

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS
COUNTY OF TRAVIS

WHEREAS J. B. Goodwin Development, Inc. a Texas corporation, hereinafter called Declarant, is the owner of the lots in The Great Hills Reserve, (Great Hills Section XXIII.), a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 85, Pages 114A through 114D, Plat Records of Travis County, Texas; and

WHEREAS, Declarant desires to convey the Property subject to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth; and

WHEREAS, Declarant desires to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future Owners of the Property:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that it is hereby declared (i) that all of the Property shall be held, sold, conveyed and occupied 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 Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof; and (ii) that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to the following covenants, conditions and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

ARTICLE I
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

1.01 Architectural Committee. "Architectural Committee" shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property.

1.02 "Architectural Committee Rules" shall mean the rules and regulations adopted by the Architectural Committee, as the same may be amended from time to time.

1.03 Articles. "Articles" shall mean the Articles of Incorporation of Great Hills Section 23 Homeowner's Association, Inc. which shall be filed in the office of the Secretary of State of the State of Texas, as from time to time amended.

1.04 Assessment. "Assessment" or "Assessments" shall mean such assessments as may be levied by the Association under the terms and provisions of this Declaration.

1.05 Association. "Association" shall mean Great Hills Section 23 Homeowner's Association, Inc., a Texas non-profit corporation.

1.06 Board. "Board" shall mean the Board of Directors of the Association.

1.07 Bylaws. "Bylaws" shall mean the bylaws of the Association as adopted by the Board, and as from time to time amended.

1.08 Common Areas. "Common Areas" shall mean any land, conveyed, leased, dedicated or assigned by Declarant, or by a third party with the consent of Declarant, to the Association for maintenance and operation, including, but not limited to, easements, roads, roadways, rights-of-way, parkways, median strips, sidewalks, parks, trails, paths, ponds, creeks and lakes within the Property.

1.09 Declarant. "Declarant" shall mean J. B. Goodwin Development, Inc., its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of J. B. Goodwin Development, Inc. as Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.

1.10 Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.

1.11 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, 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.

1.12 Lot. "Lot" or "Lots" shall mean any parcel or parcels of land within the Property shown as a subdivided lot on a recorded plat out of the Property, together with all Improvements located thereon.

1.13 Member. "Member" or "Members" shall mean any person(s), entity, or entities holding membership rights in the Association.

1.14 Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage or deed of trust covering any portion of the Property given to secure the payment of a debt.

1.15 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.16 Owner. "Owner" or "Owners" shall mean a person or persons, entity or entities, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include a Mortgagee.

1.17 Person. "Person" or "Persons" shall mean any individual, individuals, entity or entities having the legal right to hold title to real property.

1.18 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or erection of any Improvement, including but not limited to those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.

1.19 The Great Hills Reserve Restrictions. "The Great Hills Reserve Restrictions" shall mean this Declaration, as the same may be amended from time to time, together with the Architectural Committee Rules and the Articles, Rules and Bylaws of the Association from time to time in effect.

1.20 Rules. "Rules" shall mean the rules and regulations adopted by the Board as the same may be amended from time to time.

1.21 Single Family Unit. "Single Family Unit" shall mean and refer to any improvements on a Lot which are designed and intended for occupancy and use as a residence by one person, by a single family, or by persons maintaining a common household.

1.22 Patio Home. "Patio Home" shall mean and refer to a Single Family Unit which has at least one side wall adjacent to and abutting a side boundary line of the Lot upon which such Single Family Unit is situated.

1.23 Detached Residence. "Detached Residence" shall mean and refer to a Single Family unit no side wall of which is adjacent to and abutting a side boundary line of the Lot upon which such Single Family Unit is situated.

ARTICLE II

DEVELOPMENT OF THE PROPERTY

2.01 Development by Declarant. Declarant may divide or subdivide the Property into several areas. develop some of the Property, and, at Declarant's option, sell any portion of this Property free of the restrictions set forth in this Declaration.

2.02 Addition of Land. Declarant may, at any time and from time to time, add any other lands to this Property, and upon such addition, this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall apply to the added land, and the rights, privileges, duties and liabilities of the persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Real Property Records of Travis County, Texas, a notice of addition of land containing the following provisions:

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

2.03 Withdrawal of Land. Declarant may, at any time and from time to time, reduce or withdraw areas from the Property, and upon such withdrawal, this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall no longer apply to those lands withdrawn. In order to withdraw lands from the Property hereunder, Declarant shall be required only to record in the Real Property Records of Travis County, Texas, a notice of withdrawal of land containing the following provisions:

- (A) A reference to this Declaration, which reference shall state the book and page numbers of the Travis County Real Property Records wherein this Declaration is recorded;
- (B) A statement that the provisions of this Declaration shall no longer apply to the withdrawn land; and
- (C) A legal description of the withdrawn land.

