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AFTER RECORDING RETURN TO:

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ROUGH HOLLOW SOUTH SHORE II
[LAKEWAY HIGHLANDS PHASE 1, SECTIONS 7A & 7B]

DEVELOPMENT AREA DECLARATION

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

Cross reference to Rough Hollow South Shore II Master Covenant recorded under Document No.2009056508, Official Public Records of Travis County, Texas, as amended, and Notice of Applicability of Rough Hollow South Shore II Master Covenant [Phase 1, Sections 7A & 7B], recorded under Document No. 2013030403, Official Public Records of Travis County, Texas The terms and provisions of the aforementioned documents also apply to the Development Area encumbered by this Development Area Declaration.

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ROUGH HOLLOW SOUTH SHORE II

DEVELOPMENT AREA DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

[LAKEWAY HIGHLANDS PHASE 1, SECTIONS 7A & 7B]

This Development Area Declaration of Covenants, Conditions and Restrictions – Rough Hollow South Shore II [Lakeway Highlands Phase 1, Sections 7A & 7B] (the "**Declaration**") is made by **ROUGH HOLLOW DEVELOPMENT, LTD.**, a Texas limited partnership ("**Declarant**"), and is as follows:

RECITALS

A. Declarant, together with Las Ventanas Land Partners, Ltd. and JH West Land Ventures, Ltd., each a Texas limited partnership, each previously executed that certain Rough Hollow South Shore II Master Covenant recorded under Document No.2009056508, Official Public Records of Travis County, Texas, as amended by that certain Rough Hollow South Shore II First Amendment to Master Covenant recorded under Document No.2010041140, Official Public Records of Travis County, Texas, and further amended by that certain Rough Hollow South Shore II Second Amendment to Master Covenant recorded under Document No.2011181824, Official Public Records of Travis County, Texas (the "**Master Covenant**"). Declarant holds all rights as the Declarant under the Master Covenant.

B. Pursuant to that certain Notice of Applicability of Rough Hollow South Shore II [Phase 1, Sections 7A & 7B], recorded as Document No. 2013030903 in the Official Public Records of Travis County, Texas, Lakeway Highlands, Phase 1, Section 7A, a subdivision of record in Travis County, Texas, according to the map or plat thereof recorded under Document No. 201200130, Official Public Records of Travis County, Texas (collectively, the "**Development Area**"), is subject to the terms and provisions of the Master Covenant.

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

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

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

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

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

ARTICLE 1
DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 2
GENERAL RESTRICTIONS

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

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

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

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

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

2.05 **Noise**. Except as otherwise provided herein, no exterior speakers, horns, whistles, bells, or other sound devices (other than security devises used exclusively for security purposes) shall be located, used, or placed on any of the Development Area. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Development Area so as to be offensive or detrimental to any other portion of the Development Area or to its occupants. Without limiting the generality of the foregoing, if any noise or nuisance emanates from any Improvement on any Lot or the Association may (but shall not be obligated to) enter any such Improvement and take such reasonable actions necessary to terminate such noise (including silencing any burglar or break-in alarm). Exterior speakers are only permitted within the rear yard of each Lot and placed in such manner so as to minimize their effect upon any other

portion of the Development Area or to its Occupants and the operation thereof shall be specifically subject to this Section. The "rear yard" for the purpose of this provision means the yard area in the rear or posterior to the residence constructed on a Lot. In the event of any dispute regarding what portion of a Lot constitutes the "rear yard," the opinion of Architectural Reviewer will be final, binding, and conclusive.

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

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

2.08 Maintenance. Each Owner Lot shall have the duty and responsibility, at the Owner's sole cost and expense, to keep the Owner's entire Lot and all Improvements thereon in good condition and repair and in a well-maintained, safe, clean and attractive condition at all times. An Owner's "entire Lot" shall include, without limitation, any portion of such Lot upon which a subdivision perimeter fence has been constructed, or any portion of such Lot between such subdivision perimeter fence and any boundary line of such Lot. The Architectural Reviewer, in its sole discretion, shall determine whether a violation of the maintenance

obligations set forth in this *Section 2.08* has occurred. Such maintenance includes, but is not limited to the following, which shall be performed in a timely manner, as determined by Architectural Reviewer, in its sole discretion:

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

(b) lawn mowing;

(c) tree and shrub pruning;

(d) watering;

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

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

(g) keeping planting beds free from turf grass;

(h) keeping sidewalks and driveways in good repair;

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

(j) repainting of Improvements; and

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

2.09 Antennae. Except as expressly provided below, no exterior radio or television antennae or aerial or satellite dish or disc, nor any solar energy system, shall be erected, maintained or placed on a Lot without the prior written approval of Architectural Reviewer; provided, however, that: (i) an antenna designed to receive direct broadcast services, including direct-to-home satellite services, that is one meter or less in diameter; or (ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or (iii) an antenna that is designed to receive television broadcast signals; (collectively, (i) through (iii) are referred to herein as the "**Permitted Antennas**") will be permitted, subject to reasonable requirements as to location and screening as may be set forth in rules adopted by Architectural Reviewer, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. Declarant and/or the Association will have the right, but not the obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or any portion of the Development.

2.10 Location of Permitted Antennas. A Permitted Antenna may be installed solely on the Owner's Lot and shall not encroach upon any street, Master Community Facilities, Special Common Area, or any other portion of the Development Area or the Property. A

Permitted Antenna shall be installed in a location on the Lot from which an acceptable quality signal can be obtained and where least visible from the street and the Development Area, other than the Lot. In order of preference, the locations of a Permitted Antenna which will be considered least visible by Architectural Reviewer are as follows: (i) attached to the back of the principal single-family residence constructed on the Lot, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Lots and the street; then (ii) attached to the side of the principal single-family residence constructed on the Lot, with no part of the Permitted Antenna any higher than the lowest point of the roofline and screened from view of adjacent Lots and the street. The Architectural Reviewer may, from time to time, modify, amend, or supplement the rules regarding installation and placement of Permitted Antennas.

2.11 Signs.

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

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

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

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

2.14 Clotheslines; Awnings. No clotheslines and no outdoor clothes drying or hanging shall be permitted in the Development Area, nor shall anything be hung, painted or

displayed on the outside of the windows (or inside, if visible from the outside) or placed on the outside walls or outside surfaces of doors of any residence on any Lot, and no awnings, canopies or shutters (except for those heretofore or hereinafter installed by Declarant) shall be affixed or placed upon the exterior walls or roofs of any residence on any Lot, or any part thereof, nor relocated or extended, without the prior written consent of Architectural Reviewer.

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

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

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

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

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

2.20 **Compliance with Master Restrictions.** Each Owner, his or her family, Occupants of a Lot, tenants, and the guests, invitees, and licensees of the preceding shall comply strictly with the provisions of the Master Restrictions. Failure to comply with any of the Master Restrictions shall constitute a violation thereof and may result in a fine against the Owner in accordance with *Sections 7A & 7B.15* of the Master Covenant, and shall give rise to a cause of action to recover sums due for damages or injunctive relief, or both, maintainable by Declarant, the Manager, the Board on behalf of the Association, the Architectural Reviewer, or by an aggrieved Owner. Without limiting any rights or powers of the Association, either the Board or Architectural Reviewer may (but shall not be obligated to) remedy or attempt to remedy any violation of any of the provisions of Master Restrictions, and the Owner whose violation has been so remedied shall be personally liable to the Association for all costs and expenses of effecting (or attempting to effect) such remedy. If such Owner fails to pay such costs and expenses upon demand by the Association, such costs and expenses (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one half percent (1½%) per month) shall be assessed against and chargeable to the Owner's Lot(s). Any such amounts assessed and chargeable against a Lot shall be secured by the liens reserved in the Master Covenant for Assessments and may be collected by any means provided in the Master Covenant for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). Each such Owner shall indemnify and hold harmless the Association and their officers, directors, employees and agents from any cost, loss, damage, expense, liability, claim or cause of action incurred or that may arise by reason of the Association's acts or activities under this *Section 2.20* (including any cost, loss, damage, expense, liability, claim or cause of action arising out of the Association's negligence in connection therewith), except for such cost, loss, damage, expense, liability, claim or cause of action arising by reason of the Association's gross negligence or willful misconduct. "Gross negligence" as used herein does not include simple negligence, contributory negligence or similar negligence short of actual gross negligence.

2.21 Liability of Owners for Damage to Master Community Facilities; Special Common Area. No Owner shall in any way alter, modify, add to or otherwise perform any work upon the Master Community Facilities or Special Common Area without the prior written approval of the Declarant during the Development Period and the Board thereafter. Each Owner shall be liable to the Association for any and all damages to: (i) the Master Community Facilities, Special Common Area and any improvements constructed thereon; or (ii) any Improvements constructed on any Lot, the maintenance of which has been assumed by the Association, which damages were caused by the neglect, misuse or negligence of such Owner or Owner's family, or by any tenant or other Occupant of such Owner's Lot, or any guest or invitee of such Owner. The full cost of all repairs of such damage shall be an assessment against such Owner's Lot, secured by a lien against such Owner's Lot and collectable in the same manner as provided for in *Sections 7A & 7B.13* of the Master Covenant.

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

2.23 Party Wall Fences.

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

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

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

(d) Maintenance Costs. The Owners of the adjoining Lots share equally the costs of repair, reconstruction, or replacement of the Party Wall, subject to the right of one Owner to call for larger contribution from the other under any rule of law regarding

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

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

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

2.25 Release and Indemnity. **EACH OWNER HEREBY RELEASES AND HOLDS HARMLESS THE ASSOCIATION AND DECLARANT AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF SUCH OWNER'S USE OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA. EACH SUCH OWNER SHALL INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION AND DECLARANT AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF AN OWNER, OR SUCH OWNER'S GUESTS, TENANTS, LICENSEES, EMPLOYEES, SUBCONTRACTORS, USE OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA (INCLUDING ANY COST, FEES, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF THE ASSOCIATION'S OR DECLARANT'S NEGLIGENCE IN CONNECTION THEREWITH), EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING BY REASON OF THE ASSOCIATION OR DECLARANTS GROSS NEGLIGENCE OR WILFUL MISCONDUCT. "GROSS NEGLIGENCE" AS USED HEREIN DOES NOT INCLUDE SIMPLE NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE. NEITHER THE ASSOCIATION NOR DECLARANT SHALL ASSUME ANY RESPONSIBILITY OR LIABILITY FOR ANY PERSONAL INJURY OR PROPERTY DAMAGE WHICH IS OCCASIONED BY USE OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA, AND IN NO CIRCUMSTANCE SHALL WORDS OR ACTIONS BY THE ASSOCIATION OR DECLARANT CONSTITUTE AN IMPLIED OR EXPRESS**

REPRESENTATION OR WARRANTY REGARDING THE FITNESS OR CONDITION OF ANY MASTER COMMUNITY FACILITIES OR SPECIAL COMMON AREA.

ARTICLE 3
USE AND CONSTRUCTION RESTRICTIONS

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

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

3.03 Single-Family Residential Use. The Lots shall be used solely for private single family residential purposes and there shall not be constructed or maintained on each Lot more than one detached single-family residence. No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot, except that an Owner or Occupant may conduct business activities within a residence so long as: (i) such activity complies with all the applicable zoning ordinances, if any; (ii) the business activity is conducted without the employment of persons other than the Occupants of the residence; (iii) the existence or operation of the business activity is not apparent or detectable by sight, i.e., no sign may be erected advertising the business on any Lot, sound, or smell from outside the residence; (iv) the business activity conforms to all zoning requirements for the Development Area; (v) the business activity does not involve door-to-door solicitation within the Development Area; (vi) the business does not, in the Board's judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Development Area which is noticeably greater than that which is typical of residences in which no business activity is being conducted; (vii) the business activity is consistent with the residential character of the Development Area and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Occupants of the Development Area as may be determined in the sole discretion of the Board; and (viii) the business does not require the installation of any machinery other than that customary to normal household operations. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) such activity is engaged in full or part-time; (y) such activity in intended to or does generate a profit; or (z) a license is required. Leasing of a residence, as

permitted pursuant to *Section 3.05* of this Declaration, shall not be considered a business or trade within the meaning of this subsection. This Section shall not apply to any activity conducted by Declarant or a Homebuilder.

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

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

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

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

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

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

3.10 Building Materials. All building materials must be approved in advance by the Architectural Reviewer, and only new building materials shall be used for constructing any

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

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

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

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

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

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

3.13 Drainage; Erosion Control. There shall be no interference with the established drainage patterns over any portion of the Development Area, including the Lots, except by Declarant, unless adequate provision is made for proper drainage and such provision is approved in advance by the Architectural Reviewer. Plans submitted to the Architectural Reviewer for approval shall indicate thereon an erosion control plan to be instituted during the construction of any residence on the Lot. Any erosion control plan proposed to be implemented within the Development Area shall comply with the Design Guidelines or shall otherwise be implemented in accordance with any other specifications set forth by Architectural Reviewer and shall, in any case, be approved in advance by Architectural Reviewer. Each Owner shall be obligated to maintain and keep such approved erosion controls in good condition and repair. The erosion controls shall be removed when the residence constructed upon the Lot is capable of occupancy for residential purposes. Specifically, and not by way of limitation, no Improvement, including landscaping, may be installed which impedes the proper drainage of water between Lots.

3.14 Construction Activities. This Declaration will not be construed or applied so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon or within the Development.

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

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

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

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

3.18 **Flagpoles.** One flagpole not to exceed four (4) inches in diameter or sixty (60) inches in length may be mounted on the front of each residence. Additionally, no more than one (1) flagpole not to exceed two (2) inches in diameter or twenty feet (20') in height may be mounted on each Lot. To the fullest extent permitted by law, the Architectural Reviewer shall be entitled to regulate the size and location of flagpoles all flagpoles, the size of a displayed flag,

the size, location, and the intensity of any lights used to illuminate a displayed flag. Notwithstanding any provision of this *Section 3.18* to the contrary, Homebuilders may erect free-standing flagpoles and flags of a reasonable size in the Development Area for the marketing and sale of residences within the Development Area.

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

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

3.21 **Driveways**. The design, construction materials, and location of: (i) all driveways, and (ii) culverts incorporated into driveways for ditch or drainage crossings, shall be approved by Architectural Reviewer. The Architectural Reviewer may establish design and materials requirements for all driveways and driveway culverts to ensure that they are consistent in appearance throughout the Development Area.

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

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

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

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

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

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

ARTICLE 4
DEVELOPMENT

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

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

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

ARTICLE 5
CLUB PROVISIONS

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

5.02 **Obligations of Owners.** Each Owner must: (i) at the closing of such Owner's Lot, execute and deliver any documents required by Declarant or the Club which may be incident to Club Membership; (ii) comply with all rules and regulations of the Club for a Club Membership, as amended from time to time (the "**Club Rules**"); and (iii) pay the monthly dues for a Club Membership (the "**Club Membership Dues**") from the date Owner acquires the Lot. The Club Monthly Dues on the date this Declaration is recorded are equal to $75.00. The monthly Club Membership Dues are anticipated to increase from time to time and each Owner will be subject to, and obligated to pay, such increased amounts as they become due. A Club Membership may not be transferred, sold, or conveyed to, or used by any person other than the Owner of the Lot to which such Club Membership applies, and the members of the Owner's immediate family, as specified in the Club Rules.

