

Excerpts from

**Master Declaration
of Covenants,
Conditions, and
Restrictions**

September, 2002
Edition

GREAT HILLS

Homeowners Association
Sections IX and X

<http://www.ghassociation.org>

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DECLARATION
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Sections IX and X
Excerpts from MASTER DECLARATION
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Deed Records of Travis County

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS Great Hills, hereinafter called the DECLARANT is the duly authorized representative of Gibraltar Savings Association, the owner of all that certain real property located in Travis County, Texas, as more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes and locally known as the "Great Hills," sometimes referred to as the "Community" and

WHEREAS, the DECLARANT desires to convey the Property or portions thereof subject to certain protective covenants, conditions, restrictions, liens and charges hereinafter set forth: and

WHEREAS, DECLARANT desires to create and carry out a uniform plan for the improvement, development and sale of the Property and portions thereof for the benefit of the present and future owners of the Property. DECLARANT hereby adopts and establishes the following declaration, reservations, restrictions, covenants, conditions and easements to apply uniformly to the use, improvement, occupancy and conveyance of all the Property, including the roads, avenues, streets, alleys and waterways therein: and each contractor deed which may be hereafter executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to the following (regardless of whether or not the same are set out in full or by reference in said contract or deed):

NOW, THEREFORE, it is hereby declared that all of the Property shall be held, sold, conveyed and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

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

1.01 Architectural Committee. "Architectural Committee" (hereinafter sometimes "Committee") shall mean the committee created pursuant to these restrictions.

1.02 Architectural Committee Rules. "Architectural Committee Rules" (hereinafter sometimes "Committee Rules") shall mean the rules adopted by the Architectural Committee.

1.03 Articles. "Articles" shall mean the Articles of Incorporation of Great Hills Homeowners Association, Inc., which will be filed in the office of the Secretary of State of the State of Texas, and as from time to time amended.

1.04 Assessments. "Assessments" shall mean assessments of the Master Association and includes both regular and special assessments.

1.05 Association or Master Association. "Association" or "Master Association" shall mean and refer to Great Hills Homeowner's Association, Inc.

1.06 Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by or leased to the Association.

1.07 Beneficiary. "Beneficiary" shall mean a mortgagee under a mortgage or a beneficiary under a deed of trust.

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

1.09 Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board, and as from time to time amended.

1.10 Commercial Site. "Commercial Site" shall mean any unit of land, whether or not shown on a recorded subdivision plat and whether or not improved, which is designated for use as commercial, office or any type of use other than residential.

1.11 DECLARANT. "DECLARANT" shall mean Gibraltar Savings Association, its duly authorized representatives or their respective successors or assigns.

1.12 Great Hills. "Great Hills" shall mean the Property and any additions made thereto pursuant to the terms of this Declaration.

1.13 Great Hills Maintenance Fund. "Great Hills Maintenance Fund" shall mean the fund created for the receipts and disbursements of the Association.

1.14 Great Hills Restrictions. "Great Hills Restrictions" shall mean this Master Declaration together with any and all Supplemental Declarations, as the same may be amended from time to time, together with the Great Hills Rules, Committee Rules and the Articles and Bylaws of the Association from time to time in effect.

1.15 Great Hills Rules. "Great Hills Rules" shall mean the rules adopted by the Board pursuant to Section 5.05(C) hereof, and as they may be amended from time to time.

1.16 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, patios, tennis courts, swimming pools, garages, storage buildings, fences, dog fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.17 Local Common Area. "Local Common Area" shall mean any portion of the Property other than Recreation and Open Space areas, designated by the DECLARANT as a common area for the primary benefit of the Owners and occupants of a particular area. It may be owned by DECLARANT, a nonprofit corporation, or an unincorporated association in which all Owners shall be entitled to membership or the Owners shall hold title to the same in undivided interests.

1.18 Lot. "Lot" shall mean any unit of land which is designated on any recorded subdivision plat, whether or not improved, for a single-family residence.

1.19 Major Developer. "Major Developer" shall mean any person or persons designated as such by DECLARANT in an instrument recorded in the real property records of Travis County, Texas.

1.20 Manager. "Manager" shall mean the person, firm or corporation, if any, employed by the Association pursuant to this Declaration and delegated the duties, powers or functions of the Association.

1.21 Master Declaration. "Master Declaration" (hereinafter sometimes "Declaration") shall mean this instrument and as it may be amended from time to time.