ARTICLE III

GENERAL RESTRICTIONS

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

3.01 Antennae. No exterior radio or television antenna or aerial or satellite dish receivers, or other devices designed to receive telecommunication signals, including, but not limited to, radio, television or microwave signals which are intended for cable television, network television reception or entertainment purposes shall be erected or maintained without the prior written approval of the Architectural Committee.

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

3.03 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 the Architectural Committee; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey an easement or other interest less than the whole, all without the approval of the Architectural Committee.

3.04 Signs. No sign of any kind shall be displayed to the public view on the Property without the prior written approval of the Architectural Committee except the signs which are part of the Declarant's overall marketing plan for the Property. The Architectural Committee may permit signs of any type advertising a portion of the Property for sale or lease or it may set standards for the same.

3.05 Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. Refuse, garbage and trash shall be kept at all times in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view.

3.06 Noise. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

3.07 Construction of Improvements. No improvements shall hereafter be constructed upon any of the Property without the prior written approval of the Architectural Committee.

3.08 Repair of Buildings. All improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof.

3.09 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 Committee.

3.10 Roofing Materials. No reflective roofing materials shall be permitted on any Improvement.

3.11 Driveway. The Architectural Committee shall have the right to impose limitations on driveway design, including materials, aprons, location and point of contact with dedicated roads, streets or private driveways within the Property.

3.12 Community Mailboxes. All mail service will be handled through community mailboxes. No individual mailboxes will be allowed upon the Lots until and unless the U.S. Postal Service provides door-to-door service, and in such event all individual mailboxes shall be subject to review and approval by the Architectural Committee.

3.13 Garbage Containers. The Architectural Committee shall have the right to require each Owner to specify a specific location for trash service and to require each Owner to construct a permanent facility at an approved location for the placement of garbage containers for collection purposes. Such permanent structure shall be of the same design and materials as (or of design and materials complimentary to) the exterior of the appurtenant single family residential structure.

3.14 Tanks. The Architectural Committee shall have the right to approve the location of 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 shall be erected, placed or permitted on any Lot. All tanks shall be screened so as not to be visible from any other portion of the Property.

3.15 Underground Utility Lines. No utility lines, including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the Architectural Committee; provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements which have been previously approved in writing by the Architectural Committee. The installation method, including, but not limited to, location,

type of installation equipment, trenching method and other aspects of installation, for both temporary and permanent utilities shall be subject to review and approval by the Architectural Committee.

3.16 Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural Committee.

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

3.18 Temporary Structures. No tent, shack or other temporary building, improvement or structure shall be placed upon the property without prior written approval of the Architectural Committee: provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for architects, builders and foremen in either event during the period of actual construction only may be maintained with the proper approval of Declarant, which approval shall include the nature, size, duration and location of such structure.

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

3.20 Unightly Articles; Vehicles. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any Lot so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall 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. Each residential structure constructed within the Property shall have sufficient garage space, as approved by the Architectural Committee, to house all vehicles to be kept on the Lot. No more than two (2) automobiles per dwelling unit may be kept on the Lot in such manner as to be visible from any other portion of the Property for any period in excess of seventy-two (72) hours. No automobiles or other vehicles may be parked overnight on any roadway within the Property. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse of trash shall be kept stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view.

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

3.22 Fences. The construction of fences shall be restricted, and no fence shall be constructed on the Property, without the prior written consent of the Architectural Committee. The Architectural Committee may, in its discretion, prohibit the construction of any proposed fence, or specify the materials of which any proposed fence must be constructed, or require that any proposed fence be screened by vegetation or otherwise so as not to be visible from other portions of the Property. Wooden privacy fences or something of reasonable similar quality will be required. No chain link fences will be permitted.

3.23 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 or maintained on the Property. No domestic household pet shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. No domestic household pet shall be allowed to run at large and all of such pets shall be kept within enclosed areas which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Architectural Committee, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property.