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

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

5.05 **Assessment Lien and Foreclosure.** An express lien on each Lot is hereby retained by Declarant to secure the payment of dues, fees, and collection costs associated with the Club Membership. The lien reserved herein is superior to all other liens and charges against

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

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

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

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

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

ARTICLE 6
GENERAL PROVISIONS

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

6.02 Amendment.

(a) During the Development Period.

(i) By Declarant. During the Development Period, this Declaration may be amended or terminated by the recording in the Official Public Records of Travis County, Texas of an instrument executed and acknowledged by the Declarant acting alone and unilaterally. Specifically, and not by way of limitation, during the Development Period, Declarant may unilaterally amend this Declaration: (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on Lots; or (d) to comply with any requirements promulgated by a local, state or governmental agency, including, for example, the Department of Housing and Urban Development.

(ii) By the Members. During the Development Period, Members entitled to cast at least sixty-seven percent (67%) of the number of votes

entitled to be cast in the Association may approve an amendment to this Declaration at a meeting duly called for such purpose. However, no such amendment shall be effective unless and until it has also been approved by the Declarant. To be effective, an instrument setting forth the amendment must be executed by the Declarant and the President and the Secretary of the Association, and shall include a certification by the President and Secretary of the Association that the amendment has been approved by Members entitled to cast at least sixty-seven percent (67%) of the number of votes entitled to be cast by members of the Association.

(b) Upon Expiration or Termination of the Development Period. Upon expiration or termination of the Development Period, Members entitled to cast at least sixty-seven percent (67%) of the number of votes entitled to be cast in the Association may approve an amendment to this Declaration at a meeting duly called for such purpose. To be effective, an instrument setting forth the amendment must be executed by the President and the Secretary of the Association, and shall include a certification by the President and Secretary of the Association that the amendment has been approved by Members entitled to cast at least sixty-seven percent (67%) of the number of votes entitled in the Association.

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

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

6.04 Severability. If any provision of this Declaration is held to be invalid by any court of competent jurisdiction, such invalidity will not affect the validity of any other provision of this Declaration, or, to the extent permitted by applicable law, the validity of such provision as applied to any other person or entity.

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

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

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

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

6.09 Notices. Any notice permitted or required to be given to any person by this Declaration will be in writing and may be delivered either personally or by mail. If delivery is made by mail, it will be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

6.10 Enforcement and Nonwaiver.

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

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

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

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

[SIGNATURE PAGE FOLLOWS]

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

DECLARANT:

ROUGH HOLLOW DEVELOPMENT, LTD., a Texas limited partnership

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

By: _____
Haythem Dawlett, Vice President

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 20 day of February, 2013, by Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, general partner of Rough Hollow Development, Ltd., a Texas limited partnership on behalf of said corporation and partnership.

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

Kristin Deloney
Notary Public, State of Texas

{W0534220.2}

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS
February 20 2013 04:24 PM
FEE: $ 128.00 **2013031191**

ELECTRONICALLY RECORDED **2013196748**

TRV 2 PGS

LAKEWAY ROUGH HOLLOW COMMUNITY, INC.
MANAGEMENT CERTIFICATE

This Management Certificate is recorded pursuant to Section 209.004, Property Code, and is as follows:

The name of the subdivision ("Subdivision") is: LAKEWAY ROUGH HOLLOW SOUTH

The subdivision recording information is:

PURSUANT TO THAT CERTAIN LAKEWAY ROUGH HOLLOW COMMUNITY, INC. COVENANT RECORDED UNDER DOCUMENT NO. 2005181058, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS
LAKEWAY ROUGH HOLLOW COMMUNITY, INC., PHASE 1, SECTION 1, RECORDED UNDER DOCUMENT NO. 201100156
LAKEWAY ROUGH HOLLOW COMMUNITY, INC., PHASE 1, SECTION 2, RECORDED UNDER DOCUMENT NO. 200600277
LAKEWAY ROUGH HOLLOW COMMUNITY, INC., PHASE 1, SECTION 3, RECORDED UNDER DOCUMENT NO. 200800242
LAKEWAY ROUGH HOLLOW COMMUNITY, INC., PHASE 1, SECTION 5, RECORDED UNDER DOCUMENT NO. 200500237
LAKEWAY ROUGH HOLLOW COMMUNITY, INC., PHASE 1, SECTION 7, RECORDED UNDER DOCUMENT NO. 201200130
LAKEWAY ROUGH HOLLOW COMMUNITY, INC., PHASE 1, SECTION 8, RECORDED UNDER DOCUMENT NO. 200600012
LAKEWAY ROUGH HOLLOW COMMUNITY, INC., PHASE 1, SECTION 10, RECORDED UNDER DOCUMENT NO. 200500239

The name of the Association is: LAKEWAY ROUGH HOLLOW SOUTH COMMUNITY, INC.

The declaration recording information is: Document number 2005181058

All prospective purchasers of lots in the Subdivision, according to the Declaration are notified by the Association as follows:

1. Before finalizing the purchase of any lot in the Subdivision, please be aware that you are, as a matter of law, on notice of all the contents of the above declaration and the association's bylaws and rules. Such documents are binding upon all lot owners.
2. The rules (covenants and restrictions) contain limitations regarding the use of the lot and the common areas by owners, tenants, and their family and guests.
3. It is recommended that you obtain copies of all the foregoing instruments and read them prior to making the final commitment to purchase a lot at the Subdivision, referred to above.
4. At the time of purchase, a lot may be subject to a lien for assessments and other sums previously unpaid by the prior owner(s), including attorney's fees, interest and other charges. You are advised to obtain a "resale certificate" from the association management which will verify whether there are any unpaid amounts. The cost of the resale certificate is $50.00.
5. The Association has authorized the managing agent to charge a transfer fee of $200.00 for the sale of any lot payable by the buyer at closing. All closing officers are asked to contact the managing agent to obtain further material to be presented to buyer at closing.
6. The Association has authorized the Management Company to charge a fee of $50.00 for preparation of a statement of account for a refinance.
7. The mailing address of the Association is in care of the managing agent listed below, at the address listed below. Until changed by notice recorded in the Official Records of Travis County, Texas, the address and telephone number of the managing agent for the association for purposes of obtaining a resale certificate, copies of documents, and information about delinquent sums owed to the association by lot owners selling their lots, are as follows:

Southwest Management Services
P.O. Box 342585
Austin, Texas 78734
Phone: 512-266-6771
Fax: 512-266-6791
Physical Address: 7 Lakeway Centre Court #200, Austin, Texas 78734
www.southwestmanagement.net

Dated this day of Tuesday, September 17, 2013.

LAKEWAY ROUGH HOLLOW COMMUNITY, INC.

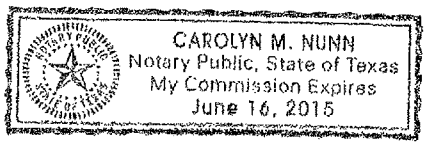
By: _____

Print Name: Bonnie Carlisle

Title: Manager

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on October 21, 2013, by Bonnie Carlisle as managing agent for LAKEWAY ROUGH HOLLOW COMMUNITY, INC. a nonprofit corporation incorporated under the laws of the State of Texas, on behalf of said corporation.



Carolyn M. Z

Notary Public for the State of Texas

Printed Name of Notary Carolyn M Nunn

My Commission Expires: 6/2015

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS
October 30 2013 09:10 AM
FEE: $ 30.00 **2013196748**

TRV 2013187421
17 PGS

17

SECRETARY'S CERTIFICATE

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS §

The undersigned, Judi Davis, qualified and acting Secretary of the Lakeway Architectural Control Board d/b/a Cedar Glen Architectural Control Committee, a Texas non-profit corporation (the "Committee"), hereby certifies on behalf of the Committee that this instrument is a true and correct copy of the Bylaws of Lakeway Architectural Control Board (the "Bylaws"), and the Amendment to By-Laws of Lakeway Architectural Control Board (the "Amendment to Bylaws"), which were properly adopted by the Association and attached hereto as Exhibit A.

IN WITNESS WHEREOF, the undersigned has executed this certificate as Secretary on behalf of the Association on the 9 day of October, 2013.

Judi Davis, Secretary

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on 9 day of October, 2013, by Judi Davis, Secretary of the Cedar Glen Architectural Control Committee, on behalf of said non-profit corporation.

MORGAN OBERG
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
12-05-2015

Notary Public

EXHIBIT A

BY-LAWS

OF

LAKEWAY ARCHITECTURAL CONTROL BOARD

ARTICLE 1

NAME AND PURPOSE

1.1 Name

The name of the corporation is LAKEWAY ARCHITECTURAL CONTROL BOARD.

1.2 Purpose

This corporation is organized for the purpose of regulating all matters of design, planning and construction of residences within the Lakeway residential community. More specifically the corporation is created solely as an organization described in section 501(c)(3) and exempt from taxation under section 501(a) of the Internal Revenue Code of 1954 or corresponding provisions hereinafter in effect. The corporation shall be operated exclusively for such purposes; no part of its net earnings shall inure to the benefit of any private member, director or individual; no part of its activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE 2

BOARD OF DIRECTORS

2.1 Number, Tenure, Election and Vacancies

The direction and management of the affairs of the corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors (the "Board") which shall consist of seven persons. Four members of the Board of Directors shall always be persons designated for such positions by the developer of the Lakeway subdivision, being Lakeway Company, a Texas corporation, and its successors (hereinafter referred to as "Class A" directors). Three members of the Board of Directors shall always be persons who are residents and property owners of the Lakeway community and who are unaffiliated with Lakeway Company or its successors (hereinafter referred to as "Class B" directors). For purposes of these by-laws, the following initial directors named in the Articles of Incorporation shall be "Class A" directors: Adrian Werner, George Romney, Richard Seaman and David Gruber. The following persons are the initial Class B directors: Harold Hensley, Don Miller and Herb Dyer. The original term for which all initial Class A directors shall serve as directors shall be two years. Of the initial Class B directors, Harold Hensley shall serve as a director for an original term of three years, Don Miller shall serve as a director for an

original term of two years, and Herb Dyer shall serve as a director for an original term of one year. Each director shall serve for his term of office and until his successor is duly elected and qualifies. A vacancy shall be declared in any seat on the Board upon the death or resignation of the occupant thereof, or upon the disability of any occupant rendering him permanently incapable of participating in the management and affairs of the corporation. Upon the expiration of the original terms of office, the respective successors shall be designated or elected, as the case may be, for terms of two years. In case of designation or election to fill a vacancy, the term of the successor shall be for the unexpired term for which the former occupant thereof was designated or elected.

The Board shall be a self-perpetuating body. The manner of electing successors to the directors and filling vacancies shall be as follows: upon the expiration of the respective terms of the directors, and at every succeeding election, (i) successors to Class A directors whose terms shall have expired shall be designated by Lakeway Company, or its successor as developer of the Lakeway subdivision, and (ii) successors to Class B directors whose terms shall have expired shall be nominated for election by Lakeway Company and shall be elected by the other Class B directors. Vacancies shall be filled in the same way. Any director whose

term of office shall have expired may be elected to succeed himself.

The division of the Board of Directors into Class A directors and Class B directors hereinabove provided is made solely for the purpose of insuring that the constitution of the Board of Directors will always conform to the requirements of the Articles of Incorporation of the corporation. Deliberations of the Board of Directors and the performance of its duties under these by-laws shall be conducted without regard to such division of directors into classes and shall be unaffected thereby.

2.2 Annual Meeting

The annual meeting of the Board shall be held on the 15th day in January of each year beginning in 1975 at 2:00 o'clock p.m., if not a legal holiday, and if a legal holiday then on the next secular day following at such time, for the election of officers and the transaction of such other business as may lawfully come before the meeting. It shall be the duty of the secretary of the corporation to give ten days' notice of such meeting in person to each director, or by mail or telegraph to each director not personally notified.

2.3 Order of Business

The order of business at the annual meeting shall be as follows:

1. Roll call.

2. Reading of the notice of the meeting.

3. Reading of the minutes of the preceding meeting and action thereon.

4. Reports of officers.

5. Election of officers.

6. Miscellaneous business.

2.4 Special Meetings

Special meetings of the Board shall be held whenever called by the secretary of the corporation upon the direction of the president of the corporation or upon written request of any two directors; and it shall be the duty of the secretary to give sufficient notice of such meetings in person or by mail or telegraph to enable the directors so notified to attend such meetings.

2.5 Quorum for Meetings

A majority of the directors shall constitute a quorum for the transaction of business at all meetings convened according to these by-laws.

ARTICLE 3

GENERAL OFFICERS

3.1 Election

The officers of this corporation shall be a president, vice president, secretary and treasurer and such other officers as may be determined and selected by the Board. The Board, at its first meeting and annually thereafter at the annual meeting, shall elect

the officers. The officers so elected shall hold office for a period of one year and until their successors are elected and qualify. The offices of secretary and treasurer may be filled by the same person.

3.2 Attendance at Meetings

The president, and in his absence the vice president, shall call meetings of the Board to order, and shall act as chairman of such meetings, and the secretary of the corporation shall act as secretary of all such meetings, but in the absence of the secretary the chairman may appoint any person present to act as secretary of the meeting.

3.3 Duties

The principal duties of the several officers are as follows:

(a) President. The president shall preside at all meetings of the Board. He shall be the chief executive officer of the corporation, and subject to the control of the Board, shall have general charge and supervision of the administration of the affairs and business of the corporation. He shall see that all orders and resolutions of the Board are carried into effect. He shall sign and execute all legal documents and instruments in the name of the corporation when authorized so to do by the Board and shall perform such other duties as may be assigned to him from time to time by the Board. He shall also have the power to appoint and remove subordinate employees. The president shall submit to the

Board plans and suggestions for the work of the corporation, shall direct its general correspondence and shall present his recommendations in each case to the Board for decision. He shall also submit a report of the activities and business affairs of the corporation at each annual meeting of the Board and at other times when called upon so to do by the Board.

(b) Vice President. The vice president shall discharge the duties of the president in the event of his absence or disability for any cause whatever, and shall perform such additional duties as may be prescribed from time to time by the Board.

(c) Secretary. The secretary shall have charge of the records and correspondence of the corporation under the direction of the president, and shall be the custodian of the seal of the corporation. He shall give notice of and attend all meetings of the Board. He shall take and keep true minutes of all meetings of the Board of which, ex officio, he shall be the secretary. He shall discharge such other duties as shall be assigned to him by the president or the Board. In case of the absence or disability of the secretary, the Board may appoint an assistant secretary to perform the duties of the secretary during such absence or disability.

(d) Treasurer. The treasurer shall keep account of all moneys, credits and property of the corporation which shall come

and discharged. Except as otherwise ordered by the Board, he shall have the custody of all the funds and securities of the corporation and shall deposit the same in such banks or depositories as the Board shall designate. He shall keep proper books of account and other books showing at all times the amount of the funds and other property belonging to the corporation, all of which books shall be open at all times to the inspection of the Board. He shall also submit a report of the accounts and financial condition of the corporation at each annual meeting of the Board. The treasurer shall, under the direction of the Board, disburse all moneys and sign all checks and other instruments drawn on or payable out of the funds of the corporation, which checks, however, may also be required by the Board to be signed by the president or vice president, or in case of their absence or disability, by such member of the Board as the Board shall designate. He shall also make such transfers and alterations in the securities of the corporation as may be ordered by the Board. In general, the treasurer shall perform all the duties which are incident to the office of treasurer, subject to the Board, and shall perform such additional duties as may be prescribed from time to time by the Board. The treasurer shall give bond only if required by the Board. In case of absence or disability of the treasurer, the Board may appoint an assistant treasurer to perform the duties of the treasurer during such absence or disability.