1.22 Member. "Member" shall mean any person who is a member of the Association.

1.23 Mortgage. "Mortgage" shall mean any mortgage or deed of trust given to secure the payment of a debt.

1.24 Multi-Family Site. "Multi-Family Site" shall mean any unit of land, whether or not shown on a recorded subdivision plat and whether or not improved, which is designated for apartments, condominiums or townhouses, duplexes, triplexes or any other type of residential housing other than single family.

1.25 Notice and Hearing. "Notice and Hearing" shall mean ten (10) days written notice and a hearing by the Board at which the person to whom notice is directed shall have the opportunity to be heard in person or by counsel at his expense.

1.26 Owners. "Owner(s)" shall mean the person or entity including DECLARANT, holding a fee simple interest in the Property or a condominium unit constructed on the Property, but shall not include the Beneficiary of a Mortgage.

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

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

1.29 Property. "Property" shall mean the land described in Exhibit A attached hereto together with all land added to this Declaration in accordance with the provisions hereof.

1.30 Record, Recorded and Recordation. "Record, Recorded, and Recordation" shall mean, with respect to any document, the recordation of such document in the office of the County Clerk of Travis County, Texas.

1.31 Recreation and Open Space. "Recreation and Open Space" shall mean all areas designated by DECLARANT as thereafter to be held for recreational purposes for the benefit of all Owners: provided, however, that access to any such area or facility may be limited to persons currently paying assessments, fees and other charges, or otherwise conditioned or restricted, or made available to non-Owners, all on such terms and conditions as the DECLARANT may determine, in its sole discretion.

1.32 Subassociation. "Subassociation" shall mean any nonprofit Texas corporation or unincorporated association organized and established by DECLARANT or by a Major Developer pursuant to or in connection with a Supplemental Declaration.

1.33 Subdivision. "Subdivision" shall mean a parcel of the Property which has been shown on a final subdivision plat, recorded in the Plat Records of Travis County, Texas.

1.34 Supplemental Declaration. "Supplemental Declaration" shall mean any declaration of covenants, conditions, and restrictions which may be hereafter recorded by DECLARANT or by a Major Developer, subject to all of the terms and restrictions of this Master Declaration and not in conflict herewith.

ARTICLE III

GENERAL RESTRICTIONS

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

3.01 Antennas. No exterior radio, television antenna or aerial shall be erected or maintained without the prior written approval of the Architectural Committee, except for any which may, at DECLARANT's option, be erected by DECLARANT or DECLARANT's designated representative.

3.02 Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of insurance on any Lot or the Association property without the approval of the Board, nor shall anything be done or kept on the Property which would result in the cancellation of insurance on any residence or any part of the Association property or which would be in violation of any law.

3.03 Subdividing. No Lot, Local Common Area, Commercial Site, or Multi-Family Site shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof (including any Subassociation) without the prior written approval of the Architectural Committee, provided, however, that when DECLARANT is the Owner thereof, DECLARANT may further divide and subdivide any Lot, Local Common Area, Commercial Site or Multi-Family Site and convey an easement or other interest less than the whole, all without the approval of the Architectural Committee: and provided further, that nothing hereto shall be deemed to require the approval of the Architectural Committee for the transfer or sale of any Lot, including improvements thereon, to more than one person to be held by them as tenants in common or joint tenants, or, for the grant of any Mortgage.

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

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

3.06 Noise. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any of the Property without the prior written approval of the Board. No noise or other nuisance shall be permitted to exist or operate upon any of the Property so as to be offensive or detrimental to any other property or to its occupants.

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

3.08 Repair of Buildings. All improvements hereafter constructed upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner (including any Subassociation) thereof. The opinion of the Architectural Committee as to condition shall be final.

3.09 Improvements and Alterations. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any improvement, or the removal of any improvement shall be performed only with the prior written approval of the Architectural Committee.

3.10 Violation of Rules. The violation of the Great Hills Rules by an Owner, his family, guests, lessees or licensees shall authorize the Board to avail itself of any one or more of the following remedies:

(A) The imposition of a special charge not to exceed Fifty Dollars (\$50.00) per violation, or

(B) The suspension of Owner's rights to use any Association property for a period not to exceed thirty (30) days per violation, or

(C) The right to cure or abate such violation and to charge the expense thereof, if any, to such Owner, or

(D) The right to seek injunctive or any other relief provided or allowed by law against such violation and to recover from such Owner all its expenses and costs in connection therewith, including, but not limited to attorney's fees and court costs.