3.24 Maintenance of Lot and Lawns and Plantings. Each Owner shall keep all shrubs, trees, grass and plantings of every kind on such Owner's Lot cultivated, pruned, free of trash, and other unsightly material. Each Owner of an unimproved Lot shall keep such Lot free of trash and other unsightly material. Declarant, the Association and the Architectural Committee shall have the right at any reasonable time to enter upon any Lot to replace, maintain and cultivate shrubs, trees, grass or other plantings located thereon, to charge the cost thereof to the Owner of the Lot as provided in Section 5.04 (E) hereof.

3.25 Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall Not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction

machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction.

3.26 Unfinished Structures. No house or other structure shall remain unfinished for more than (1) year after the same has been commenced. Construction of the residential improvements shall begin no later than three (3) years after ownership of the Lot has been legally conveyed by Declarant.

3.27 Compliance with Provisions of The Great Hills Reserve (Great Hills, Section XXIII) Each Owner shall comply strictly with the provisions of The Great Hills Reserve Restrictions as the same may be amended from time to time. Failure to comply with any of The Great Hills Reserve Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Association or by an aggrieved Owner.

3.28 No Warrant of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Article III or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of and such restrictive covenants, terms or provisions. 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.

ARTICLE IV RESIDENTIAL RESTRICTIONS

4.01 Single Family Residential Construction. All lots shall be improved and used solely for single family residential use, whether a patio home or detached residence, with a private garage for not less than two (2) cars; or for greenbelt, common area, or open space. No such residence shall be constructed on less than the equivalent of one full Lot as defined on the recorded subdivision plat or any recorded replat thereof approved by Declarant, but in no case shall any residence be constructed on any Lot having a total area of less than 5,000 square feet. No Improvement may be constructed on any Lot which unreasonably obstructs the view from other portions of the Property, and the positioning of all Improvements upon Lots within the Property is hereby expressly made subject to Architectural Committee review. The Architectural Committee may, but shall not be required to prevent or allow the construction of a proposed Improvement based upon the effect it will have upon the view from any particular Lot. The Architectural Committee may consider the effect the Improvement will have on the Property as a whole, it being expressly understood that neither the Architectural Committee nor members thereof shall be liable to any Owner in monetary damages or otherwise due to the construction of any Improvement within the Property or the creating thereby of an obstruction to the view from such Owner's Lot or Lots.

4.02 Building Height. No Improvement greater than thirty-two (32) feet in height may be constructed on any Lot without the prior written approval of the Architectural Committee. For purposes of this paragraph, height shall be measured from the foundation slab of the proposed improvement to the ridge line of the roof of the proposed Improvement.

4.03 Building Materials; Dwelling Size. All single-family dwellings shall be of recognized standard construction quality, and shall be constructed of at least fifty percent (50%) stone or masonry or other material specifically approved in writing by the Architectural Committee. All single-family dwellings shall contain not less than 1,800 square feet of floor area, of which not less than 1,600 square feet shall be of enclosed living space, exclusive of porches (open or covered), decks, garages and carports. Additionally, all split-level dwellings shall contain not less than 1,400 square feet of main floor area, and all two-story dwellings shall contain not less than 1,200 square feet of first floor area. The Architectural Committee, with the approval of Declarant, is hereby permitted to approve deviations in the dwelling size in instances where, in their judgment, such devaluation will result in a more common beneficial use.

4.04 Construction in Place. All dwellings constructed on the Property shall be built in place on the lot and the use of prefabricated materials shall be allowed only with the prior written approval of the Architectural Committee.

4.05 Location of Improvements Upon the Lot. No building shall be located or erected nearer to any Lot line bordering a street right of way than is indicated by the building line shown on the recorded plat of the subdivision section which includes such Lot. No Detached Residence shall be located nearer than five feet (5') to any interior side Lot lines, and the total combined distances between the two sides of the Detached Residence and the two side lot lines shall be at least ten feet (10'). Each Patio Home shall be designed so that one (1) wall of the structure shall be constructed adjacent to and abutting a side Lot line. This side Lot line shall be hereinafter referred to as the "Zero Lot Line". Provided, however, that an open court or patio may be built adjacent to and abutting the Zero Lot Line which must be enclosed by a masonry wall or wood product fence having a minimum height of three feet (3'). This wall must enclose the court or patio in such a manner as to appear to be an extension of the residence dwelling. There shall also be established an eight foot (8') minimum distance between the Zero Lot Line and the Patio

Home situated upon the adjoining Lot. No Single Family Unit, whether Detached Residence or Patio Home, shall be located nearer than ten feet (10') from any rear Lot line. For purposes of these covenants, eaves, steps and open porches shall not be considered as part of the building; provided, however, that this shall not be construed to allow any such structure to encroach upon another Lot.

