, shall be performed only with the prior written approval of the Architectural Reviewer.

3.12 Trash Containers. Trash containers and recycling bins must be stored in one of the following locations:

(i) inside the garage of the single-family residence constructed on the Lot; or

(ii) Behind the single-family residence constructed on the Lot in such a manner that the trash container and recycling bin is not visible from any street, alley, or adjacent Lot.

The Architectural Reviewer shall have the right to specify additional locations on each Owner's Lot in which trash containers or recycling bins must be stored.

3.13 Drainage; Erosion Control. There shall be no interference with the established drainage patterns over any portion of the Development Area, including the Lots, except by Declarant, unless adequate provision is made for proper drainage and such provision is approved in advance by the Architectural Reviewer. Plans submitted to the Architectural Reviewer for approval shall indicate thereon an erosion control plan to be instituted during the construction of any residence on the Lot. Any erosion control plan proposed to be implemented within the Development Area shall comply with the Design Guidelines or shall otherwise be

implemented in accordance with any other specifications set forth by Architectural Reviewer and shall, in any case, be approved in advance by Architectural Reviewer. Each Owner shall be obligated to maintain and keep such approved erosion controls in good condition and repair. The erosion controls shall be removed when the residence constructed upon the Lot is capable of occupancy for residential purposes. Specifically, and not by way of limitation, no Improvement, including landscaping, may be installed which impedes the proper drainage of water between Lots.

3.14 **Construction Activities**. This Declaration will not be construed or applied so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon or within the Development. Specifically, no such construction activities will be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event that construction upon any Lot does not conform to usual practices in the area as determined by the Architectural Reviewer in its sole and reasonable judgment, the Architectural Reviewer will have the authority to seek an injunction to stop such construction. In addition, if, during the course of construction upon any Lot, there is excessive accumulation of debris of any kind which would render the Lot or any portion thereof unsanitary, unsightly, offensive, or detrimental to it or any other portion of the Development, then the Architectural Reviewer may contract for or cause such debris to be removed, and the Owner of the Lot will be liable for all reasonable expenses incurred in connection therewith.

3.15 **Landscaping.** Each Owner shall be required to install landscaping upon such Owner's Lot in accordance with landscaping plans approved in advance of installation by Architectural Reviewer. Notwithstanding any provision in this Declaration to the contrary, such landscaping plans must be approved by the Architectural Reviewer prior to occupancy of the residence located on the Lot to which such landscaping plans relate. All landscaping shown on the landscaping plans and specifications approved by the Architectural Reviewer shall be installed, and all such landscaping shall be completed prior to occupancy of the Lot for residential purposes, unless a variance is obtained pursuant to the Master Covenant. All landscaping shall be selected from a plant materials list approved by the Architectural Reviewer. The Architectural Reviewer shall be entitled to make recommendations with respect to tree disease control, whereupon the Owner or Owners to whom such recommendations are directed shall be obligated to comply with such recommendations, which may include, but not be limited to, tree removal and replacement.

3.16 **Roofing.** The pitch, color and composition of all roof materials shall be expressly approved by Architectural Reviewer and shall comply with all applicable requirements of the Design Guidelines.

3.17 **Swimming Pools**. Any swimming pool constructed on a Lot must be enclosed with a fence or other enclosure device completely surrounding the swimming pool which, at a minimum, satisfies all applicable governmental requirements. Nothing in this *Section 3.17* is intended or shall be construed to limit or affect an Owner's obligation to comply with any applicable governmental regulations concerning swimming pool enclosure requirements. Above-ground or temporary swimming pools are prohibited. Free-standing flagpoles erected on any Lot are prohibited.

3.18 **Flagpoles**. One flagpole not to exceed four (4) inches in diameter or sixty (60) inches in length may be mounted on the front of each residence; provided, however, that the Architectural Reviewer will be permitted to prohibit the erection of a flagpole on any residence if the Architectural Reviewer determines, in its sole and absolute discretion, that the flagpole is unsightly or otherwise detracts from the appearance of the Development. Notwithstanding any provision of this *Section 3.18* to the contrary, Homebuilders approved by the Declarant may erect free-standing flagpoles and flags of a reasonable size for the marketing and sale of residences within the Development Area.

3.19 **Utility Lines**. Unless expressly approved by the Architectural Reviewer, electric and other utility lines must be built underground along major thoroughfares in the Development Area, and may not be erected overhead.