3.4 Vacancies

Whenever a vacancy shall occur in any general office of the corporation, such vacancy shall be filled by the Board by the election of a new officer who shall hold office until the next annual meeting and until his successor is elected and qualifies.

ARTICLE 4

APPOINTIVE OFFICERS AND ADVISORY DIRECTORS

Miller Duplicate

The Board may appoint such officers or agents in addition to those provided for in Article 3 and such advisory directors, as may be deemed necessary, who shall have such authority and perform such duties as shall from time to time be prescribed by the Board. All appointive officers or agents and advisory directors shall hold their respective offices or positions at the pleasure of the Board, and may be removed from office or discharged at any time with or without cause; provided that removal without cause shall not prejudice the contract rights, if any, of such officers or agents and advisory directors.

ARTICLE 5

EXECUTIVE COMMITTEE

5.1 Members

The Board may establish an Executive Committee which shall consist of not less than three directors who shall be elected by the Board at its annual meeting.

5.2 Powers

Subject to the direction of the Board, the Executive Committee may, if the Board so decides, have the immediate charge, management and control of the activities and business affairs of the corporation, and have full power in the intervals between the meetings of the Board to do any and all things in relation to the affairs of the corporation and to exercise any and all powers of the Board in the management and direction of the business and conduct of the affairs of the corporation.

The Executive Committee may, if the Board so decides, direct the manner in which the books and accounts of the corporation shal be kept and cause to be examined from time to time the accounts an vouchers of the treasurer and moneys received and paid out by him.

The Executive Committee shall keep a record of its proceedings and report the same to the Board at each succeeding meeting of the Board.

5.3 Quorum

A majority of members of the Executive Committee shall constitute a quorum.

ARTICLE 6

AMENDMENTS

These by-laws may be amended by the Board at any meeting of the Board by the affirmative vote of a majority of the directo

of the corporation, provided that notice of the proposed amendment shall have been given to each director in writing at least ten days prior to such meeting. Prior notice of any proposed amendment shall not, however, be necessary when such notice is waived by the written consent of all of the directors of the corporation.

ARTICLE 7

PROTECTION OF DIRECTORS AND OFFICERS

The corporation shall indemnify each former, present and future director or officer of the corporation against, and each such director and officer shall be entitled without further act on his part of indemnity from the corporation for, all expenses (including the amount of judgments and the amount of reasonable settlements made with a view to the curtailment of costs of litigation, other than amounts paid to the corporation itself) reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his being or having been a director or officer of the corporation or of any other corporation or company which he serves as a director or officer at the request of the corporation, whether or not he continues to be such director or officer at the time of incurring such expenses; provided, however, that such indemnity

shall not include any expenses incurred by any such director or officer (a) in respect of matters as to which he shall be finally adjudged in any such action, suit or proceeding to be liable for willful misconduct in the performance of his duty as such director or officer, or (b) in respect of any matter in which any settlement is effected in any amount in excess of the amount of expenses which might reasonably have been incurred by such director or officer had such litigation been conducted to a final conclusion; provided, further that in no event shall anything herein contained be so construed as to protect, or to authorize the corporation to indemnify, such director or officer against any liability to the corporation or to its members to which he would otherwise be subject by reason of his willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office as such director or officer. The foregoing right of indemnification shall inure to the benefit of the heirs, executors or administrators of each such director or officer and shall be in addition to all other rights to which such director or officer may be entitled as a matter of law.

Adopted: 2/5/74

Secretary

ARCHITECTURAL CONTROL BOARD BY-LAWS

ARTICLE 6

AMENDMENTS

Amendment 6.1 General Officers

The position of Secretary and Treasurer will be combined as one and be held by an appointive officer, as stated in Article 4, whom shall be an employee of the Lakeway Company and not a board director. The Secretary/Treasurer duties shall remain as constituted in Article 3.3c and 3.3d. The Secretary/Treasurer will not have voting previleges.

Amendment 6.2 Annual Meeting

Article 2.2: The annual meeting date is amended as follows: The annual meeting of the Board shall be held on the first Wednesday in October of each year at 9:00 a.m., if not a legal holiday.....

Amendment 6.3 Regular Meeting

Article 2 is amended to include:

A regular meeting of the Board will be held each week of the year on Wednesday at 9.00 a.m. at the Lakeway Company, 1200 Lakeway Drive, Austin, Tx., if not a holiday, and if a holiday then on the next Wednesday at such time.

Amendment to
By-Laws
of
Lakeway Architectural Control Board

The State of Texas §
§ **KNOW ALL MEN BY THESE PRESENTS:**
County of Travis §

THAT, on February 5, 1974, the By-Laws ("By-Laws") of Lakeway Architectural Control Board, a nonprofit Texas corporation ("LACB"), were adopted by the Board of Directors of the LACB; and

THAT, LACB has no members; and

THAT, Notice of the meeting at which the proposed amendment as set forth herein was to be considered was given to each Director in writing at least ten days prior to such meeting; and

THAT, the Board of Directors of LACB met on November 28 1994, and by a majority vote the Directors voted in favor of the amendment to the LACB By-Laws as set forth herein.

NOW, THEREFORE, LACB does hereby amend the By-Laws as follows:

1. Change in Article 2.1.

Article 2.1 of the LACB By-Laws is deleted and replaced with the following:

ARTICLE 2

BOARD OF DIRECTORS

2.1 Number, Tenure, Election and Vacancies

The direction and management of the affairs of the corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors (the "Board") which shall consist of three persons, who shall always be residents and property owners of the Lakeway

community. Each Director shall serve for his term of office until his successor is duly elected and qualified. A vacancy shall be declared in any seat on the Board upon the death or resignation of the occupant thereof, or upon the disability of the occupant rendering him permanently incapable of participating in the management and affairs of the corporation, or upon the occupant no longer being a resident and property owner of the Lakeway community. Upon the expiration of the term or the vacancy in any seat of any current Director, the respective successor shall be designated or elected, as the case may be, for a term of up to three years, with the term of each new Director expiring alternately with the terms of the other Directors so that only the term of one Director expires in any given year. Thereafter, the term of each Director shall be for a period of three years. In case of designation or election to fill a vacancy, the term of the successor shall be for the unexpired term for which the former occupant thereof was designated or elected.

The Board shall be a self-perpetuating body. The manner of electing successors to the Directors and filling vacancies shall be as follows: Upon the expiration of the respective terms of the Directors, and at every succeeding election, successors to any Director whose terms shall have expired shall have been nominated for election by the remaining Directors and shall be elected by the other remaining Directors. Vacancies shall be filled in the same way. Any Director whose term of office shall have expired may be elected to succeed himself.

IN WITNESS WHEREOF, this Amendment to By-Laws of Lakeway Architectural Control Board is executed this 28 day of November, 1994.

LAKEWAY ARCHITECTURAL CONTROL BOARD

By: _____

Its: PRESIDENT

After Recording Please Return To:
Oberg Properties
1107 RR 620 South
Lakeway, TX 78734

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

Oct 14, 2013 09:17 AM 2013187421
CLINTONB: $90.00
Dana DeBeauvoir, County Clerk
Travis County TEXAS

CERTIF 2010060800
13 PGS

DB 13

Upon Recording Return To:

ROBERT D. BURTON, ESQ.
ARMBRUST & BROWN, L.L.P.
100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701

SECRETARY'S CERTIFICATE

The undersigned hereby certifies that she is the duly elected, qualified and acting Secretary of The Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation (the **"Association"**), and that attached hereto as Exhibit "A" and made a part hereof is a true and correct copy of the current Bylaws of the Association.

IN WITNESS WHEREOF, the undersigned has executed this certificate on the 28 day of April, 2010.

Kristin Deloney
Kristin Deloney, Secretary

STATE OF TEXAS §
§
COUNTY OF Travis §

BEFORE ME, the undersigned Notary Public, on this 28 day of April, 2010, by Kristin Deloney, Secretary of The Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed, on behalf of said corporation.

Given under my hand and seal of this office this 28 day of April, 2010.

[SEAL] SUSAN G. CRAWFORD
Notary Public, State of Texas
My Commission Expires
January 30, 2011

Notary Public Signature

EXHIBIT "A"

BYLAWS OF ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

(a Texas non-profit corporation)

BYLAWS
OF
ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

ARTICLE I
INTRODUCTION

The name of the corporation is Rough Hollow South Shore II Master Community, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located in Travis County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, County of Travis, as may be designated by the Board of Directors.

The Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain Rough Hollow South Shore II Master Covenant, recorded under Document No. 2009056508 in the Official Public Records of Travis County, Texas, as it may be amended from time to time, including the number, qualification, appointment, removal, and replacement of Directors.

ARTICLE II
DEFINITIONS

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

Section 2.1. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of the Master Covenant.

Section 2.2. Association. "Association" shall mean and refer to Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation.

Section 2.3. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now are hereafter owned or held by the Association.

Section 2.4. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Master Covenant, as the same may be amended from time to time.

Section 2.5. Board. "Board" shall mean the Board of Directors of the Association.

Section 2.6. Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board and as from time to time amended.

Section 2.7. Certificate. "Certificate" shall mean the Certificate of Formation of the Rough Hollow South Shore II Master Community, Inc., filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

Section 2.8. Declarant. "Declarant" shall mean Rough Hollow Development, Ltd., a Texas limited partnership, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment.

Section 2.9. Development. "Development" shall mean and refer to the property subject to the terms and provisions of the Master Covenant.

Section 2.10. Manager. "Manager" shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Master Covenant and delegated the duties, powers, or functions of the Association.

Section 2.11. Master Covenant. "Master Covenant" shall mean the Rough Hollow South Shore II Master Covenant, recorded under Document No. 2009056508 in the Official Public Records of Travis County, Texas, as it may be amended from time to time.

Section 2.12. Master Restrictions. "Master Restrictions" means the Master Covenant, any Development Area Declaration, any other rules and regulations adopted by the Architectural Reviewer or the Association, the Certificate of Formation and the Bylaws of the Association, as the same may be amended from time to time.

Section 2.13. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership privileges in the Association as provided in the Master Covenant.

Section 2.14. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.15. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.16. Neighborhood Delegate. "Neighborhood Delegate" or "Neighborhood Delegates" shall mean the representative elected by the Owners of Lots and Condominium Units in each Neighborhood to cast the votes of all Lots and Condominium Units in the Neighborhood on matters requiring a vote of the membership.

Section 2.17. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage.

ARTICLE III
MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 3.01. Membership; Neighborhood Voting. Each Owner of a Lot and/or Condominium Unit is a mandatory Member of the Association, as more fully set forth in the Master Covenant. As set

forth more fully in Section 3.03 of the Master Covenant, the Declarant may, but is not obligated to, institute a representative system of voting known as "Neighborhood Voting". If the Declarant elects to institute Neighborhood Voting, Lots and Condominium Units will be grouped into "Neighborhoods", and each Neighborhood will elect one Neighborhood Delegate to cast the votes allocated to all Lots in that Neighborhood on matters requiring a vote of Members. Accordingly, notwithstanding any provision to the contrary in these Bylaws, to the extent that Neighborhood Voting is instituted, only the Neighborhood Delegates shall be entitled to vote at any meeting of the Members in accordance with the provisions of Section 3.05 of the Declaration.

Section 3.02. Place of Meetings. Meetings of the Association shall be held where designated by the Board, either within the Development or as convenient as possible and practical.

Section 3.03. Annual Meetings of Members. The first annual meeting of Members of the Association shall be held within one (1) year from the date of incorporation of the Association. The Board shall set subsequent regular annual meetings so as to occur on a date and time determined by the Board.

Section 3.04. Special Meetings. Special meetings of Members may be called in accordance with Section 22.155 of the Texas Business Organizations Code or any successor statute.

Section 3.05. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting or by publication in a newspaper of general circulation, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting. In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage prepaid.

Section 3.06. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member or Neighborhood Delegate of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting by a Member shall be deemed waiver of notice of all business transacted at such meeting unless an objection by a Member on the basis of lack of proper notice is raised before the business is put to a vote.

Section 3.07. Adjournment of Meetings. If any Association meeting cannot be held because a quorum is not present or for any other reason as determined in the discretion of the Board, a majority of the Members or Neighborhood Delegates, as the case may be, who are present at such meeting may adjourn the meeting to a time not less than five (5) or more than sixty (60) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings. The Members or

Neighborhood Delegates, as the case may be, present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Members or Neighborhood Delegates to leave less than a quorum, provided that Members or Neighborhood Delegates, as the case may be, representing at least twenty percent (20%) of the total votes in the Association remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

Section 3.08. Voting. The voting rights of the Members shall be as set forth in the Master Covenant, and such voting rights provisions are specifically incorporated by reference. The voting rights of the Neighborhood Delegates shall be as set forth in the Master Covenant, and such voting rights are specifically incorporated herein by reference.

Section 3.09. Methods of Voting: In Person; Proxies; Absentee Ballots. Neighborhood Delegates may not vote by proxy or absentee ballot, but only in person or through their alternate Neighborhood Delegate. On any matter as to which a Member is entitled personally to cast the vote for his Lot or Condominium Unit, such vote may be cast in person, by proxy or by absentee ballot as provided in this Section 3.09:

(a) A Member's vote by proxy is subject to any limitations of Texas law relating to the use of general proxies and subject to any specific provision to the contrary in the Master Covenant or these Bylaws. No proxy shall be valid unless signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than sixty (60) days after the date of the original meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance of the Lot or Condominium Unit for which it was given.

(b) A Member's vote by absentee ballot is subject to any limitations of Texas law relating to the use of absentee ballots and subject to any specific provision to the contrary in the Master Covenant or these Bylaws. No absentee ballot shall be valid unless it is in writing, signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the Lot or Condominium Unit for which it was given.

Section 3.10. Majority. As used in these Bylaws, the term "**majority**" shall mean more than half.

Section 3.11. Quorum. Except as provided in these Bylaws or in the Master Covenant, the presence of the Members or Neighborhood Delegates, as applicable, representing at least twenty percent (20%) of the total votes in the Association shall constitute a quorum at all Association meetings.

Section 3.12. Conduct of Meetings. The President or any other person appointed by the Board shall preside over all Association meetings, and the Secretary, or the Secretary's designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, a well as a record of all transactions occurring at the meeting.

Section 3.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Members or Neighborhood Delegates, as applicable, holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members or Neighborhood Delegates entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated, and delivered to the Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members or Neighborhood Delegates, as applicable, at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

ARTICLE IV
BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate. The initial Directors shall serve until their successors are appointed or elected and qualified. Except as is provided in the Master Covenant and in Sections 4.1(b) and 4.1(c) below, Declarant shall have the absolute right to appoint and remove members of the Board of Directors.

(b) At such time as Declarant no longer has the right to appoint and remove all members of the Board of Directors as provided in Section 3.05(c) of the Master Covenant, the Board of Directors will be increased to five (5) members. The President of the Association will thereupon call a meeting of the Members of the Association where the Members or the Neighborhood Delegates, as applicable, will elect one (1) Director for a three (3) year term, two (2) Directors for a two (2) year term, and two (2) Directors for a one (1) year term. Upon expiration of the term of a Director elected by the Members or Neighborhood Delegates pursuant to this Section 4.1(b), his or her successor will be elected for a term of two (2) years. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot or Condominium Unit, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

Section 4.2. Compensation. The Directors shall serve without compensation for such service.