4.06 Rentals. Nothing in this Declaration shall prevent the rental of any lot and the Improvements thereon by the Owner thereof for residential purposes.

ARTICLE V

THE GREAT HILLS RESERVE HOMEOWNER'S ASSOCIATION

5.01 Organization. Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association. The Association shall be a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.02 Membership. Any Person or entity upon becoming an Owner shall automatically become a Member of the Association. Membership shall be appurtenant to and shall run with the property interest which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with the title to the said property interest.

5.03 Voting Rights. The right to cast votes, and the number of votes which may be cast, for election of members to the Board of Directors of the Association and on all other matters to be voted on by the Members shall be calculated as follows:

(A) The Owner (including Declarant) of each Lot within the Property shall have one vote for each Lot so owned.

(B) In addition to the votes to which it is entitled by reason of Subparagraph (A) of this Section, for every one vote outstanding in favor of any other person or entity Declarant shall have four (4) votes until the votes described in Subparagraph (a) of this Section which are owned by persons or entities other than Declarant total, in the aggregate, eighty percent (80%) of the total number of votes. Thereafter Declarant shall have only the votes, if any, to which it is entitled under said Subparagraph (A) of this Section.

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

(A) Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Rules and Bylaws, not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions.

(B) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association functions.

(C) Records. To keep books and records of the Association's affairs.

(D) Assessments. To levy assessments as provided in Article VII below. An assessment is defined as that sum which must be levied in the manner and against the property set forth in Article VII hereof in order to raise the total amount for which the levy in question is being made.

(E) Right of Entry and Enforcement. To enter at any time in an emergency or in a non-emergency, after twenty-four (24) hours written notice, without being liable to any Owner, upon any lot and into any Improvement thereon for the purpose of enforcing The Great Hills Reserve Restrictions or for the purpose of maintaining or repairing any area, Improvement or other facility to conform to The Great Hills Reserve Restrictions, and the expense incurred by the Association in connection with the entry upon and Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VII hereof for regular and special assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Great Hills Reserve Restrictions. The Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Great Hills Reserve Restrictions; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

(F) Legal and accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.

5.05 Roadway Maintenance. The Association shall be required to maintain all streets and roadways, including median strips, within the Property which have been completed but not accepted by the appropriate governmental entity for maintenance. In addition the Association shall be authorized to landscape, maintain and repair easements, access easements, rights-of-way, sidewalks, paths, trails, detention ponds and other areas of the Property, as appropriate.

5.06 Street Lighting. The Association shall be required to pay for electrical service and for all other costs and expenses necessary to operate and maintain the street lights within the Property, until such time as such obligation is assumed by the appropriate governmental entity.

5.07 Commons Areas.

(A) Subject to and in accordance with the Declaration, the Association, acting through the Board shall have the following duties:

- (1) To accept, own, operate and maintain all Common Areas which may be conveyed or leased to it by Declarant, together with all improvements of whatever kind and for whatever purpose which may be located in said areas; and to accept, own, operate and maintain all other property, real and personal, conveyed or leased to the Association by Declarant and to maintain in good repair and condition all lands, improvements, and other Association property owned by or leased to the Association.
- (2) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the members of the Association. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.
- (3) To execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Association, and to accept lands in Common Areas, whether or not improved, from Declarant subject to such mortgages or by assuming such mortgages. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the borrower, whether Declarant or the Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien as shall be deemed appropriate by borrower, whether Declarant or the Association, on the improvement or other facility to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees, assessment of the members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by Declarant or the Association, as the case may be, but subject to the limitations imposed by this Declaration.

(B) In addition to, and not in limitation of, the power and authority of the Association as set forth in Section 5.04 of this Declaration, the Association, acting through the Board, shall have the power and authority:

- (1) To grant and convey to any person or entity the real property and or other interest therein, including fee title, leasehold estate, easements, rights-of-way, or mortgages out of, in, on, over, or under any Association property for the purpose of constructing, erecting, operating or maintaining the following:
 - (a) Parks, parkways or other recreational facilities or structures.
 - (b) Roads, streets, walks, driveways, trails and paths;
 - (c) Lines, cables, wires, conduits, pipelines or other vices for utility purposes;
 - (d) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines and/or
 - (e) Any similar public, quasi-public or private improvements or facilities.