3.20 **Grinder Pump**. In conjunction with the construction of the residence on each Lot, the Owner will be required to install, at such Owner's sole cost and expense, a single grinder pump for each residential wastewater connection, together with a grinder pump control panel with a fuseable disconnect. The location of the control panel must be on the outside of the residence and visible from the street. Each grinder pump must be obtained from and installed by a contractor selected by the Municipal Utility District having jurisdiction over the Owner's Lot (the "**District**"). Each Owner is hereby advised that the cost associated with the grinder pump, installation, and control panel (described below) is set by the District. Each Owner is further advised that the District has indicated that installation must be scheduled at least ten (10) business days in advance of the date the installation is required. All grinder pumps will be District property, and no modifications or repairs may be made by any Owner after installation unless otherwise approved in advance by the District. Each Owner will be required, at such Owner's sole cost and expense, to cause the wastewater service line serving the residence to be connected to the grinder pump wet well in accordance with District specifications. The District may inspect the grinder pump, the installation, and any line connections associated therewith to insure compliance with this *Section 3.20* and the District's specifications and requirements. An easement is hereby retained by the Declarant on behalf of the District over and across each Lot for the purpose of confirming an Owner's compliance with this *Section 3.20* and the District's access to the grinder pump and associated control panel.

3.21 **Driveways**. The design, construction materials, and location of: (i) all driveways, and (ii) culverts incorporated into driveways for ditch or drainage crossings, shall be approved

by Architectural Reviewer. The Architectural Reviewer may establish design and materials requirements for all driveways and driveway culverts to ensure that they are consistent in appearance throughout the Development Area.

3.22 **Compliance with Setbacks.** The location of all Improvements must comply with the minimum setbacks shown on the Plat, or if not shown on the Plat, the minimum setbacks shall comply with all applicable requirements of the Design Guidelines. This *Section 3.22* will not be construed to permit any portion of any Improvement on any Lot to encroach upon another Lot or other portion of the Development Area.

3.23 **Address Markers.** The location, design and materials used for address identification markers on each residence must be approved in advance of installation by the Architectural Reviewer.

3.24 **HVAC Location; Screening.** No air-conditioning apparatus may be installed on the ground in front of a residence or on the roof of any residence. No window air-conditioning apparatus or evaporative cooler may be attached to any front wall or front window of a residence or at any other location where it would be visible from any street, any other Lot or any portion of the Master Community Facilities or Special Common Area. All HVAC units must be screened with either structural screening to match the exterior of the residence or landscaping, as approved by Architectural Reviewer.

3.25 **Sight Distance at Intersection.** No fence, wall, hedge, or planting that obstructs sight lines at elevations between two feet (2') and nine feet (9') above the roadway may be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at a point thirty (30) feet from the intersection of the street lines or, in the case of a rounded property corner, from the intersection of the street property lines as extended. The same sight-line limitations will apply on any Lot within the triangular area formed by the street line, the driveway or alley line and a line connecting them at a point ten feet from the intersection of a street property line with the edge of a driveway or alley pavement. All tree foliage within such distances of intersections must be maintained to meet the sight-line requirements set forth above. Notwithstanding the foregoing or anything in this Development Area Declaration to the contrary, all sight distances required by any applicable governmental authority must be complied with.

3.26 **Retaining Walls.** Each Homebuilder shall be obligated, at its sole cost and expense, to construct any retaining wall which may be required by Architectural Reviewer to be constructed on such Owner's Lot. Any retaining wall proposed to be constructed within the Development Area shall comply with any applicable requirements of the Design Guidelines and shall otherwise be constructed in accordance with any other specifications set forth by Architectural Reviewer and shall, in any case, be approved in advance by Architectural Reviewer.

3.27 **Highland Lakes Watershed Ordinance**. Development and construction within the Property and the Development Area is currently subject to the LCRA's Highland Lakes Watershed Ordinance. This ordinance provides that, in addition to approval by the Architectural Reviewer, development or construction of Improvements within the Development Area may require an LCRA development permit or other permit required by any successors and assigns of the LCRA. The ordinance may also limit the amount of impervious cover that can be constructed upon a Lot. While the ordinance provides for certain exceptions to the permit requirement, each Owner is advised to review the ordinance to determine whether it applies to the Owner's property, and is solely responsibly for complying with the permitting and other requirements of the ordinance.