Before the Board may invoke the remedy provided in paragraph (A) or (B) above, it shall afford **the Owner Notice and a Hearing.** If, after the hearing, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation.

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

3.12 Hazardous. Activities. No activities shall be conducted on the Property and no improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property, no open fires shall be lighted or permitted except in a contained barbecue unit (while attended and in use for cooking purposes), within a safe and well-designed interior fireplace, or such campfires or picnic fires in Recreation and Open Spaces designated for such use by DECLARANT or by the Association as to Association property.

3.13 Temporary Structures. No tent, shack or other temporary building, improvement or structure shall be placed upon the Property, except that temporary structures necessary for storage of tools and equipment, and for office space for architects, builders and foremen during actual construction may be maintained with the proper approval of DECLARANT such approval to include the nature, size, duration and location of such structure.

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

3.15 Vehicles. The use and storage of all vehicles, including but not limited to helicopters, gliders, trucks, automobiles, graders, boats, tractors, pickups, mobile homes, trailers, buses, campers, recreational vehicles, bicycles, motorcycles, motor scooters, wagons, sleighs and snowmobiles shall be subject to the Great Hills Rules, which may regulate, prohibit or limit the use thereof within specified parts of the Property.

3.16 Animals. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept on any Lot or Multi-Family Site. The keeping of ordinary household pets such as dogs and cats is allowed, however, no breeding, raising, or boarding of such pets for commercial purposes is permitted on such sites. No poultry may be kept on any Lot or Multi-Family Site.

ARTICLE IV

RESIDENTIAL RESTRICTIONS

4.01 Residential and Residential Common Areas. All property within any residential area (excluding any Recreation and Open Space Area in such residential area) shall be improved and used solely for residential use, except that Local Common Areas in such residential area may be improved and used for active and passive recreational purposes for the primary benefit of the Owners and occupants of Lots and Multi-Family Sites in such residential area, and except that, as to any specific areas, DECLARANT (or the Board if delegated by DECLARANT) may, in its sole and absolute discretion, permit other improvements and uses. Any Supplemental Declaration recorded for a residential area shall designate such area to be single-family residential areas or multi-family residential areas or a combination thereof and may further designate such residential use for that area to be attached or detached single-family residences, or any combination thereof, or one or more apartment houses or condominium buildings or townhouses, or any combination thereof, as the case may be

4.02 Improvements and Use.

(A) Except as provided in Section 4.01 hereof, no single-family Lot shall be improved or used except by a dwelling or structure designated to accommodate not more than a single family, plus a garage, fencing and such other improvements as are necessary or customarily incident to a single-family residence. Outbuildings and storage sheds shall be permitted subject to the prior written approval of the Architectural Committee.

(B) Except as provided herein, no Multi-Family Site shall be improved or used except by an apartment house, condominium building, townhouse, duplex or other multi-family structure, or any combination thereof, except that a Multi-Family Site may also be used for single-family residential purposes.

- 4.03 Rentals. Nothing in this Declaration shall prevent the rental of property within a residential area by the Owner thereof for residential purposes, on either a short or long-term basis.
- 4.04 Unightly Articles. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any Lot, Commercial Site or Multi-Family Site so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, on Lots and Multi-Family Sites, trailers, mobile homes, recreational vehicles, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, sleighs, motorcycles, motor scooters, snow removal equipment, and garden maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in an enclosed garage or other structure. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any property except within an enclosed structure or appropriately screened from view. Liquid propane gas, oil and other exterior tanks shall be kept within an enclosed structure or permanently screened from view.
- 4.05 Minimum Yards. The location of all single and multi- units must be approved by the Architectural Committee. Minimum yard and set back requirements may be set by the Architectural Committee or the DECLARANT in a Supplemental Declaration in order to maximize open areas, pedestrian and vehicular movement and to benefit the overall appearance of Great Hills.
- 4.06 Fencing. All fences must receive approval of the Architectural Committee before installation. Type, height, and location must be submitted in writing or in a drawing for approval.
- 4.07 Recreation and Open Spaces. No land within any Recreation and Open Space shall be improved, used or occupied, except in such manner as shall have been approved by DECLARANT in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy and improvement, and may be given by recorded Supplemental Declaration. DECLARANT may delegate its right to grant such approvals to the Board.
- 4.08 Recreational Improvement. Any proposed construction of recreational improvements must be renewed and approved by the Architectural Committee.