Nothing above contained, however, shall be construed to permit use or occupancy of any Improvement or other facility in a way which would violate applicable use and occupancy restrictions imposed thereon by other provisions of this Declaration.

- (2) To retain and pay for the services of a person or firm (the "Manager") to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power of function so delegated.
- (3) To pay for water, sewer, garbage removal, landscaping, gardening and all other utilities, services and maintenance for the property of the Association.
- (4) To maintain and repair easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, ponds and other areas of the Property, as appropriate.
- (5) To own and operate any and all types of facilities for both active and passive recreation.

- (6) To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, or the Articles or Bylaws of the Association.
 - (7) To construct new improvements or additions to Association properties, subject to the approval of the Architectural Committee as in this Declaration required.
 - (8) To enter into contracts with Declarant and other persons on such terms and provision as the Board shall determine, the operate and maintain any Common area or to provide any service or perform any function on behalf of Declarant or other person.
 - (9) To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.
- (C) Indemnification. The Association shall indemnify any person who was or is party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, Committee member, employee, servant or agent of the Association against expenses, including attorney's fees, reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, or (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of No lo Contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, Committee member, employee, servant or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

ARTICLE VI

ARCHITECTURAL COMMITTEE

6.01 Membership of architectural Committee. The Architectural Committee shall consist of not more than three (3) voting members ("Voting Members") and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as the Board deems appropriate. The following person is hereby designated as the initial Voting member of the Architectural Committee: J. B. Goodwin, Doug Bachman, Dick Gibbons.

6.02 Action by Architectural Committee. Items presented to the Architectural Committee shall be decided by a majority vote of the Voting Members.

6.03 Advisory Members. The Voting Members may from time to time designate Advisory Members.

6.04 Term. Each member of the Architectural Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein.

6.05 Declarant's Rights of Appointment. Declarant, its successors or assigns shall have the right to appoint and remove all members of the Architectural Committee. Declarant may delegate this right to the Board by written instrument. Thereafter, the Board shall have the right to appoint and remove all members of the Architectural Committee.

6.06 Adoption of Rules. The Architectural Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to a building code, a fire code, a housing code, and other similar codes as it may deem necessary and desirable.

6.07 Review of Proposed Construction. Whenever in this Declaration the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which, in its sole discretion, are relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefore shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Committee. The Architectural Committee may review Plans and Specifications submitted for its review and such other information as it deems proper, including any information it may require relating to the questions whether any proposed Improvement upon a Lot would unreasonably obstruct the view from other portions of the Property. No Improvement shall be allowed on any Lot which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes and materials and

similar features as to be incompatible with residential development within the Property and the surrounding area. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set forth in the preceding sentence and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. Any proposed Improvement shall be considered to be approved, however, if it has not been disapproved by the Architectural Committee and all other information required by the Architectural Committee have been submitted to the Architectural Committee in writing. The Architectural Committee shall not be responsible for reviewing any proposed improvements, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

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

6.09 No Waiver of Future Approvals. The approval or consent of the Architectural Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Architectural Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.

6.10 Work in Progress. The Architectural Committee, at its option, may inspect all work in progress to insure compliance with approved Plans and Specifications.

6.11 Nonliability of Architectural Committee Members. Neither the Architectural Committee, nor any member thereof, nor the Board nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Architectural Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Committee or its member or the Board or its member, as the case may be. Neither the Architectural Committee nor the members thereof shall be liable to any Owner due to the construction of any Improvement within the Property or the creation thereby of an obstruction to the view from such Owner's Lot or Lots.

6.12 Address. Plans and Specifications shall be submitted to the Architectural Committee in care of J. B. Goodwin, 124 West Anderson Lane, Austin, Texas 78752, or such other address as may be designated by Declarant from time to time.

6.13 Fees. The Architectural Committee shall have the right to require a reasonable submission fee for each set of Plans and Specifications submitted for its review.