ARTICLE 4
DEVELOPMENT

4.01 **Addition of Land.** Declarant may, at any time and from time to time, add additional lands to the Development Area. To add lands to the Development Area, Declarant will be required only to record in the Official Public Records of Travis County, Texas, a Notice of Addition of Land containing the following provisions: (i) a reference to this Declaration, which reference will state the volume and initial page number of the Official Public Records of Travis County wherein this Declaration is recorded; and (ii) a statement that such land will be considered Development Area for purposes of this Declaration and that all of the terms, covenants, conditions, restrictions and obligations of this Declaration will apply to the added land; and (iii) a legal description of the added land. Upon the filing of a Notice of Addition of Land, such land will be considered part of the Development Area for purposes of this Declaration and subject to all terms, covenants, conditions, restrictions and obligations set forth in this Declaration, and the rights, privileges, duties and liabilities of the persons subject to this Declaration will be the same with respect to such added land as with respect to the lands originally covered by this Declaration.

4.02 **Withdrawal of Land.** Declarant may, at any time and from time to time, reduce or withdraw from the Development Area, and remove and exclude from the burden of this Declaration: (i) any portions of the Development Area which have not been included in a Plat; (ii) any portion of the Development Area included in a Plat if Declarant owns all Lots described in such Plat; and (iii) any portions of the Development Area included in a Plat even if Declarant does not own all Lot(s) described in such Plat, provided that Declarant obtains the written consent of all other Owners of Lot(s) described in such Plat. Upon any such withdrawal and removal, this Declaration and the covenants conditions, restrictions and obligations set forth herein will no longer apply to the portion of the Development Area withdrawn. To withdraw lands from the Development Area hereunder, Declarant will be required only to record in the Official Public Records of Travis County, Texas, a Notice of Withdrawal of Land containing the following provisions: (i) a reference to this Declaration, which reference will state the volume and initial page number of the Official Public Records of Travis County wherein this

Declaration is recorded; (ii) a statement that the provisions of this Declaration will no longer apply to the withdrawn land; and (iii) a legal description of the withdrawn land.

4.03 Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by written instrument, assign, in whole or in part, any of its privileges, exemptions, rights, and duties under this Declaration to any person or entity and may permit the participation, in whole, in part, exclusively, or non-exclusively, by any other person or entity in any of its privileges, exemptions, rights, and duties hereunder.

ARTICLE 5
CLUB PROVISIONS

5.01 The Marina Club; Owner's Obligation to Acquire Club Membership. Declarant currently contemplates that a marina club, together with related facilities and amenities which are collectively known as "Rough Hollow Marina Club" (the "**Marina Club**"), will be made available on land within the Rough Hollow Development. Upon acquisition of a Lot within the Development Area, the Owner thereof will automatically become a member of the Marina Club, with such rights, privileges, and obligations as may be determined from time to time by Declarant or Declarant's assignee as permitted in accordance with *Section 5.02* below. Membership in the Marina Club (a "**Club Membership**") will be automatically transferred to an Owner upon acquisition of a Lot at no cost. Thereafter, the Owner will be required to maintain the Club Membership in good standing in accordance with the Club rules defined below) and pay all Club Dues and other required usage fees, for so long as the Owner retains title to the Lot.

5.02 Obligations of Owners. Each Owner must: (i) at the closing of such Owner's Lot, execute and deliver any documents required by Declarant or the Club which may be incident to Club Membership; (ii) comply with all rules and regulations of the Club for a Club Membership, as amended from time to time (the "**Club Rules**"); and (iii) pay the monthly dues for a Club Membership (the "**Club Membership Dues**") from the date Owner acquires the Lot. The Club Monthly Dues on the date this Declaration is recorded are equal to $50.00. The monthly Club Membership Dues are anticipated to increase from time to time and each Owner will be subject to, and obligated to pay, such increased amounts as they become due. A Club Membership may not be transferred, sold, or conveyed to, or used by any person other than the Owner of the Lot to which such Club Membership applies, and the members of the Owner's immediate family, as specified in the Club Rules.

5.03 Applicability. Notwithstanding any provision in this *Article 5* to the contrary, neither Declarant, nor any of its affiliates, will ever, under any circumstances, be obligated to acquire and/or maintain a Club Membership in respect of a Lot owned by them.

5.04 Collection and Enforcement. Declarant, or its assignee, will, at its sole cost and expense, be responsible for the collection of any and all fees and dues associated with the Club

Memberships, and for the enforcement of the terms and provisions of this *Article 5*. Declarant will expressly have the authority to assign the responsibility for collection of fees or dues to the Association, or any other property owners association which may hereafter be created for the administration of all or any portion of the Development. In the event of any such assignment hereunder, the assignee may charge and collect a reasonable administrative fee as a component of the fees and/or dues required to be paid hereunder to discharge the costs of collection.