ARTICLE V

GREAT HILLS MASTER ASSOCIATION

- 5.01 Organization. The Master Association shall be a nonprofit corporation created for the purposes, charged with the duties, and invested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Master Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration. Nothing in this Master Declaration shall prevent the creation, by provision therefore in Supplemental Declaration(s) executed and recorded by DECLARANT, or as to lands owned by a Major Developer, by DECLARANT and such Major Developer, of Subassociations to own, develop, assess, regulate, operate, maintain or manage the property subject to such Supplemental Declarations.
- 5.02 Memberships. The Owners or Persons defined in Subparagraphs (1), (2), (3), (4) and (5) of Section 5.03(A) below, and DECLARANT, shall be members of the Master Association provided, however, that no person shall be a member by reason of ownership of lands used for public school or governmental or quasigovernmental purposes, or by reason of ownership of any park, public land, road, easement, right-of-way, mineral interest, or Mortgage. Each Owner shall automatically be a member of the Master Association. Membership shall be appurtenant to and shall run with the property interest ownership which qualifies the Owner thereof for membership. Membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with the title to the property interest, ownership of which qualifies the Owner thereof for membership, and then only to the transferee of title to said property interest. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void.

5.03 Voting Rights.

(A) Entitlement. The right to cast votes, and the number of votes which may be cast, for election of members to the Board of Directors of the Master Association and on all other matters to be voted on by the members shall be calculated as follows:

- (1) The Owner (including DECLARANT) of each Lot shall have one vote for each Lot:
- (2) The Owner (including DECLARANT) of each completed condominium unit in a condominium building shall have one vote for each such condominium unit for which a Certificate of Occupancy has been issued by the City of Austin or the Architectural Committee. (For the purposes of calculating the right to and the number of votes which may be cast, townhouse units shall be treated the same as condominium units):
- (3) The Owner (including DECLARANT) of each completed apartment house shall have one-half vote for each dwelling unit for which a Certificate of Occupancy has been issued by the City of Austin or the Architectural Committee:
- (4) The DECLARANT, its successors or assigns, shall have three votes for each acre of land upon which a final subdivision plat has not been recorded or which is designated as Local Common Area or Recreation and Open Space and is owned by DECLARANT:
- (5) The Owner (including DECLARANT) of each tract of Land, Lot, apartment house, or condominium unit which is added to this Master Declaration pursuant to Article 11 hereof shall have the same number of votes as those Provided in paragraphs (1), (2), (3) and (4) hereinabove:
- (6) In addition to the votes to which it is entitled by reason of Subparagraphs (1), (2), (3), (4) and (5) of this Section, for every one vote outstanding in favor of any other person DECLARANT shall have three votes until (a) the votes described respectively in Subparagraphs (1), (2), (3), (4) and (5) of this Section and which are owned by persons other than DECLARANT total, in the aggregate, eighty-five percent (85%) of the total number of votes or (b) January 1, 1986, whichever is earlier. Thereafter DECLARANT shall have only the votes, if any, to which it is entitled under said Subparagraphs (1), (2), (3), (4) and (5) of this Section. (DECLARANT may, at its option, relinquish part or all of the votes to which it is entitled under this Subparagraph.) If DECLARANT loses its votes under this Subparagraph, it may thereafter regain them by the subdivision of additional Lots from within the Property or lands added to this Declaration or as herein provided.

To the extent that Certificates of Occupancy are not required for any single-family residence, condominium unit, townhouse or apartment house dwelling unit at the time of completion of construction, the Owner thereof shall be a member and shall have a vote under Subparagraph (1), (2), (3), (4) or (5) as the case may be, upon completion of construction and notwithstanding that no Certificate of Occupancy has been issued.

- (B) Joint or Common Ownership. Any property interest, entitling the Owner(s) thereof to vote as herein provided, held jointly or in common by more than one person shall require that the Owner(s) thereof designate, in writing, the individual person or Owner who shall be entitled to cast such vote(s) and no other person shall be authorized to vote in behalf of such property interest. A copy of such written designation shall be filed with the Board before any such vote may be cast, and, upon the failure of the Owner thereof to file such designation, such votes shall neither be cast nor counted for any purpose whatsoever.
- (C) Proxy Voting. Any Owner, including DECLARANT, may give a revocable written proxy to any person authorizing person to cast the Owner's votes on any matter. Such written proxy shall be in such form as may be prescribed by the Bylaws of the Master Association, but no such proxy shall be valid for a period of greater than eleven (11) months.
- (D) Cumulative Voting. The cumulative system of voting shall not be allowed.
- (E) Vote Casting. The person or entity holding legal title to the property shall be entitled to cast the vote allocated to such property and not the person or entity merely holding beneficial title to the same unless such right is expressly delegated to the beneficial owner thereof in writing.

