



A handwritten signature of the name "Julie Alexander" is enclosed within a circular frame.

Prepared in the office of:
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1700 E 2nd Street
Austin, Texas 78702

Declaration of Condominium Regime for 301 Denali Pass Condominiums

For Owners & Tenants of the
301 Denali Pass Condominiums

301 Denali Pass Condominiums are located at 301 Denali Pass Drive, Cedar Park, Texas 78613, and are subject to this Declaration of Condominium Regime for 301 Denali Pass Condominiums, to be recorded in the Official Public Records of Williamson County, Texas.

By acquiring a Unit at 301 Denali Pass Condominiums, you agree to comply with the terms and provisions of the Documents, as amended or modified.

Declaration of Condominium Regime for 301 Denali Pass Condominiums

(A Commercial Condominium Community in Williamson County, Texas)

Preamble

This Declaration of Condominium Regime for 301 Denali Pass Condominiums ("Declaration") is made on the 18th day of April, 2017, in Cedar Park, Williamson County, Texas, by TKress, LLC, a Texas limited liability company ("Declarant"), whose mailing address is RE/MAX 1, 305 Denali Pass, Suite C, Cedar Park, Texas 78613.

Recitals

1. Declarant is the owner of all of the real property, including the land; all improvements and structures on the property; and all easements, rights, and appurtenances belonging to the property that is located at **301 Denali Pass Drive, Cedar Park, Texas 78613**, in Williamson County (the "Property"), more particularly described in **Exhibit A**, attached hereto and incorporated herein for all purposes.
2. Declarant submits the Property to a condominium regime established by the Texas Uniform Condominium Act ("TUCA"), which is codified in Chapter 82 of the Texas Property Code, as may be amended from time to time.
3. The Property constitutes a condominium project ("Project") within the meaning of TUCA. The formal name of the Project is "**301 Denali Pass Condominiums**."
4. Declarant intends and desires to establish by this Declaration a plan of ownership for the condominium project ("Project"). The plan consists of individual ownership of commercial condominium units ("Units"), and an interest in the real property on which the Units are located. The Project shall be divided into no more than six (6) units, as described herein, with the exception of Units added by Declarant under the Development Period.
5. The Declarant intends to impose on the Project restrictions for the benefit of all Units and the persons who own those Units ("Owners"). The Declarant further intends, in accordance with the terms set forth herein, that the Owners will govern the Project by means of an organization of Owners ("Association"), as more particularly set forth herein. The formal name of the Association is the "**301 Denali Pass Condominium Association**," organized in the state of Texas as a non-profit corporation.
6. The Units and other areas of the Regime are more particularly described in **Attachment 1**, attached hereto and incorporated herein for all purposes. The Owners each have an undivided interest in the remaining property of the Project (referred to as the "Common Elements"), which is also more particularly described in **Attachment 1. Attachment 3**, attached hereto and incorporated herein for all purposes, sets forth the allocation to each Unit of: (a) each Unit's ownership, (b) a percentage of undivided interests in the Common Elements of the

Condominium, and (c) a percentage of undivided interests in the Common Expenses of the Association, and (d) the portion of votes in the Association (collectively the "Common Interest Allocation").

7. Therefore, the Declarant declares that the Project is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division of the Property into Units, and all of which are established and agreed on for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Project and every part of the Project. All of the covenants, conditions, and restrictions shall run with the Property and shall be binding on all parties having or acquiring any right, title, or interest in or any part of the Property and shall be for the benefit of each owner of the Project or any interest in the Project and shall inure to the benefit of and be binding on each successor in the interest of the Owners.

Article 1 - Definitions

Unless otherwise defined in this Declaration, terms defined in Section 82.003 of TUCA have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

"Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of the Document provision. Statutes and ordinances specifically referenced in the Documents are "Applicable Law" on the date of the Document, and are not intended to apply to the Property if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

"Area of Common Responsibility" means those portions of Units and Buildings that are designated, from time to time, by the Association to be maintained, repaired, and replaced by the Association, as a Common Expense, as if the portions were Common Elements, as shown on the Maintenance Responsibility Chart attached to this Declaration as **Attachment 4**, attached hereto and incorporated herein for all purpose.

"Architectural Reviewer" means Declarant during the Development Period. After expiration or termination of the Development Period, the rights of the Architectural Reviewer will automatically be transferred to the Board.

"Assessment" means any charge levied against a Unit or Owner by the Association, pursuant to the Documents, TUCA, or other public law, including but not limited to Regular Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments as defined in this Declaration.

"Association" means 301 Denali Pass Condominium Association, a Texas non-profit corporation, the Members of which shall be the Owners of Units within the Regime. The term "Association" shall have the same meaning as the term "property owners' association" in the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time

does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, the Certificate, the Bylaws, and TUCA.

"Board" means the Board of Directors of the Association.

"Builder" means a party, designated and approved by the Declarant, who constructs any General Common Elements, Limited Common Elements, Unit or any Improvement within the Regime.

"Building" means each building, described on the Plats and Plans, now existing or hereafter placed on the Property.

"Bylaws" mean the bylaws of the Association, as they may be amended from time to time.

"Certificate" means the Certificate of Formation of the Association filed in the Office of the Secretary of State of Texas, as the same may be amended from time to time.

"Common Element" means all portions of the Regime, save and except the Units. Common Elements include General Common Elements and Limited Common Elements. By accepting an interest in or title to a Unit, each Owner is deemed to: (i) accept the Common Elements and any Improvements constructed thereon, in their then-existing condition, (ii) acknowledge the authority of the Association to manage, operate and administer the Common Elements, and (iii) acknowledge that transfer of title in and to the Common Elements (if any) or any Improvement constructed thereon to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association.

"Common Expenses" means the expenses incurred or anticipated to be incurred by the Association for preserving and enhancing the Regime, including but not limited to the operation, maintenance, repair and replacement of the Area of Common Responsibility, replacement reserves for the Area of Common Responsibility and property owned by the Association, reserves for the operation of the Association, the management, administration and operation of the Association, the administration and enforcement of the Documents, any expenses classified as a "Common Expense" under this Declaration, and for any expense reasonably related to the purposes for which the Association was formed.

"Community Manual" means the community manual, which shall be initially adopted and Recorded by the Declarant as part of the initial project documentation for the Regime. The Community Manual may include the Rules and Regulations and other policies governing the Association. The Community Manual may be amended, from time to time, by a Majority of the Board; provided, however, that during the Development Period, any amendment to the Community Manual must be approved in advance and in writing by the Declarant.

"Condominium" means 301 Denali Pass Condominiums.

"Declarant" means the TKress LLC, a Texas limited liability company. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by Recorded written instrument, assign, in whole or in part, exclusively or non-exclusively, any of its privileges, exemptions, rights and duties under this Declaration to any Person. Declarant may also, by Recorded written

instrument, permit any other Person to participate in whole, in part, exclusively or non-exclusively, in any of Declarant's privileges, exemptions, rights and duties under this Declaration.

"Declarant Control Period" means that period of time during which Declarant controls the operation and management of the Association, pursuant to **Appendix A** of this Declaration, attached hereto and incorporated herein for all purposes. The duration of Declarant Control Period is from the date this Declaration is recorded for a maximum period not to exceed one hundred and twenty (120) days after title to seventy-five percent (75%) of the Units that may be created pursuant to this Declaration have been conveyed to Owners other than Declarant.

"Declaration" means this document, as it may be amended from time to time.

"Development Period" means the ten (10) year period beginning on the date this Declaration is Recorded, during which Declarant has certain rights as more particularly described on **Appendix A**, including rights related to development, construction, expansion, phasing and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the Property. Declarant may terminate the Development Period by recording a notice of termination. During the Development Period, **Appendix A** has priority over the terms and provisions of this Declaration.

"Documents" mean, singly or collectively as the case may be, this Declaration, the Plat and Plans, attached hereto as **Attachment 1** and incorporated herein for all purposes, the Certificate, Bylaws, the Community Manual, and the Rules of the Association, as each may be amended from time to time. An appendix, exhibit, schedule, attachment or certification attached to or accompanying a Document is explicitly made a part of that Document. The Documents are subject to amendment or modification from time to time.

"General Common Elements" mean Common Elements, which are not Limited Common Elements. General Common Elements refer to those portions of the Property that are designated as "GCE" or "General Common Element", "General Common Area", "Common Area", or by the notation "General Common Elements", "GCE", "General Common Area", "Common Area", or "Common Areas" on **Attachment 1**.

"Improvement" means every Building, structure and all appurtenances of every type and kind, whether temporary or permanent in nature, including, but not limited to streets, curbs, curb cuts, drainage installations, signs, pylon signs, buildings, outbuildings, portable buildings, covered walkways, driveways, parking areas and/or facilities, sidewalks, fences, gates, screening walls, retaining walls, walkways, landscaping, mailboxes, poles, exterior lighting fixtures, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, facilities used in connection with water, sewer, electric, or other utilities.

"LCE", "Limited Common Elements" or "Limited Common Areas" means the Common Elements allocated for the exclusive use or one or more but less than all of the Units, as shown on **Attachment 1**, and as provided in this Declaration.

"Majority" means fifty-one percent (51%) or more.

"Manager" means the person or corporation, if any, appointed by the Board to manage the Property.

"Member" means a member of the Association, each Member being an Owner of a Unit, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

"Mortgagee" means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a Unit.

"Owner" means a holder of recorded fee simple title to a Unit. Declarant is the initial Owner of all Units. Mortgagees who acquire title to a Unit through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a Member of the Association.

"Permittee" means any Tenant and any officer, member, manager, partner, director, agent, employee, licensee, lessee, customer, vendor, supplier, guest, invitee or contractor of the Association, an Owner or the Declarant.

"Person" shall mean any individual or entity having the legal right to hold title to real property.

"Plat and Plans" means the plat and plans attached hereto as **Attachment 1**, as changed, modified, or amended in accordance with this Declaration.

"Property" means the real property as further described in **Exhibit A**, attached hereto and incorporated herein for all purposes, together with all Improvements thereon and all easements, rights, and appurtenances thereto, and includes every Unit and Common Element thereon.

"Recorded" means recorded in the Official Public Records of Williamson County, Texas.

"Regime" or "Project" means the Property, Units, General Common Elements, and Limited Common Elements that comprise the condominium regime established under this Declaration.

"Rules" means rules and regulations of the Association adopted in accordance with the Documents or TUCA. The initial Rules shall be adopted by Declarant for the benefit of the Association.

"Tenant" means an occupant or tenant of a Unit, regardless of whether the person owns the Unit, and shall specifically include Permittees, customers, patrons, invitees, tenants, agents, employees, or contractors of an occupant or tenant of a Unit.

"Unit" means a physical portion of the Property designated by this Declaration for separate ownership, the boundaries of which are shown on the Plat and Plans attached hereto as **Attachment 1**, as further described in this Declaration.

Article 2 – The Property Subject to the Documents

2.1. **Subject To Documents.** The Property is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations as set forth on **Appendix A**, which run with the Property, bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property.

2.2. **Additional Property.** Additional real property may be annexed into the Regime and subjected to the Declaration and the jurisdiction of the Association on approval of Owners representing at least two-thirds of the ownership interests in the Property, or, during the Development Period, by Declarant as permitted in Appendix A. Annexation of additional property is accomplished by the Recording of a declaration of annexation, which will include a description of the additional real property. The declaration of annexation may include a description of the Units added to the Regime.

2.3. **Recorded Easements and Licenses.** In addition to the easements and restrictions contained in this Declaration, the Property is subject to all easements, licenses, leases, and encumbrances of record, including those described in **Attachment 2**, attached hereto and incorporated herein for all purposes, and any shown on a Recorded Plat, each of which is incorporated herein by reference. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by prior-recorded easements, licenses, leases, and encumbrances. Each Owner further agrees to maintain any easement that crosses his Unit and for which the Association does not have express responsibility.

2.4. **Common Elements.** The Common Elements of the Property consist of all of the Property, save and except the Units.

2.5. **Ownership & Maintenance.** The designation of Common Elements is determined by this Declaration. The Declarant may install, construct, or authorize certain Improvements on Common Elements in connection with the development of the Property, and the cost thereof is not a Common Expense of the Association. Thereafter, all costs attributable to Common Elements, including maintenance, repairs, replacement, improvements, insurance, and enhancements, are automatically the responsibility of the Association, unless this Declaration elsewhere provides for a different allocation for a specific Common Element.

2.6. **Acceptance.** By accepting an interest in or title to a Unit, each Owner is deemed: (a) to accept the Common Elements of the Property, and any Improvement thereon, in its then-existing condition, (b) to acknowledge the authority of the Association, acting through its Board, for all decisions pertaining to the Common Elements, (c) to acknowledge that transfer of a Common Element's title (if any) to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association, and (d) to acknowledge the continuity of maintenance of the Common Elements, regardless of changes in the Association's Board or management.

Article 3 – Property Easements

3.1. **General.** In addition to other easements, rights and restrictions established by the Documents and Plats, the Property is subject to the easements, rights and restrictions contained in this Article.

3.2. **Owner's Easement of Use and Enjoyment.** Every Owner is granted a right and easement of use and enjoyment over the General Common Elements and the use of Improvements therein, subject to other limitations, rights and easements contained in the Documents. An Owner who does not occupy a Unit delegates this right of enjoyment to the Tenants of his Unit, and is not entitled to use the General Common Elements.

3.3. **Owner's Maintenance Easement.** Each Owner is hereby granted an easement over and across any adjoining Unit and Common Elements to the extent reasonably necessary to maintain or reconstruct such Owner's Unit, subject to the consent of the Owner of the adjoining Unit, or the consent of the Association in the case of Common Elements, and provided that the Owner's use of the easement granted hereunder does not damage or materially interfere with the use of the adjoining Unit or Common Element. Requests for entry into an adjoining Unit must be made to the Owner of such Unit in advance. The consent of the adjoining Unit Owner shall not be unreasonably withheld; however, the adjoining Unit Owner may require that access to its Unit be limited to Monday through Saturday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. Access to the Common Elements for the purpose of maintaining or reconstructing any Unit must be approved in advance and in writing by the Board, and may not be unreasonably withheld, however, the consent of the Board may require that access to the Common Elements be limited to Monday through Saturday, between the hours of 8 a.m. until 6 p.m., and then only in conjunction with actual maintenance or reconstruction activities. In addition, the Board may require that the Owner abide by additional reasonable rules with respect to use and protection of the Common Elements and adjacent Units during any such maintenance or reconstruction. If an Owner damages an adjoining Unit or Common Element in exercising the easement granted hereunder, the Owner will be required to restore the Unit or Common Element to the condition which existed prior to any such damage, at such Owner's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Owner is notified in writing of the damage by the Association or the Owner of the damaged Unit.

Notwithstanding the foregoing, no Owner shall perform any work to any portion of his Unit if the work requires access to, over or through the Common Elements or other Units without the prior written consent of the Board, except in case of an emergency. All such work may only be performed by a Person who shall deliver to the Board prior to commencement of such work, in form satisfactory to the Board: (a) releases of the Board and the Association for all claims that such Person may assert in connection with such work; (b) indemnities of the Board and the Association, and the Declarant if applicable, holding each and all of them harmless from and against any claims asserted for loss or damage to persons or property, including, but not limited to, Common Elements or other Units; (c) certificates of insurance, including liability and workmen's compensation coverage, in amounts and with companies reasonably acceptable to the Board; and (d) all other information and assurances which the Board may reasonably require.

This Section 3.3 will not apply to any work prosecuted by the Declarant, Declarant's Builder, or the Declarant's Permittee.

3.4. Owner's Ingress/Egress Easement. Each Owner is hereby granted a perpetual easement over the Property, as may be reasonably required, for vehicular and pedestrian ingress to and egress from his Unit or the Limited Common Elements assigned thereto.

3.5. Owner's Encroachment Easement. Every Owner is granted an easement for the existence and continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a Building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the Improvement stands.

3.6. Easement Of Cooperative Support. Each Owner is granted an easement of cooperative support over each adjoining Unit and Limited Common Element assigned thereto as needed for the common benefit of the Property, or for the benefit of Units in a Building, or Units that share any aspect of the Property that requires cooperation. By accepting an interest in or title to a Unit, each Owner: (a) acknowledges the necessity for cooperation in a condominium regime; (b) agrees to try to be responsive and civil in communications pertaining to the Property and to the Association; (c) agrees to provide access to his Unit and Limited Common Elements when needed by the Association to fulfill its duties; and (d) agrees to try refraining from actions that interfere with the Association's maintenance and operation of the Property.

3.7. Association's Access Easement. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, grants to the Association an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Areas and the Owner's Unit and all Improvements thereon for the following purposes:

- (a) To perform inspections and/or maintenance that is permitted or required of the Association by the Documents or by Applicable Law.
- (b) To perform maintenance that is permitted or required of the Owner by the Documents or by Applicable Law, if the Owner fails or refuses to perform such maintenance.
- (c) To enforce the Documents, including without limitation, the architectural standards and use restrictions.
- (d) To exercise self-help remedies permitted by the Documents or by Applicable Law.
- (e) To respond to emergencies.
- (f) To grant easements to utility providers as may be necessary to install, maintain, and inspect utilities serving any portion of the Property.
- (g) To perform any and all functions or duties of the Association as permitted or required by the Documents or by Applicable Law.

3.8 Utility Easement. The Association and Declarant (during the Development Period) may grant permits, licenses, and easements over the Common Elements for utilities, and other purposes reasonably necessary for the proper operation of the Regime. Declarant (during the Development Period) and the Association may grant easements over and across the Units and Common Elements to the extent necessary or required to provide utilities to Units; provided, however, that such easements will not unreasonably interfere with the use of any Unit for commercial purposes. A company or entity, public or private, furnishing utility service to the

Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board and may not unreasonably interfere with the use of a Unit. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, telephone, master or cable television, internet and security.

NOTICE: PLEASE READ CAREFULLY THE FOLLOWING PROVISIONS ENTITLED "SECURITY" AND "INJURY TO PERSON OR PROPERTY". THESE PROVISIONS LIMIT THE RESPONSIBILITY OF DECLARANT AND THE ASSOCIATION FOR CERTAIN CONDITIONS AND ACTIVITIES.

3.9. Security. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property, such as gates or security personnel. Each Owner and Tenant acknowledges and agrees, for himself and his Permittees, that Declarant, the Association, and their respective directors, officers, committees, agents, managers, members, contractors and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and Tenant acknowledges and accepts as his sole responsibility to provide security for his own person, Permittee and property, and assumes all risks for loss or damage to same. Each Owner and Tenant further acknowledges that Declarant, the Association, and their respective directors, officers, members, managers, committees, agents, contractors and employees have made no representations or warranties, nor has the Owner or Tenant relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, monitoring, burglary, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Tenant acknowledges and agrees that Declarant, the Association, and their respective directors, officers, members, managers, committees, agents, contractors and employees may not be held liable for any loss or damage by reason of any failure to provide adequate security or the ineffectiveness of security measures undertaken.