Section 4.3. Nominations to Board of Directors. Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Board of Directors.

Section 4.4. Removal of Directors for Cause. If a Director breaches such Director's duties hereunder or violates the terms of the Master Covenant, the Certificate, the Association Rules or these Bylaws, such Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director.

Section 4.5. Vacancies on Board of Directors. At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

Section 4.6. Removal of Directors by Members or Neighborhood Delegates. Subject to the right of Declarant to nominate and appoint Directors as set forth in Section 4.1 of these Bylaws, an elected Director may be removed, with or without cause, by the vote of Members or Neighborhood Delegates, as applicable, holding a majority of the votes entitled to be cast in the Association.

Section 4.7. Consent in Writing. Any action by the Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial or architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE V
MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.4. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5.6. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD

Section 6.1. Powers. The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Association is authorized to take in accordance with the Master Covenant:

(a) Adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

(c) Exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Association Restrictions;

(d) Enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;

(e) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(f) Employ such employees as they deem necessary, and to prescribe their duties;

(g) As more fully provided in the Master Covenant, to:

(1) fix the amount of the Assessments against each Lot and/or Condominium Unit in advance of each annual assessment period and any other assessments provided by the Master Covenant; and

(2) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(h) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(j) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) Exercise such other and further powers or duties as provided in the Master Covenant or by law.

Section 6.2. Duties. It shall be the duty of the Board to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members or Neighborhood Delegates, as applicable, at the annual meeting of the Association, or at any special meeting when such statement is requested in writing by Members who are entitled to cast fifty-one percent (51%) of all outstanding votes; and

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

ARTICLE VII
OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.8. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Assistant Secretaries. Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Board or any committee established by the Board.

(e) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

ARTICLE VIII
OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action

to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board.

ARTICLE IX
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association Restrictions shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X
ASSESSMENTS

As more fully provided in the Master Covenant, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Master Covenant.

ARTICLE XI
CORPORATE SEAL

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XII
DECLARANT PROVISIONS

Section 12.1. Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

Section 12.2. Board of Directors. As provided in Section 3.05(c) of the Master Covenant, Declarant is entitled to appoint and remove all members of the Board of Directors until neither Declarant nor certain related entities owns any portion of the Property (as defined in the Master Covenant). Until Declarant's right to appoint all members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

ARTICLE XIII
AMENDMENTS

Section 13.1. These Bylaws may be amended by: (i) a majority vote of the Board of Directors or (ii) at a regular or special meeting of the Members, by a vote of all the Members of the Association provided that such amendment has been approved by Members of the Association entitled to cast at least sixty-seven percent (67%) of the total number of votes of the Association.

Section 13.2. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Master Covenant and these Bylaws, the Master Covenant shall control.

ARTICLE XIV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every Director and Officer of the Association against, and reimburse and advance to every Director and Officer for, all liabilities, costs and expenses' incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the of the Texas Business Organizations Code and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director or Officer shall be indemnified for: (a) a breach of duty of loyalty to the Association or its Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director or Officer received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director or Officer is expressly provided for by statute.

ARTICLE XV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

A10-2978-16

OTHER 2010045000

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ROUGH HOLLOW SOUTH SHORE II COMMUNITY, INC. INFORMATION STATEMENT REGARDING MANDATORY MEMBERSHIP IN ROUGH HOLLOW YACHT CLUB AND MARINA

The name of the subdivision is:	**Rough Hollow South Shore II**
The name of the Association is:	**Rough Hollow South Shore II Community, Inc.**
The name of the Yacht Club and Marian is:	**Rough Hollow Yacht Club and Marina**

All prospective purchasers of lots within Rough Hollow South Shore II, subject to the Declarations of Covenants, Conditions and Restrictions filed of record in Document No. 2009056508, Official Public Records of Travis County, Texas, are notified by the Rough Hollow Yacht Club and Marina as follows:

1. All lots within Rough Hollow South Shore II are subject to mandatory membership in Rough Hollow Yacht Club and Marina.

2. At the time of purchase, a lot may be subject to a lien for assessments and other sums previously unpaid by the prior owner(s), including attorney's fees, interest and other charges.

3. The Rough Hollow Yacht Club and Marina is authorized to charge a transfer fee of $50.00 for the sale of any lot payable by the buyer at closing. All closing officers are asked to contact the Rough Hollow Yacht Club and Marina to obtain a request for information on the Rough Hollow Yacht Club and Marina and Fee Information Sheet.

4. Until changed by notice recorded in the Official Public Records of Travis County, Texas, the address, telephone number and email address of the Rough Hollow Yacht Club and Marina for purposes of obtaining copies of documents, and information about delinquent sums owed to the Rough Hollow Yacht Club and Marina by lot owners selling their lots, are as follows:

Rough Hollow Yacht Club and Marina
105 Yacht Club Cove
Lakeway, Texas 78734
Phone: 512-261-2288
Fax: 512-261-294
Email: info@roughhollowyachtclubandmarina.com

Dated this 30th day of March, 2010

ROUGH HOLLOW YACHT CLUB AND MARINA

By: _____
Name: Hawthorn Daulett
Title: Vice President

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on March 30, 2010 by Hawthorn Daulett as managing agent for Rough Hollow Yacht Club and Marina, incorporated under the laws of the State of Texas, on behalf of said corporation.

(SEAL)

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

Kristin Deloney
Notary Public, State of Texas

384740-1 03/24/2010

SEAL

AFTER RECORDING, RETURN TO:

Rough Hollow Yacht Club and Marina
105 Yacht Club Cove
Lakeway, Texas 78734
Attn: Megan Gibbs

PLATINUM TITLE PARTNERS
6836 Bee Caves Road, Suite 255
Austin, Texas 78746

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

2010 Apr 01 02:19 PM 2010045000

PEREZTA $20.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

384740-1 03/24/2010

AFTER RECORDING RETURN TO:
Southwest Law Firm, PC
Post Office Box 342585
Austin, Texas 78734

TRV 2011191928
50 PGS

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC. COMMUNITY MANUAL

50 pgs

The undersigned hereby certifies that he/she is the duly elected, qualified and acting Secretary of the Rough Hollow South Shore II Master Community, Inc. a Texas non-profit corporation (the "Association"), and that this is a true and correct copy of the current Community Manual of the Association adopted by the Board of Directors of the Association.

IN WITNESS WHEREOF, the undersigned has executed this certificate on the 27 day of December, 2011.

Kristin Delaney
Secretary

STATE OF TEXAS §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned Notary Public, on this 27 day of December 2011, by Secretary of Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein
expressed, on behalf of said corporation.

This instrument was given to me under my hand and seal of this office this 27 day of December, 2011.

TAMI SANSOM
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 8/09/13

Tami Sansom
Notary Public Signature

Cross-reference Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, in the Official Public Records of Travis County, Texas.

In the event of a conflict between the terms and provisions of any previously adopted policies and the policies set forth herein, the terms and provisions of the policies set forth herein control.

ROUGH HOLLOW SOUTH SHORE II
MASTER COMMUNITY, INC.

COMMUNITY MANUAL

TABLE OF CONTENTS

PLEASE NOTE THAT THE POLICIES AND PROCEDURES CONTAINED HEREIN DO NOT CONSTITUTE THE ENTIRE RESTRICTIONS, RULES OR POLICIES FOR ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC. THE POLICIES AND PROCEDURES CONTAINED IN THIS DOCUMENT HAVE BEEN ADOPTED BYTHE BOARD TO COMPLY WITH LEGISLATION ADOPTED BY THE 82ND TEXAS LEGISLATURE.

ATTACHMENT 1

CERFIFICATE OF FORMATION
&
BYLAWS

FILED
In the Office of the
Secretary of State of Texas
JUN 01 2009
Corporations Section

CERTIFICATE OF FORMATION
OF
ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

The undersigned natural person, being of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a nonprofit corporation under the Texas Business Organizations Code, does hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I

NAME

The name of the corporation is: The Rough Hollow South Shore II Master Community, Inc. (hereinafter called the "**Association**").

ARTICLE II

NONPROFIT CORPORATION

The Association is a nonprofit corporation.

ARTICLE III

DURATION

The Association shall exist perpetually.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association is organized in accordance with, and shall operate for nonprofit purposes pursuant to, the Texas Business Organizations Code, and does not contemplate pecuniary gain or profit to its members. The Association is formed for the purpose of exercising all of the powers and privileges, and performing all of the duties and obligations, of the "Association" as set forth in that certain Rough Hollow South Shore II Master Covenant, recorded under Document No. 2009056508 in the Official Public Records of Travis County, Texas, as it may be amended from time to time (the "**Master Covenant**"). Without limiting the generality of the foregoing, the Association is organized for the following general purposes:

(a) to fix, levy, collect, and enforce payment by any lawful means all charges or assessments arising pursuant to the terms of the Master Covenant;

(b) to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the Association's property; and

(c) to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Business Organizations Code may now, or later, have or exercise.

The above statement of purposes shall be construed as a statement of both purposes and powers. The purposes and powers stated in each of the clauses above shall not be limited or restricted by reference to, or inference from, the terms and provisions of any other such clause, but shall be broadly construed as independent purposes and powers.

ARTICLE V

REGISTERED OFFICE; REGISTERED AGENT

The street address of the initial registered office of the Association is 2101 Lakeway Blvd., Suite 205, Lakeway, Texas 78734. The name of its initial registered agent at such address is Kristin Deloney.

ARTICLE VI

MEMBERSHIP

Membership in the Association shall be dependent upon ownership of a qualifying property interest as defined and set forth in the Master Covenant. Any person or entity acquiring such a qualifying property interest shall automatically become a member of the Association, and such membership shall be appurtenant to, and shall run with, the property interest. The foregoing shall not be deemed or construed to include persons or entities holding an interest merely as security for performance of an obligation. Membership may not be severed from or in any way transferred, pledged, mortgaged, or alienated except together with the title to the qualifying property interest, 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.

ARTICLE VII

VOTING RIGHTS

Voting rights of the members of the Association shall be determined as set forth in the Master Covenant. No owner, other than the "Declarant" under the Master Covenant, shall be entitled to vote at any meeting of the Association until such owner has presented to the Association evidence of ownership of a qualifying property interest in the Property. The vote of each owner may be cast by such owner or by proxy given to such owner's duly authorized representative.

ARTICLE VIII

INCORPORATOR

The name and street address of the incorporator is:

NAME	ADDRESS
Joshua D. Bernstein	100 Congress Avenue, Suite 1300 Austin, Texas 78701

ARTICLE IX

BOARD OF DIRECTORS

The affairs of the Association shall be managed by an initial Board of Directors consisting of three (3) individuals, who need not be members of the Association. The Board shall fulfill all of the functions of, and possess all powers granted to, Boards of Directors of nonprofit corporations pursuant to the Texas Business Organizations Code. The number of Directors of the Association may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of initial Directors until the selection of their successors are:

NAME	ADDRESS
Haythem Dawlett	2101 Lakeway Blvd., Suite 205 Lakeway, Texas 78734
Philip Jalufka	2101 Lakeway Blvd., Suite 205 Lakeway, Texas 78734
Kristin Deloney	2101 Lakeway Blvd., Suite 205 Lakeway, Texas 78734

All of the powers and prerogatives of the Association shall be exercised by the initial Board of Directors named above until the first annual meeting of the Association.

ARTICLE X

LIMITATION OF DIRECTOR LIABILITY

A director of the Association shall not be personally liable to the Association for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification.

ARTICLE XI

INDEMNIFICATION

Each person who acts as a director or officer of the Association shall be indemnified by the Association against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant or in which he may be a witness by reason of his being or having been such director or officer or by reason of any action alleged to have been taken or omitted by him in either such capacity. Such indemnification shall be provided in the manner and under the terms, conditions and limitations set forth in the Bylaws of the Association.

ARTICLE XII

DISSOLUTION

The Association may be dissolved with the written and signed assent of not less than ninety percent (90%) of the total number of votes of the Association, as determined under the Master Covenant. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

ARTICLE XIII

ACTION WITHOUT MEETING

Any action required by law to be taken at any annual or special meeting of the members of the Association, or any action that may be taken at any annual or special meeting of the members of the Association, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of members having the total number of votes of the Association necessary to enact the action taken, as determined under the Master Covenant or this Certificate of Formation.

ARTICLE XIV

AMENDMENT

Amendment of this Certificate of Formation shall be by proposal submitted to the membership of the Association. Any such proposed amendment shall be adopted only upon an affirmative vote by the holders of a minimum of two-thirds (⅔) of the total number of eligible votes of the Association, as determined under the Master Covenant. In the case of any conflict between the Master Covenant and this Certificate of Formation, the Master Covenant shall control; and in the case of any conflict between this Certificate of Formation and the Bylaws of the Association, this Certificate of Formation shall control.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand, this 1st day of June, 2009.

Joshua D. Bernstein, Incorporator

BYLAWS
OF
ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

ARTICLE I
INTRODUCTION

The name of the corporation is Rough Hollow South Shore II Master Community, Inc., hereinafter referred to as the "Association." The principal office of the Association shall be located in Travis County, Texas, but meetings of Members and Directors may be held at such places within the State of Texas, County of Travis, as may be designated by the Board of Directors.

The Association is organized to be a nonprofit corporation.

Notwithstanding anything to the contrary in these Bylaws, a number of provisions are modified by the Declarant's reservations in that certain Rough Hollow South Shore II Master Covenant, recorded under Document No. 2009056508 in the Official Public Records of Travis County, Texas, as it may be amended from time to time, including the number, qualification, appointment, removal, and replacement of Directors.

ARTICLE II
DEFINITIONS

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

Section 2.1. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of the Master Covenant.

Section 2.2. Association. "Association" shall mean and refer to Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation.

Section 2.3. Association Property. "Association Property" shall mean all real or personal property now or hereafter owned by the Association, including without limitation, all easement estates, licenses, leasehold estates and other interests of any kind in and to real or personal property which are now are hereafter owned or held by the Association.

Section 2.4. Association Rules. "Association Rules" shall mean the rules and regulations adopted by the Board pursuant to the Master Covenant, as the same may be amended from time to time.

Section 2.5. Board. "Board" shall mean the Board of Directors of the Association.

Section 2.6. Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board and as from time to time amended.

Section 2.7. Certificate. "Certificate" shall mean the Certificate of Formation of the Rough Hollow South Shore II Master Community, Inc., filed in the office of the Secretary of State of the State of Texas, as the same may from time to time be amended.

Section 2.8. Declarant. "Declarant" shall mean Rough Hollow Development, Ltd., a Texas limited partnership, and its duly authorized representatives or their successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment.

Section 2.9. Development. "Development" shall mean and refer to the property subject to the terms and provisions of the Master Covenant.

Section 2.10. Manager. "Manager" shall mean the person, firm, or corporation, if any, employed by the Association pursuant to the Master Covenant and delegated the duties, powers, or functions of the Association.

Section 2.11. Master Covenant. "Master Covenant" shall mean the Rough Hollow South Shore II Master Covenant, recorded under Document No. 2009056508 in the Official Public Records of Travis County, Texas, as it may be amended from time to time.

Section 2.12. Master Restrictions. "Master Restrictions" means the Master Covenant, any Development Area Declaration, any other rules and regulations adopted by the Architectural Reviewer or the Association, the Certificate of Formation and the Bylaws of the Association, as the same may be amended from time to time.