5.04 Meetings. There shall be an annual meeting of the members of the Association at such reasonable place and time as may be designated in the Bylaws. No notice need be given of any annual meeting held at the time and place specified in the Bylaws, but the Board shall have the power to designate a different time and place for any annual meeting, and in such case, written notice of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting, to all Members. All notices of meetings shall be addressed to each Member as his address appears on the books of the Association.

- (A) Quorum. The presence at any meeting, in person or by proxy, of Members entitled to vote at least a majority of the total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn

the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time set for the original meeting, at which adjourned meeting the quorum requirement shall be waived, Action may be taken by a vote of a majority of the votes present at such adjourned meeting.

- (B) Presiding Officer. The President, or in his absence the Vice President, shall call meetings of Members to order and act as chairman of such meetings. In the absence of both officers, any Member entitled to vote or any proxy of any such Member may call the meeting to order, and a chairman of the meeting shall be elected.
- (C) Vote Necessary. Except as provided otherwise in this Master Declaration, any action may be taken at any legally convened meeting of the Members upon the affirmative vote of the Members having a majority of the total votes present at such meeting in person or by proxy.
- (D) Bylaws The Board may adopt Bylaws and such other rules and regulations as it deems appropriate to govern the Association and its procedures, including but not limited to the procedures for calling special meetings.

5.05 Duties of the Master Association. Subject to and in accordance with these restrictions, the Association acting through the Board shall have and perform each of the following duties:

- (A) Association Property.
 - (1) Ownership and Control. To accept, own, operate and maintain all Local Common Areas and Recreation and Spaces which may be conveyed or leased to it by DECLARANT together with all improvements of whatever kind and for whatever purpose which may be located in said areas~ and to accept, own, operate and maintain all other property, real and personal, conveyed or leased to the Association by DECLARANT;
 - (2) Repair and Maintenance. To maintain in good repair and condition all lands, improvements, and other Association property owned by or leased to the Association;
 - (3) Taxes. To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the Members. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.
- (B) Insurance. To obtain and maintain in effect policies of insurance adequate, in the opinion of the Board, in kind and amount to carry out the Association functions.
- (C) Great Hills Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Great Hills Rules and Association Bylaws, not in conflict with this Master Declaration, as it deems proper covering any and all aspects of its functions, including the use and occupancy of Association property. Without limiting the generality of the foregoing, such rules may set dues and fees and prescribe the regulations governing the operation of Association property. Each member shall be entitled to examine such Rules and Bylaws at any time during normal working hours at the principal office of the Association.
- (D) Architectural Committee. To appoint and remove members of the Architectural Committee as provided herein.
- (E) Enforcement. To enforce, on its own behalf and on behalf of all Owners, this Master Declaration, as beneficiary of said covenants, conditions, and restrictions, and as assignee of DECLARANT; and to perform all other acts, whether or not anywhere expressly authorized herein, as may be reasonably necessary to enforce any of the provisions of the Master Declaration, Architectural Committee Rules, Great Hills Rules or Bylaws. The Board shall be authorized to institute litigation, settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the provisions of the Master Declaration, and/or any rules, restrictions or regulations promulgated by the Board; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against DECLARANT its successors or assigns.
- (F) Financing. To execute Mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Association, and to accept lands in Recreation and Open Spaces whether or not improved, from DECLARANT subject to such Mortgages or by assuming such Mortgages. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the borrower, whether DECLARANT or the Association. The Mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien as shall be deemed appropriate by borrower, whether DECLARANT or the Association, on the improvement or other facility to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such Mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees, assessment of the members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by DECLARANT or the Association, as the case may be, but subject to the limitations imposed by this Master Declaration.

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

(H) Other. To carry out and enforce all duties of the Association set forth in the Great Hills Restrictions, or the Articles or Bylaws of the Association.