3.10. Injury to Person or Property. Neither the Association nor Declarant, or their respective directors, officers, members, managers, committees, agents, contractors and employees have a duty or obligation to any Owner, Tenant or their Permittees: (a) to supervise minor children or any other person; (b) to fence or otherwise enclose any Limited Common Element, General Common Element, any portion of the Property or other Improvement; or (c) to provide security or protection to any Owner, Tenant, or their customers, patrons, invitees, tenants, agents, employees, or contractors, and Permittees from harm or loss. By accepting title to a Unit, each Owner agrees that the limitations set forth in this section, this article and elsewhere in the Documents are reasonable and constitute the exercise of ordinary care by the Association and Declarant. Each Owner agrees to indemnify and hold harmless the Association and Declarant, and the Association's and Declarant's agents, members, managers, officers, employees, directors and contractors from any claim of damages, to person or property arising out of an accident or injury in or about the Regime or Property to the extent and only to the extent caused by the acts or omissions of such Owner, his tenant, his Tenant, his customers, patrons, invitees, tenants, agents, employees, contractors, or Permittees to the extent such claim is not covered by insurance obtained by the Association at the time of such accident or injury.

3.11. Easement to Inspect and Right To Correct. For a period of ten (10) years after the expiration of the Development Period, Declarant reserves for itself and for Declarant's architect, engineer, other design professionals, builder, and general contractor the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, Improvement, or condition that

may exist on any portion of the Property, including the Units, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. The party exercising the easement reserved hereunder, will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a utility panel may be warranted by a change of circumstance, imprecise siting, or desire to comply more fully with Applicable Law. This Section may not be construed to create a duty for Declarant or the Association, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant, the Builder, and the Declarant's architect, engineer, other design professionals, and general contractor an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Elements and each Unit for the purposes contained in this section.

3.12. Parking. Portions of the parking areas on the Property may be allocated as Limited Common Elements on the Plats and Plans, by use of "LCE" and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation, and such designated parking spaces shall be for the exclusive use of the designated Unit and for the Owners, guests, patrons and invitees of such Unit. During the Development Period, Declarant reserves the right to designate and assign portions of the General Common Elements as parking as parking for the exclusive use of any Owner or his or her Tenant, which shall be made Limited Common Elements on the Plat. Upon expiration or termination of the Development Period, the Association may assign parking spaces to any Owner or may use such parking spaces in a manner determined by the Board, but subject to any assignment or designation previously made by the Declarant. Any designation or assignment of General Common Elements as parking will be memorialized by a written instrument executed by an authorized representative of the Declarant (or by a Majority of the Board if the Development Period has expired or been terminated by Declarant) which shall identify the parking space(s) and the designation or Unit assigned thereto, as applicable. The assignment shall be made a part of the corporate records of the Association, and in the case of an assignment for the exclusive use of an Owner, will be considered an agreement between the Association and such Owner with regard to use of the parking spaces so assigned, and may not be terminated or modified without the consent of the Declarant (or by a Majority of the Board if the Development Period has expired or been terminated by Declarant) and the Owner of the Unit to which the parking space was assigned.

Article 4 - Disclosures

This article discloses selective features of the Regime that may not be obvious to potential Owners and Tenants. Because features may change over time, no disclosure in this Article should be relied upon by any person, Owner or Tenant without independent confirmation.

4.1. Parking and Streets Within the Property. The streets located outside the Property are public streets and maintained by applicable governmental authorities. Driveways and parking areas within the Property are private and maintained by the Association. By acquiring a Unit in the Regime, each Owner acknowledges and agrees that use of the parking areas and driveways will be subject to all applicable Rules. The Declarant or the Association, acting through the Board, has the express authority to adopt, amend, repeal, and enforce Rules for use of driveways and parking areas.

(a) Parking Areas and Driveways. Parking areas and driveways within the Property are Common Elements and are maintained and administered by the Association. The Association, acting through the Board has the express authority to adopt, amend, repeal, and enforce the rules, regulations and procedures for use of parking areas and driveways, including but not limited to:

- (i) Identification of vehicles used by Owners and Tenants and their guests.
- (ii) Designation of parking areas and no-parking areas, and loading/unloading zones.
- (iii) Limitations or prohibitions on parking area or driveway parking.
- (iv) Removal or prohibition of vehicles that violate applicable rules and regulations.
- (v) Speed limits.
- (vi) Fines for violations of applicable rules and regulations.

(b) Public Streets. Public streets are not Common Elements, but may be maintained and/or regulated by the Association to the extent they are not maintained or regulated by the City or county. As to public streets, the Association, acting through the Board, is specifically authorized: (i) to accept from applicable governmental authorities any delegation of street-related duties; and (ii) to act as attorney in fact for the Owners in executing instruments required by public ordinance or public law to impose, modify, or remove restrictions or traffic devices (such as speed bumps) on public streets serving and adjacent to the Property.

Location, alignment and striping of parking spaces may vary from the depiction on any parking plan shown to a prospective purchaser. Any parking plan prepared by the Declarant or the Association is approximate and may not precisely conform to as-built conditions. Trucks, sports utility vehicles, vans, minivans, large sedans, or any other vehicles other than compact passenger vehicles may not fit into parking spaces. Declarant makes no representations or warranties that any trucks, sports utility vehicles, vans, minivans, large sedans, or any other vehicles other than compact passenger vehicles will actually fit into any parking spaces.

4.2. Moisture. The Unit may trap humidity created by general use and occupancy. As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Owners and Tenants, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold. Mold and/or mildew can grow in any portion of the Property that is exposed to elevated levels of moisture. (See Section 9.10 for certain duties of an Owner with respect to mold).

4.3. Adjacent Thoroughfares. The Property is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved and/or widened in the future. No representations are made regarding the adjacent thoroughfares.

4.4. Zoning. No representations are made regarding the zoning of adjacent property. The zoning and use of adjacent property may change in the future.

4.5. Outside Conditions. In every neighborhood there are conditions that different people may find objectionable, and as such, it is acknowledged that there may be conditions outside of the Property that an Owner or Tenant may find objectionable, and it shall be the sole responsibility of an Owner or Tenant to become acquainted with neighborhood conditions, which could affect the Property and Unit.

4.6. Construction Activities. Declarant and/or Builders will be remodeling and/or constructing portions of the Regime and engaging in other construction activities related to the construction and/or remodeling of Units and Common Elements. Such construction activities may, from time to time, produce certain conditions on the Regime, including, without limitation: (a) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (b) smoke; (c) noxious, toxic or corrosive fumes or gases; (d) obnoxious odors; (e) dust, dirt or flying ash; (f) unusual fire or explosion hazards; (g) temporary interruption of utilities; and/or (h) other conditions that may annoy or threaten the security or safety of Persons on the Regime. Notwithstanding the foregoing, all Owners and Tenants agree that such conditions on the Regime resulting from construction activities shall not be deemed a nuisance and shall not cause Declarant or any agent of Declarant to be deemed in violation of any provision of the Declaration.

4.7. Name of Regime. "301 Denali Pass Condominiums" and the Property's and/or Association's names and/or assumed names are commonly used phrases and may have been used by third parties in connection with many different types of real estate properties. As a result, there is a risk that one or more third parties may assert that the term "301 Denali Pass Condominiums" and the Property's and/or Association's assumed names have trademark significance and may assert claims for trademark infringement against the Declarant claiming a likelihood of confusion, and may attempt to force Declarant to change the name or recover for damages for trademark infringement. Declarant believes that it has reasonable defenses to such claims on the grounds that the term is merely descriptive, primarily geographically descriptive, and/or dilute, to the extent that no third party can claim exclusive rights in use of the term in connection with real estate development projects, including but not limited to the Regime, or that the overall circumstances of use of the term by Declarant is in different channels of commerce, such that there is no likelihood of confusion with any third party's use of the term. It is believed that due to the fact that the name is not known to be in common usage in Cedar Park, Texas, or more generally in connection with a condominium community, the term "301 Denali Pass Condominiums" cannot be lawfully appropriated as a trademark by any third party and is not protectable as a trademark under federal or state law; provided, however, that: (a) Declarant shall have no liability should the Regime be forced to change its name or stop using as assumed name; (b) Declarant shall have no duty to contest any claim asserting that the name should be changed; and (c) each Owner shall, by taking title to a Unit, acknowledge that the name "301 Denali Pass Condominiums" or any assumed name was in no way an inducement to purchase, to not sell after purchase, or to expend funds in detrimental reliance on the name remaining "301 Denali Pass Condominiums" or any assumed name. During the Declarant Control Period, Declarant shall have the right in its sole discretion to change the name of the Regime without notice to any person.

4.8. Encroachments. Improvements may have been constructed on adjoining lands that encroach onto the Property. Declarant gives no representations or warranties as to property rights, if any, created by such any such encroachments.

4.9. Budgets. Any budgets are based on estimated expenses only without consideration for the effects of inflation and may increase or decrease significantly when the

actual expenses become known, the Common Elements are completed, and/or additional Units are sold.

4.10. Light and Views. The natural light available to and views from a Unit can change over time due in part to additional development and the removal or addition of landscaping and trees. NATURAL LIGHT AND VIEWS ARE NOT PROTECTED, WARRANTED OR GUARANTEED IN ANY WAY BY DECLARANT OR THE ASSOCIATION.

4.11. Sounds. No representations, warranties or guarantees are made by Declarant that the Unit is or will be soundproof or that sound and/or vibrations may not be transmitted from one Unit to another or from the Common Elements to a Unit. Sound transmission and/or vibrations between Units and Common Elements are inherent in condominium construction and are not a construction defect. The plumbing and concrete, tile, and hardwood surfaces and other uncovered surfaces within a Unit may transmit noise, and such noise shall not constitute a use of a Unit that interferes with or causes disruption to the use and quiet enjoyment of another Unit by its respective Owner and/or Tenant. Furthermore, Owner and Tenants of Units in close proximity to Common Elements should anticipate a reasonable amount of noise, odors and/or activity resulting from use of such Common Elements, and Declarant is making no representations, warranties or guarantees that any Unit is or will be soundproof from or that sounds and/or vibrations from the Common Elements will not be able to be heard or felt in the Units. During the initial construction of the Units, and at anytime necessary thereafter, Declarant strongly recommends that all Owners install adequate soundproofing or soundproofing insulation in his or her Unit in the common walls between the Units.

4.12. Surrounding Environment. The Property is located in an urban environment. Land adjacent or near the Property may currently contain, or may be developed to contain in the future, residential and commercial uses. Sound and vibrations may be audible and felt from such things as roadways, traffic, sirens, whistles, horns, the playing of music, people speaking loudly, trash being picked up, deliveries being made, equipment being operated, dogs barking, construction activity, Building, Project and grounds maintenance being performed, automobiles, buses, trucks, ambulances, airplanes, trains and other generators of sound and vibrations typically found in an urban area. Sounds and vibrations can also be generated from sources located within a Unit or the Common Elements including heating and air conditioning equipment, pump rooms, other mechanical equipment, and the playing of certain kinds of music. In addition to sound and vibration, there may be odors (including but not limited to from restaurants, food being prepared and dumpsters) and light (including but not limited to from signs, streetlights, other buildings, car headlights Common Elements, other Units and other similar items) and these things are part of the reality of urban living. The Units are not constructed to be soundproof or free from vibrations.

4.13. Unit Plans and Dimensions. Any advertising materials, brochures, renderings, drawings, and the like, furnished by Declarant to Owner which purport to depict the Unit, Common Elements, or any portion thereof, are merely approximations and do not necessarily reflect the actual as-built conditions of the same. Room dimensions, Unit size and elevations may vary due to the nature of the construction process and site conditions. If the Owner is concerned about any representations regarding room dimensions, Unit size and elevations, or Common Elements, the Owner should conduct its own investigation of such matters prior to contracting for the purchase of a Unit.

4.14. Water Runoff. The Property may be subject to erosion and/or flooding during unusually intense or prolonged periods of rain. In addition, water may pond on various portions of

the Property having impervious surfaces, such as parking areas, walkways, and driveways.

4.15. Unit Systems. No representations are made that the systems in the Unit including, by way of example only, heating and air conditioning and electrical systems, whether those Units are installed by Declarant or by any Owner, will operate or perform at a level or standard greater than the minimum specifications of the manufacturer. In addition, the performance and methods and practices of operating heating and cooling systems can be directly affected by the orientation and location of a room or Unit in relation to the sun. Declarant has no obligation other than to install a heating and cooling system at the Unit, which has been sized and designed based on industry standards for the type and size of Unit to be constructed.

4.16. Concrete. Minor cracks in poured concrete, including foundations, sidewalks, and driveways are inevitable as a result of the natural movement of soil (expansion and contraction), shrinkage during the curing of the concrete, and movement of a Building.

4.17. Location of Utilities. Declarant makes no representation as to the location of mailboxes, utility boxes, streetlights, fire hydrants or storm drain inlets or basins.

4.18. Illness and Allergic Reactions to Construction. The Building and Units contain products that have water, powders, solids and industrial chemicals used in construction. The water, powders, solids and industrial chemicals will and do contain mold, mildew, fungus, spores and chemicals that may cause allergic or other bodily reactions in certain individuals. Leaks, wet flooring and moisture will contribute to the growth of molds, mildew, fungus or spores. Declarant is not responsible for any illness or allergic reactions that a person may experience as a result of mold, mildew, fungus or spores. It is the responsibility of the Owner and/or Tenant to keep the Unit clean, dry, well ventilated and free of contamination.

4.19. Paint. Due to the large quantity of paint used in the Building and Units, Owner should be aware that slight variations in paint shade may exist. Due to the properties within today's paints, Owner should expect paint to yellow or fade with time. This is a normal occurrence and is neither a construction defect nor a warrantable item. Avoid washing or scrubbing painted walls. Lightly soiled areas may be cleaned using a sponge with water and lightly wiping over the soiled areas.

4.20. Marketing. Declarant's use of a sales center and/or model Units, if any, or reference to other remodels or construction by Declarant is intended only to demonstrate the floor plans and styles of Units available for purchase. Declarant may have shown prospective purchasers model units, floor plans, sketches, drawings, and scale models of Units or the project (collectively "Promotional Aids"). Owner understands and agrees that the Promotional Aids are conceptual, subject to change, for display purposes only, and may not be incorporated into the project or a Unit. Declarant retains the right to obtain and use photography of the Property (including any Unit) for publication and advertising purposes.

Article 5 – Units, Limited Common Elements and Allocations

5.1. Units and Maximum Number of Units. The Regime consists of six (6) existing Units. The Declarant may add additional Units during the Development Period as set forth in **Appendix A**.

To add Units to the Regime, Declarant during the Development Period may, from time to time, file an amendment to this Declaration creating such additional Units. Declarant or any Owner constructing an additional Unit shall be responsible for the cost and expenses related to the Declarant or the Association's preparation, execution, and recording of an amendment to this Declaration and the Plat and Plans which amendment will: (a) assign an identifying number to each new Unit; (b) reallocate the Common Interest Allocation among all Units then existing within the Regime in a manner similar to the existing allocations by square footage of the Units; (c) describe any Limited Common Elements; if any, created or designated to each new Unit; and (d) with respect to new Units, include the information required by TUCA. To add additional property to the Regime, Declarant will Record a declaration of annexation, which will include a description of the additional real property. The declaration of annexation may also include a description of the Units added to the Regime if the Declarant elects to create Units upon recordation of the declaration of annexation, or Declarant may elect to create additional Units or Common Elements on the additional property subsequent to the recordation of the declaration of annexation. No assurance is given as to the dispersion of new Units, total number of new Units, or size of such Units.

5.2 Unit Boundaries. The boundaries and identifying number of each Unit are shown on the Plat and Plans attached as **Attachment 1. The individually owned Units created by this Declaration include some portions of the Building outside of the traditional air-conditioned areas. For example, windows and doors located on the perimeter of a Unit are included within the Unit's boundaries.** The boundaries are further described as follows:

(a) **Lower Boundary.** The top surface of the concrete slab foundation is the horizontal plane defining the Unit's lower boundary. The actual concrete slab foundation is specifically made a General Common Element. Anything on or affixed to the top of the foundation is part of the Unit.

(b) **Upper Boundary.** The outside or top surface of the ceiling material to be installed in the Units is the horizontal plane defining the Unit's upper boundary. The attic space, framing in the attic areas, sprinkler systems, roof, roofing materials and decking is specifically made a General Common Element.

(c) **Lateral Boundaries - Exterior Walls.** On perimeter walls, the Unit's lateral boundaries are the planes defined by the outside-facing surfaces of the sheetrock or other material comprising the Unit's walls to be installed in the Units and by the outside-facing surfaces of the outermost component of doors and windows in the perimeter walls. The entire wall cavity, framing in the wall cavity and exterior wall materials are specifically made a General Common Element. All exterior doors and windows servicing a single Unit are specifically made a part of that Unit.

(d) **Lateral Boundaries - Interior Walls.** On interior walls, the Unit's lateral boundaries are the planes defined by the outside-facing surfaces of the sheetrock or other material comprising the Unit's walls to be installed in the Units. The entire wall cavity and framing in the wall cavity are specifically made a General Common Element.

5.3 What the Unit Includes. Each Unit includes the spaces and improvements within the above-described vertical and horizontal boundaries, including but not limited to, any windows, window screens and frames, exterior doors, door hardware, and exterior porches that exclusively serve the Unit. Each Unit also includes improvements, fixtures, and equipment serving the Unit exclusively, whether located inside or outside the Unit, whether or not attached to or contiguous with the Unit, including but not limited to, the following (if any): water heaters, HVAC units and systems (to be initially installed by the Unit Owner), utility meters, fuse boxes, electrical switches, wiring, pipes, ducts, conduits, smoke detectors, security systems, cabling, lighting fixtures, and

telephone and electrical receptacles. Each Unit excludes any chute, pipe, flue, duct, wire, or conduit running through a Unit for the purpose of furnishing utility and similar services to other Units and/or Common Elements.

5.4 Units Generally. If the foregoing description of Unit boundaries is inconsistent with the Plat and Plans, then this article will control. It is the express intent of the Declarant that the property described as being part of a Unit shall for all purposes herein be treated as and constitutes a lawfully described "Unit" as that term is defined in TUCA. In the event that there is a final judicial determination by a court of competent jurisdiction that the boundaries of a Unit or any portion thereof are so indefinite and vague so as to not create a legally constituted "Unit" within the meaning of TUCA, then that portion of the Unit that has not been adequately described shall be severed from the property deemed a part of the Unit (if the remainder of the Unit, excluding the severed portion thereof, constitutes a properly described "Unit" under TUCA) and shall thereafter be deemed a Limited Common Elements reserved to the exclusive use of said Unit, subject to the rights and obligations of other Owners with respect to said property.

5.5 Representations of Size. Marketing sizes may vary from the size of the actual space contained within the Unit's vertical and horizontal boundaries and the actual area contained within the air-conditioned space of the Unit. **NOTICE REGARDING SIZE OF UNIT: The size of a Unit may be measured different ways for different purposes, such as for construction or architectural drawing purposes, tax purposes, appraisal purposes, sales purposes or listing in a multiple listing service, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air-conditioned space, or the area within the Unit's legal boundaries. The Unit's partition wall cavities and/or its perimeter wall cavities may or may not be included in various measurements.**

5.6 Initial Designations Of Limited Common Elements. The following portions of the Common Elements are Limited Common Elements assigned to the Units.

(a) Shown on Plats and Plans. Portions of the Common Elements may be allocated as Limited Common Elements on the Plats and Plans, by use of "LCE" and the identifying number of the Unit to which the Limited Common Element is appurtenant, or by use of a comparable method of designation.