Section 2.13. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership privileges in the Association as provided in the Master Covenant.

Section 2.14. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering any portion of the Property given to secure the payment of a debt.

Section 2.15. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any lien or liens upon any portion of the Property.

Section 2.16. Neighborhood Delegate. "Neighborhood Delegate" or "Neighborhood Delegates" shall mean the representative elected by the Owners of Lots and Condominium Units in each Neighborhood to cast the votes of all Lots and Condominium Units in the Neighborhood on matters requiring a vote of the membership.

Section 2.17. Owner. "Owner" or "Owners" shall mean the person(s), entity or entities, including Declarant, holding a fee simple interest in any Lot, but shall not include the Mortgagee of a Mortgage.

ARTICLE III
MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 3.01. Membership; Neighborhood Voting. Each Owner of a Lot and/or Condominium Unit is a mandatory Member of the Association, as more fully set forth in the Master Covenant. As set

forth more fully in Section 3.03 of the Master Covenant, the Declarant may, but is not obligated to, institute a representative system of voting known as "Neighborhood Voting". If the Declarant elects to institute Neighborhood Voting, Lots and Condominium Units will be grouped into "Neighborhoods", and each Neighborhood will elect one Neighborhood Delegate to cast the votes allocated to all Lots in that Neighborhood on matters requiring a vote of Members. Accordingly, notwithstanding any provision to the contrary in these Bylaws, to the extent that Neighborhood Voting is instituted, only the Neighborhood Delegates shall be entitled to vote at any meeting of the Members in accordance with the provisions of Section 3.05 of the Declaration.

Section 3.02. Place of Meetings. Meetings of the Association shall be held where designated by the Board, either within the Development or as convenient as possible and practical.

Section 3.03. Annual Meetings of Members. The first annual meeting of Members of the Association shall be held within one (1) year from the date of incorporation of the Association. The Board shall set subsequent regular annual meetings so as to occur on a date and time determined by the Board.

Section 3.04. Special Meetings. Special meetings of Members may be called in accordance with Section 22.155 of the Texas Business Organizations Code or any successor statute.

Section 3.05. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting or by publication in a newspaper of general circulation, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting. In the case of a special meeting or when otherwise required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage prepaid.

Section 3.06. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member or Neighborhood Delegate of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting by a Member shall be deemed waiver of notice of all business transacted at such meeting unless an objection by a Member on the basis of lack of proper notice is raised before the business is put to a vote.

Section 3.07. Adjournment of Meetings. If any Association meeting cannot be held because a quorum is not present or for any other reason as determined in the discretion of the Board, a majority of the Members or Neighborhood Delegates, as the case may be, who are present at such meeting may adjourn the meeting to a time not less than five (5) or more than sixty (60) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings. The Members or

Neighborhood Delegates, as the case may be, present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Members or Neighborhood Delegates to leave less than a quorum, provided that Members or Neighborhood Delegates, as the case may be, representing at least twenty percent (20%) of the total votes in the Association remain in attendance, and provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

Section 3.08. Voting. The voting rights of the Members shall be as set forth in the Master Covenant, and such voting rights provisions are specifically incorporated by reference. The voting rights of the Neighborhood Delegates shall be as set forth in the Master Covenant, and such voting rights are specifically incorporated herein by reference.

Section 3.09. Methods of Voting: In Person; Proxies; Absentee Ballots. Neighborhood Delegates may not vote by proxy or absentee ballot, but only in person or through their alternate Neighborhood Delegate. On any matter as to which a Member is entitled personally to cast the vote for his Lot or Condominium Unit, such vote may be cast in person, by proxy or by absentee ballot as provided in this Section 3.09:

(a) A Member's vote by proxy is subject to any limitations of Texas law relating to the use of general proxies and subject to any specific provision to the contrary in the Master Covenant or these Bylaws. No proxy shall be valid unless signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall a proxy be valid more than sixty (60) days after the date of the original meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance of the Lot or Condominium Unit for which it was given.

(b) A Member's vote by absentee ballot is subject to any limitations of Texas law relating to the use of absentee ballots and subject to any specific provision to the contrary in the Master Covenant or these Bylaws. No absentee ballot shall be valid unless it is in writing, signed by the Member for which it is given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Absentee ballots shall be valid only for the specific meeting for which given and for lawful adjournments of such meeting. In no event shall an absentee ballot be valid after the specific meeting or lawful adjournment of such meeting at which such ballot is counted or upon conveyance of the Lot or Condominium Unit for which it was given.

Section 3.10. Majority. As used in these Bylaws, the term "**majority**" shall mean more than half.

Section 3.11. Quorum. Except as provided in these Bylaws or in the Master Covenant, the presence of the Members or Neighborhood Delegates, as applicable, representing at least twenty percent (20%) of the total votes in the Association shall constitute a quorum at all Association meetings.

Section 3.12. Conduct of Meetings. The President or any other person appointed by the Board shall preside over all Association meetings, and the Secretary, or the Secretary's designee, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, a well as a record of all transactions occurring at the meeting.

Section 3.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Members or Neighborhood Delegates, as applicable, holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members or Neighborhood Delegates entitled to vote thereon were present. Such consents shall be signed within sixty (60) days after receipt of the earliest dated consent, dated, and delivered to the Association at its principal place of business in Texas. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members or Neighborhood Delegates, as applicable, at a meeting. Within ten (10) days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

ARTICLE IV
BOARD OF DIRECTORS

Section 4.1. Authority; Number of Directors.

(a) The affairs of the Association shall be governed by a Board of Directors. The number of Directors shall be fixed by the Board of Directors from time to time. The initial Directors shall be three (3) in number and shall be those Directors named in the Certificate. The initial Directors shall serve until their successors are appointed or elected and qualified. Except as is provided in the Master Covenant and in Sections 4.1(b) and 4.1(c) below, Declarant shall have the absolute right to appoint and remove members of the Board of Directors.

(b) At such time as Declarant no longer has the right to appoint and remove all members of the Board of Directors as provided in Section 3.05(c) of the Master Covenant, the Board of Directors will be increased to five (5) members. The President of the Association will thereupon call a meeting of the Members of the Association where the Members or the Neighborhood Delegates, as applicable, will elect one (1) Director for a three (3) year term, two (2) Directors for a two (2) year term, and two (2) Directors for a one (1) year term. Upon expiration of the term of a Director elected by the Members or Neighborhood Delegates pursuant to this Section 4.1(b), his or her successor will be elected for a term of two (2) years. A Director takes office upon the adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed.

(c) Each Director, other than Directors appointed by Declarant, shall be a Member and resident, or in the case of corporate or partnership ownership of a Lot or Condominium Unit, a duly authorized agent or representative of the corporate or partnership Owner. The corporate, or partnership Owner shall be designated as the Director in all correspondence or other documentation setting forth the names of the Directors.

Section 4.2. Compensation. The Directors shall serve without compensation for such service.

Section 4.3. Nominations to Board of Directors. Members may be nominated for election to the Board of Directors in either of the following ways:

(a) A Member who is not a Director and who desires to run for election to that position shall be deemed to have been nominated for election upon his filing with the Board of Directors a written petition of nomination; or

(b) A Director who is eligible to be re-elected shall be deemed to have been nominated for re-election to the position he holds by signifying his intention to seek reelection in a writing addressed to the Board of Directors.

Section 4.4. Removal of Directors for Cause. If a Director breaches such Director's duties hereunder or violates the terms of the Master Covenant, the Certificate, the Association Rules or these Bylaws, such Director may be removed by Declarant unless Declarant no longer has the right to appoint and remove Directors in accordance with Section 4.1 of these Bylaws, and then by a majority vote of the remaining Directors after Declarant's right to appoint and remove Directors has expired. No Director shall have any voting rights nor may such Director participate in any meeting of the Board of Directors at any time that such Director is delinquent in the payment of any Assessments or other charges owed to the Association. Any Director that is ninety (90) days delinquent in the payment of Assessments or other charges more than three (3) consecutive times shall be removed as a Director.

Section 4.5. Vacancies on Board of Directors. At such time as Declarant's right to appoint and remove Directors has expired or been terminated, if the office of any elected Director shall become vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors, at a special meeting duly called for this purpose, shall choose a successor who shall fill the unexpired term of the directorship being vacated. If there is a deadlock in the voting for a successor by the remaining Directors, the one Director with the longest continuous term on the Board shall select the successor. At the expiration of the term of his position on the Board of Directors, the successor Director shall be re-elected or his successor shall be elected in accordance with these Bylaws.

Section 4.6. Removal of Directors by Members or Neighborhood Delegates. Subject to the right of Declarant to nominate and appoint Directors as set forth in Section 4.1 of these Bylaws, an elected Director may be removed, with or without cause, by the vote of Members or Neighborhood Delegates, as applicable, holding a majority of the votes entitled to be cast in the Association.

Section 4.7. Consent in Writing. Any action by the Board of Directors, including any action involving a vote on a fine, damage assessment, appeal from a denial or architectural control approval, or suspension of a right of a particular Member before the Member has an opportunity to attend a meeting of the Board of Directors to present the Member's position on the issue, may be taken without a meeting if all of the Directors shall unanimously consent in writing to the action. Such written consent shall be filed in the Minute Book. Any action taken by such written consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE V
MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board shall be held annually or such other frequency as determined by the Board, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 5.2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 5.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.4. Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5.6. Action without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all Directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD

Section 6.1. Powers. The Board shall have power and duty to undertake any of the following actions, in addition to those actions to which the Association is authorized to take in accordance with the Master Covenant:

(a) Adopt and publish the Association Rules, including regulations governing the use of the Association Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights of a Member and right of a Member to use of the Association Property during any period in which such Member shall be in default in the payment of any Assessment levied by the Association, or after notice and hearing, for any period during which an infraction of the Association Rules by such Member exists;

(c) Exercise for the Association all powers, duties and authority vested in or related to the Association and not reserved to the membership by other provisions of the Association Restrictions;

(d) Enter into any contract or agreement with a municipal agency or utility company to provide electric utility service to all or any portion of the Property;

(e) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;

(f) Employ such employees as they deem necessary, and to prescribe their duties;

(g) As more fully provided in the Master Covenant, to:

(1) fix the amount of the Assessments against each Lot and/or Condominium Unit in advance of each annual assessment period and any other assessments provided by the Master Covenant; and

(2) foreclose the lien against any property for which Assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(h) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid and to levy a reasonable charge for the issuance of these certificates (it being understood that if a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment);

(i) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(j) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(k) Exercise such other and further powers or duties as provided in the Master Covenant or by law.

Section 6.2. Duties. It shall be the duty of the Board to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members or Neighborhood Delegates, as applicable, at the annual meeting of the Association, or at any special meeting when such statement is requested in writing by Members who are entitled to cast fifty-one percent (51%) of all outstanding votes; and

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

ARTICLE VII
OFFICERS AND THEIR DUTIES

Section 7.1. Enumeration of Offices. The officers of the Association shall be a President and a Vice-President, who shall at all times be members of the Board, a Secretary and a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 7.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he resigns sooner, or shall be removed or otherwise disqualified to serve.

Section 7.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled through appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.8. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President or the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Assistant Secretaries. Each Assistant Secretary shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Secretary, the President, the Board or any committee established by the Board.

(e) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account in appropriate form such that they could be audited by a public accountant whenever ordered by the Board or the membership; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the Members.

ARTICLE VIII
OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The Board may, by resolution adopted by affirmative vote of a majority of the number of Directors fixed by these Bylaws, designate two or more Directors (with such alternates, if any, as may be deemed desirable) to constitute another committee or committees for any purpose; provided, that any such other committee or committees shall have and may exercise only the power of recommending action

to the Board of Directors and of carrying out and implementing any instructions or any policies, plans, programs and rules theretofore approved, authorized and adopted by the Board.

ARTICLE IX
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Association Restrictions shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X
ASSESSMENTS

As more fully provided in the Master Covenant, each Member is obligated to pay to the Association Assessments which are secured by a continuing lien upon the property against which the Assessments are made. Assessments shall be due and payable in accordance with the Master Covenant.

ARTICLE XI
CORPORATE SEAL

The Association may, but shall have no obligation to, have a seal in a form adopted by the Board.

ARTICLE XII
DECLARANT PROVISIONS

Section 12.1. Conflict. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

Section 12.2. Board of Directors. As provided in Section 3.05(c) of the Master Covenant, Declarant is entitled to appoint and remove all members of the Board of Directors until neither Declarant nor certain related entities owns any portion of the Property (as defined in the Master Covenant). Until Declarant's right to appoint all members of the Board of Directors terminates, the Directors appointed by Declarant need not be Owners or residents and may not be removed by the Owners. In addition, Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

ARTICLE XIII
AMENDMENTS

Section 13.1. These Bylaws may be amended by: (i) a majority vote of the Board of Directors or (ii) at a regular or special meeting of the Members, by a vote of all the Members of the Association provided that such amendment has been approved by Members of the Association entitled to cast at least sixty-seven percent (67%) of the total number of votes of the Association.

Section 13.2. In the case of any conflict between the Certificate and these Bylaws, the Certificate shall control; and in the case of any conflict between the Master Covenant and these Bylaws, the Master Covenant shall control.

ARTICLE XIV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every Director and Officer of the Association against, and reimburse and advance to every Director and Officer for, all liabilities, costs and expenses' incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the of the Texas Business Organizations Code and all other applicable laws at the time of such indemnification, reimbursement or advance payment; provided, however, no Director or Officer shall be indemnified for: (a) a breach of duty of loyalty to the Association or its Members; (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (c) a transaction from which such Director or Officer received an improper benefit, whether or not the benefit resulted from an action taken within the scope of directorship or office; or (d) an act or omission for which the liability of such Director or Officer is expressly provided for by statute.

ARTICLE XV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ATTACHMENT 2

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC

SOLAR DEVICE POLICY ENERGY EFFICIENT ROOFING POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, in the Official Public Records of Travis County, Texas, and as amended and supplemented thereto.

Note: Texas statutes presently render null and void any restriction in the Master Declaration which prohibits the installation of solar devices or energy efficient roofing on a residential lot. The Board and/or the architectural approval authority under the Master Declaration has adopted this policy in lieu of any express prohibition against solar devices or energy efficient roofing, or any provision regulating such matters which conflict with Texas law, as set forth in the Master Declaration

A. DEFINITIONS AND GENERAL PROVISIONS

1. Solar Energy Device Defined. A "Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.

2. Energy Efficiency Roofing Defined. As used in this Policy, "Energy Efficiency Roofing" means shingles that are designed primarily to: (a) be wind and hail resistant; (b) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (c) provide solar generation capabilities.

3. Architectural Review Approval Required. Approval by the architectural review authority under the Master Declaration (the "ACC") is required prior to installing a Solar Energy Device or Energy Efficient Roofing. The ACC is not responsible for: (i) errors in or omissions in the any application submitted to the ACC for approval; (ii) supervising the installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. SOLAR ENERGY DEVICE PROCEDURES AND REQUIREMENTS

During any development period under the terms and provisions of the Master Declaration, the architectural review approval authority established under the Master Declaration need not adhere to the terms and provisions of this Solar Device Policy and may approve, deny, or further restrict the installation of any Solar Device. A development period continues for so long as the Declarant has reserved the right to a right to facilitate the development, construction, size, shape, composition and marketing of the community.