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

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

(B) Right of Entry and Enforcement. To enter at any time in an emergency or in a non-emergency, after twenty-four (24) hours written notice, without being liable to any Owner, upon any property or into any improvement, including condominium units, townhouses and apartment house dwelling units, or onto any Local Common Area, Recreational or Open Space for the purpose of enforcing the Great Hills Restrictions or for the purpose of maintaining or repairing any area, improvement or other facility to conform to the restrictions herein established, at the expense of the Owner thereof, if, for any reason whatsoever, the Owner thereof fails to maintain or repair any such area as required by the Great Hills Restrictions. The Association shall also have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Great Hills Restrictions.

(C) Conveyances. To grant and convey to any person or entity the real property and/or other interest therein, including fee title, leasehold estates, easements, rights-of-way, or Mortgages out of, in, on, over, or under any Association property for the purpose of constructing, erecting, operating or maintaining thereon, therein or there under:

(1) Parks, parkways, campgrounds, or other recreational facilities or structures:

(2) Roads, streets, walks, driveways, trails and paths:

(3) Lines, cables, wires, conduits, pipelines or other devices for utility purposes:

(4) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and

(5) Any similar public, quasi-public, or private improvements or facilities.

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

(D) Manage. To retain and pay for the services of a person or firm (the "Manager") to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the Master Association and the Board may delegate any other duties, powers and functions to the Manager. The Owners hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

(E) Legal and Accounting Service. To retain and pay for legal and accounting services necessary or proper in the operation of the Association, the operation and management of its property, the enforcement of the Great Hills Restrictions, or in the performance of any other duty, right, power, or authority of the Association.

(F) Association Property Service. To pay for water, sewer, garbage removal, landscaping, gardening, and all other utilities, services and maintenance for the property of the Association.

(G) Other Areas. To maintain and repair easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes, and other areas of the Community, as appropriate.

(H) Recreational Facilities. To own and operate any and all types of facilities for both active and passive recreation

(I) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Master Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of the Great Hills Restrictions, this Master Declaration, or the Articles or Bylaws of the Association.

- (J) Construction on Association Property. To construct new improvements or additions to Association properties, subject to the approval of the Architectural Committee as in this Declaration required.
- (K) Collection for Subassociation. To collect on behalf of and for the account of any Subassociation (but not to levy) any assessment made by a Subassociation created pursuant to this Master Declaration.
- (L) Contracts. To enter into contracts with DECLARANT and with Subassociations. Major Developers, and other persons on such terms and provisions as the Board shall determine, to operate and maintain any Local Common Area or Recreational and Open Space, or to provide any service or perform any function on behalf of DECLARANT Subassociation. Major Developer or other person.
- (M) Permits/Licenses. To obtain and hold any and all types of permits and licenses, and to operate restaurants and club facilities if applicable.
- (N) Own Property. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.
- (O) Create Another Association. To create a subsidiary or other association to have the rights and powers, and to perform the duties, obligations, or functions necessary to the obtaining of a tax exemption, if it shall ever be ruled or held that an exemption under the Internal Revenue Code is unavailable to the Association under the Master Declaration; or alternatively, the Association may retain the rights, powers, duties, obligations, or functions which prevent the obtaining of the tax exemption and transfer some or all of its other rights, powers, duties, obligations, and functions to such subsidiary or other association.

5.07 Indemnification.

- (A) Determination by Board. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that he is or was a director, officer, committee member, employee, servant or agent of the Association against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a Court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, or (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Master Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
- (B) Insurance. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, servant or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

5.08 Diseased Vegetation. The Association may enter upon any part of the Property at any time to inspect for, prevent and control diseased trees and other plant life and insect infestation of trees and other plant life. If any diseased or insect-infested trees or other plant life are found, the Association may spray, remove diseased trees and other plant life, and take such other remedial measures as it deems expedient. The cost thereof applicable to privately owned property may be levied by the Association as a specific assessment against such property.

ARTICLE VII

ARCHITECTURAL COMMITTEE

- 7.01 Membership of Committee. The Architectural Committee shall be the Architectural and Environmental Control Committee. It shall consist of three (3) voting members, ("Voting Members") and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as the Board deems appropriate.
- 7.02 Action by Committee. Items presented to the Committee shall be decided by a majority vote of the Voting Members.
- 7.03 Advisory Members. The Voting Members may from time to time designate Advisory Members.
- 7.04 Term. Each member of the Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided, herein.
- 7.05 DECLARANT's Right of Appointment. DECLARANT, its successors or assigns shall have the right to appoint and remove all members of the Committee. DECLARANT may delegate this right to the Board

by written instrument. Thereafter, the Board shall have the right to appoint and remove all members of the Committee.