(b) Appurtenant Areas. Only to the extent they are not part of the Unit, any entryway that is obviously intended for the sole and exclusive use of the Unit to which the area is appurtenant is deemed a Limited Common Element, whether or not the area is so designated on Plats and Plans.

5.7 Subsequent Allocation of Limited Common Elements. A Common Element not allocated by this Declaration as a Limited Common Element may be so allocated only in accordance with TUCA or the provisions of this Declaration. Declarant has reserved the right as set forth in **Appendix A** of this Declaration, to create and assign Limited Common Elements within the Property.

5.8 Common Interest Allocation. The percentage of interest in the Common Elements (the "Common Interest Allocation") allocated to each Unit is set forth on **Attachment 3**. In the event additional Units are added to the Regime, whether through the conversion of General Common Elements, subdivision of Units, construction of additional Units, combination of Units, or the addition of land, the Common Interest Allocation will be reallocated among the Units created by

square footage. In the event Units are combined into a single unit or units with a configuration, which differs from the original combined Units, the Common Interest Allocation originally assigned to such Units will be reallocated among the combined or re-configured Units by square footage, or as otherwise determined by Declarant or the Association. In the event an amendment to this Declaration is filed which reallocates the Common Interest Allocation as a result of any modification of Units or any increase or decrease in the number of Units, the reallocation will be effective on the date such amendment is Recorded.

5.9 Common Expense Liabilities. The percentage of liability for Common Expenses allocated to each Unit and levied pursuant to Article 6 is equivalent to the Common Interest Allocation assigned to the Unit.

5.10 Votes. An Owner's vote in the Association shall be equal to his or her Common Interest Allocation as set forth in **Attachment 3**. If any reallocation of the Unit's Common Interest Allocation is performed pursuant to the Documents, the Owner's voting rights are correspondingly reallocated.

5.11 Responsibility for Design and Construction.

(a) Each Owner, by accepting a deed to a Unit, acknowledges and agrees that the Unit and associated improvements were and will be designed and remodeled and/or constructed by a Builder, and were not and will not be designed, remodeled or constructed by Declarant. Accordingly, Declarant shall have no responsibility relating to the design, remodel, or construction of the Project, Units, or Common Elements.

(b) In connection with the foregoing, each Owner shall release Declarant, its officers, members, managers, agents, employees and contractors, and their respective managers, members, officers, directors, partners, agents, representatives, contractors and employees (collectively, the "Released Parties") from any and all claims, demands, debts, actions, causes of action, suits, personal injury, obligation, property damage, agreements, obligations, defenses, offsets, damages and liabilities of any kind or character whatsoever known or unknown, suspected or unsuspected, in contract or in tort, at law or in equity, that such Owner ever had, now has, or may hereafter have (collectively, the "Design and Construction Claims") against the Released Parties for or by reason of any matter, cause or thing whatsoever occurring in connection the design, remodel and construction of the Project, Units and Common Elements (collectively, the "Release"). THIS RELEASE EXPRESSLY INCLUDES ANY DESIGN, REMODEL, AND CONSTRUCTION CLAIMS ARISING OUT OF THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF ONE OR MORE OF THE RELEASED PARTIES.

(c) Each Owner shall defend, indemnify and hold the Released Parties harmless from and against any claims, demands, debts, actions, causes of action, suits, personal injury, property damage, obligation, liability, cost or expense, including reasonable attorneys fees, incurred, arising out of or resulting from the design and construction of the Project, Units or Common Elements (collectively, the "Indemnity"). THIS INDEMNITY EXPRESSLY INCLUDES ANY DESIGN, REMODEL, AND CONSTRUCTION CLAIMS ARISING OUT OF THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF ONE OR MORE OF THE RELEASED PARTIES.

5.12 Compliance with ADA. Each Unit shall comply with the Americans with Disabilities Act ("ADA"), as may be amended from time to time, and such compliance and expense of bringing the

Unit or Limited Common Elements serving a Unit into compliance with the ADA shall be the sole responsibility of the Unit Owner. All Units shall be ADA compliant within sixty (60) days of completion of any initial construction or subsequent remodel.

5.13 Sign Allocations and Construction. Each Owner, by accepting an interest in or title to a Unit, shall be granted allocation for signage on the monument sign to be constructed on the Property by Declarant, advertising the businesses operating in the Units, and such allocation of signage on the monument sign shall be equal to the Unit's Common Interest Allocation as set forth in **Attachment 3**. Owners understand that reallocation of this signage allocation will be necessary upon reconfiguration of Units, if any, and all Owners consent to such reallocation by the Declarant and/or Association, as applicable. Each Owner grants to the Declarant during the Development Control Period as necessary, and after the termination of the Development Control Period to the Association, a sign easement for the installation, maintenance, repair and replacement of the monument sign. Declarant additionally reserves the right to construct additional signs on the Property during the Declarant Control Period, and such signs may be constructed in the sole discretion of Declarant in any size, height, width, style, color, shape or design allowed under local ordinances, and the signage on any newly constructed signs constructed at the expense of Declarant shall be allocated to the Units in the sole discretion of Declarant. The Declarant or the Association shall have the right and specifically reserve the right to install electricity to the sign(s) over or through the Property, if necessary. Declarant or the Association shall have the right and specifically reserve the right to a limited easement over the Common Areas for the limited purpose of constructing and maintaining the sign(s).

Upon the initial sale from Declarant to the buyer of any Unit, the purchasing Owner or buyer of the Unit shall make a one-time payment of Seven Hundred Dollars (\$700.00) to Declarant at the closing of the purchase of the Unit ("Sign Payment"). and in consideration for such Sign Payment, Declarant shall install two (2) bronze colored base panels on the monument sign, one on each side of the monument sign, within the areas allocated to the Unit on the monument sign, and one (1) bronze colored plate above the Unit's door, advertising the Owner's business ("Signs").

The Owner of any Unit, or the tenant of any Unit as may be agreed between Owner and tenant, is solely responsible for permitting, purchasing and installing lettering on each of his or her three (3) Signs.

Upon any resale of a Unit, the Unit Owner shall be responsible for the installation of the Unit's Signs, in a design similar to the existing signage.

All Signs must be submitted in writing to the Declarant or the Board for approval prior to any installation, and such approval shall be granted or denied within thirty (30) days from the submission. If no approval is granted, the submission shall be assumed to be denied. All Signs must be approved by Declarant or the Board prior to any permit for Signs being submitted by any Owner or agent of any Owner to the City of Cedar Park. The Association may determine specifications or additional specifications for new Signs.

Each Unit Owner is responsible for the installation and maintenance of the sign located above the exterior door of the Unit ("Door Sign"). Unless otherwise determined by the Declarant or Association, as applicable, the Door Sign shall be installed within the boundaries of the bronze colored panel installed above the exterior door of the Unit by Declarant.

No Signs shall be constructed or installed by any Owner or tenant without prior written approval of the Declarant or Board, and no Signs shall be constructed or installed in places on the Building or Property other than on the monument sign or in the areas above a Unit's door as designated above, without the prior written approval of the Declarant or Board.

5.14. Completion of Initial Construction and Finish Out of Units. Upon the initial purchase of the Unit, the Owner shall complete construction and finish-out, so that the Unit has obtained a

Certificate of Occupancy within nine (9) months of the closing of the initial purchase of the Unit.

Article 6 - Assessments

6.1. **Purpose of Assessments.** The Association will use Assessments for the general purposes of preserving and enhancing the Regime, including but not limited to the operation, maintenance, repair and replacement of the Area of Common Responsibility, replacement reserves for the Area of Common Responsibility and property owned by the Association, reserves for the operation of the Association, the management, administration and operation of the Association, the administration and enforcement of the Documents, and for any expense reasonably related to the purposes for which the Association was formed. If made in good faith, the Board's decision with respect to the use of Assessments is final. Portions of this Article may be amended by the Board in light of changes to TUCA, as may be amended from time to time.

6.2. **Personal Obligation.** An Owner is obligated to pay Assessments levied by the Board against the Owner or the Owner's Unit. Payments are to be made to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the Common Elements or the Area of Common Responsibility, by abandonment of such Owner's Unit, or for any other reason. An Owner's obligation is not subject to offset by the Owner, nor is it contingent on the Association's performance of the Association's duties. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Unit.

6.3. **Types of Assessments.** There are five (5) types of Assessments: Regular, Special, Utility, Individual, and Deficiency Assessments.

6.4. **Regular Assessments.** Regular assessments are used for Common Expenses related to the recurring, periodic, and anticipated responsibilities of the Association and Common Elements, including but not limited to:

- (1) Maintenance, repair, and replacement, as necessary, of the Common Elements, and Improvements, equipment, monument sign, and property owned by the Association.
- (2) Maintenance examination and report.
- (3) Utilities billed to the Association, including but not limited to electric and water for Common Elements.
- (4) Waste disposal (currently the Association is responsible for fifty-percent (50%) of the total waste disposal services billed to the Property and the adjoining property commonly known as 305 Denali Pass, Cedar Park, Texas).
- (5) Exterior pest control.
- (6) Lawn, landscaping and irrigation systems installation and maintenance.
- (7) Services obtained by the Association and available to all Units.
- (8) Taxes on property owned by the Association and the Association's income taxes.
- (9) Management, legal, accounting, auditing, and professional fees for services to the Association.

- (10) Costs of operating the Association, such as telephone, postage, delivery, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- (9) Insurance premiums and deductibles.
- (10) Contributions to the reserve funds.
- (11) Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Regime or for enforcement of the Documents.

(a) Annual Budget. The Board will prepare and approve an annual budget with the estimated expenses to be incurred by the Association for each fiscal year. The budget will take into account the estimated income and Common Expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or a summary of the budget available to the Owner of each Unit, although failure to receive a budget or budget summary will not affect an Owner's liability for Assessments.

(b) Basis of Regular Assessments. Regular Assessments will be based on the annual budget, minus estimated income from sources other than Regular Assessments. Each Unit will be liable for its allocated share of the annual budget. If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, Owners will continue to pay the Regular Assessment as last determined.

(c) Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency.

6.5 Special Assessments. In addition to Regular and Utility Assessments, the Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, Common Expenses not anticipated by the annual budget or reserve funds. Special Assessments may be used for the same purposes as Regular Assessments. Special Assessments do not require the approval of the Owners, except that Special Assessments for the following purposes must be approved by at least two-thirds of the votes in the Association: (a) acquisition of real property; and (b) construction of additional Improvements within the Regime (excluding the repair or replacement of existing Improvements or the construction of additional Improvements by the Declarant).

6.6 Utility Assessments. This Section applies to utilities serving the individual Units and consumed by the Tenants that are billed to the Association by the utility provider, and which may or may not be sub-metered by or through the Association, if any. In addition to Regular Assessments, the Board may levy a Utility Assessment against each Unit. The Board may allocate the Association's utility charges among the Units by any conventional method for similar types of properties. The levy of a Utility Assessment may include a share of the utilities for the Common Elements, as well as administrative and processing fees, and an allocation of any other charges that are typically incurred in connection with utility services. The Board may, from time to time, change the method allocation, provided the same type of method or combination of methods is used for all Units.

Each Unit is individually metered for electric. There is one water meter serving the

Property, and each Unit is responsible for installing a water sub-meter on his or her Unit, which will allow the Owner and Association to measure water consumption by the Unit. Each Unit will be responsible for payment to the Association the cost of water consumption by the Unit, and is additionally responsible for payment according to the Unit's Allocated Interests in **Attachment 3**, to the Association the cost of water useage in the Common Elements. The method, manner and frequency of such payments shall be determined by the Declarant or Association, as applicable, in its sole discretion. There is no gas installed on the Property.

6.7 Individual Assessments. In addition to Regular and Special Assessments, the Board may levy an Individual Assessment against an Owner and the Owner's Unit. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or the Owner's Unit into compliance with the Documents; fines for violations of the Documents; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; insurance deductibles; reimbursement for damage or waste caused by willful or negligent acts of the Owner, the Owner's guests, invitees, Permittees or Tenants of the Owner's Unit; Common Expenses that benefit fewer than all of the Units, which may be assessed according to benefit received; fees or charges levied against the Association on a per-Unit basis; and "pass through" expenses for services to Units provided through the Association and which are equitably paid by each Unit according to benefit received.

6.8 Deficiency Assessments. The Board may levy a Deficiency Assessment against all Units for the purpose of defraying, in whole or in part, the cost of repair or restoration for General Common Elements if insurance proceeds or condemnation awards prove insufficient.

6.9 Operational Fund. Upon the transfer of a Unit (including both transfers from Declarant to the initial Owner, and transfers from one Owner to a subsequent Owner), an **operational fund fee in an amount of \$500.00**, or as adjusted by the Board from time-to-time, will be paid by the transferee (buyer) of the Unit to the Association for the Association's operational fund. Upon termination of the Development Period (and only at such time), the Board will be permitted to modify any operational fund assessment payable on the transfer of a Unit. Each operational fund contribution will be collected upon the conveyance of the Unit from one Owner (including Declarant) to another (expressly including any re-conveyances of the Unit upon resale or transfer thereof). Declarant may use operational fees collected hereunder to pay operational expenses of the Association until the Declarant Control Period terminates. Contributions to the fund are not advance payments of Regular Assessments and are not refundable.

Notwithstanding the foregoing provision, the following transfers will not be subject to the operational contribution: (a) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (b) transfer to, from, or by the Association; (c) voluntary transfer by an Owner to one or more co-owners, or to the Owner's spouse, child, or parent.

6.10 Due Date. Regular Assessments are due on the first calendar day of each month or on such other date as the Board may designate in its sole and absolute discretion, and are delinquent if not received by the Association on or before such date. Special, Individual, and Deficiency Assessments are due on the date stated in the notice of Assessment or, if no date is stated, within ten (10) days after notice of the Special, Individual, or Deficiency Assessment is given.

6.11 Reserve Funds. The Association will establish, maintain, and accumulate reserves

for operations and for replacement and repair of Common Elements or other portions of the Regime. The Association will budget for reserves and may fund reserves out of Regular Assessments. The purchaser of each Unit shall pay **Five Hundred Dollars (\$500.00)** to the Association's reserve capital fund (the "Reserve Fund Contribution"). Payment of the Reserve Fund Contribution is not advance payments of monthly Regular Assessments and is not refundable. Declarant will not use the Reserve Fund Contribution to cover the Association's operational expenses during the Declarant Control Period.

(a) Operations Reserves. The Association may maintain operations reserves at a level determined by the Board to be sufficient to cover the cost of operational or maintenance emergencies or contingencies, including deductibles on insurance policies maintained by the Association.

(b) Replacement & Repair Reserves - Area of Common Responsibility. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Area of Common Responsibility.

6.12 Declarant's Right To Inspect And Correct Accounts. For a period of ten (10) years after termination of the Declarant Control Period, Declarant reserves for itself and for Declarant's accountants and attorneys, the right, but not the duty, to inspect, correct, and adjust the Association financial records and accounts from the formation of the Association until the termination of the Declarant Control Period. The Association may not refuse to accept an adjusting or correcting payment made by or for the benefit of Declarant. By way of illustration but not limitation, Declarant may find it necessary to re-characterize an expense or payment to conform to Declarant's obligations under the Documents or applicable State law. This Section may not be construed to create a duty for Declarant or a right for the Association, and may not be amended without Declarant's written and acknowledged consent. In support of this reservation, each Owner, by accepting an interest in or title to a Unit, hereby grants to Declarant a right of access to the Association's books and records that is independent of Declarant's rights during the Declarant Control and Development Periods.

6.13 Association's Right To Borrow Money. The Association is granted the right to borrow money, subject to the consent of Owners representing at least a majority of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, or pledge any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

6.14 Limitations of Interest. The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of Assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Special and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

6.15 **Audited Financial Statements.** The Association shall have financial statement for the preceding full fiscal year of the Association prepared by a certified public accountant chose by the Board and made available within one hundred and twenty (120) days after the Association's fiscal year-end.

Article 7 – Assessment Lien

7.1. **Assessment Lien.** Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay Regular Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments to the Association. Each Assessment is a charge on the Unit and is secured by a continuing lien on the Unit. Each Owner, and each prospective Owner, is placed on notice that title to such Owner's Unit may be subject to the continuing lien for Assessments attributable to a period prior to the date the Owner purchased its Unit. An express lien on each Unit is hereby granted and conveyed by Declarant to the Association to secure the payment of Regular Assessments, Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments.

7.2. **Superiority of Assessment Lien.** The Assessment lien is superior to all other liens and encumbrances on a Unit, except only for: (a) real property taxes and assessments levied by governmental and taxing authorities; (b) a recorded deed of trust lien securing a loan for construction of the original Unit; (c) a deed of trust or vendor's lien recorded before this Declaration; or (d) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due. The Assessment lien is superior to a lien for construction of Improvements to the Unit, regardless of when recorded or perfected. It is also superior to any recorded assignment of the right to insurance proceeds on the Unit, unless the assignment is part of a superior deed of trust lien.

7.3. **Effect of Mortgagee's Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the Unit for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former Owner. The purchaser at the foreclosure sale of a superior lien is liable for Assessments coming due from and after the date of the sale, and for the Owner's pro rata share of the pre-foreclosure deficiency as a common expense.

NOTICE: IF YOU FAIL TO PAY ASSESSMENTS TO THE ASSOCIATION, YOU MAY LOSE TITLE TO YOUR UNIT, IF THE ASSOCIATION FORECLOSES ITS ASSESSMENT LIEN AGAINST YOUR UNIT.

7.4. **Notice and Release of Notice.** The Association's lien for Assessments is created by Recording this Declaration, which constitutes record notice and perfection of the lien. No other Recording of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be Recorded. If the debt is paid after a notice has been Recorded, the Association will Record a release of the notice at the expense of the paying Owner. The Association may require reimbursement of its costs of preparing and Recording the notice before granting the release.

7.5. **Power of Sale.** By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of non-judicial sale in connection with the Association's assessment lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

7.6. Foreclosure of Lien. The Assessment lien may be enforced by judicial or non-judicial foreclosure. A non-judicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner will be required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Unit at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

Article 8 – Non-Payment of Assessments

An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The Association, acting through the Board, is responsible for taking action to collect delinquent Assessments. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies, which the Association may have pursuant to the Documents or Applicable Law.

8.1. Interest. Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of eighteen percent (18%) per annum or the maximum permitted by law. If the Board fails to establish a rate, the rate is ten percent (10%) per annum.

8.2. Late Fees. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board.

8.3. Collection Expenses. The Owner of a Unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent Assessments, including attorneys' fees and processing fees charged by the manager.

8.4. Acceleration. If an Owner defaults in paying an Assessment that is payable in installments, the Association may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

8.5. Suspension of Vote. Subject to the below-described limitations, if an Owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right to vote appurtenant to the Unit during the period of delinquency. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments. When the Association suspends an Owner's right to vote, the suspended Owner may nevertheless participate as a Member of the Association for the following activities: (a) be counted towards a quorum; (b) attend meetings of the Association; (c) participate in discussion at Association meetings; (d) be counted as a petitioner for a special meeting of the Association; and (e) vote to remove a Director and for the replacement of the removed Director. If the number of suspended Members exceeds twenty percent (20%) of the total Members (Co-Owners of a Unit constituting one member), all Members are eligible to vote. These limitations are imposed to prevent a Board from disenfranchising a large segment of the

membership and to preserve the Membership's right to remove and replace Directors.