5.05 Assessment Lien and Foreclosure. An express lien on each Lot is hereby retained by Declarant to secure the payment of dues, fees, and collection costs associated with the Club Membership. The lien reserved herein is superior to all other liens and charges against the Lot, except for only tax liens and all sums unpaid on a mortgage lien of record. The lien retained herein may be enforced by the foreclosure on the defaulting Owner's Lot by Declarant, or its assignee, in like manner as a mortgage on real property. Declarant, or its assignee, may institute a suit against the Owner personally obligated to pay the dues and/or for the foreclosure of the lien judicially. In any foreclosure proceeding, whether judicial or non-judicial, the Owner will be required to pay the costs, expenses, and reasonable attorney's fees incurred by Declarant, or its assignee, and by the Owner. Declarant, or its assignee, will have the power to bid on the Lot at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with the same. Notwithstanding any provision in this paragraph to the contrary, Declarant, or its assignee, will not take any action to foreclose such lien unless and until Declarant, or its assignee, has provided the holder or holders of any mortgage on the Lot to be foreclosed on (collectively, the "**Mortgagee**") with written notice of the Owner's default and extending to the Mortgagee 20 days from the date of the notice to cure such default in order to protect its lien on the Lot. If the Mortgagee elects not to cure the Owner's default hereunder within the 20-day period, then Declarant or its assignee may take any required action to foreclose the lien provided for above.

5.06 Miscellaneous. Notwithstanding any provision to the contrary in this Declaration, the following terms and provisions shall apply to this *Article 5*:

(a) Term. The terms, covenants, conditions, restrictions, easements, charges, and liens set out in this *Article 5* will run with and bind the property subject or made subject to this *Article 5*, and will inure to the benefit of and be enforceable by Declarant and its assigns for a term beginning on the date this Declaration is recorded in the Official Public Records of Travis County, Texas, and continuing through and including January 1, 2050, after which time the terms and provisions of this *Article 5* will be automatically extended for successive periods of five years, unless amended or terminated as provided herein.

(b) Amendment. Notwithstanding any provision to the contrary in this Declaration, this *Article 5* may only be amended or terminated by recording, in the Official Public Records of Travis County, Texas, of an instrument executed and acknowledged by Declarant or its assignee acting alone. It is anticipated that this *Article 5* will be amended from time to time to more fully set forth aspects regarding the Club Membership and the Marina Club.

(c) Assignment. It is anticipated that Declarant will assign its rights under this *Article 5* and the obligations of each Owner to an entity established to own and/or operate the Marina Club. Any such assignment must state that Declarant's rights hereunder are being assigned to the assignee, must be executed by the Declarant and the assignee, and must be recorded in the Official Public Records of Travis County, Texas. Any assignment of Declarant's rights hereunder will automatically assign to the assignee the Owner's obligations under this *Article 5*.

ARTICLE 6
GENERAL PROVISIONS

6.01 Term. The terms, covenants, conditions, restrictions, easements, charges, and liens set out in this Declaration will run with and bind the portion Development Area, and will inure to the benefit of and be enforceable by the Association, and every Owner, including Declarant, and its respective legal representatives, heirs, successors, and assigns, for a term beginning on the date this Declaration is recorded in the Official Records of Travis County, Texas, and continuing through and including January 1, 2059, after which time this Declaration will be automatically extended for successive periods of ten (10) years unless a change (the word "change" meaning a termination, or change of term or renewal term) is approved in a resolution adopted by Members entitled to cast at least seventy percent (70%) of the total number of votes of the Association, voting in person or by proxy at a meeting duly called for such purpose, written notice of which will be given to all Members at least thirty (30) days in advance and will set forth the purpose of such meeting; provided, however, that such change will be effective only upon the recording of a certified copy of such resolution in the Official Public Records of Travis County, Texas. Notwithstanding any provision in this *Section 6.01* to the contrary, if any provision of this Declaration would be unlawful, void or voidable by reason of any Texas law restricting the period of time that covenants on land may be enforced, such provision will expire twenty-one (21) years after the death or the last survivor of the now living descendants of Elizabeth II, Queen of England.

6.02 Amendment.

(a) During the Development Period.

(i) By Declarant. During the Development Period, this Declaration may be amended or terminated by the recording in the Official Public Records of Travis County, Texas of an instrument executed and acknowledged by the Declarant acting alone and unilaterally. Specifically, and not by way of limitation, during the Development Period, Declarant may unilaterally amend this Declaration: (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to

enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on Lots; or (d) to comply with any requirements promulgated by a local, state or governmental agency, including, for example, the Department of Housing and Urban Development.