- 7.06 Adoption of Rules. The Architectural Committee may adopt such procedural and substantive rules, not in conflict with this Master Declaration, as it may deem necessary or proper for the performance of its duties.
- 7.07 Review of Proposed Construction. Whenever in this Master Declaration or in any Supplemental Declaration the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the improvement or proposal in question and all other facts which, in its sole discretion, are relevant. Except as provided in Sections 9.07 and 9.08 below, prior to commencement of any construction of any improvement on the Property or any portion thereof, the Plans and Specifications therefore shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Committee has approved such Plans and Specifications in writing. The Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Master Declaration, and perform such other duties assigned to it by this Master Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Committee. The Committee shall approve Plans and Specifications submitted for its review and such other information as it deems proper, including without limitation any environmental impact statements required by the Committee. Until receipt by the Committee of any information or document deemed necessary by the Committee, it may postpone review of any Plans and Specifications submitted for approval.
- Except insofar as its duties may be extended with respect to a particular area by a Supplemental Declaration filed by DECLARANT or by DECLARANT and a Major Developer, as the case may be, the Committee shall review and approve or disapprove all Plans and Specifications submitted to it for any proposed improvement, including the construction, alteration or addition thereof or thereto, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the surrounding area and Great Hills generally. The Committee shall take into consideration the aesthetic aspects of architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing any proposed improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.
- 7.08 Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may, by a resolution unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of the Committee, except the granting of variances as hereinafter provided. In the absence of such designation, the vote of a majority of all the members of the Committee taken without a meeting, shall constitute an act of the Committee.
- 7.09 No Waiver of Future Approvals. The approval or consent of the Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or a different person.
- 7.10 Work in Progress. The Committee, at its option, may inspect all work in progress to insure compliance with approved Plans and Specifications.
- 7.11 Non-liability of Committee Members. Neither the Committee, nor any member thereof, nor the Board nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Committee's or the Board's respective duties under this Master Declaration unless due to the willful misconduct or bad faith of the Committee or its member or the Board or its member, as the case may be.
- 7.12 Variances. The Committee may grant variances from compliance with any of the provisions of this Master Declaration or any Supplemental Declaration, including but not limited to restrictions upon height, bulk, size, shape, floor areas, land area, placement of structures, set-backs, building envelopes, colors, materials, or land use when in the opinion of the Committee, in its sole and absolute discretion, such variance will not be adverse to the overall development plan for Great Hills. Such variances must be evidenced in writing and must be signed by at least a majority of the Voting Members of the Committee. If a variance is granted, no violation of the covenants, conditions, or restrictions contained in this Master Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Master Declaration or of any Supplemental Declaration for any purpose except as to the particular property and in the particular instance covered by the variance.
- 7.13 Guidelines for Building at Great Hills. The Architectural Committee may promulgate a set of guidelines not in conflict with this Master Declaration and any Supplemental Declarations for building and developing at Great Hills which shall be general in nature and be amended from time to time by the Committee.
- 7.14 Address. Plans and Specifications shall be submitted to the Committee in care of Great Hills Sections IX and X Homeowners Association, Inc., **P.O. Box 200702, Austin, TX 78720** or such other address as may be designated from time to time.

ARTICLE VIII
FUNDS AND ASSESSMENTS

8.01 Assessments.

- (A) The Association may levy from time to time:
- (1) One assessment against each Lot whether or not improved;
 - (2) One assessment against each completed condominium unit for which a Certificate of Occupancy has been issued by the appropriate governmental authorities. (For purposes of calculating assessments, townhouses shall be treated the same as condominium units.); and
 - (3) That number of assessments against each apartment house as is equal to the number of units for which a Certificate of Occupancy has been issued by the appropriate governmental authorities, within the apartment house.
- (B) To the extent that a Certificate of Occupancy is not required for any single-family residence, condominium unit, townhouse, apartment house dwelling unit at the time of completion of construction thereof, assessments shall be levied under this Section from the time of completion of construction notwithstanding that no Certificate of Occupancy has been issued.
- (C) Where the obligation to pay an assessment first arises after the commencement of the year or other period for which the assessment was levied, the assessment shall be prorated as of the date when said obligation first arose, in proportion to the amount of the assessment year or other period remaining after said date.
- (D) Each unpaid assessment together with such interest thereon and costs of collection thereof as hereinafter provided shall be the personal obligation of the Owner of the property against which the assessment fell due, and shall become a vendor's lien against each such Lot and all improvements thereon, each such condominium unit (and townhouse), each such apartment house and land upon which the same is situated. The Association may enforce payment of such assessments in accordance with the provisions of this Article.