8.6. Assignment of Rents. Every Owner hereby grants to the Association a continuing assignment of rents to secure the payment of assessments to the Association. If a Unit's account become delinquent during a period in which the Unit is leased, the Association may direct the tenant to deliver rent to the Association for application to the delinquent account, provided the Association gives the Owner notice of the delinquency, a reasonable opportunity to cure the debt, and notice of the Owner's right to a hearing before the Board. The Association must account for all monies received from a tenant and must remit to the Owner any rents received in excess of the past-due amount. A tenant's delivery of rent to the Association under the authority hereby granted is not a breach of the tenant's lease with the Owner and does not subject the tenant to penalties from the Owner.

8.7. Money Judgment. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association lien for Assessments.

8.8. Notice to Mortgagee. The Association may notify and communicate with any holder of a lien against a Unit regarding the Owner's default in payment of Assessments.

8.9. Application of Payments. The Association may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association may be applied in the following order: Individual Assessments, Deficiency Assessments, Special Assessments, Utility Assessments, and (lastly) Regular Assessments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Association's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the Unit Owner's account.

Article 9 – Repair and Maintenance Obligations of Owner and Association

9.1. Overview. Generally, the Association maintains the Common Elements and the Area of Common Responsibility, and the Owner maintains his Unit and any Limited Common Elements assigned to his Unit. If any Owner fails to maintain his Unit, the Association may perform the work at the Owner's expense. This Declaration permits Owners to delegate additional responsibilities to the Association by adding such responsibilities to the Area of Common Responsibility, as described below.

9.2. Association Maintains. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. Unless otherwise provided in this Declaration, the Association maintains, repairs and replaces, as a Common Expense, the portions of the Property listed below, regardless of whether the portions are on Units or Common Elements: (a) the Common Elements; (b) the Area of Common Responsibility; (c) any real and personal property owned by the Association, but which is not a Common Element; and (d) any area, item, easement or service, the maintenance of which is assigned to the Association by this Declaration or by the Plat and Plans.

The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that: (a) such maintenance responsibility is assigned to an Owner under this Declaration; or (b) such maintenance responsibility is otherwise assumed by or assigned to an Owner; provided, however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by an Owner or Tenant that is the responsibility of the Association hereunder shall be performed at the sole expense of such Owner or Tenant and the Owner and Tenant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

This section limits the liability of the Association. The Association shall not be liable for injury, loss or damage to any Person or property caused by the elements or by the Owner or Tenant of any Unit or his or her customers, patrons, invitees, tenants, agents, employees, or contractors or any other Person or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance, installation, improvement or equipment which the Association is responsible to maintain hereunder, except for injuries or damages arising after the Owner or Tenant of a Unit has put the Association on written notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter. The Association shall not be liable to any Owner or Tenant of any Unit for loss or damage, by theft or otherwise, of any property, which may be stored in or upon any of the Common Elements or any Unit. The Association shall not be liable to any Owner or Tenant for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or for inconvenience or discomfort arising from the making of repairs or Improvements which are the responsibility of the Association or from any action taken by the Association to comply with Applicable Law.

9.3. Area of Common Responsibility. The Board has the right, but not the duty, to designate, from time to time, portions of Units as an Area of Common Responsibility to be treated, maintained, repaired, and/or replaced by the Association as a Common Expense. A designation applies to every Unit having the designated feature. The cost of maintaining components of Units as Area of Common Responsibility is added to the annual budget and assessed against all Units as a Regular Assessment.

(a) **Easement for Maintenance of Area of Common Responsibility.** The Association is hereby granted an easement over and across each Unit to the extent reasonably necessary or convenient for the Association or its designee to maintain, repair and/or replace those portions of a Unit, which have been designated as Area of Common Responsibility. Unless otherwise agreed to by the Owner of the Unit to be accessed, or in the case of an emergency, access to the Units is limited to Monday through Saturday, between the hours of 7 a.m. until 6 p.m., and then only in conjunction with actual maintenance

activities. If the Association damages any Improvements located within a Unit in exercising the easement granted hereunder, the Association will be required to restore such Improvements to the condition which existed prior to any such damage, at the Association's expense, within a reasonable period of time not to exceed thirty (30) days after the date the Association is notified in writing of the damage by the Owner of the damaged Improvements.

(b) Change in Designation. The Board may, from time to time, include additional components of Units within the Area of Common Responsibility; however, in no event may the Board at any time remove from the Area of Common Responsibility components of Units previously designated as an Area of Common Responsibility under this Declaration unless approved in advance and in writing by the Declarant during the Development Period, or, after termination or expiration of the Development Period, by two-thirds of the Units represented at a meeting of the Association called for the purpose of removing components from the Area of Common Responsibility. Until expiration or termination of the Development Period, any addition to the Area of Common Responsibility must be approved in advance and in writing by the Declarant. Although the Maintenance Responsibility Chart is attached to this Declaration as **Attachment 4**, it may be amended, restated, and published as a separate instrument. Any amended or restated Maintenance Responsibility Chart must be: (i) distributed to the Owner of each Unit; (ii) Recorded; and (iii) approved in advance and in writing by the Declarant until expiration or termination of the Development Period.

(c) Initial Designation. On the date of this Declaration, the initial designation of components of Units included within the Area of Common Responsibility is shown on **Attachment 4** of this Declaration.

9.4. Inspection Obligations.

(a) Contract for Services by the Association. The Association shall, at all times, contract with or otherwise retain the services of independent, qualified, licensed individuals or entities to provide the Association with inspection services relative to the maintenance, repair and physical condition of those portions of the Regime which are the responsibility of the Association. A Guide to the Association's Examination of the Common Elements is attached to this Declaration as **Attachment 5**, attached hereto and incorporated herein for all purposes.

(b) Schedule of Inspections. Such inspections will occur at such intervals as determined by the Association in accordance with prudent business practices. The inspectors shall provide written reports of their inspections to the Association promptly following completion thereof. The written reports shall identify any items of maintenance or repair that either require current action by the Association or will need further review and analysis. The Association shall report the contents of such written reports to the Members of the Association at the next annual meeting Members following receipt of such written reports. The Association shall promptly cause all matters identified by the inspection as requiring attention to be maintained, repaired, or otherwise pursued in accordance with prudent business practices.

(c) Notice to Declarant. The Association shall deliver to Declarant ten (10) days advance written notice of all such inspections (and an opportunity to be present during such inspection, personally or through its Permittee) and shall provide Declarant (or its Permittee) with a copy of all written reports prepared by the inspectors.

(d) Limitation. The provisions of this Section shall not apply during the Declarant Control Period unless otherwise directed by the Declarant.

9.5. Owner Responsibility. Every Owner is responsible for the maintenance, repair and replacement of every portion of his Unit, and all Improvements thereon, unless such portion of his Unit is maintained by the Association as an Area of Common Responsibility. Each Owner's responsibility is, at all times, subject to the Architectural Reviewer's architectural control over the Property.

(a) General Duties. Every Owner has the following responsibilities and obligations for the maintenance, repair and replacement of the Property and his or her Unit, subject to the architectural control requirements set forth in this Declaration and the use restrictions set forth in this Declaration:

- (i) to maintain, repair, and replace his or her Unit, unless designated as an Area of Common Responsibility maintained by the Association;
- (ii) the routine cleaning of the Owner's Unit and Limited Common Elements, keeping same in a neat, clean, odorless, orderly, and attractive condition, as determined in the reasonable opinion of the Board;
- (iii) to not do any work or fail to do any work which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or real property right thereto;
- (iv) to be responsible for willful, intentional or negligent acts or omissions of the Owner, Owner's Tenants or a customers, patrons, invitees, tenants, agents, employees, or contractors of the Owner or Owner's Tenant, when those acts necessitate maintenance, repair, or replacement of the Area of Common Responsibility or the property of another Owner, or any component of the Property for which the Association has maintenance or insurance responsibility, including but not limited to payment for the maintenance, repair, replacement, damage and/or any insurance deductible for such maintenance, repair, replacement, and/or damage;
- (v) to perform the Owner's responsibilities in such manner so as not to unreasonably disturb other Persons in other Units;
- (vi) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible; and
- (vii) to pay for the cost of repairing, replacing or cleaning up any item that is the responsibility of the Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing, or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful, intentional or negligent act of the Owner, his or her family, tenants, invitees or guests, with the cost thereof to be added to and to become part of the Owner's next chargeable Assessment.

9.6. Disputes. If a dispute arises regarding the allocation of maintenance responsibilities by this Declaration, the dispute will be resolved by the Declarant during the Development Period, and the Board thereafter, who shall delegate such maintenance responsibility to either the Association or the individual Owner(s), as determined by the Declarant or the Board (as the case

may be) in its sole and absolute discretion.

9.7. Warranty Claims. If an Owner is the beneficiary of a warranty against defects of the Common Elements, the Owner irrevocably appoints the Association, acting through the Board, as such Owner's his attorney-in-fact to file, negotiate, receive, administer, and distribute the proceeds of any claim against the warranty that pertains to the Common Elements.

9.8. Measures Related to Insurance Coverage. The Board, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Regime which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Regime, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage.

9.9. Owner's Default In Maintenance. If the Board determines that an Owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at Owner's expense, which is an Individual Assessment (which may include interest, late fees and collection costs) against the Owner and his Unit. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect Persons or property, the cost of the action being the Owner's expense.

9.10. Mold and/or Mildew. Mold and/or mildew can grow in any portion of a Building that is exposed to elevated levels of moisture including, but not limited to those portions of a Building in which HVAC condenser units are located. All Owners and the Association agree with respect to their defined areas of maintenance responsibility to: (a) regularly inspect the parts of a Building that they respectively maintain and which are visible and accessible without having to first conduct invasive testing, for the existence of mold, mildew and/or water intrusion (except when the water intrusion is part of the normal functioning of improvements and appliances such as sinks, dishwashers and other similar appliances and improvements) and/or damage; (b) upon discovery, immediately repair in a good and workman-like condition the source of any water intrusion in the parts of a Building that they respectively maintain; (c) remediate or replace any building material located in the parts of a Building that they respectively maintain that has absorbed water or moisture as a result of water intrusion; and (d) promptly and regularly remediate all mold and/or mildew discovered in the parts of a Building that they respectively maintain in accordance with current industry-accepted methods. In addition, each Owner agrees to notify Declarant during the Development Period and the Association of the discovery of mold, mildew and/or water intrusion and/or damage in the parts of a Building that the Owner maintains. Each Owner further agrees not to block or cover or permit anyone to block or cover any of the heating, ventilation or air-conditioning ducts located in its Unit.

Notwithstanding anything to the contrary herein, Declarant shall have no obligation to perform any invasive testing or inspections, maintenance or repairs in accordance with this subparagraph and shall not be held liable for any loss or damage caused by the failure of the Association or an Owner to perform their obligations herein.

9.11. Sheetrock, Flooring and Interior Finishes. Notwithstanding anything to the contrary in the Documents, neither the Declarant nor the Association is not responsible for the repair and replacement of sheetrock, flooring and other interior finishes in any Unit, or for any surface treatments on the sheetrock, ceiling or flooring, regardless of the source of damage and the availability of insurance.

Article 10 – Architectural Covenants and Control

10.1. Purpose. During the Development Period, a primary purpose of this article is to reserve and preserve Declarant's right of architectural control. During the Development Period, the Declarant has the right to regulate every aspect of the exterior of the Property, including the exterior design, use and appearance of Units and Common Elements. After expiration or termination of the Development Period, or Declarant's delegation to the Association of all or a portion of its reserved rights as Architectural Reviewer in accordance with this article, the Association will have the right to regulate every aspect of proposed or existing Improvements on the Property, including repairs, replacements or modifications of original construction or installation.

10.2. Architectural Reviewer. The Architectural Reviewer shall undertake the purposes of this article. Until expiration of the Development Period, the Architectural Reviewer shall mean Declarant or its designee. After expiration or termination of the Development Period, or Declarant's delegation to the Association of all or a portion of its reserved rights as Architectural Reviewer in accordance with this article, the rights of the Architectural Reviewer, as applicable in the case of a partial delegation in accordance with this article, will automatically be transferred to the Board or a committee appointed by the Board.

10.3. Architectural Control by Declarant.

(a) Declarant as Architectural Reviewer. During the Development Period, the Architectural Reviewer shall mean Declarant or its designee, and neither the Association nor the Board, nor a committee appointed by the Association or the Board (no matter how the committee is named) may involve itself with the approval of any Improvements. Declarant may designate one or more Persons from time to time to act on its behalf as Architectural Reviewer in reviewing and responding to applications pursuant to this article.

(b) Declarant Approval of Initial Interior Finish Out of Units. The initial Owner of each Unit shall apply for approval of Declarant to the initial interior construction, layout and plans of the interior of the Unit, according to the terms of this Article.

(c) Declarant's Rights Reserved. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the Improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market Units in this Regime or in Declarant's other developments. Accordingly, each Owner agrees that during the Development Period, no Improvements will be started or progressed or modified without the prior written approval of the Architectural Reviewer, which approval may be granted or withheld at the Architectural Reviewer's sole discretion. Interviewing and acting on an application for approval, the Architectural Reviewer may act solely in its self-interest and owes no duty to any other Person or any organization.

(d) Delegation by Declarant. During the Development Period, Declarant may

from time to time, but is not obligated to, delegate all or a portion of its reserved rights as Architectural Reviewer under this article to an Architectural Control Committee appointed by the Board or a committee comprised of architects, engineers, or other Persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant to: (a) revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (b) veto any decision which Declarant, in its sole discretion, determines to be inappropriate or inadvisable for any reason.

NOTICE: UNTIL THE EXPIRATION OF THE DEVELOPMENT PERIOD, ONLY THE DECLARANT HAS THE AUTHORITY TO MAKE DECISIONS REGARDING ARCHITECTURAL CONTROL IN THE ASSOCIATION, INCLUDING ALL DESIGN, DESIGN ELEMENTS, TASTE AND STANDARDS.

10.4. Architectural Control by Association. Upon Declarant's delegation, in writing, of all or a portion of its reserved rights as Architectural Reviewer to the Board, or upon the expiration or termination of the Development Period, the Association will assume jurisdiction over architectural control and will have the powers of the Architectural Reviewer hereunder and the Board, or a committee appointed by the Board, is the Architectural Reviewer and shall exercise all architectural control over the Property.

10.5. Limits on Liability. Neither the Declarant, nor the Board, or their directors, officers, committee members, employees, contractors, or agents will have any liability for decisions made as Architectural Reviewer in good faith, and which are not arbitrary or capricious. Neither the Declarant, nor the Board, or their directors, officers, members, managers, committee members, employees, contractors or agents are responsible for: (a) errors in or omissions from the plans and specifications submitted to the Board; (b) supervising construction for the Owner's compliance with approved plans and specifications; or (c) the compliance of the Owner's plans and specifications with all governmental codes and ordinances, local, city, state and federal laws. Approval of a modification or Improvement may not be deemed to constitute a waiver of the right to withhold approval of similar proposals, plans or specifications that are subsequently submitted.

10.6. Prohibition of Construction, Alteration and Improvement. Without the Architectural Reviewer's prior written approval, a Person may not commence or continue any construction, alteration, addition, Improvement, installation, modification, redecoration, or reconstruction of or to the Property, or do anything that affects the appearance, use, or structural integrity of the Property.

NOTICE: YOU MAY NOT CHANGE THE EXTERIOR OF YOUR UNIT OR ANY IMPROVEMENTS WITHIN YOUR UNIT UNLESS YOU HAVE THE SIGNED CONSENT OF THE ARCHITECTURAL REVIEWER.

10.7. No Deemed or Verbal Approval. Approval by the Architectural Reviewer may not be deemed, construed, or implied from an action, a lack of action, or a verbal statement by the Declarant, Declarant's representative or designee or the Association, an Association director or officer, a member or chair of the Declarant or Board-appointed architectural control committee, the Association's manager, or any other representative of the Association. To be valid, approval of the Architectural Reviewer must be: (a) in writing; (b) on a form or letterhead issued by the Architectural Reviewer; (c) signed and dated by a duly authorized representative of the

Architectural Reviewer, designated for that purpose; (d) specific to a Unit; and (e) accompanied by detailed plans and specifications showing the proposed change. If the Architectural Reviewer fails to respond in writing - negatively, affirmatively, or requesting information - within sixty (60) days after the Architectural Reviewer's actual receipt of the Owner's application, the application is deemed denied. Under no circumstance may approval of the Architectural Reviewer be deemed, implied or presumed. If the Architectural Reviewer approves a change, the Owner or the Architectural Reviewer may require that the architectural approval be recorded. Architectural Reviewer approval of an architectural change automatically terminates if work on the approved Improvement has not started by the commencement date stated in the Architectural Reviewer's approval or, if no commencement date is stated, within ninety (90) days after the date of Architectural Reviewer approval.

10.8. Application. To request Architectural Reviewer approval, an Owner must make written application and submit two (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The application must clearly identify any requirement of this Declaration for which a variance is sought. If the application is for work that requires a building permit from a municipality or other regulatory authority, the Owner must obtain such permit and provide a copy to the Architectural Reviewer in conjunction with the application. The Architectural Reviewer may return one set of plans and specifications to the applicant marked with the Architectural Reviewer's response, such as "Approved," "Denied," or "Submit Additional Information." The Architectural Reviewer will retain the other set of plans and specifications, together with the application, for the Association's files. The Architectural Reviewer has the right, but not the duty, to evaluate every aspect of construction and property use that may alter or adversely affect the general value of appearance of the Property. No construction requiring a permit from the City of Cedar Park may be performed without the approval of the Board.

10.9. Owner's Duties. If the Architectural Reviewer approves an Owner's application, the Owner may proceed with the Improvement, provided: (a) the Owner complies with the Documents; (b) the Owner must adhere strictly to the plans and specifications, which accompanied his application, and the Owner must initiate and complete the improvement in a timely manner, and (c) if the approved application is for work that requires a building permit from the city, the Owner must obtain the appropriate permit. The Architectural Reviewer's approval of plans and specifications does not mean that they comply with city requirements, and the Architectural Reviewer makes no representations, promises or warranties of any such compliance.

Article 11 – Restrictions on Use and Construction

11.1. Variance. The use of the Property is subject to the restrictions contained in this article, and subject to Rules adopted pursuant to this article. The Board, with the Declarant's written consent during the Development Period, may grant a variance or waiver of a restriction or Rule on a case-by-case basis when unique circumstances dictate, and may limit or condition its grant. To be effective, a variance must be in writing. The grant of a variance does not affect a waiver or estoppel of the Association's right to deny a variance in other circumstance.

11.2. Declarant Privileges. In connection with the development and marketing of Units, Declarant has reserved a number of rights and privileges to use the Regime in ways that are not available to other Owners or Tenants. Declarant's exercise of a right that appears to violate the Documents does not constitute waiver or abandonment of applicable provision of the Documents.

11.3. Association's Right to Promulgate Rules and Amend Community Manual. The Association, acting through the Board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. The Association, acting through a Majority of the Board, is further granted the right to amend, repeal, and enforce the Community Manual, setting forth therein such policies governing the Association as the Board determines; provided, however, that during the Development Period, any amendment to the Community Manual must be approved in advance and in writing by the Declarant.