(ii) By the Members. During the Development Period, Members entitled to cast at least seventy percent (70%) of the number of votes entitled to be cast in the Association may approve an amendment to this Declaration at a meeting duly called for such purpose. However, no such amendment shall be effective unless and until it has also been approved by the Declarant. To be effective, an instrument setting forth the amendment must be executed by the Declarant and the President and the Secretary of the Association, and shall include a certification by the President and Secretary of the Association that the amendment has been approved by Members entitled to cast at least seventy percent (70%) of the number of votes entitled to be cast by members of the Association.

(b) Upon Expiration or Termination of the Development Period. Upon expiration or termination of the Development Period, Members entitled to cast at least seventy percent (70%) of the number of votes entitled to be cast in the Association may approve an amendment to this Declaration at a meeting duly called for such purpose. To be effective, an instrument setting forth the amendment must be executed by the President and the Secretary of the Association, and shall include a certification by the President and Secretary of the Association that the amendment has been approved by Members entitled to cast at least seventy percent (70%) of the number of votes entitled in the Association.

(c) Enforcement. The Association and Declarant will have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, charges and other terms now or hereafter imposed by the provisions of this Declaration. Failure to enforce any right, provision, covenant, or condition granted by this Declaration will not constitute a waiver of the right to enforce such right, provision, covenants or condition in the future.

6.03 Higher Authority. The terms and provisions of this Declaration are subordinate to federal and state law, and local ordinances. Generally, the terms and provisions of this Declaration are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance.

6.04 Severability. If any provision of this Declaration is held to be invalid by any court of competent jurisdiction, such invalidity will not affect the validity of any other provision

of this Declaration, or, to the extent permitted by applicable law, the validity of such provision as applied to any other person or entity.

6.05 Conflicts. If there is any conflict between the provisions of this Declaration and the Master Covenant, the Master Covenant will govern. If there is a conflict between the provisions of this Declaration and any of the other Master Restrictions, this Declaration will govern.

6.06 Gender. Whenever the context so requires, all words herein in the male gender will be deemed to include the female or neuter gender, all singular words will include the plural, and all plural words will include the singular.

6.07 Acceptance by Grantees. Each grantee of Declarant of a Lot, by the acceptance of a deed of conveyance, or each subsequent purchaser, accepts the same subject to all terms, restrictions, conditions, covenants, reservations, easements, liens and charges, and the jurisdiction rights and powers created or reserved by this Declaration or to whom this Declaration is subject, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared. Furthermore, each grantee agrees that no assignee or successor to Declarant hereunder will have any liability for any act or omission of Declarant which occurred prior to the effective date of any such succession or assignment. All impositions and obligations hereby imposed will constitute covenants running with the land within the Development Area, and will bind any person having at any time any interest or estate in the Development Area, and will inure to the benefit of each Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

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

6.09 Notices. Any notice permitted or required to be given to any person by this Declaration will be in writing and may be delivered either personally or by mail. If delivery is made by mail, it will be deemed to have been delivered on the third (3rd) day (other than a

Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

6.10 Enforcement and Nonwaiver.

(a) Except as otherwise provided herein, any Owner, at such Owner's own expense, Declarant and the Association shall have the right to enforce all of the provisions of this Declaration. The Association may initiate, defend or intervene in any action brought to enforce any provision of this Declaration. Such right of enforcement shall include both damages for and injunctive relief against the breach of any provision hereof.

(b) Every act or omission whereby any provision of the Master Restrictions is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated by any Owner of a Lot (at such Owner's own expense), Declarant or the Association.

(c) Any violation of any federal, state, or local law, ordinance, or regulation pertaining to the ownership, occupancy, or use of any portion of the Development Area is hereby declared to be a violation of this Declaration and subject to all of the enforcement procedures set forth herein.

(d) The failure to enforce any provision of the Master Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of the Master Restrictions.

EXECUTED to be effective on the date this instrument is recorded in the Official Public Records of Travis County, Texas.

DECLARANT:

ROUGH HOLLOW DEVELOPMENT, LTD., a Texas limited partnership

BY: JHLV GP, Inc., a Texas corporation, its general partner

By: _____
Haythem Dawlett, Vice President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 4 day of August 2011, by Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, general partner of Rough Hollow Development, Ltd., a Texas limited partnership on behalf of said corporation and partnership.

Seal
KRISTIN B. DELONEY
Notary Public, State of Texas
My Commission Expires
August 27, 2013

Kristin Deloney
Notary Public, State of Texas