8.02 Great Hills Maintenance Fund. The Board shall establish a fund (the "Maintenance Fund") into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Master Declaration. The funds of the Association must be used solely for purposes related to the areas and improvements owned by or leased to the Association, or subject to these Restrictions for maintenance or operation by the Association or otherwise for purposes authorized by this Master Declaration, as it may from time to time be amended. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds by a Subassociation pursuant to any Supplemental Declaration.

8.03 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Master Association during such year in performing its functions under the Great Hills Restrictions, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior years fund. Except in the case of special charges or assessments provided herein, uniform and equal assessments sufficient to pay such estimated net expenses shall then be levied as herein provided. If the sums collected prove inadequate for any reason, including nonpayment of any individual assessment, the Association may at any time, and from time to time, levy further assessments in the same manner as aforesaid. All such regular assessments shall be due and payable to the Master Association during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion.

8.04 Special Assessments. In addition to the regular annual assessments provided for above in Section 8.03, the Board may levy special assessments whenever in the Board's opinion such special assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Great Hills Restrictions, and whenever in the Board's opinion, special assessments are necessary to enable the Board to carry out the optional functions of the Association under the Great Hills Restrictions.

8.05 Assessment Benefiting Specific Area. The Association shall also have authority to levy assessments against specific local areas and improvements to be expended for the benefit of the properties so assessed. The assessments levied under this Section shall be levied in proportion to the benefits conferred or to be conferred, as determined by the Board, and therefore the amount levied against each parcel of land or improvement need not be equal. Any such assessments shall constitute a lien on the properties so assessed and such liens shall be enforced in the same manner and to the same extent as provided in this Article.

8.06 Late Charges. If any assessment, whether regular or special, is not paid within fifteen (15) days after it is due, the Owner may be required by the Board to pay a late charge at such rate as the Board may designate from time to time; provided however such charge shall never exceed the maximum charge permitted under applicable law.

- 8.07 Unpaid Assessments as Liens. The amount of any delinquent assessment, whether regular or special, assessed against any property and any late payment charge attributable thereto, plus interest on such assessment and late payment charge at a rate of ten percent (10%) per annum simple interest (not to exceed the maximum charge permitted under applicable law) and the costs of collecting the same, including reasonable attorney's fees, shall be the personal obligation of the owner of the property against which the assessment fell due and shall be a lien upon such property, including any lot and the improvements thereon, any condominium unit, and any apartment house and the land upon which the same is located. A certificate executed and acknowledged by any member of the Board stating the indebtedness secured by such lien shall be conclusive upon the Association as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner upon request at a reasonable fee.
- 8.08 Mortgage Protection. Notwithstanding any other provision of the Great Hills Restrictions, no lien created under this Article VIII or under any other article of this Master Declaration, nor any lien arising by reason of any breach of the Great Hills Restrictions, nor the enforcement of any provision of this Master Declaration or of any Supplemental Declaration shall defeat or render invalid the rights of the Beneficiary under any recorded Mortgage of first and senior priority now or hereafter given upon a Lot, condominium unit, or apartment house, made in faith and for value. However, after the foreclosure of any such first Mortgage or after conveyance in lieu of foreclosure, such Lot, condominium unit, or apartment house shall remain subject to the Great Hills Restrictions and shall be liable for all regular and special assessments levied prior to completion of such foreclosure or delivery of such conveyance whether failing due before or after such completion or such delivery.
- 8.09 Effect of Amendments on Mortgages. Notwithstanding the provision of Section 9.02 below, no amendment of this Master Declaration shall affect the rights of any Beneficiary whose Mortgage has the first and senior priority as in Section 8.08 provided and who does not join in the execution thereof, provided that such Mortgage is recorded in the deed of trust records of Travis County, Texas, prior to the recordation of such amendment; provided however, that after foreclosure, or conveyance in lieu of foreclosure the property which was subject to such mortgage or deed of trust shall be subject to such amendment.
- 8.10 Subordination. By subordination agreement executed by the Board, the benefits of Sections 8.08 and 8.09 above may, in the sole and absolute discretion of the Board, be extended to a Beneficiary not otherwise entitled thereto if the Board deems such action to be appropriate.