11.4. Rules and Regulations. In addition to the restrictions contained in this Article, each Unit is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

- (a) Use of Common Elements and Limited Common Elements.
- (b) Hazardous, illegal, or annoying materials or activities on the Property.
- (c) The use of Property-wide services provided through the Association.
- (d) The consumption of utilities billed to the Association.
- (e) The use, maintenance, and appearance of anything visible from the street, Common Elements, or other Units.
- (f) The occupancy and leasing of Units.
- (g) Animals and pets.
- (h) Vehicles and parking.
- (i) Disposition of trash and control of vermin, termites, and pests.
- (j) Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of the Project.

11.5. Restrictions on Business Operations in Units. The Owner or tenant of any Unit shall be prohibited from opening or operating a business or other use in a Unit that is in direct competition with the business or operations of another Unit, as is typical for commercial buildings in the area. For example, if a Unit is used as a dental office, no other Unit may be used as a dental office. Such determinations shall be made in the discretion of the Declarant or Board, as applicable. Additionally, for as long as a title company and/or real estate company is operating at 305 Denali Pass, Cedar Park, Texas, no Unit may be used for operations that include a real estate brokerage, real estate agency, real estate sales, real estate company, and/or title company.

Disclosure Regarding Medical Use: The City of Cedar Park regulations at the time of the execution of this Declaration limit the total square footage in the Building that may be used as medical use to 5,000 square feet.

11.6. Drainage. No person may interfere with the established drainage pattern over any part of the Property, unless an adequate alternative provision for proper drainage has been approved by the Board.

11.7. Structural Integrity. No person may directly or indirectly impair the structural soundness or integrity of a building or other Unit, nor do any work or modification that will impair

any existing easement or real property right.

11.8. Power Equipment. No large power equipment or machinery of any nature whatsoever shall be permitted within the Regime, except with the prior written approval of the Board. In deciding whether to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception and similar conditions. However, the provisions of this section shall not apply to emergency vehicle repairs of short duration.

11.9. Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from the Regime, and shall not be allowed to accumulate thereon except in community dumpsters located in the Regime and maintained in accordance with any Rules adopted by the Declarant or the Board. No exterior garbage containers, other than the community dumpsters located in the Regime and containers provided by the Association's service provider, will be allowed to be located within in the Units or Common Elements. All rubbish, trash and garbage shall be disposed of in the community dumpsters located within the Regime, or set out, in the approved and supplied containers only and only on the scheduled pickup dates, for pickup by the Association's waste management service company.

NOTICE regarding community dumpsters: During the development of the Property, Declarant was required to install communal dumpsters to serve the Property and the adjoining property commonly known as 305 Denali Pass, Cedar Park, Texas. Declarant makes no representations, promises or warranties as to the future location or use of these communal dumpsters. The Association may be required at a future time to relocate these communal dumpsters and/or install dumpsters that exclusively serve the Property and Units, and the Association shall be responsible for all associated costs and expenses, and Declarant shall bear no responsibility or liability for any relocation of the existing dumpsters or installation of new dumpsters.

11.10. Door Locks. Owners must allow representatives of the Association and other emergency personnel access to their Units in case of emergencies. In the case of any emergency originating in, or threatening, any Unit, regardless of whether the Owner is present at the time of such emergency, the Board, the manager or any other person authorized by the Board or Manager shall have the right to enter into such Unit for the purpose of remedying or abating the cause of such emergency and such right of entry shall be immediate. To facilitate entry in the event of such an emergency, each Owner, if required by the Board, shall deposit a key to such Owner's Unit with the Board.

11.11. Restrictions on Doors of Units. The style, design, shape, or color of any exterior door to a Unit shall remain uniform in appearance with the Building. In the case of repair, reconstruction, or remodeling any alterations to an exterior door of a Unit shall be completed in a manner so that such alterations are identical to the exterior doors of the other Units. An exterior door of any Unit shall not be altered in style, design, shape color or any other way without the prior written approval of the Declarant or Board, as applicable.

Article 12 – Association Operations

12.1. Board. Unless the Documents expressly reserve a right, action, or decision to the

Owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through its Board of Directors."

12.2 The Association. The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of a condominium association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association comes into existence on issuance of its corporate charter. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

12.3 Name. A name is not the defining feature of the Association. Although the initial name of the Association is 301 Denali Pass Condominium Association, the Association may operate under any name that is approved by the Board and (1) filed with the Williamson County Clerk as an assumed name, and (2) filed with the Secretary of State of Texas as the assumed name of the Association. The Association may also change its name by amending the Documents, except in the event the corporate charter has been revoked and the name, "301 Denali Pass Condominium Association", is no longer available. In such event, the Board will cause a notice to be Recorded stating the current name of the Association, and will Record any related, required Amendments to the Documents. Another legal entity with the same name as the Association, or with a name based on the name of the Property, is not the Association, which derives its authority from this Declaration. The name "301 Denali Pass Condominiums" is not a trade name.

12.4 Duration. The Association comes into existence on the earlier to occur of the following two events: (1) the date on which the Certificate is filed with the Secretary of State of Texas, or (2) the date on which a Unit deed is Recorded, evidencing diversity of ownership in the Property (that the Property is not owned entirely by Declarant or its affiliates). The Association will continue to exist at least as long as this Declaration, as it may be amended, is effective against all or part of the Property.

12.5 Governance. A board of directors elected by the Members will govern the Association. Unless the Bylaws or Certificate provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Documents provide otherwise, any action requiring approval of the Members may be approved in writing by Owners representing at least a majority of the ownership interests, or at a meeting by Owners' representing at least a majority of the ownership interests that are represented at the meeting.

12.6 Merger. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least two-thirds (2/3) of the Units.

12.7 Membership. Each Owner is a Member of the Association, ownership of a Unit being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Unit. The Board may require satisfactory evidence of transfer of ownership

before a purported Owner is entitled to vote at meetings of the Association. If more than one person or entity owns a Unit, each co-owner is a Member of the Association and may exercise the membership rights appurtenant to the Unit.

12.8 Manager. The Board may delegate the performance of certain functions to one or more managers or managing agents of the Association. To assist the Board in determining whether to delegate a function, a Guide to Association's Major Management & Governance Functions is attached to this Declaration as **Attachment 6** ("Guide"), attached hereto and incorporated herein for all purposes. The Guide lists several of the major management and governance functions of a typical commercial development with a mandatory owners association. The Guide, however, may not be construed to create legal duties for the Association and its officers, directors, members, employees, and agents that are not justified by the needs of the Association. Rather, the Guide is intended as a tool or an initial checklist for the Board to use periodically when considering a delegation of its functions. As a list of functions that owners associations commonly delegate to a manager, the Guide should not be considered as a complete list of the Board's duties, responsibilities, or functions. Notwithstanding any delegation of its functions, the Board is ultimately responsible to the Members for governance of the Association.

12.9 Books and Records. The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to the requirements of the Texas Business Organizations Code. The Association may charge copying fees as further set forth in the Rules.

12.10 Indemnification. The Association indemnifies every officer, director, and committee member of the Association ("Leaders") against expenses and damages, including attorney's fees, reasonably incurred by or imposed on the Leader in connection with any threatened or pending action, suit, or proceeding to which the Leader is a party or respondent by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment. A Leader is liable for his willful or intentional misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a Common Expense, the Association may maintain general liability and director's and officer's liability insurance to fund this obligation.

12.11 Obligations of Owners. Without limiting the obligations of Owners under the Documents, each Owner has the following obligations:

(a) **Information.** Within thirty (30) days after acquiring an interest in a Unit, within thirty (30) days after the Owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (i) a copy of the recorded deed by which Owner has acquired title to the Unit; (ii) the Owner's address and phone number; (iii) any Mortgagee's name; (iv) the name and phone number of any Tenant other than the Owner; and (v) the name, address, and phone number of Owner's managing agent, if any.

(b) **Pay Assessments.** Each Owner will pay Assessments properly levied by the Association against the Owner or such Owner's Unit and will pay Regular Assessments without demand by the Association.

(c) **Compliance with Documents.** Each Owner will comply with the Documents as amended from time to time.

(d) **Reimburse for Damages.** Each Owner will pay for damage to the Property caused by the negligence, willful or intentional misconduct of the Owner, a Tenant of the

Owner's Unit, or the Owner or Tenant's Permittee, customers, patrons, invitees, tenants, agents, employees, or contractors.

(e) Liability for Violations. Each Owner is liable to the Association for violations of the Documents by the Owner, a Tenant of the Owner's Unit, or the Owner or Tenant's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

12.12 Unit Resales. This Section applies to every sale or conveyance of a Unit or an interest in a Unit by an Owner other than Declarant:

(a) Resale Certificate. An Owner intending to sell his Unit will notify the Association and will request a condominium resale certificate from the Association.

(b) No Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Unit to the Association.

(c) Other Transfer-Related Fees. A number of independent fees may be charged in relation to the transfer of title to a Unit, including but not limited to, fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association. This Section does not obligate the Board or the manager to levy transfer-related fees. This exclusion may be waived by a party to a conveyance who requests transfer-related services or documentation for which fees are charged.

(d) Exclusions. The requirements of this Section do not apply to the following transfers: (i) foreclosure of a mortgagee's deed of trust lien, a tax lien, or the Association's assessment lien; (ii) conveyance by a mortgagee who acquires title by foreclosure or deed in lieu of foreclosure; transfer to, from, or by the Association; (iii) voluntary transfer by an Owner to one or more Co-Owners, or to the Owner's spouse, child, or parent; a transfer by a fiduciary in the course of administering a decedent's estate, guardianship, conservatorship, or trust; a conveyance pursuant to a court's order, including a transfer by a bankruptcy trustee; or (iv) a disposition by a government or governmental agency. Additionally, the requirements of this Section do not apply to the initial conveyance from Declarant.

Article 13 – Enforcing the Documents

13.1. Notice and Hearing. Before levying a fine for violation of the Documents (other than nonpayment of Assessments), or before levying an Individual Assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard, to the extent required by applicable law. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the thirtieth (30th) day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge. The Association may also give a copy of the notice to the Tenant. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the

hearing in person, or may be represented by another person or written communication. The Board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with the requirements of applicable law.

13.2 Remedies. The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following rights to enforce the Documents:

(a) **Nuisance.** The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

(b) **Fine.** The Association may levy reasonable charges, as an Individual Assessment, against an Owner and the Owner's Unit if the Owner or Tenant, or the Owner or Tenant's customers, patrons, invitees, tenants, agents, employees, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under the Documents.

(c) **Suspension.** The Association may suspend the right of Owners and Tenants and their customers, patrons, invitees, tenants, agents, employees, or contractors, to use Common Elements (except rights of ingress and egress) for any period during which the Owner or Tenant, or the Owner or Tenant's customers, patrons, invitees, tenants, agents, employees, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

(d) **Self-Help.** The Association has the right to enter a Common Element or Unit to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Unit and Owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating Owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish an item of construction on a Unit without judicial proceedings.

(e) **Suit.** Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

13.3 Board Discretion. The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances: (a) the Association's position is not sufficiently strong to justify taking any or further action; (b) the provision being enforced is or may be construed as inconsistent with applicable law; (c) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (d) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

13.4 No Waiver. The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents.

Failure by the Association or by any Owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter.

13.5 Recovery of Costs. The costs of curing or abating a violation are the expense of the Owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

13.6 Right of Action by Association. The Association shall not have the power to institute, defend, intervene in, settle or compromise litigation or administrative proceedings: (a) in the name of or on behalf of any Unit Owner (whether one or more); or (b) pertaining to a Claim, as defined herein, relating to the design or construction of a Unit (whether one or more). The foregoing sentence is expressly intended to remove from the power of the Association the right, under Section 82.102 of TUCA, to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings on behalf of two (2) or more Unit Owners on matters affecting the Regime. This section may not be amended or modified without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument.

Article 14 – Insurance for the Property, Board and Association

14.1. General Provisions. The broad purpose of this article is to require that the Property, Association and Board be insured with the types and amounts of coverage that are customary for similar types of properties and that are acceptable to mortgage lenders, guarantors, or insurers that finance the purchase or improvement of Units. Because the insurance requirements of mortgage underwriters are subject to change, as are state-promulgated insurance regulations and policies, this article tries to balance the need for certain minimum insurance requirements with the desire to adapt to a periodically changing insurance environment. The Board will make every reasonable effort to comply with the requirements of this article.

(a) **Unavailability.** The Association, and its directors, officers, and managers, will not be liable for failure to obtain any coverage required by this article or for any loss or damage resulting from such failure if the failure is due to the unavailability of a particular coverage from reputable insurance companies, or if the coverage is available only at demonstrably unreasonable cost.

(b) **No Coverage.** Even if the Association and the Owner have adequate amounts of recommended and required coverages, the Property may experience a loss that is not covered by insurance. In that event, the Association is responsible for restoring the Common Elements as a Common Expense, and the Owner is responsible for restoring his Unit at his sole expense. This provision does not apply to the deductible portion of a policy.

(c) **Requirements.** The cost of insurance coverages and bonds maintained by the Association is a Common Expense. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. The Association's policies should contain the standard mortgage clause naming either the Mortgagee or its servicer followed by "its successors and assigns." The loss payee clause should show the Association as trustee for each Owner and Mortgagee. Policies of property and general liability insurance maintained by the

Association must provide that the insurer waives its rights to subrogation under the policy against an Owner. The Association's insurance policies will not be prejudiced by the act or omission of any Owner or Tenant who is not under the Association's control.

(d) Association as Trustee. Each Owner irrevocably appoints the Association, acting through its Board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any Claim against an insurance policy maintained by the Association.

(e) Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by TUCA, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured. The Board will give to Eligible Mortgagees, and the insurer will give to Mortgagees, prior notices of cancellation, termination, expiration, or material modification.

(f) Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, and the amount thereof may not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the coverage limits required by this Declaration or an Mortgagee. In the event of an insured loss, the deductible is treated as a Common Expense of the Association in the same manner as the Insurance premium. However, if the Board reasonably determines that the loss is the result of the negligence, willful or intentional misconduct of an Owner or Tenant or their customers, patrons, invitees, tenants, agents, employees, or contractors, then the Board may levy an Individual Assessment against the Owner and his Unit for the amount of the deductible that is attributable to the act or omission, provided the Owner is given notice and an opportunity to be heard in accordance with the Notice and hearing Section of this Declaration.

14.2 Property Insurance. The Association will obtain insurance in coverages deemed reasonable by the Board, if such insurance is reasonably available, for all Improvements insurable by the Association, specifically excluding individual Units.

(a) Common Property Insured. The Association will insure: (i) General Common Elements; (ii) Limited Common Elements; and (iii) property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies.

(b) Units Insured by Association. Each Unit Owner is responsible for and will maintain property insurance on his or her Unit. The Association may determine minimum coverages and requirements for Units that customarily available for similar types of properties.

(c) Endorsements. To the extent reasonably available, the Association will obtain endorsements to its property insurance policy if required by a Mortgagee.

14.3 Liability Insurance. The Association will maintain a commercial general liability insurance policy over the Common Elements, which shall expressly exclude the liability of each Owner and Tenant within his Unit, for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. The amount of coverage should be at least that required by a Mortgagee, to the extent reasonably available. The purpose of this requirement is, in part, to assure mortgage companies that the Association maintains at least minimum levels of insurance coverage. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's Claim because of negligent acts of the Association or other Owners.

14.4 Worker's Compensation. The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of State law or if the Board so chooses.

14.5 Fidelity Coverage. The Association may maintain blanket fidelity coverage for any person who handles or is responsible for funds held or administered by the Association, whether or not the person is paid for his services. The policy should be for an amount that exceeds the greater of: (a) the estimated maximum funds, including reserve funds that will be in the Association's custody at any time the policy is in force; or (b) an amount equal to three (3) months of Regular Assessments on all Units. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages.

14.6 Directors and Officers Liability. The Association may maintain directors and officer's liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

14.7 Other Policies. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

14.8 Owner's Responsibility for Insurance.

(a) Insurance by Owners. Notwithstanding the foregoing, the Board may establish minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. If an Owner fails to maintain required insurance, the Board may obtain it on behalf of the Owner who will be obligated for the cost as an Individual Assessment.

(b) Owners Insurance Policy. Notwithstanding any provision in this Declaration to the contrary, each Owner of a Unit will be required to procure insurance covering his or her Unit, including replacement of all improvements.

(c) Insurance for Construction or Remodel of a Unit. Prior to commencing the initial construction or any subsequent remodel of a Unit, the Owner of that Unit shall obtain insurance coverage insuring risks associated with such construction or remodel, listing the Association as additionally insured, as is typically contained in a builder's risk insurance policy. The Declarant or Association may promulgate commercially reasonable guidelines for such insurance. Prior to commencing construction or remodel on any Unit, a Unit Owner shall provide to the Board a copy of such insurance policy.

(d) Owners' Responsibilities. On request, an Owner will give the Board written notification of any and all structural changes, additions, betterments, or Improvements to his Unit, and any other information the Board may require in order to maintain adequate levels of insurance coverage. Each Owner will comply with reasonable requests by the Board for periodic inspection of the Unit for purposes of insurance appraisal. Each Owner, at his expense, will maintain any insurance coverages required by the Association pursuant to this Article. Each Owner at his expense, may obtain additional insurance coverage of his real property, Improvements, and betterments thereto, or personal property.

(e) Association Does Not Insure. The Association does not insure an Owner or Tenant's personal property. Each Owner and Tenant is solely responsible for insuring his personal property in his Unit and on the Property, including furnishings, vehicles, and stored items. **THE ASSOCIATION STRONGLY RECOMMENDS THAT EACH OWNER AND**

TENANT PURCHASE AND MAINTAIN INSURANCE ON HIS PERSONAL BELONGINGS.

Article 15 – Reconstruction or Repair after Loss

15.1. Subject To Act. The Association's response to damage or destruction of the Property will be governed by the TUCA, as may be amended from time to time. The following provisions apply to the extent TUCA is silent.

15.2 Restoration Funds. "Restoration Funds" include insurance proceeds, condemnation awards, Deficiency Assessments, Individual Assessments, and other funds received on account of or arising out of injury or damage to the Property. All funds and Restoration Funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution in which accounts are insured by a federal agency. Withdrawal of Restoration Funds requires the signatures of at least two (2) Association directors or that of an agent duly authorized by the Board.

- (a) Sufficient Proceeds. If Restoration Funds obtained from insurance proceeds or condemnation awards are sufficient to repair or restore the damaged or destroyed Property, the Association, as trustee for the Owners, will promptly apply the funds to the repair or restoration.
- (b) Insufficient Proceeds. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy a Deficiency Assessment against the Owners to fund the difference.
- (c) Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as follows: If Deficiency Assessments were a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the Deficiency Assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by him, and further provided that any Delinquent Assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing paragraph will be common funds of the Association to be used as directed by the Board.

15.3. Costs and Plans.

(a) Cost Estimates. Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged Property. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair.

(b) Plans and Specifications. Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Units will be repaired and restored substantially in accordance with original construction plans and specifications. Alternate plans and specifications for repair and restoration of either Common Elements or Units must be approved by Owners of at least two-thirds of the Units and by certain Mortgagees if so required by the Mortgagee Protection article of this Declaration.