1. Approval Application. To obtain ACC approval of a Solar Energy Device, the owner shall provide the ACC with the following information: (i) the proposed installation location of the Solar Energy Device; and (ii) a description of the Solar Energy Device, including the dimensions, manufacturer, and photograph or other accurate depiction (the **"Solar Application").** A Solar Application may only be submitted by an owner unless the owner's tenant provides written confirmation at the time of submission that the owner consents to the Solar Application.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. The ACC will approve a Solar Energy Device **if** the Solar Application complies with Section B.3 below **UNLESS** the ACC makes a written determination that placement of the Solar Energy Device, despite compliance with Section B.3, will create a condition that substantially interferes with the use and enjoyment of the property within the community by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The ACC's right to make a written determination in accordance with the foregoing sentence is negated if all owners of property immediately adjacent to the owner/applicant provide written approval of the proposed placement. Notwithstanding the foregoing provision, a Solar Application submitted to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association will not be approved despite compliance with Section B.3. Any proposal to install a Solar Energy Device on property owned or maintained by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board of Directors of the Association, and the Board need not adhere to this policy when considering any such request.

Each owner is advised that if the Solar Application is approved by the ACC, installation of the Solar Energy Device must: (i) strictly comply with the Solar Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the owner fails to cause the Solar Energy Device to be installed in accordance with the approved Solar Application, the ACC may require the owner to: (i) modify the Solar Application to accurately reflect the Solar Energy Device installed on the property; or (ii) remove the Solar Energy Device and reinstall the device in accordance with the approved Solar Application. Failure to install a Solar Energy Device in accordance with the approved Solar Application or an owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Solar Application or remove and relocate a Solar Energy Device in accordance with the approved Solar Application shall be at the owner's sole cost and expense.

3. Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, each Solar Application and each Solar Energy Device to be installed in accordance therewith must comply with the following:

(i) The Solar Energy Device must be located on the roof of the residence located on the owner's lot, entirely within a fenced area of the owner's lot, or entirely within a fenced patio located on the owner's lot. If the Solar Energy Device will be located on the roof of the residence, the ACC may designate the location for placement unless the location proposed by the owner increases the estimated annual energy production of the Solar Energy Device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than 10 percent above

the energy production of the Solar Energy Device if installed in the location designated by the ACC. If the owner desires to contest the alternate location proposed by the ACC, the owner should submit information to the ACC which demonstrates that the owner's proposed location meets the foregoing criteria. If the Solar Energy Device will be located in the fenced area of the owner's lot or patio, no portion of the Solar Energy Device may extend above the fence line.

(ii) If the Solar Energy Device is mounted on the roof of the principal residence located on the owner's lot, then: (A) the Solar Energy Device may not extend higher than or beyond the roofline; (B) the Solar Energy Device must conform to the slope of the roof and the top edge of the Solar Device must be parallel to the roofline; (C) the frame, support brackets, or visible piping or wiring associated with the Solar Energy Device must be silver, bronze or black.

C. ENERGY EFFICIENT ROOFING

The ACC will not prohibit an owner from installing Energy Efficient Roofing provided that the Energy Efficient Roofing shingles: (i) resemble the shingles used or otherwise authorized for use within the community; (ii) are more durable than, and are of equal or superior quality to, the shingles used or otherwise authorized for use within the community; and (iii) match the aesthetics of adjacent property.

An owner who desires to install Energy Efficient Roofing will be required to comply with the architectural review and approval procedures set forth in the Master Declaration. In conjunction with any such approval process, the owner should submit information which will enable the ACC to confirm the criteria set forth in the previous paragraph.

ATTACHMENT 3

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

RAINWATER HARVESTING SYSTEM POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, in the Official Public Records of Travis County, Texas.

Note: Texas statutes presently render null and void any restriction in the Master Declaration which prohibits the installation of rain barrels or a rainwater harvesting system on a residential lot. The Board and/or the architectural approval authority under the Master Declaration has adopted this policy in lieu of any express prohibition against rain barrels or rainwater harvesting systems, or any provision regulating such matters which conflict with Texas law, as set forth in the Master Declaration

A. ARCHITECTURAL REVIEW APPROVAL REQUIRED.

Approval by architectural review authority under the Master Declaration (the **"ACC")** is required prior to installing rain barrels or rainwater harvesting system on a residential lot (a **"Rainwater Harvesting System").** The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. RAINWATER HARVESTING SYSTEM PROCEDURES AND REQUIREMENTS

1. Approval Application. To obtain ACC approval of a Rainwater Harvesting System, the owner shall provide the ACC with the following information: (i) the proposed installation location of the Rainwater Harvesting System; and (ii) a description of the Rainwater Harvesting System, including the color, dimensions, manufacturer, and photograph or other accurate depiction (the **"Rain System Application").** A Rain System Application may only be submitted by an owner unless the owner's tenant provides written confirmation at the time of submission that the owner consents to the Rain System Application.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A Rain System Application submitted to install a Rainwater Harvesting System on property owned by the Association or property owned in common by members of the Association will not be approved. Any proposal to install a Rainwater Harvesting System on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board of Directors of the Association, and the Board need not adhere to this policy when considering any such request.

Each owner is advised that if the Rain System Application is approved by the ACC, installation of the Rainwater Harvesting System must: (i) strictly comply with the Rain System Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the owner fails to cause the Rain System Application to be installed in accordance with the approved Rain System Application, the ACC may require the owner to: (i) modify the Rain System Application to accurately reflect the Rain System Device installed on the property; or (ii) remove the Rain System Device and reinstall the device in accordance with the approved Rain System Application. Failure to install a Rain System Device in accordance with the approved Rain System Application or an owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Rain System Application or remove and relocate a Rain System Device in accordance with the approved Rain System shall be at the owner's sole cost and expense.

3. Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, each Rain System Application and each Rain System Device to be installed in accordance therewith must comply with the following:

(i) The Rain System Device must be consistent with the color scheme of the residence constructed on the owner's lot, as reasonably determined by the ACC.

(ii) The Rain System Device does not include any language or other content that is not typically displayed on such a device.

(iii) The Rain System Device is in no event located between the front of the residence constructed on the owner's lot and any adjoining or adjacent street.

(iv) There is sufficient area on the owner's lot to install the Rain System Device, as reasonably determined by the ACC.

(v) If the Rain System Device will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another owner's property, the ACC may regulate the size, type, shielding of, and materials used in the construction of the Rain System Device. See Section B. 4 for additional guidance.

4. Guidelines for Certain Rain System Devices. If the Rain System Device will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another owner's property, the ACC may regulate the size, type, shielding of, and materials used in the construction of the Rain System Device. Accordingly, when submitting a Rain Device Application, the application should describe methods proposed by the owner to shield the Rain System Device from the view of any street, common area, or another owner's property. When reviewing a Rain System Application for a Rain System Device that will be installed on or within the side yard of a lot, or would otherwise be visible from a street, common area, or another owner's property, any additional regulations imposed by the ACC to regulate the size, type, shielding of, and materials used in the construction of the Rain System Device, may not prohibit the economic installation of the Rain System Device, as reasonably determined by the ACC.

ATTACHMENT 4

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

FLAG DISPLAY AND FLAGPOLE INSTALLATION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, recorded in the Official Public Records of Travis County, Texas.

Note: Texas statutes presently render null and void any restriction in the Master Declaration which restricts or prohibits the display of certain flags or the installation of certain flagpoles on a residential lot in violation of the controlling provisions of Section 202.011 of the Texas Property Code or any federal or other applicable state law. The Board and/or the architectural approval authority under the Master Declaration has adopted this policy in lieu of any express prohibition against certain flags and flagpoles, or any provision regulating such matters which conflict with Texas law, as set forth in the Master Declaration.

A. ARCHITECTURAL REVIEW APPROVAL.

1. Approval Not Required. In accordance with the general guidelines set forth in this policy, an owner is permitted to display the flag of the United States of America, the flag of the State of Texas or an official or replica flag of any branch of the United States Military ("Permitted Flag") and permitted to install a flagpole affixed to a front porch or back deck ("Permitted Flagpole") on a residential lot without approval by the architectural review authority under the Master Declaration (the "ACC").

2. Approval Required. Approval by the ACC is required prior to installing vertical freestanding flagpoles installed in the front or back yard area of any residential lot ("Freestanding Flagpole"). The ACC is not responsible for: (i) errors in or omissions in the application submitted to the ACC for approval; (ii) supervising installation or construction to confirm compliance with an approved application; or (iii) the compliance of an approved application with governmental codes and ordinances, state and federal laws.

B. PROCEDURES AND REQUIREMENTS

1. Approval Application. To obtain ACC approval of any Freestanding Flagpole, the owner shall provide the ACC with the following information: (a) the location of the flagpole to be installed on the property; (b) the type of flagpole to be installed; (c) the dimensions of the flagpole; and (d) the proposed materials of the flagpole (the "Flagpole Application"). A Flagpole Application may only be submitted by an owner.

2. Approval Process. The decision of the ACC will be made within a reasonable time, or within the time period otherwise required by the principal deed restrictions which govern the review and approval of improvements. A Flagpole Application submitted to install a Freestanding Flagpole on property owned by the Association or property owned in common by members of the Association will not be approved. Any proposal to install a Freestanding Flagpole on property owned by the Association or property owned in common by members of the Association must be approved in advance and in writing by the Board of Directors of the Association, and the Board need not adhere to this policy when considering any such request.

Each owner is advised that if the Flagpole Application is approved by the ACC, installation of the Freestanding Flagpole must: (i) strictly comply with the Flagpole Application; (ii) commence within thirty (30) days of approval; and (iii) be diligently prosecuted to completion. If the owner fails to cause the Freestanding Flagpole to be installed in accordance with the approved Flagpole Application, the ACC may require the owner to: (i) modify the Flagpole Application to accurately reflect the Freestanding Flagpole installed on the property; or (ii) remove the Freestanding Flagpole and reinstall the flagpole in accordance with the approved Flagpole Application. Failure to install a Freestanding Flagpole in accordance with the approved Flagpole Application or an owner's failure to comply with the post-approval requirements constitutes a violation of this policy and may subject the owner to fines and penalties. Any requirement imposed by the ACC to resubmit a Flagpole Application or remove and relocate a Freestanding Flagpole in accordance with the approved Flagpole Application shall be at the owner's sole cost and expense.

3. Installation, Display and Approval Conditions. Unless otherwise approved in advance and in writing by the ACC, Permitted Flags, Permitted Flagpoles and Freestanding Flagpoles, installed in accordance with the Flagpole Application, must comply with the following:

(a) No more than one (1) Freestanding Flagpole OR no more than two (2) Permitted Flagpoles are permitted per residential lot, on which only Permitted Flags may be displayed on the Freestanding Flagpole or the Permitted Flagpoles;

(b) Any Permitted Flagpole must be no longer than five feet (5') in length and any Freestanding Flagpole must be no more than ten feet (10') in height;

(c) Any Permitted Flag displayed on any flagpole may not be more than three feet in height by five feet in width (3'x5');

(d) With the exception of flags displayed on common area owned and/or maintained by the Association and any lot which is being used for marketing purposes by a builder, the flag of the United States of America must be displayed in accordance with 4 U.S.C. Sections 5-10 and the flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;

(e) The display of a flag, or the location and construction of the flagpole must comply with all applicable zoning ordinances, easements and setbacks of record;

(f) Any flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;

(g) A flag or a flagpole must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed;

(h) Any flag may be illuminated by no more than one (1) halogen landscaping light of low beam intensity which shall not be aimed towards or directly affect any neighboring property; and

(i) Any external halyard of a flagpole must be secured so as to reduce or eliminate noise from flapping against the metal of the flagpole.

ATTACHMENT 5

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

DISPLAY OF CERTAIN RELIGIOUS ITEMS POLICY

1. *Display of Certain Religious Items Permitted.* An Owner or resident is permitted to display or affix to the entry of the Owner's or resident's dwelling one or more religious items, the display of which is motivated by the owner's or resident's sincere religious belief. This Policy outlines the standards which shall apply with respect to the display or affixing of certain religious items on the entry to the Owner's or resident's dwelling.

2. *General Guidelines.* Religious items may be displayed or affixed to an Owner's or resident's entry door or door frame of the Owner's or resident's dwelling; provided, however, that individually or in combination with each other, the total size of the display is no greater than twenty-five square inches (5"x5" = 25 square inches).

3. *Prohibitions.* No religious item may be displayed or affixed to an Owner's or resident's dwelling that: (a) threatens the public health or safety; (b) violates a law; or (c) contains language, graphics or any display that is patently offensive to a passerby. No religious item may be displayed or affixed in any location other than the entry door or door frame and in no event may extend past the outer edge of the door frame of the Owner's or resident's dwelling. Nothing in this Policy may be construed in any manner to authorize an Owner or resident to use a material or color for an entry door or door frame of the owner's or resident's dwelling or make an alteration to the entry door or door frame that is not otherwise permitted pursuant to the Association's governing documents.

5. *Removal.* The Association shall remove any item which is in violation of the terms and provisions of this Policy.

6. *Covenants in Conflict with Statutes.* To the extent that any provisions of the Association's recorded covenants restrict or prohibit an Owner or resident from displaying or affixing a religious item in violation of the controlling provisions of Section 202.018 of the Texas Property Code, the Association shall have no authority to enforce such provisions and the provisions of this Policy shall hereafter control.

ATTACHMENT 6

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

FINE AND ENFORCEMENT POLICY

1. Background. Rough Hollow South Shore II Master Community, Inc. is subject to that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, recorded in the Official Public Records of Travis County, Texas, ("Master Declaration"). In accordance with the Master Declaration, the Rough Hollow South Shore II Master Community, Inc., a Texas non-profit corporation (the "Association") was created to administer the terms and provisions of the Master Declaration. Unless the Master Declaration or applicable law expressly provides otherwise, the Association acts through a majority of its board of directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Master Declaration, Bylaws and any rules and regulations of the Association (collectively, the "Master Restrictions"), including the obligation of Owners to pay assessments pursuant to the terms and provisions of the Master Declaration and the obligations of the Owners to compensate the Association for costs incurred by the Association for enforcing violations of the Master Restrictions.

The Board hereby adopts this Fine and Enforcement Policy to establish equitable policies and procedures for the levy of fines within the Association in compliance with the Chapter 209 of the Texas Property Code, titled the "Texas Residential Property Owners Protection Act," as it may be amended (the "Act"). To the extent any provision within this policy is in conflict the Act or any other applicable law, such provision shall be modified to comply with the applicable law.

Words and phrases used in this policy have the same meanings given to them by the Master Declaration.

2. Policy. The Association uses fines to discourage violations of the Master Restrictions, and to encourage compliance when a violation occurs – not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Master Restrictions. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.

3. Owner's Liability. An owner is liable for fines levied by the Association for violations of the Master Restrictions by the owner and the relatives, guests, employees, and agents of the owner and residents. Regardless of who commits the violation, the Association may direct all communications regarding the violation to the owner.

4. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation, and should be uniform for similar violations of the same provision of the Master Restrictions. If the Association allows fines to accumulate, it will establish a maximum amount for a particular fine, at which point the total fine will be capped.