6.14 Certificate of Compliance. Upon completion of any Improvement approved by the Architectural Committee and upon written request by the Owner of the Lot, the Architectural Committee shall issue a Certificate of Compliance in a form suitable for recordation. The Certificate shall identify the Lot and the Improvements, the use or uses to be conducted thereon, and the Plans and Specifications on file with the Architectural Committee pursuant to which the Improvements were made and, shall specify that the Improvements comply with the approved Plans and Specifications. The Certificate shall not be construed to certify the acceptability, sufficiency or approval by the Architectural Committee of the actual construction of the Improvements or of the workmanship or materials thereof. The Owner is hereby notified that the Certificate in no way warrants, except as set forth above, the sufficiency, acceptability or approval by the Architectural Committee of the construction, workmanship, materials or equipment of the Improvements. Preparation and recordation of such a Certificate shall be at the expense of the Owner of the improved Lot.

ARTICLE VII FUNDS AND ASSESSMENTS

7.01 Assessments.

(A) The Association may from time to time levy Assessments against each Lot whether or not improved. The level of Assessments shall be equal and uniform between all Lots, except that no Assessments hereunder shall be levied against Declarant.

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

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

7.02 Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all moneys paid to the Association and from which disbursements shall be made in performing the functions of the Association under this

Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

7.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under The Great Hills Reserve Restrictions, including but not limited to the cost of all roadway, median strip and right-of-way maintenance, the cost of enforcing The Great Hills Reserve Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time, and from time to time, levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month. Or in such other manner as the Board may designate in its sole and absolute discretion.

7.04 Special Assessments. In addition to the regular annual Assessments provided for above, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Great Hills Section 23 Restrictions. The amount of any special Assessments shall be at the reasonable discretion of the Board.

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

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

ARTICLE VIII EASEMENTS

8.01 Reserved Easements. All dedications, limitations, restrictions and reservations shown on any plat covering all or any portion of the Property and all grants and dedications of easements, rights-of-way, restrictions, and related rights made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made a part of this Declaration for all purposes, as is fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, electricity, telephone and drainage), in favor of any person or entity, along and on either of both sides of any Lot line. which said easement shall have a maximum width of 5.0 feet on each side of such Lot line.

8.02 Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Property for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, gas, telephones, electricity and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement. Notwithstanding any provision contained in this action, no electrical lines, water lines or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Committee. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

8.03 Drainage Easements. Each Owner covenants to provide easements for drainage and water f ~ f land and the arrangement of Improvements approved by the Architectural Committee thereon, require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and shown on the Plat. There shall be no construction of Improvements, temporary or permanent in any drainage easement, except as may be approved in writing by the Architectural Committee.

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

ARTICLE IX MISCELLANEOUS

9.01 Term. This Declaration including all of the covenants, conditions and restrictions hereof, shall run until December 31, 2020, unless amended as herein provided. After December 31, 2020, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Owners of at least three-fourths (3/4) of the Lots within the Property then subject to this Declaration filed of record in the Real Property Records of Travis County, Texas.

9.02 Amendment.

(A) By Declarant. This Declaration may be amended by the Declarant acting alone until December 31, 1987, and thereafter for so long as Declarant holds a majority of the votes of the Association. No amendment by Declarant after December 31, 1995, shall be effective until there has been recorded in the Real Property Records of Travis County, Texas, an instrument executed and acknowledged by the President and Secretary of the Board certifying that the Declarant had the requisite number of votes.

(B) By Owners. In addition to the method in Section 9.02 (A), after December 31, 1995, this Declaration may be amended by the recording in the Travis County Real Property Records of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least sixty percent (60%) of the number of voted entitled to be cast pursuant to section 5.03 hereof.

9.03 Notices Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (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.

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

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

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

9.07 Enforcement and Nonwaiver.

- (A) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board shall have the right to enforce all of the provisions of The Great Hills Reserve Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.
- (B) Nonwaiver. The failure to enforce any provision of The Great Hills Reserve Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.
- (C) Liens. The Association shall have the right, when appropriate in its judgment, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance with this Declaration.

9.08 Construction.

- (A) Restrictions Severable. The provisions of the Great Hills Reserve Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.
- (B) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.
- (C) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of this the 27 day of November, 19 87

Declarant:

J. B. GOODWIN DEVELOPMENT, INC., A TEXAS CORPORATION

By: (original signed by J.B. Goodwin)

J.B. Goodwin President

THE STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the 27 day of November, 19 87, by J. B. Goodwin, President of J. B. Goodwin Development, Inc., a Texas Corporation, on behalf of said corporation.

(original signed by Rebecca Commagere)

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: 2/2/91