15.4 Owner's Duty to Repair. Within sixty (60) days after the date of damage, the Owner will begin repair or reconstruction of his Unit, subject to the right of the Association to supervise,

approve, or disapprove repair or restoration during the course thereof. Unless otherwise approved by the Architectural Reviewer, a Unit must be repaired and restored substantially in accordance with original construction plans and specifications. If an Owner fails to repair or restore damage as required by this Section, the Association may affect the necessary repairs and levy an Individual Assessment against the Owner and Unit for the cost thereof, after giving an Owner of the Unit reasonable notice of the Association's intent to do so.

15.5 Owner's Liability For Insurance Deductible. If repair or restoration of Common Elements is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

Article 16 – Termination and Condemnation

16.1. Association as Trustee. Each Owner hereby irrevocably appoints the Association, acting through the Board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and TUCA, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by TUCA; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner.

16.2 Termination. Termination of the terms of this Declaration and the Regime will be governed by the TUCA and the Documents.

16.3 Condemnation. The TUCA will govern the Association's response to condemnation of any part of the Property. On behalf of Owners, but without their consent, the Board may execute an amendment of this Declaration to reallocate allocated interests following condemnation and to describe the altered parameters of the Property. If the Association replaces or restores Common Elements taken by condemnation by obtaining other land or constructing additional Improvements, the Board may, to the extent permitted by law, execute an amendment without the prior consent of Owners to describe the altered parameters of the Property and any corresponding change of facilities or Improvements.

Article 17 – Mortgagee Protection

17.1. Introduction. This article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this article controls. Some sections of this article apply to "Mortgagees," as defined in Article 1. Other sections apply to "Eligible Mortgagees," as defined below.

(a) Known Mortgagees. An Owner who mortgages his Unit will notify the Association, giving the complete name and address of his mortgagee and the loan number. The Association's obligations to mortgagees under the Documents extend only to those mortgagees known to the Association. All actions and approvals required by mortgagees will be conclusively satisfied by the mortgagees known to the Association, without regard to other holders of mortgages on Units. The Association may rely on the information provided by Owners and mortgagees.

(b) Eligible Mortgagees. "Eligible Mortgagee" means the holder, insurer, or guarantor of a first purchase money mortgage secured by a recorded deed of trust lien against a Unit who has submitted to the Association a written notice containing its name and address, the loan number, and the identifying number and street address of the mortgaged Unit. A single notice per Unit will be valid so long as the Eligible Mortgagee holds a mortgage on the Unit. The Board will maintain this information. The Association will treat the notice as the Eligible Mortgagee's request to be notified of any proposed action requiring the consent of Eligible Mortgagees. A provision of the Documents requiring the approval of a specified percentage of Eligible Mortgagees will be based on the number of Units subject to mortgages held by Eligible Mortgagees. For example, "51 percent of Eligible Mortgagees" means Eligible Mortgagees of fifty-one percent (51%) of the Units that are subject to mortgages held by Eligible Mortgagees.

(c) Amendment. This Article establishes certain standards for the benefit of Mortgagees, and is written to comply with their requirements and guidelines in effect at the time of drafting. If an Mortgagee subsequently changes its requirements, the Board, without approval of Owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Mortgagee.

17.2. Termination. The TUCA, subject to the following provisions, will govern termination of the terms of this Declaration and the condominium status of the Regime. In the event of condemnation of the entire Regime, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees. Any election to terminate this Declaration and the condominium status of the Regime under circumstances other than condemnation of the entire Regime shall require the consent of: (a) Owners representing at least eighty percent (80%) of the total votes in the Association; (b) Declarant during the Development Period; and (iii) sixty-seven percent (67%) of Eligible Mortgagees.

17.3 Implied Approval. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within sixty (60) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

17.4 Other Mortgagee Rights.

(a) Inspection of Books. The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records, by appointment, during normal business hours.

(b) Financial Statements. A Mortgagee may have an audited statement prepared at its own expense.

(c) Attendance at Meetings. A representative of an Eligible Mortgagee may attend and address any meeting, which an Owner may attend.

(d) Right of First Refusal. The Association does not have a right of first refusal and may not compel a selling Owner to convey the Owner's Unit to the Association. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a Unit does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

(e) Management Contract. If professional management of the Association is required by this Article, the contract for professional management may not require more than ninety (90) days' notice to terminate the contract, nor payment of a termination

penalty.

17.5 Insurance Policies. If an Mortgagee that holds a mortgage on a Unit or desires to finance a Unit has requirements for insurance of condominiums, the Association must try to obtain and maintain the required coverages, to the extent they are reasonably available, and must try to comply with any notifications or processes required by the Mortgagee. Because underwriting requirements are subject to change, they are not recited here.

17.6 Notice of Actions. The Association will use its best efforts to send timely written notice to Eligible Mortgagees of the following actions:

- (a) Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged Unit.
- (b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of the mortgaged Unit.
- (c) A lapse, cancellation, or material modification of any insurance policy maintained by the Association.
- (d) Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.
- (e) Any proposed amendment of a material nature, as provided in this Article.
- (f) Any proposed termination of the condominium status of the Property.

17.7. Amendments of a Material Nature. A Document amendment of a material nature must be approved by owners representing at least sixty-seven percent (67%) of the votes in the Association, and by at least fifty-one percent (51%) of Eligible Mortgagees. THIS APPROVAL REQUIREMENT DOES NOT APPLY TO AMENDMENTS EFFECTED BY THE EXERCISE OF A DEVELOPMENT RIGHT PROVIDED IN APPENDIX A, attached hereto and incorporated herein for all purposes. A change to any of the provisions governing the following would be considered material:

- (a) Voting rights.
- (b) Assessment liens or the priority of assessment liens.
- (c) Reductions in reserves for maintenance, repair, and replacement of Common Elements.
- (d) Responsibility for maintenance and repairs.
- (e) Reallocation of interests in the General Common or Limited Elements, or rights to their use; except that when Limited Common Elements are reallocated by Declarant pursuant to any rights reserved by Declarant pursuant to Appendix A, by agreement between Owners (only those Owners and only the Eligible Mortgagees holding mortgages against those Units need approve the action).
- (f) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, then only those owners and the Eligible Mortgagees holding mortgages against the Unit or Units need approve the action.
- (g) Convertibility of Units into Common Elements or Common Elements into Units.

- (h) Expansion or contraction of the Property, or the addition, annexation, or withdrawal of property to or from the Property.
- (i) Property or fidelity insurance requirements.
- (j) Imposition of any restrictions on the leasing of Units.
- (k) Imposition of any restrictions on Owners' right to sell or transfer their Units.
- (l) Restoration or repair of the Property, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.
- (m) Any provision that expressly benefits mortgage holders, insurers, or guarantors.

17.8. Consent of Mortgagee. Consent of Mortgagee is attached hereto as **Exhibit B**, and incorporated herein for all purposes.

Article 18 - Amendments

18.1. Consents Required. As permitted by TUCA or by this Declaration, certain amendments of this Declaration may be executed by Declarant acting alone, or by certain Owners acting alone, or by the Board acting alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least sixty-seven percent (67%) of the votes in the Association.

18.2 Amendments Generally. For amendments requiring the consent of Eligible Mortgagees, the Association will send each Eligible Mortgagee a detailed description, if not the exact wording, of any proposed amendment. Notwithstanding any provisions in this Declaration to the contrary, no amendment to this Declaration shall modify, alter, abridge or delete any: (a) provision of this Declaration that benefits Declarant; (b) rights, privileges, easements, protections, or defenses of Declarant; or (c) rights of the Owners or the Association in relationship to Declarant, without the written consent of Declarant attached to and Recorded with such amendment. In addition, no amendment to this Declaration shall modify, alter, abridge or delete any: (i) permissible use of a Unit absent the consent of the Owner(s) of the Unit affected by the change in permissible use; or (ii) any license, easement or other contractual rights contained in this Declaration, including, without limitation, any easement, right and license benefiting or in favor of the Declarant.

18.3 Effective. To be effective, an amendment must be in the form of a written instrument: (a) referencing the name of the Regime, the name of the Association, and the recording data of this Declaration and any amendments hereto; (b) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; provided, however, this subsection (b) will not apply for amendments prosecuted by Declarant pursuant to any rights reserved by Declarant under this Declaration; and (c) Recorded.

18.4 Declarant Rights. Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix A. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration or TUCA without Declarant's written and acknowledged consent, which must be part of the recorded amendment

instrument. Because Appendix A of this Declaration is destined to become obsolete, beginning ten (10) years after the date this Declaration is first recorded, the Board may restate, rerecord, or publish this Declaration without Appendix A. The automatic expiration and subsequent deletion of Appendix A does not constitute an amendment of this Declaration. This section may not be amended without Declarant's written and acknowledged consent.

Article 19 – Dispute Resolution

19.1. **Introduction and Definitions.** The Association, the Owners, any Builder, the Declarant, the Tenants, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all Claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

(a) "Claim" means any claim, grievance, or dispute between Parties involving the Property, except Exempt Claims as defined below, and including without limitation:

(i) Claims relating to the rights and/or duties of Declarant, or its permitted assigns, under the Documents.

(ii) Claims relating to the acts or omissions of the Declarant during its control and administration of the Association, any claim asserted against the Architectural Reviewer if the claim relates to any act or omission of the Architectural Reviewer while controlled by the Declarant, and any claims asserted against a Person appointed by the Declarant to serve as a Board member or officer of the Association, or to discharge any of the rights of the Architectural Reviewer.

(iii) Claims relating to the design or construction of the Property, Units, or any Improvement by Declarant, its permitted assigns, its contractor or subcontractors, or its designee.

(b) "Exempt Claims" means the following claims or actions, which are exempt from this Article:

(i) The Association's claim for Assessments and any action by the Association to collect Assessments.

(ii) An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.

(iii) Any enforcement by the Association or the Declarant of the easements, architectural control, maintenance, and use restrictions of this Declaration; provided, however, that any enforcement action brought by the Association against the Declarant, or vice versa, is not an Exempt Claim hereunder.

(iv) A suit to which an applicable statute of limitations would expire

within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

- (c) "Claimant" means any Party having a Claim against any other Party.
- (d) "Respondent" means any Party against which a Claimant has asserted a Claim.

19.2 Mandatory Procedures. Claimant may not initiate any proceeding before any administrative tribunal seeking redress of resolution of its Claim until Claimant has complied with the procedures of this article. As provided below, a Claim will be resolved by binding arbitration.

19.3 Claim by the Association – Common Elements. In accordance with this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (a) in the name of or on behalf of any Unit Owner (whether one or more); or (b) pertaining to a Claim, as defined above, relating to the design or construction of a Unit (whether one or more). In the event the Association asserts a Claim related only to the Common Elements, as a precondition to providing the Notice below, initiating the mandatory dispute resolution procedures set forth in this article, or taking any other action to prosecute a Claim, the Association must:

(i) **Independent Report on the Condition of the Common Elements.** Obtain an independent third-party report ("Common Area Report") from a licensed professional engineer which: (1) describes Common Area subject to the Claim including the physical condition of the Common Area; (2) describes any maintenance or repairs to such Common Area performed by the Association; (3) provides specific recommendations regarding remediation and/or repair of the Common Area subject to the Claim. For the purposes of this section, an independent third-party report is a report obtained directly by the Association and paid for by the Association.

(ii) **Owner Meeting and Approval.** Obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to provide the Notice defined below, initiate the mandatory dispute resolution procedures set forth in this article, or take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. For the purpose of such special meeting and notwithstanding any provision of the Bylaws to the contrary, the attendance of no less than a Majority of the votes in the Association must be present in person at the special meeting for a quorum to be present. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (1) a copy of the Common Area Report; (2) a copy of any engagement letter, with the terms of such engagement, between the Association and an attorney engaged by the Association to assert or provide assistance with the Claim ("Engagement Letter"); and (3) a summary of the steps previously taken, and proposed to be taken, by the Board to resolve the Claim. In the event sixty-seven percent (67%) of the votes in the Association approve providing the Notice defined below, initiating the mandatory dispute resolution procedures set forth in this article, or taking any other action to prosecute a Claim, a Majority of votes in the Association, at special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

19.4 Notice. Claimant must notify Respondent in writing of the Claim ("Notice"), stating plainly and concisely: (a) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (b) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (c) what Claimant wants Respondent to do or not do to resolve the Claim; and (d) that the Notice is given pursuant to this section. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. This section does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 could affect a Claim if the claim is subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to this article is required without regard to the monetary amount of the Claim.

If the Claimant is the Association or the Claim pertains to the Common Area, the Notice will also include: (i) a true and correct copy of the Common Area Report; (ii) a copy of the Engagement Letter; (iii) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Common Area which forms the basis of the Claim; (iv) a true and correct copy of the special meeting notice provided to Members in accordance with this article; and (v) and reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice.

19.5 Negotiation. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within 60 days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the Property to take and complete corrective action.

19.6 Mediation. If the parties negotiate, but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Respondent will submit the Claim to mediation in accordance with this section.

19.7 Termination of Mediation. If the Parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this article.

19.8 Binding Arbitration-Claims. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to

arbitration as required by this section. This section may not be amended without the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding at least seventy percent (70%) of the votes in the Association.

(a) Governing Rules. If a Claim has not been resolved after Mediation as required by this article, the Claim will be resolved by binding arbitration in accordance with the terms of this section and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Williamson County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such Rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this section, this section will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

(b) one arbitrator shall be selected by Respondent, in its sole and absolute discretion;

(c) one arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

(d) one arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the claimant, in their sole and absolute discretion.

(e) Exceptions to Arbitration: Preservation of Remedies. No provision of, nor the exercise of any rights under, this section will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

(f) Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this section.

(g) Scope of Award; Modification or Vacating of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deem just and equitable and within the scope of this section; provided, however, that for a Claim, or any portion of a Claim governed by

Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. The arbitrator may also grant such ancillary relief as is necessary to make effective the award. In all arbitration proceedings in which the amount in controversy exceeds \$50,000.00, in the aggregate, the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings in which the amount in controversy exceeds \$50,000.00, in the aggregate, the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on an incorrect or erroneous ruling of law by appeal to an appropriate court having jurisdiction; provided, however, that any such application for vacation or modification of an award based on an incorrect ruling of law must be filed in a court having jurisdiction over the Claim within fifteen (15) days from the date the award is rendered. The arbitrator's findings of fact shall be binding on all parties and shall not be subject to further review except as otherwise allowed by applicable law. In no event may an arbitrator award speculative, consequential, or punitive damages for any Claim.

(h) Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Williamson County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and applicable law. The arbitrator shall have the power to award recovery of all costs and fees (including attorney's fees, administrative fees, and arbitrator's fees) to the prevailing party.

(i) Confidentiality. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by applicable law or regulation. In no event shall any Owner discuss or disclose any detail of the arbitration proceedings with another Owner or Tenant, or any other Person. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

19.9 Allocation Of Costs. Except as otherwise provided in this article, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

19.10 General Provisions. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to claimant's Claim. The Respondent and Claimant to any Exempt Claim may mutually agree to submit such Exempt Claim to the negotiation, mediation, and/or arbitration sections above.

(a) Approval & Settlement. Notwithstanding any provision in this article to the contrary, the initiation of binding arbitration as required by this article is subject to the following conditions:

(b) Owner Acceptance. Each Owner, by accepting an interest in or title to a Unit, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this article and section.

(c) Owner Approval. The Association may not initiate binding arbitration or any

judicial proceeding without the prior approval of Owners holding at least a seventy percent (70%) of the votes in the Association, except that no such approval is required for the initiation of arbitration or litigation to resolve any Exempt Claim.

(d) Funding Arbitration and Litigation. Except for Exempt Claims, the Association must levy a Special Assessment to fund the estimated costs of arbitration conducted pursuant to this article or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

19.11 Settlement. The Board, on behalf of the Association and without the consent of Owners, is hereby authorized to negotiate the settlement of arbitration and litigation, and may execute any document related thereto, such as settlement agreement and waiver or release of claims.

19.13 Amendments of this Section. This Section may only be amended with the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding seventy percent (70%) of the votes in the Association.

Article 20- General Provisions

20.1 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, which shall include overnight delivery services. If delivery is made by mail, it shall be deemed to have been delivered on the third 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 of created.

20.2 Compliance. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

20.3 Higher Authority. The Documents are subordinate to federal and State law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, State, or federal law or ordinance.

20.4 Binding. This Declaration, as well as any amendment to this Declaration, and any valid action or directive made pursuant to it shall be binding on the Declarant and the Owners and their heirs, grantees, tenants, successors, and assigns.

20.5 Interpretation, Governing Law and Venue. The provisions of this Declaration and the Documents shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Regime and of promoting and effectuating the fundamental concepts of the Regime set forth in this Declaration. This Declaration and the Documents shall be construed and governed under the laws of the State of Texas, and venue shall be property in the county in which the Property is located.

20.6 **Duration.** Unless terminated or amended by Owners as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

20.7 **Captions.** In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Bold and underlined notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

20.8 **Severability, Waiver, Captions, Construction.** The provisions of this Declaration 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. Each remedy provided for in the Declaration and the Documents is separate, distinct, and non-exclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy. 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. 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.

20.9 **Declarant as Attorney in Fact and Proxy.** To secure and facilitate Declarant's exercise of the rights reserved by Declarant pursuant to Appendix A and elsewhere in this Declaration, each Owner, by accepting a deed to a Unit and each Mortgagee, by accepting the benefits of a Mortgage against a Unit within the Regime, and any other Person, 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 Unit in the Regime, shall thereby be deemed to have appointed Declarant such Owner's, Mortgagee's, and Person'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 Appendix A or elsewhere in this Declaration. The power thereby vested in Declarant as attorney-in-fact for each Owner, Mortgagee, and/or Person, shall be deemed, conclusively, to be coupled with an interest and shall survive the dissolution, termination, insolvency, bankruptcy, incompetency, and death of an Owner, Mortgagee, and/or Person and shall be binding upon the legal representatives, administrators, executors, successors, heirs, and assigns of each such party. In addition, each Owner, by accepting a deed to a Unit, and each Mortgagee, by accepting the benefits of a Mortgage against a Unit in the Regime, and any Person, by accepting 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 Unit in the Regime, shall thereby appoint Declarant the proxy of such Owner, Mortgagee, or Person, with full power of substitution in the premises, to do and perform each and every act permitted or required pursuant to Appendix A or elsewhere in this Declaration, and which may otherwise be reasonably necessary in connection therewith, including without limitation, to cast a vote for such Owner, Mortgagee, or Person at any meeting of the Members for the purpose of approving or consenting to any amendment to this Declaration in order to effect and perfect any such act permitted or required pursuant to Appendix A or elsewhere in this Declaration and to execute and record amendments on their behalf to such effect; and the power hereby reposed in Declarant, as the attorney-in-fact for each such Owner, Mortgagee, or Person includes, without limitation, the authority to execute a proxy as the act and deed of any Owner, Mortgagee, or Person and, upon termination or revocation of any Owner's proxy as permitted by the Texas Non-profit Corporation Act the authority to execute successive proxies as the act and deed of any Owner, Mortgagee, or Person authorizing Declarant, or any substitute or

successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. Furthermore, each Owner, Mortgagee, and Person upon request by Declarant, will execute and deliver a written proxy pursuant TUCA, including a successive written proxy upon the termination or revocation as permitted by TUCA of any earlier proxy, authorizing Declarant, or any substitute or successor Declarant appointed thereby, to cast a like vote for such Owner at any meeting of the Members of the Association. All such appointments and successive proxies shall expire as to power reserved by Declarant pursuant to Appendix A or elsewhere in this Declaration on the date Declarant no longer has the right to exercise such rights. All such proxies shall be non-revocable for the maximum lawful time and upon the expiration of non-revocable period, new proxies shall again be executed for the maximum non-revocable time until Declarant's right to require such successive proxies expires.