5. Violation Notice. Before levying a fine, the Association will give the owner a written violation notice and an opportunity to be heard. This requirement may not be waived. The Association's written violation notice will contain the following items: (1) the date the violation notice is prepared or mailed; (2) a description of the violation; (3) a reference to the rule or provision that is being violated; (4) a description of the action required to cure the violation; (5) the timeframe in which the violation is required to be cured; (6) the amount of the fine; (7) a statement that not later than the thirtieth (30th) day after the date of the violation notice, the owner may request a hearing before the Board to contest the violation; and (8) the date the fine attaches or begins accruing, subject to the following:

a. New Violation. If the owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the notice will state a specific timeframe by which the violation must be cured to avoid the fine. The notice must state that any future violation of the same rule may result in the levy of a fine.

b. Repeat Violation. In the case of a repeat of the same or similar violation of which the owner was previously notified and the violation was cured within the preceding six (6) month time period, the notice will state that, because the owner was given notice and a reasonable opportunity to cure the same or similar violation but the violation has occurred again, the fine attaches from the date of the expiration of the cure period in the preceding violation notice.

c. Continuous Violation. If an owner has been notified of either a new violation or a repeat violation in the manner and for the fine amounts as set forth in the Schedule of Fines below and the owner has never cured the violation in response to either the notices or the fines, in its sole discretion, the Board may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board. The fine shall begin accruing upon the expiration of the cure period in the final violation notice informing the owner of the Board's decision and amount of fine and the owner's failure and/or refusal to cure as requested.

6. Violation Hearing. An owner may request in writing a hearing by the Board to contest the fine. To request a hearing before the Board, the owner must submit a written request to the Association's manager (or the Association's board of directors if there is no manager) within thirty (30) days after the date of the violation notice. Within fifteen (15) days after owner's request for a hearing, the Association will give the owner at least fifteen (15) days' notice of the date, time, and place of the hearing. The hearing will be scheduled to provide a reasonable opportunity for both the Board and the owner to attend. 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. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication. If an owner intends to make an audio recording of the hearing, such owner's request for hearing shall include a statement noticing owner's intent to make an audio recording of the hearing, otherwise,

no audio or video recording of the hearing may be made, unless otherwise approved by the Board. The minutes of the hearing must contain a statement of the results of the hearing and the fine, if any, imposed. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the meeting, the notice requirements will be deemed satisfied. Unless otherwise agreed by the Board, each hearing shall be conducted in accordance with the agenda attached hereto as Exhibit A.

7. Levy of Fine. Within thirty (30) days after levying the fine, the Board must give the owner notice of the levied fine. If the fine is levied at the hearing at which the owner is actually present, the notice requirement will be satisfied if the Board announces its decision to the owner at the hearing. Otherwise, the notice must be in writing. In addition to the initial levy notice, the Association will give the owner periodic written notices of an accruing fine or the application of an owner's payments to reduce the fine. The periodic notices may be in the form of monthly statements or delinquency notices.

8. Collection of Fines. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not foreclose its assessment lien on a debt consisting solely of fines. The Association may not charge interest or late fees for unpaid fines.

9. Amendment of Policy. This policy may be revoked or amended from time to time by the Board. This policy will remain effective until the Association records an amendment to this policy in the county's official public records. The notice may be published and distributed in an Association newsletter or other community-wide publication.

Schedule of Fines

The Board has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Master Restrictions. The Board may elect to purse such additional remedies at any time in accordance with applicable law. The Board also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effect of the violation:

FINES:

New Violation:	Fine Amount:
1st Notice	**Warning**
2nd Notice	**$25.00**
3rd Notice	**$50.00**
4th Notice	**$100.00**
Each Subsequent Notice:	**$125.00**

Repeat Violation:

1st Notice	$50.00
2nd Notice	$75.00
3rd Notice	$100.00
4th Notice	$125.00
Each Subsequent Notice	$150.00

Continuous Violation:

Final Notice	Amount to be determined

EXHIBIT A

HEARING BEFORE THE BOARD

Note: An individual will act as the presiding hearing officer. The hearing officer will provide introductory remarks and administer the hearing agenda.

I. Introduction:

Hearing Officer. The Board has convened for the purpose of hearing an appeal by from the penalties imposed by the Association for violation of the Master Restrictions.

The hearing is being conducted as required by Section 209.007(a) of the Texas Property Code, and is an opportunity for the appealing party to discuss, verify facts, and resolve the matter at issue. The Board would like to resolve the dispute at this hearing. However, the Board may elect to take the appeal under advisement and conclude the hearing. If the matter is taken under advisement, a final decision will be communicated in writing within fifteen (15) days.

II. Presentation of Facts:

Hearing Officer. This portion of the hearing is to permit a representative of the Association the opportunity to describe the violation and to present photographs or other material relevant to the violation, fines or penalties. After the Association's representative has finished his presentation, the owner or its representative will be given the opportunity to present photographs or other material relevant to the violation, fines or penalties. The Board may ask questions during either party's presentation. It is requested that questions by the appealing party be held until completion of the presentation by the Association's representative.

[Presentations]

III. Discussion:

Hearing Officer. This portion of the hearing is to permit the Board and the owner to discuss factual disputes relevant to the violation. Discussion regarding any fine or penalty is also appropriate. Discussion should be productive and designed to seek, if possible, an acceptable resolution of the dispute. The Hearing Officer retains the right to conclude this portion of the hearing at any time.

IV. Resolution:

Hearing Officer. This portion of the hearing is to permit discussion between the Board and the appealing party regarding the finall terms of the settlement if a resolution was agreed upon during the discussion phase of the hearing.

If no settlement was agreed upon, the Hearing Officer may: (i) request that the Board enter into executive session to discuss the matter; (ii) request that the Board fake the matter under advisement and adjourn the hearing; or (iii) adjourn the hearing.

ATTACHMENT 7

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

ASSESSMENT COLLECTION POLICY

Rough Hollow South Shore II Master Community, Inc. is subject to that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, recorded in the Official Public Records of Travis County, Texas, and any amendments or supplements thereto ("Master Declaration"). The operation of the Community is vested in Rough Hollow South Shore II Master Community, Inc. (the "Association"), acting through its board of directors (the "Board"). The Association is empowered to enforce the covenants, conditions and restrictions of the Master Declaration, the Bylaws and rules of the Association (collectively, the "Documents"), including the obligation of Owners to pay Assessments pursuant to the terms and provisions of the Master Declaration.

The Board hereby adopts this Assessment Collection Policy to establish equitable policies and procedures for the collection of Assessments levied pursuant to the Master Declaration. Words and phrases used in this policy have the same meanings given to them by the Master Declaration.

Section 1. DELINQUENCIES, LATE CHARGES & INTEREST

1-A. Due Date. An Owner will timely and fully pay Regular Assessments and Special Assessments. Regular Assessments are assessed annually and are due and payable on the first calendar day of the month at the beginning of the fiscal year, or in such other manner as the Board may designate in its sole and absolute discretion.

1-B. Delinquent. Any Assessment that is not fully paid when due is delinquent. When the account of an Owner becomes delinquent, it remains delinquent until paid in full — including collection costs, interest and late fees.

1-C. Late Fees & Interest. If the Association does not receive full payment of a Regular Assessment by 5:00 p.m. after the due date established by the Board, the Association may levy a late fee of $25 per month and/or interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date therefore (or if there is no such highest rate, then at the rate of 1 and 1/2% per month) until paid in full.

1-D. Liability for Collection Costs. The defaulting Owner is liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, court costs, filing fees, and other reasonable costs and attorney's fees incurred by the Association in collecting the delinquency.

1-E. Insufficient Funds. The Association may levy a charge of $25 for any check returned to the Association marked "not sufficient funds" or the equivalent.

1-F. Waiver. Properly levied collection costs, late fees, and interest may only be waived by a majority of the Board. Because of the potential for inadvertently effecting a waiver of the policies contained in this policy, the Board will exercise caution in granting adjustments to an Owner's account.

Section 2. INSTALLMENTS & ACCELERATION

2-A. If an Assessment, other than a Regular Assessment, is payable in installments, and if an Owner defaults in the payment of any installment, the Association may declare the entire Assessment in default and accelerate the due date on all remaining installments of that Assessment. An Assessment, other than a Regular Assessment, payable in installments may be accelerated only after the Association gives the Owner at least fifteen (15) days prior notice of the default and the Association's intent to accelerate the unpaid balance if the default is not timely cured. Following acceleration of the indebtedness, the Association has no duty to reinstate the installment program upon partial payment by the Owner.

Section 3. PAYMENTS

3-A. Application of Payments. After the Association notifies the Owner of a delinquency and the Owner's liability for late fees or interest, and collection costs, any payment received by the Association shall be applied in the following order, starting with the oldest charge in each category, until that category is fully paid, regardless of the amount of payment, notations on checks, and the date the obligations arose:

(1) Delinquent assessments

(2) Current assessments

(3) Attorney fees and costs associated with delinquent assessments

(4) Other attorney's fees

(5) Fines

(6) Any other amount

3-B. Payment Plans. The Association shall offer a payment plan to a delinquent Owner with a minimum term of at least three (3) months and a maximum term of eighteen (18) months from the date the payment plan is requested for which the Owner may be charged reasonable administrative costs and interest. The Association will determine the actual term of each payment plan offered to an Owner. An. Owner is not entitled to a payment plan if the Owner has defaulted on a previous payment plan in the last two (2) years. If an Owner is in default at the time the Owner submits a payment, the Association is not required to follow the application of payments schedule set forth in Paragraph 3-A.

3-C. Form of Payment. The Association may require that payment of delinquent Assessments be made only in the form of cash, cashier's check, or certified funds.

3-D. Partial and Conditioned Payment. The Association may refuse to accept partial payment (i.e., less than the full amount due and payable) and payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the Owner's account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer. A payment that is not refunded to the payer within thirty (30) days after being deposited by the Association may be deemed accepted as to payment, but not as to words of limitation or instruction accompanying the payment. The acceptance by the Association of partial payment of

delinquent Assessments does not waive the Association's right to pursue or to continue pursuing its remedies for payment in full of all outstanding obligations.

3-E. Notice of Payment. If the Association receives full payment of the delinquency after recording a notice of lien, the Association will cause a release of notice of lien to be publicly recorded, a copy of which will be sent to the Owner. The Association may require the Owner to prepay the cost of preparing and recording the release.

3-F. Correction of Credit Report. If the Association receives full payment of the delinquency after reporting the defaulting Owner to a credit reporting service, the Association will report receipt of payment to the credit reporting service.

Section 4. LIABILITY FOR COLLECTION COSTS

4-A. Collection Costs. The defaulting Owner may be liable to the Association for the cost of title reports, credit reports, certified mail, long distance calls, filing fees, and other reasonable costs and attorney's fees incurred in the collection of the delinquency.

Section 5. COLLECTION PROCEDURES

5-A. Delegation of Collection Procedures. From time to time, the Association may delegate some or all of the collection procedures, as the Board in its sole discretion deems appropriate, to the Association's managing agent, an attorney, or a debt collector.

5-B. Delinquency Notices. If the Association has not received full payment of an Assessment by the due date, the Association may send written notice of nonpayment to the defaulting Owner, by hand delivery, first class mail, and/or by certified mail, stating the amount delinquent. The Association's delinquency-related correspondence may state that if full payment is not timely received, the Association may pursue any or all of the Association's remedies, at the sole cost and expense of the defaulting Owner.

5-C. Verification of Owner Information. The Association may obtain a title report to determine the names of the Owners and the identity of other lien-holders, including the mortgage company.

5-D. Collection Agency. The Board may employ or assign the debt to one or more collection agencies.

5-E. Notification of Mortgage Lender. The Association may notify the mortgage lender of the default obligations.

5-F. Notification of Credit Bureau. The Association may report the defaulting Owner to one or more credit reporting services.

5-G. Collection by Attorney. If the Owner's account remains delinquent for a period of ninety (90) days, the manager of the Association or the Board of the Association shall refer the delinquent account to the Association's attorney for collection. In the event an account is referred to the Association's attorney, the Owner will be liable to the Association for its legal fees and expenses. Upon referral of a delinquent account to the Association's attorney, the Association's attorney will provide the following notices and take the following actions unless otherwise directed by the Board:

(1) Initial Notice: Preparation of the Initial Notice of Demand for Payment Letter. If the account is not paid in full within thirty (30) days (unless such notice has previously been provided by the Association, then

(2) First Notice: Preparation of the Notice of Demand for Payment Letter. If the account is not paid in full within 30 days, then

(3) Lien Notice: Preparation of the Lien Notice of Demand for Payment Letter and record a Notice of Unpaid Assessment Lien. If the account is not paid in full within thirty (30) days, then

(4) Final Notice: Preparation of the Final Notice of Demand for Payment Letter and Intent to Foreclose. Ifthe account is not paid in full within thirty (30) days, then

(5) Notice of Intent to Foreclose Notice to Lender: Preparation of Notice of Intent to Foreclose Letter to Owner's Lender. If account is not paid in full within thirty (30) days, then either/or

(6) Foreclosure of Lien: Only upon specific approval by a majority of the Board/ or

(7) Initiate legal action against Owner to file suit for money damages in a court of competent jurisdiction.

5-H. Notice of Lien. The Association's attorney may cause a notice of the Association's Assessment lien against the Owner's home to be publicly recorded. In that event, a copy of the notice will be sent to the defaulting Owner, and may also be sent to the Owner's mortgagee.

5-I. Cancellation of Debt. If the Board deems the debt to be uncollectible, the Board may elect to cancel the debt on the books of the Association, in which case the Association may report the full amount of the forgiven indebtedness to the Internal Revenue Service as income to the defaulting Owner.

5-J. Suspension of Use of Certain Facilities or Services. The Board may suspend the use of the Common Area amenities by an Owner, or his tenant, whose account with the Association is delinquent for at least thirty (30) days.

Section 6. GENERAL PROVISIONS

6-A. Independent Judgment. Notwithstanding the contents of this detailed policy, the officers, directors, manager, and attorney of the Association will exercise their independent, collective, and respective judgment in applying this policy.

6-B. Other Rights. This policy is in addition to and does not detract from the rights of the Association to collect Assessments under the Association's Documents and the laws of the State of Texas.

6-C. 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 this policy, 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 Assessments and Regular Assessments, or reimbursed to the Owner if those Assessments are paid in full.

6-D. Notices. Unless the Documents, applicable law, or this policy provide otherwise, any notice or other written communication given to an Owner pursuant to this policy will be deemed delivered to the Owner upon depositing same with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, or on personal delivery to the Owner. If the Association's records show that an Owner's property is owned by two (2) or more persons, notice to one co-Owner is deemed notice to all co-Owners. Similarly, notice to one resident is deemed notice to all residents. Written communications to the Association, pursuant to this policy, will be deemed given on actual receipt by the Association's president, secretary, managing agent, or attorney.

6-E. Amendment of Policy. This policy may be amended from time to time by the Board.

ATTACHMENT 8

ROUGH HOLLOW SOUTH SHORE II MASTER COMMUNITY, INC.

RECORDS INSPECTION, COPYING AND RETENTION POLICY

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, in the Official Public Records of Travis County, Texas, and as amended and supplemented thereto.

Note: Texas statutes presently render null and void any restriction in the Master Declaration which restricts or prohibits the inspection, copying and/or retention of association records and files in violation of the controlling provisions of the Texas Property Code or any other applicable state law. The Board has adopted this policy in lieu of any express prohibition or any provision regulating such matters which conflict with Texas law, as set forth in the Master Declaration.