20.10 Attachments, Appendix and Exhibits. The following appendixes, attachments and exhibits are attached to this Declaration and are incorporated herein by reference for all purposes:

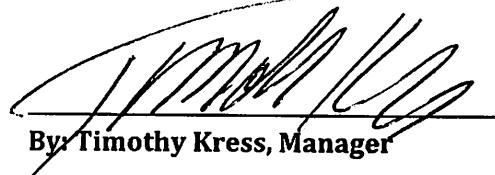
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| Attachment 1 | Plats and Plans |
| Attachment 2 | Encumbrances |
| Attachment 3 | Schedule of Allocated Interests |
| Attachment 4 | Maintenance Responsibility Chart |
| Attachment 5 | Guide to Association's Examination of Common Elements |
| Attachment 6 | Guide to Association's Major Management and Governance Functions |
| Appendix A | Declarant Representations and Reservations |
| Exhibit A | Legal Description and Metes and Bounds |
| Exhibit B | Consent of Mortgagee |

Signatures on following pages.

DATED to be effective on April 17th, 2017.

DECLARANT'S SIGNATURE:

TKRESS LLC



By: Timothy Kress, Manager

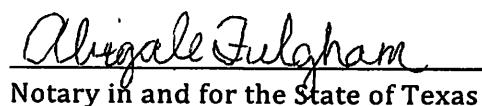
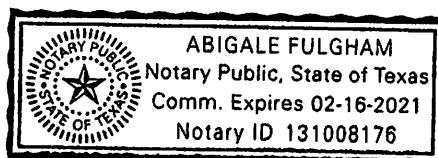
ACKNOWLEDGEMENT

THE STATE OF TEXAS
COUNTY OF WILLIAMSON

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This instrument was acknowledged before me on the 17th day of April, 2017, by Timothy Kress, as Manager of TKress LLC.



Abigale Fulgham
Notary in and for the State of Texas



By: Tammy Kress, Manager

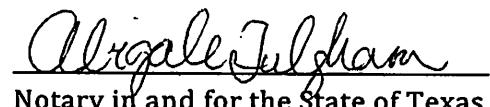
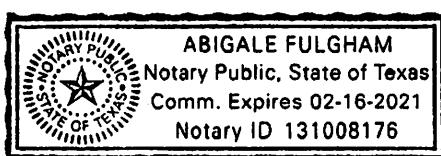
ACKNOWLEDGEMENT

THE STATE OF TEXAS
COUNTY OF WILLIAMSON

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This instrument was acknowledged before me on the 17th day of April, 2017, by Tammy Kress, as Manager of TKress LLC.



Abigale Fulgham
Notary in and for the State of Texas

ATTACHMENT I

Condominium Plats and Plans

Boundaries of Units

The legal boundaries of each Unit are established by the Declarant and the Plats and Plans. However, each Owner acknowledges that the Unit may be measured and depicted in a manner, which differs from the legal boundaries of a Unit. For example, the Unit may be measured or depicted differently for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air-conditioned space, or the area within the Unit's legal boundaries.

Condominium Plat for 301 Denali Pass Condominiums

ATTACHMENT "1"

THIS SURVEY IS INTENDED TO SERVE AS A PLAT OF THE 301 DENALI PASS CONDOMINIUMS LOCATED ON LOT 10, BLOCK "B", BREAKAWAY PARK, SECTION 5, PHASE II, A SUBDIVISION IN WILLIAMSON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET Z, SLIDE 69 OF THE PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS AND CONVEYED IN DOCUMENT NO. 2016029575, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND CONTAINS ALL THE INFORMATION REQUIRED FOR THE PURPOSE OF COMPLIANCE WITH CHAPTER 82.059 OF THE UNIFORM CONDOMINIUM ACT OF TEXAS PROPERTY CODE.

LEGEND

1/2" FOUND IRON ROD W/CAP
CALCULATED POINT
RECORD INFORMATION



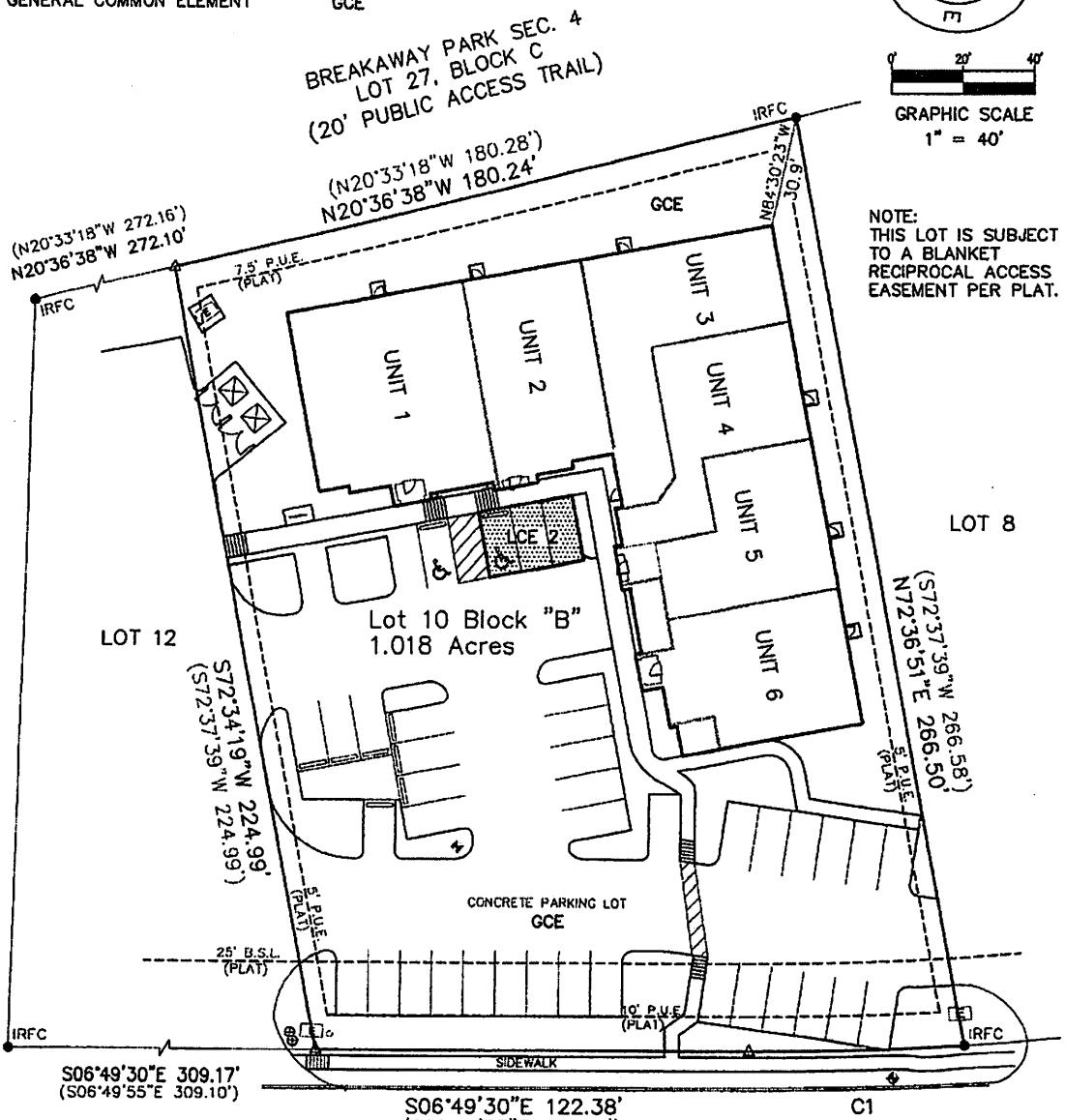
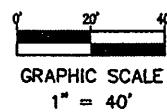
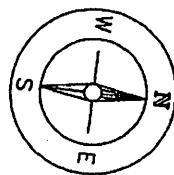
BEARINGS ARE BASED ON THE
TEXAS COORDINATE SYSTEM
N.A.D. 83, CENTRAL ZONE 4203.

LIMITED COMMON ELEMENT UNIT 2
(3-RESERVED PARKING SPACES)



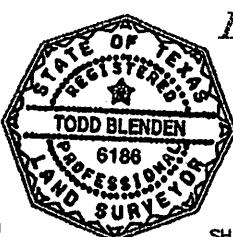
GENERAL COMMON ELEMENT

GCE



C1 CURVE DATA

R=968.00'
D=3°33'39"
A=60.16'
CH=S08°50'29"E 60.15'
(R=968.00')
(D=10°32'26")
(A=178.08)
(CH=S12°06'08"E 177.83')



SHEET 1 OF 2

Denali Pass
(64' R.O.W.)

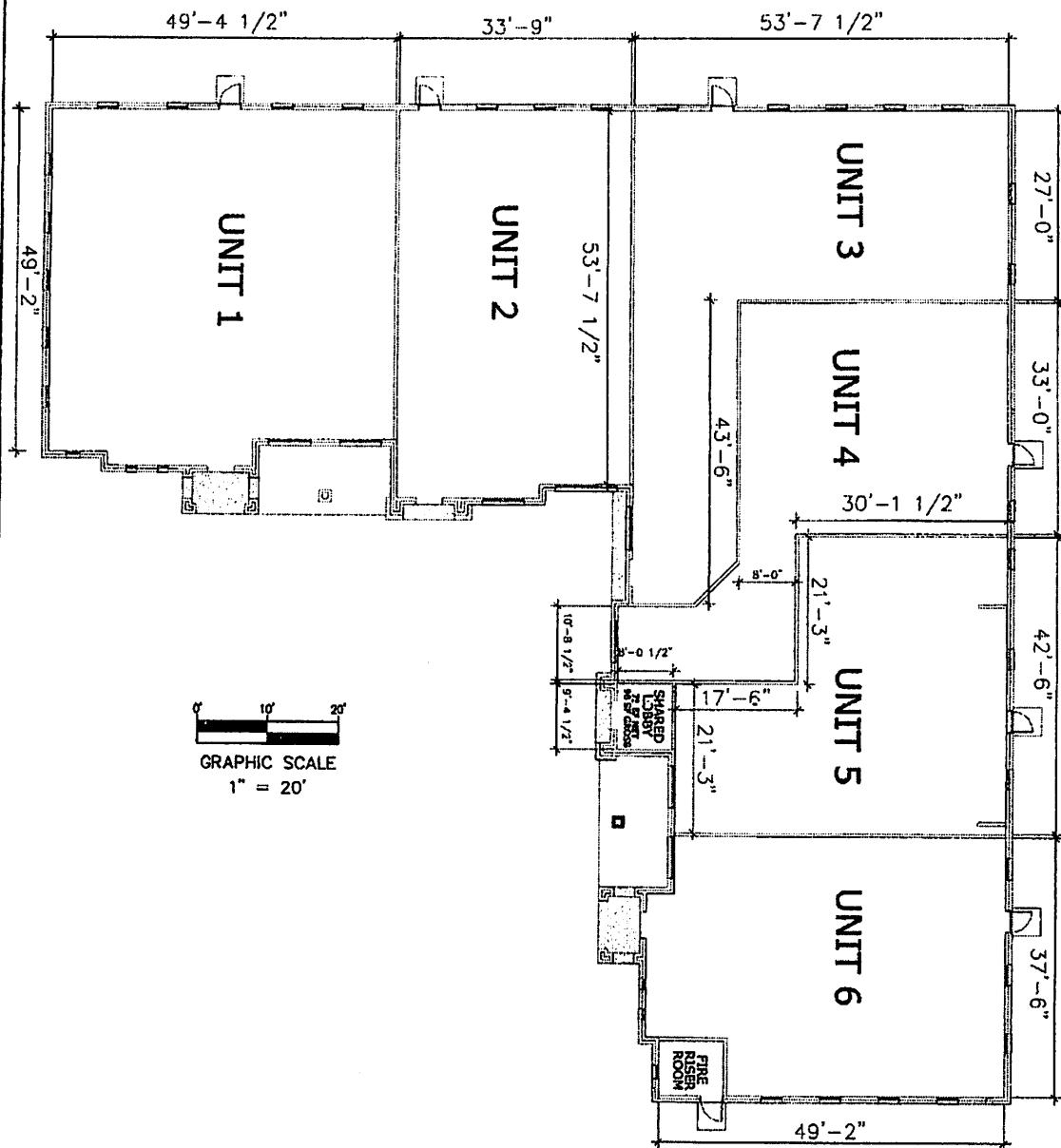
The Undersigned Surveyor certifies
that this Plat conforms to Section
82.059 of the Texas Property Code

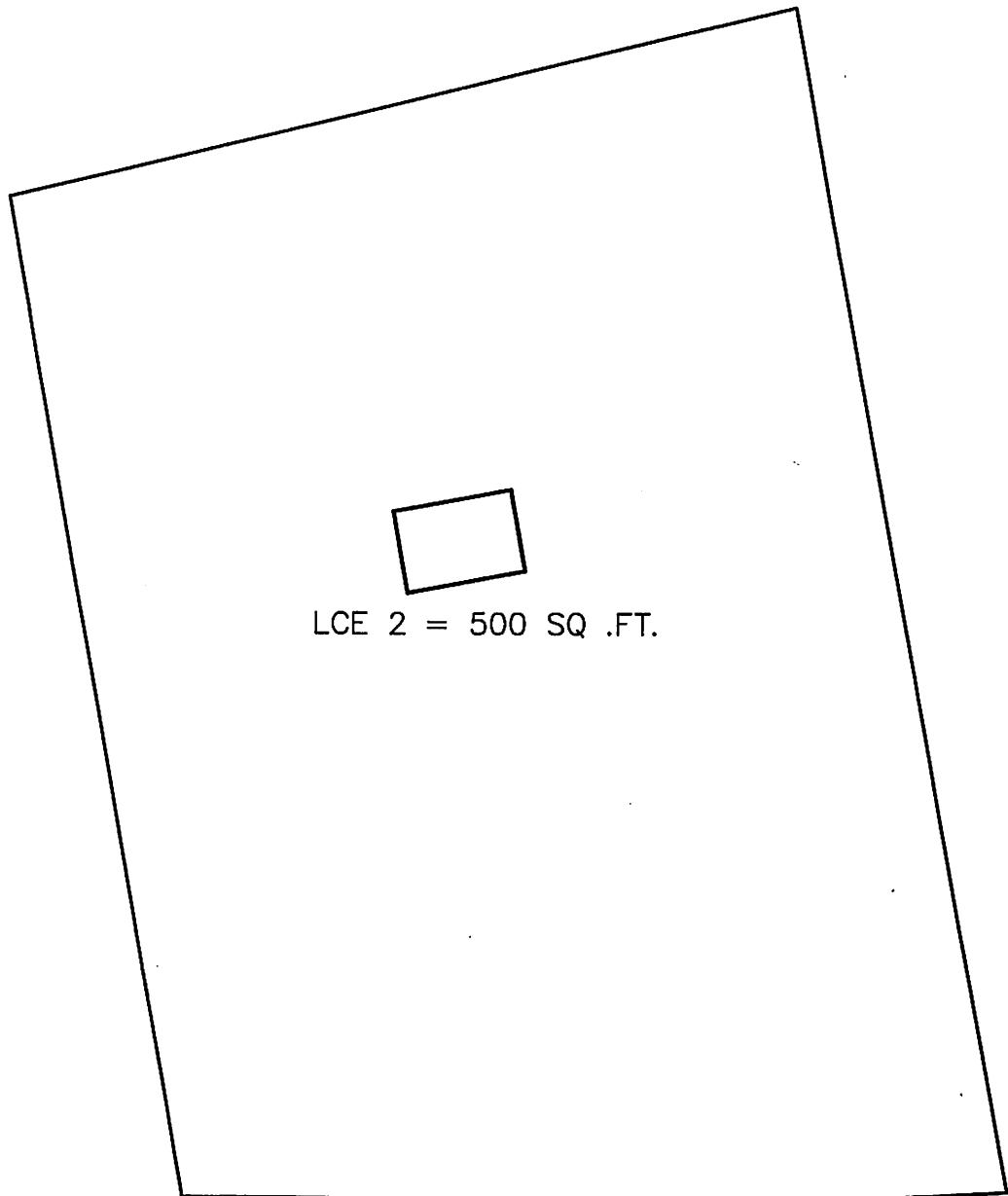
Todd Blendon
Todd Blendon, R.P.L.S. 6186
Commercial Engineering, PLLC

Condominium Plat for 301 Denali Pass Condominiums

ATTACHMENT "1"

THIS SURVEY IS INTENDED TO SERVE AS A PLAT OF THE 301 DENALI PASS CONDOMINIUMS LOCATED ON LOT 10, BLOCK "B", BREAKAWAY PARK, SECTION 5, PHASE II, A SUBDIVISION IN WILLIAMSON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET Z, SLIDE 69 OF THE PLAT RECORDS OF WILLIAMSON COUNTY, TEXAS AND CONVEYED IN DOCUMENT NO. 2016029575, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND CONTAINS ALL THE INFORMATION REQUIRED FOR THE PURPOSE OF COMPLIANCE WITH CHAPTER 82.059 OF THE UNIFORM CONDOMINIUM ACT OF TEXAS PROPERTY CODE.





TOTAL LOT AREA = 44,350 SQ .FT.

301 Denali Pass

ATTACHMENT 2

Encumbrances

The Property is subject to the easements and restrictive covenants of record in Williamson County, Texas, included but not limited to the following:

Plat recorded in Cabinet Z, Slides 69-70, Plat Records of Williamson County, Texas.

Covenants recorded in Document Number 2009071988, Official Public Records of Williamson County, Texas.

Building setback line 25 feet from the front lot line of subject property, as shown on the Plat recorded in Cabinet Z, Slides 69-70, Plat Records of Williamson County, Texas and as shown on a Reflect Survey dated March 7, 2016, prepared by Herman Crichton, Registered Professional Land Surveyor, State of Texas #4046.

A 10 foot public utility easement is hereby dedicated adjacent to all street right-of-ways on all lots. A 5' public utility easement is hereby dedicated along each side lot line from the front building line except where the side lot line is also the rear lot line of an adjacent lot in which case the 5' public utility easement is dedicated along the entire length of the side lot line. A 7.5 foot public utility easement is hereby dedicated adjacent to all rear lot lines", as set out on the Plat recorded in Cabinet Z, Slides 69-70, Plat Records of Williamson County, Texas, and as shown on a Reflect Survey dated March 7, 2016, prepared by Herman Crichton, Registered Professional Land Surveyor, State of Texas #4046.

Blanket reciprocal access easement retained on the Plat recorded in Cabinet Z, Slides 69-70, Plat Records of Williamson County, Texas.

ATTACHMENT 3

Schedule of Allocated Interests

| Unit Number | Gross Square Footage of Unit | Unit Allocation |
|--------------|------------------------------|-----------------|
| Unit 1 | 2,594 | 21% |
| Unit 2 | 1,949 | 16% |
| Unit 3 | 2,209 | 18% |
| Unit 4 | 1,762 | 14% |
| Unit 5 | 1,753 | 14% |
| Unit 6 | 1,904 | 16% |
| TOTAL | 12,171 | 100% |

THE COMMON INTEREST AND COMMON EXPENSE ALLOCATION ASSIGNED TO A PARTICULAR UNIT WILL DECREASE IF ADDITIONAL UNITS ARE CREATED AND ADDED TO THE REGIME BY THE DECLARANT and/or ANY UNIT OWNER.

ATTACHMENT 4

Maintenance Responsibility Chart

"All aspects" includes maintenance, repair, and replacement, as needed. "CE" means Common Element. The components listed in the first column are applicable only if they exist, and may not be construed to create a requirement to have such a component.

| COMPONENT OF PROPERTY | ASSOCIATION RESPONSIBILITY AS AREA OF COMMON RESPONSIBILITY | OWNER RESPONSIBILITY |
|--|---|----------------------|
| Fences, screening walls, gates, and retaining walls around perimeter of Regime. | All aspects. | None. |
| Parking area lights. | All aspects. | None. |
| Sidewalks and walkways. | All aspects. | None. |
| Mailboxes. | All aspects. | None. |
| Trash receptacles. | All aspects. | None. |
| Grounds and irrigation facilities. | All aspects. | None. |
| Parking areas. | All aspects. | None. |
| Roofs. | All aspects. | None. |
| Gutters and downspouts. | All aspects. | None. |
| Exterior vertical walls of Buildings, other exterior features of Buildings not specifically listed in chart. | All aspects. | None. |
| Building foundations and slabs. | All aspects. | None. |

| COMPONENT OF PROPERTY | ASSOCIATION RESPONSIBILITY AS AREA OF COMMON RESPONSIBILITY | OWNER RESPONSIBILITY |
|--|---|---|
| Exterior light fixtures on Units. | All aspects. | None. |
| Attics. | All aspects. | None. |
| Insulation in walls and attics. | All aspects. | None. |
| Monument sign. | All aspects. | None. |
| Weather stripping and sealants on doors and windows. | None. | All aspects. |
| Building interior, including improvements, fixtures, partition walls and floors within Unit. | None. | All aspects. |
| Sheetrock in Unit (walls and ceilings) & treatments on walls. | None. | All aspects. |
| Exterior doors of Units. | None. | All aspects. |
| Signs above doors of Units. | None. | All aspects. |
| Windows of Units. | None. | All aspects. |
| Water, wastewater, electrical lines & systems. | All aspects of common lines & systems serving Common Elements or multiple Units, none for those serving an individual Unit. | All aspects of lines, pipes, fixtures, and appliances serving only that Unit. |
| Heating and cooling systems & water heaters. | None. | All aspects. |

| | | |
|--|-------|--------------|
| Intrusion alarms smoke/heat detectors, monitoring equipment. | None. | All aspects. |
| Cable for television or internet. | None. | All aspects. |

ATTACHMENT 5

Guide to Association's Examination of Common Elements

This Guide to Association's Examination of Common Elements ("Guide") provides information to assist the Board in conducting an annual examination of the Common Elements for the purpose of maintaining replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Elements maintained by the Association. The examination is required pursuant to the Declaration, and is a necessary prerequisite in establishing sufficient reserves as required by the Declaration. Additional information on conducting the examination may be obtained from the Community Associations Institute and their publication, *The National Reserve Study Standards of the Community Associations Institute*. See www.caionline.org. In addition, the Community Associations Institute provides certification for qualified preparers of reserve studies, known as a "Reserve Professionals Designation" (RS.). Neither this Declaration nor current law requires that the Board engage an individual holding a Reserve Professional Designation for the purpose of conducting the annual examination of the Common Elements. Because laws and practices change over time, the Board should not use this Guide without taking into account applicable changes in law and practice.

Developing a Plan

In developing a plan, the age and condition of Common Elements maintained by the Association must be considered, and the possibility that new types of material, equipment, or maintenance processes associated with the repair and/or maintenance of Common Elements should also be taken into account. The individual or company who prepares the examination calculates a suggested annual funding amount and, in doing so, may consider such factors as which components are included, estimated replacement costs of the components, useful lives of the components, inflation, and interest on reserve account balances or other earnings rates. Annual contributions to the replacement fund from annual assessments are based on this examination or reserve study. A reserve study generally includes the following:

- Identification and analysis of each major component of Common Elements maintained by the Association
- Estimates of the remaining useful lives of the components
- Estimates of the costs of replacements or repairs
- A cash flow projection showing anticipated changes in expenditures and contributions over a time period generally ranging between 20 and 30 years
- The "Funding Goal" which is generally one of the following:

Component Full Funding: Attaining, over a period of time, and maintaining, once the initial goal is achieved, a cumulative reserve

account cash balance necessary to discharge anticipated expenditures at or near 100 percent; or

Threshold Funding: Maintaining the reserve account cash balance above a specified dollar or percent funded amount. Note that Threshold Funding will increase the likelihood that special assessments will be required to fund major repairs and replacements.

Finding Common Element Component Replacement Information

Common Element component replacement information may be obtained from contractors, suppliers, technical specialists, a "Reserve Study" specialist or from using tables in technical manuals on useful lives of various components. As provided in the Declaration, the Board must reevaluate its funding level each year based upon changes to the Common Elements as well as changes to replacement costs and component conditions. The specific components of Common Elements include, but are not limited to, parking areas, driveways, and walkways. Components covered by maintenance contracts may be excluded if the contracts include maintenance and replacement of the components. The Board must also include within their overall budget a deferred maintenance account for those components requiring periodic maintenance, which does not occur annually.

ATTACHMENT 6

Guide to Association's Management and Governance

This Guide lists several of the major management and governance functions of a typical commercial development with a mandatory owners association. The Association's Board of Directors may, from time to time, use this Guide to consider what functions, if any, to delegate to one or more managers, managing agents, employees, or volunteers. Because laws and practices change over time, the Association and/or the Board should not use this Guide without taking account of applicable changes in law and practices. Terms used herein shall have the same meaning as set forth in Article 1 of Declaration.

| MAJOR MANAGEMENT & GOVERNANCE FUNCTIONS | Performed by Association officers or directors | Delegated to Association employee or agent |
|---|--|--|
| <p><u>FINANCIAL MANAGEMENT</u></p> <p>To adopt annual budget and levy assessments, per Declaration.</p> <p>Prepare annual operating budget, periodic operating statements, and year-end statement.</p> <p>Identify components of the Property the Association is required to maintain. Estimate remaining useful life of each component. Estimate costs and schedule of major repairs and replacements, and develop replacement reserve schedule for 5, 10, and 20-year periods. Annually update same.</p> <p>Collect assessments and maintain Association accounts.</p> <p>Pay Association's expenses and taxes.</p> <p>Obtain annual audit and income tax filing.</p> <p>Maintain fidelity bond on Persons handling Association funds.</p> | | |

| | | |
|---|--|--|
| <p>Report annually to members on financial status of Association.</p> | | |
| <p><u>PHYSICAL MANAGEMENT</u></p> <p>Inspect, maintain, repair, and replace, as needed, all components of the Property for which the Association has maintenance responsibility.</p> <p>Contract for services, as needed to operate or maintain the Property.</p> <p>Prepare specifications and call for bids for major projects.</p> <p>Coordinate and supervise work on the Property, as warranted.</p> | | |
| <p><u>ADMINISTRATIVE MANAGEMENT</u></p> <p>Receive and respond to correspondence from Owners, and assist in resolving Owners' problems related to the Association.</p> <p>Conduct hearings with owners to resolve disputes or to enforce the Documents.</p> <p>Obtain and supervise personnel and/or contracts needed to fulfill Association's functions.</p> <p>Schedule Association meetings and give Owners timely notice of same.</p> <p>Schedule Board meetings and give Directors timely notice of same.</p> <p>Enforce the Documents.</p> <p>Maintain insurance and bonds as required by the Documents or state law, or as customary for similar types of property in the same geographic area.</p> | | |

| | | |
|--|--|--|
| <p>Maintain Association books, records, and files.</p> <p>Maintain Association's corporate charter and registered agent & address.</p> <p><u>OVERALL FUNCTIONS</u></p> <p>Promote harmonious relationships within the community and Regime. Protect and enhance property values in the community and Regime.</p> <p>Encourage compliance with Documents and applicable laws and ordinances.</p> <p>Act as liaison between the community of Owners and governmental, taxing, or regulatory bodies.</p> <p>Protect the Association and the Property from loss and damage by lawsuit or otherwise.</p> | | |
|--|--|--|

APPENDIX A

Declarant Representations and Reservations

1. General Provisions.

Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, Declarant is compiling Declarant-related provisions in this Appendix.

General Reservation and Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained in the Documents may be construed to, nor may any mortgagee, other Owner, the Board or the Association, prevent or interfere with the rights contained in this Appendix, which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of a conflict between this Appendix A and any other Document, this Appendix A controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

Purpose of Development and Declarant Control Periods. This Appendix gives Declarant certain rights during the Development Period and Declarant Control Period to ensure a complete and orderly sellout of all Units of the Property, which is ultimately for the benefit and protection of Owners and Mortgagees. The "Development Period", as specifically defined in the Declaration, means the ten (10) year period beginning on the date this Declaration is Recorded, unless such period is earlier terminated by Declarant's Recording a notice of termination of such period. The Declarant Control Period is defined in Article 1 of the Declaration. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days' written notice.

2. Declarant Control Period Reservations. For the benefit and protection of Owners and mortgagees, and for the purpose of ensuring a complete and orderly build-out and sellout of the Property, Declarant will retain control of the Association, subject to the following:

a. Association Budget. During the Declarant Control Period, the Declarant-appointed Board will establish a projected budget for the Property as a fully developed and fully occupied commercial community with a level of services and maintenance that is typical for similar types of developments in the general area of the Property, using cost estimates that are current for the period in which the budget is prepared. The Association budget may not include enhancements voluntarily provided by Declarant to facilitate the marketing of Units in the Property.

b. Officers and Directors. During the Declarant Control Period, the Board may consist of a minimum of three (3) persons. Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or Owners, and each of whom is indemnified by the Association as a "Leader," subject to the following limitation: not later than the 120th day after conveyance of fifty percent (50%) of the maximum number of Units that may be created have been conveyed to Owners other than Declarant, not less than one-third (1/3) of the members of the Board must be elected by Owners other than Declarant.

c. Obligation for Assessments. For each Unit owned by Declarant, Declarant is liable for Special Assessments, Utility Assessments, Individual Assessments, and Deficiency Assessments in the same manner as any Owner. Regarding Regular Assessments, during the Declarant Control Period only, Declarant at Declarant's option may support the Association's budget by either of the following methods: (i) Declarant will pay Regular Assessments on each Declarant owned Unit in the same manner as any Owner; or (ii) Declarant will assume responsibility for the difference between the Association's actual Common Expenses as they are paid and the Regular Assessments received from Owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On the earlier to occur of: (i) three (3) years after the first conveyance of a Unit by the Declarant, or (ii) termination of the Declarant Control Period, Declarant must begin paying Assessments on each Declarant owned Unit according to the Unit's allocated Interest for Assessments.

d. Obligation for Reserves. During the Declarant Control Period, neither the Association nor Declarant may use the Association's reserve funds to pay operational expenses of the Association.

e. Enhancements. During the Declarant Control and Development Periods, Declarant, solely at Declarant's discretion, may voluntarily provide enhancements for the Property, including but not limited to higher levels of maintenance, management, insurance, and seasonal color in landscaping.

f. Expenses of Declarant. Expenses related to the marketing of the Property will be paid by Declarant and are not expenses of the Association.

g. Management Contract. If Declarant enters into a professional management contract on behalf of the Association during Declarant Control Period, the Association has the right to terminate the contract without cause or penalty, but with at least thirty (30) days written notice to the manager, at any time after a Board elected by the Owners other than Declarant takes office.

h. Common Elements. At or prior to termination of Declarant Control Period, if title or ownership to any Common Element is capable of being transferred, Declarant will convey title or ownership to the Association. At the time of conveyance, the Common Element will be free of encumbrance except for the property taxes, if any, accruing for the year of conveyance. Declarant's

conveyance of title or ownership is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

3. **Development Period Rights.** Declarant makes the following representations and reservations regarding Declarant's development of the Property:

a. **Changes in Development Plan.** During the Development Period, Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, the subdivision or combination of Units, construction of additional Units, changes in the sizes, styles, designs, configurations, materials, and appearances of Units, and Common Elements.

b. **Architectural Control.** During the Development Period, Declarant has the absolute right of architectural control. Notwithstanding the foregoing, during the Development Period and after termination of Declarant Control, or earlier if Declarant permits, the Board may appoint or serve as a "modifications committee" to respond exclusively to modifications of completed Units that are owned by persons other than Declarant. A modifications committee may not involve itself with the approval of new Units or Common Elements.

c. **Transfer Fees.** During the Development Period, Declarant will not pay transfer-related and resale certificate fees.

d. **Website & Property Name.** During the Development Period, Declarant has the unilateral right to approve or disapprove uses of any website purporting to serve the Property or the Association, all information available on or through the Property website, if any, and all uses of the Property name by the Association.

e. **Fines and Penalties.** During the Development Period, neither Declarant nor Units owned by Declarant are liable to the Association for late fees, fines, administrative charges, or any other charge that may be considered a penalty.

f. **Statutory Development Rights.** As permitted by TUCA, Declarant reserves the following Development Rights which may be exercised during the Development Period: (i) to create Units, General Common Elements, and Limited Common Elements within the Property; and (ii) to subdivide Units or convert Units into Common Elements.

g. **Amendment.** During the Development Period, Declarant may amend this Declaration and the other Documents, without consent of other Owners or any mortgagee, for the following limited purposes:

- (i) To meet the requirements, standards, or recommended guidelines of a Mortgagee.
- (ii) To correct any defects in the execution of this Declaration or the other

Documents.

- (iii) To add real property to the Property, in the exercise of statutory Development Rights.
- (iv) To construct additional Units to the maximum extent and maximum number of Units allowed by local ordinances.
- (v) To create Units, General Common Elements, and Limited Common Elements within the Property, in the exercise of statutory Development Rights.
- (vi) To subdivide, combine, or reconfigure Units or convert Units into Common Elements, in the exercise of statutory Development Rights.
- (vii) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
- (viii) To change the name or entity of Declarant.
- (ix) For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

4. Special Declarant Rights. As permitted by TUCA, Declarant reserves the below described Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Property during the Development Period. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant so long as Declarant holds a Development Right to create additional Units or Common Elements or Declarant owns a Unit, whichever ceases last. Earlier termination of certain rights may occur by statute.

- (i) The right to complete or make Improvements indicated on the Plat and Plans.
- (ii) To construct a monument sign on the Property.
- (iii) The right to exercise any Development Right permitted by TUCA and this Declaration.
- (iv) The right to make the Property part of a larger condominium or planned community.
- (v) The right to construct additional signs on the Property, and allocate such signage to Units in the sole discretion of Declarant.
- (vi) The right to use Units owned or leased by Declarant or Common Elements as models, storage areas, and offices for the marketing, sales, management, maintenance, customer service, construction, and leasing of the Property.
- (vii) For purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, marketing materials, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that

are prohibited to other Owners and Tenants. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events, such as open houses, broker/agent tours, and broker/agent parties, at the Property to promote the sale of Units.

- (viii) Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under TUCA and this Declaration.
- (ix) The right to appoint or remove any Declarant-appointed officer or director of the Association during Declarant Control Period consistent with TUCA.

5. Additional Easements and Rights. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

- (i) An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.
- (ii) The right to sell or lease any Unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained elsewhere in this Declaration or the other Documents.
- (iii) The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or Common Elements. Requests for entry must be made in advance for a time reasonably convenient for the Owner who may not unreasonably withhold consent.
- (iv) An easement and right to make structural changes and alterations on Common Elements and Units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at Declarant's sole expense, will restore altered Common Elements and Units to conform to the architectural standards of the Property. The restoration will be done no later than one hundred and twenty (120) days after termination of the Development Period.
- (v) An easement over the entire Property, including the Units, to inspect the Common Elements and all Improvements thereon and related thereto to evaluate the maintenance and condition of the Common Element Improvements.
- (vi) The right to provide a reasonable means of access and parking for

prospective Unit purchasers in connection with the active marketing of Units by Declarant.

6. **Extension.** Declarant, at Declarant's sole option and discretion, may extend the effect of this section for up to three (3) years after the end of the Development Period by paying the Association \$1,000.00.

7. **Common Elements.** Because the Common Elements are owned by the Owners, collectively and in undivided interest, the Common Elements are not capable of being separately conveyed. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of the ownership of the Common Elements. Because ownership of the Common Elements is not conveyed by Declarant to the Association, there is no basis for the misconception that Owners may "accept" or "refuse" the Common Elements.

EXHIBIT A

Legal Description for 301 Denali Pass Condominiums

Lot 10, Block "B", BREAKAWAY PARK, SECTION 5, PHASE II, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet Z, Slides 69-70, of the Plat Records of Williamson County, Texas, and conveyed in Document No. 2016029575, Official Public Records of Williamson County, Texas.

EXHIBIT B

CONSENT OF MORTGAGEE

STATE OF TEXAS

COUNTY OF WILLIAMSON

The undersigned, being the sole owner and holder of a Deed of Trust lien dated June 22, 2016, recorded under Document No. 2016055820 of the Official Public Records of Williamson County, Texas, securing a note of even date therewith in the amount of \$ 1,177,014.00, executes this Consent of Mortgagee solely for the purpose of evidencing its consent to recordation of this Declaration of Condominium Regime for 301 Denali Pass Condominiums, a condominium to be filed and recorded in the Official Public Records of Williamson County, Texas, and makes no representation or warranty, express or implied, of any nature whatsoever, to any Owner with respect to any Unit or the effect of the terms and provisions of this condominium regime.

MORTGAGEE:

Prosperity Bank

By: J. Brad Curlee [signature]

Printed Name: J. Brad Curlee [printed name of person signing]

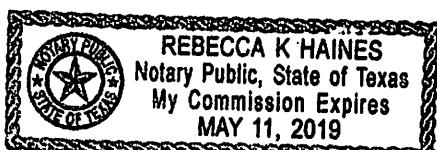
Title: Banking Center President

ACKNOWLEDGEMENT

THE STATE OF TEXAS
COUNTY OF WILLIAMSON

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This instrument was acknowledged before me on the 8 day of May, 2017, by J. Brad Curlee [name], as Banking Center President [title] of Prosperity Bank, on behalf of said association.



Rebecca Haines
Notary in and for the State of Texas

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS 2017041485

Declaration - 301 Denali Pass Condominiums
78

COND Fee: \$329.00
05/09/2017 12:21 PM Tkirk



Nancy E. Rister
Nancy E. Rister, County Clerk
Williamson County, Texas

Declaration - 301 Denali Pass Condominiums