1. *Written Form.* The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

2. *Request in Writing; Pay Estimated Costs In Advance.* An Owner (or an individual identified as an Owner's agent, attorney or certified public accountant, provided the designation is in writing and delivered to the Association) may submit a written request via certified mail to the Association's mailing address or authorized representative listed in the management certificate to access the Association's records. The written request must include sufficient detail describing the books and records requested and whether the Owner desires to inspect or copy the records. Upon receipt of a written request, the Association may estimate the costs associated with responding to each request, which costs may not exceed the costs allowed pursuant to Texas Administrative Code Section 70.3, as may be amended from time to time (a current copy of which is attached hereto). Before providing the requested records, the Association will require that the Owner remit such estimated amount to the Association. The Association will provide a final invoice to the Owner on or before the 30th business day after the records are provided by the Association. If the final invoice includes additional amounts due from the requesting party, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the Owner may be added to the Owner's account as an assessment. If the estimated costs exceeded the final invoice amount, the Owner is entitled to a refund, and the refund shall be issued to the Owner not later than the 30th business day after the date the final invoice is sent to the Owner.

3. *Period of Inspection.* Within ten (10) business days from receipt of the written request, the Association must either: (1) provide the copies to the owner; (2) provide available inspection dates; or (3) provide written notice that the Association cannot produce the documents within the ten (10) days along with another date within an additional fifteen (15) days on which the records may either be inspected or by which the copies will be sent to the owner.

4. *Records Retention.* The Association shall keep the follow records for at least the times periods stated below:

a. PERMANENT: The Articles of Incorporation or the Certificate of Formation, the Bylaws and the Master Declaration, any and all other governing documents, guidelines, rules, regulations and policies and all amendments thereto recorded in the property records to be effective against any Owner and/or Member of the Association.

b. FOUR (4) YEARS: Contracts with a term of more than one (1) year between the Association and a third party. The four (4) year retention term begins upon expiration of the contract term.

c. FIVE (5) YEARS: Account records of each owner. Account records include debit and credit entries associated with amounts due and payable by the owner to the Association, and written or electronic records related to the owner and produced by the Association in the ordinary course of business.

d. SEVEN (7) YEARS: Minutes of all meetings of the Board and the owners.

e. SEVEN (7) YEARS: Financial books and records produced in the ordinary course of business, tax returns and audits of the Association.

f. GENERAL RETENTION INSTRUCTIONS: "Permanent" means records which are not to be destroyed. Except for contracts with a term of one (1) year or more (See item S.b. above), a retention period starts on the last day of the year in which the record is created and ends on the last day of the year of the retention period. For example, if a record is created on June 14, 2012, and the retention period is five (5) years, the retention period for the record ends on December 31, 2017. If the retention period for a record has elapsed and the record will be destroyed, the record should be shredded or otherwise safely and completely destroyed. Electronic files should be destroyed to ensure that data cannot be reconstructed from the storage mechanism on which the record resides.

5. *Confidential Records.* As determined in the discretion of the Board, certain Association records may be kept confidential such as personnel files, owner account or other personal information (except addresses) unless the Owner requesting the records provides a court order or written authorization from the person whose records are sought.

6. *Attorney Files.* Attorney's files and records relating to the Association (excluding invoices requested by a Owner pursuant to Texas Property Code Section 209.008(d)), are not records of the Association and are not: (a) subject to inspection by the Owner; or (b) subject to production in a legal proceeding. If a document in an attorney's files and records relating to the Association would be responsive to a legally authorized request to inspect or copy Association documents, the document shall be produced by using the copy from the attorney's files and records if the Association has not maintained a separate copy of the document. The Association is not required under any circumstance to produce a document for inspection or copying that constitutes attorney work product or that is privileged as an attorney-client communication.

7. *Presence of Board Member or Manager; No Removal.* At the discretion of the Board or the Association's manager, certain records may only be inspected in the presence of a Board member or employee of the Association's manager. No such records may be removed from the office without the express written consent of the Board.

TEXAS ADMINISTRATIVE CODE
TITLE 1, PART 3, CHAPTER 70
RULE §70.3- CHARGES FOR PROVIDING COPIES OF PUBLIC INFORMATION

(a) The charges in this section to recover costs associated with providing copies of public information are based on estimated average costs to governmental bodies across the state. When actual costs are 25% higher than those used in these rules, governmental bodies other than agencies of the state, may request an exemption in accordance with §70.4 of this title (relating to Requesting an Exemption).

(b) Copy charge.

(1) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is $.10 per page or part of a page. Each side that has recorded information is considered a page.

(2) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

(A) Diskette--$1.00;

(B) Magnetic tape--actual cost

(C) Data cartridge--actual cost;

(D) Tape cartridge--actual cost;

(E) Rewritable CD (CD-RW)--$1.00;

(F) Non-rewritable CD (CD-R)--$1.00;

(G) Digital video disc (DVD)--$3.00;

(H) JAZ drive--actual cost;

(I) Other electronic media--actual cost;

(J) VHS video cassette--$2.50;

(K) Audio cassette--$1.00;

(L) Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--$.50;

(M) Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.

(c) Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.

(1) The hourly charge for a programmer is $28.50 an hour. Only programming services shall be charged at this hourly rate.

(2) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

(3) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

(d) Labor charge for locating, compiling, manipulating data, and reproducing public information.

(1) The charge for labor costs incurred in processing a request for public information is $15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

(2) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

(A) Two or more separate buildings that are not physically connected with each other; or

(B) A remote storage facility.

(3) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(A) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(B) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(4) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(5) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(6) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

(e) Overhead charge.

(1) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(2) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(3) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $15.00 x .20 = $3.00; or Programming labor charge, $28.50 x .20 = $5.70. If a request requires one hour of labor charge for locating, compiling, and reproducing information ($15.00 per hour); and one hour of programming labor charge ($28.50 per hour), the combined overhead would be: $15.00 + $28.50 = $43.50 x .20 = $8.70.

(f) Microfiche and microfilm charge.

(1) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(2) If only a master copy of information in microfilm is maintained, the charge is $.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

(g) Remote document retrieval charge.

(1) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(2) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

(h) Computer resource charge.

(1) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(2) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(3) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--$10 per CPU minute; Midsize--$1.50 per CPU minute; Client/Server--$2.20 per clock hour; PC or LAN--$1.00 per clock hour.

(4) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU

clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $10 / 3 = $3.33; or $10 / 60 x 20 = $3.33.

(5) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

(i) Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.

(j) Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.

(k) Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).

(l) Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.

(m) These charges are subject to periodic reevaluation and update.

Source Note: The provisions of this §70.3 adopted to be effective September 18, 1996, 21 TexReg 8587; amended to be effective February 20, 1997,22 TexReg 1625; amended to be effective December 3, 1997,22 TexReg 11651; amended to be effective December 21, 1999, 24 TexReg 11255; amended to be effective January 16, 2003, 28 TexReg 439; amended to be effective February 11, 2004, 29 TexReg 1189; transferred effective September 1, 2005, as published in the Texas Register September 29, 2006, 31 TexReg 8251; amended to be effective February 22, 2007, 32 TexReg 614

ATTACHMENT 9

ROUGH HOLLOW SOUTH SHORE II MASTER
COMMUNITY, INC

STATUTORY NOTICE OF POSTING AND RECORDATION OF
ASSOCIATION GOVERNING DOCUMENTS

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, in the Official Public Records of Travis County, Texas, and as amended and supplemented thereto.

1. *Dedicatory Instruments.* As set forth in Texas Property Code Section 202.001, "dedicatory instrument" means each document governing the establishment, maintenance or operation of a residential subdivision, planned unit development, condominium or townhouse regime, or any similar planned development. The term includes the declaration or similar instrument subjecting real property to: (a) restrictive covenants, bylaws, or similar instruments governing the administration or operation of a property owners' association; (b) properly adopted rules and regulations of the property owners' association; or (c) all lawful amendments to the covenants, bylaws, instruments, rules, or regulations, or as otherwise referred to in this notice as the "Governing Documents."

2. *Recordation of All Governing Documents.* The Association shall file all of the Governing Documents in the real property records of each county in which the property to which the documents relate is located. Any dedicatory instrument comprising one of the Governing Documents of the Association has no effect until the instrument is filed in accordance with this provision, as set forth in Texas Property Code Section 202.006.

3. *Online Posting of Governing Documents.* The Association shall make all of the Governing Documents relating to the Association or subdivision and filed in the county deed records available on a website if the Association has, or a management company on behalf of the Association maintains, a publicly accessible website.

ATTACHMENT 10

ROUGH HOLLOW SOUTH SHORE II MASTER
COMMUNITY, INC.

STATUTORY NOTICE OF ANNUAL MEETING, ELECTIONS AND VOTING

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, in the Official Public Records of Travis County, Texas, and as amended and supplemented thereto.

Note: Texas statutes presently render null and void any restriction in the Master Declaration which restricts or prohibits annual meetings, certain election requirements and voting processes and other conduct related to annual meetings, elections and voting in violation of the controlling provisions of the Texas Property Code or any other applicable state law.

1. *Annual Meetings Mandatory.* As set forth in Texas Property Code Section 209.014, the Association is required to call an annual meeting of the Members of the Association.

2. *Notice of Election or Association Vote.* Not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of an election or vote, the Association must give written notice of the election or vote to: (a) each owner in the Association for purposes of an Association-wide election or vote; or (b) each owner in the Association entitled to vote to elect Board Members.

3. *Election of Board Members.* Except during any development period established in the Master Declaration (see Paragraph 11 below), any Board Member whose term has expired must be elected by owners in the Association. A Board Member may be appointed by the Board only to fill a vacancy caused by a resignation, death, or disability. A Board Member appointed to fill a vacant position shall serve the unexpired term of the predecessor board member.

4. *Eligibility for Board Membership.* Except during any development period established in the Master Declaration (see Paragraph 11 below), the Association may not restrict an owner's right to run for a position on the Board. If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a Board Member has been convicted of a felony or crime involving moral turpitude, the Board Member is then immediately ineligible to serve on the Board, automatically considered removed from the Board, and prohibited from future service on the Board.

5. *Right to Vote.* Except during any development period established in the Master Declaration (see Paragraph 11 below), any provision in the Association's governing documents that would disqualify an owner from voting in an Association election of Board Members or on any matter concerning the rights or responsibilities of the owner is void.

6. *Voting; Quorum.* The voting rights of an owner may be cast or given: (a) in person or by proxy at a meeting of the Association; (b) by absentee ballot; (c) by electronic ballot; or (d) by any method of representative or delegated voting provided by the Association's governing documents.

7. *Written Ballots.* Any vote cast in an election or vote by a Member of the Association must be in writing and signed by the member. Electronic votes constitute written and signed ballots. In an Association-wide election, written and signed ballots are not required for uncontested races.

8. *Absentee or Electronic Ballots.* An absentee or electronic ballot: (a) may be counted as an owner present and voting for the purpose of establishing a quorum only for items appearing on the ballot; (b) may not be counted, even if properly delivered, if the owner attends any meeting to vote in person, so that any vote cast at a meeting by an owner supersedes any vote submitted by absentee or electronic ballot previously submitted for that proposal; and (c) may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot.

a. Meanillg of Electronic Ballot. Notwithstanding any contrary provision in the governing document of the Association, "electronic ballot" means a ballot: (a) given by email, facsimile or posting on a website; (b) for which the identity of owner submitting the ballot can be confirmed; and (c) for which the owner may receive a receipt of the electronic transmission and receipt of the owner's ballot. If an electronic ballot is posted on a website, a notice of the posting shall be sent to each owner that contains instructions on obtaining access to the posting on the website.

b. Solicitation of Votes by Absentee Ballot. Any solicitation for votes by absentee ballot must include: (a) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; (b) instructions for delivery of the completed absentee ballot, including the delivery location; and (c) the following language: *"By casting your vote via absentee ballot you will forgo the opportunihj to consider and vote on any action from the floor on these proposals, if a meeting* is *held.* This *means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person,* in *which case any in-person vote will prevail."*

9. *Tabulation of and Access to Ballots.* A person who is a candidate in an Association election or who is otherwise the subject of an Association vote, or a person related to that person within the third degree by consanguinity or affinity may not tabulate or otherwise be given access to the ballots cast in that election or vote. A person tabulating votes in an Association election or vote may not disclose to any other person how an individual voted.

10. *Recount of Votes.* Any owner may, not later than the fifteenth (15^{th}) day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either: (a) by certified mail, return receipt requested, or by delivery by the U.S. Postal Service with signature confirmation service to the Association's mailing address as reflected on the latest management certificate; or (b) in person to the

Association's managing agent as reflected on the latest management certificate or to the address to which absentee and proxy ballots are mailed. The owner requesting the recount will be required to pay, in advance, expenses associated with the recount as estimated by the Association. Any recount must be performed on or before the thirtieth (30th) day after the date of receipt of a request and payment for a recount is submitted to the Association for a vote tabulator as set forth below.

a. Vote Tabulator. At the expense of the owner requesting the recount, the Association shall retain for the purpose of performing the recount, the services of a person qualified to tabulate votes. The Association shall enter into a contract for the services of a person who: (a) is not a Member of the Association or related to a Member of the Association Board within the third degree by consanguinity or affinity; and (b) is either a person agreed on by the Associations and any person requesting a recount or is a current or former county judge, county elections administrator, justice of the peace or county voter registrar.

b. Reimbursement for Recount Expenses. If the recount changes the results of the election, the Association shall reimburse the requesting owner for the cost of the recount to the extent such costs were previously paid by the owner to the Association. The Association shall provide the results of the recount to each owner who requested the recount.

c. Board Action. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

11. Development Period. The Master Declaration may provide for a period of declarant control of the association during which a declarant, or persons designated by the declarant, may appoint and remove board members and the officers of the association, other than the board members or officers elected by members of the property association.

ATTACHMENT 11

ROUGH HOLLOW SOUTH SHORE II
MASTER

COMMUNITY, INC.

STATUTORY NOTICE OF CONDUCT OF BOARD MEETINGS

Terms used but not defined in this policy will have the meaning subscribed to such terms in that certain Declaration of Covenants, Conditions and Restrictions filed under Document No. 2009056508, and as amended thereafter, in the Official Public Records of Travis County, Texas, and as amended and supplemented thereto.

Note: Texas statutes presently render null and void any restriction in the Master Declaration which restricts or prohibits open board meetings and other conduct related to board meetings in violation of the controlling provisions of the Texas Property Code or any other applicable state law.

1. *Definition of Board Meetings.* As set forth in Texas Property Code Section 209.0051, "board meeting" means: (a) a deliberation between a quorum of the Board, or between a quorum of the Board and another person, during which Association business is considered and the Board takes formal action; but does not include: (b) the gathering of a quorum of the Board at a social function unrelated to the business of the Association or the attendance by a quorum of the Board at a regional, state, or national convention, ceremonial event, or press conference, if formal action is not taken and any discussion of Association business is incidental to the social function, convention, ceremonial event, or press conference.

2. *Open Board Meetings.* All regular and special Board meetings must be open to owners. However, the Board has the right to adjourn a meeting and reconvene in closed executive session to consider actions involving: (a) personnel; (b) pending or threatened litigation; (c) contract negotiations; (d) enforcement actions; (e) confidential communications with the Association's attorney; (f) matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an executive session, any decision made by the Board in executive session must be summarized orally in general terms and placed in the minutes, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive session.

3. *Location.* Except if otherwise held by electronic or telephonic means, a Board meeting must be held in the county in which all or a party of the property in the subdivision is located or in a county adjacent to that county, as determined in the discretion of the Board.

4. *Record; Minutes.* The Board shall keep a record of each regular or special Board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a Member for inspection and copying on the Member's written request to the Association's managing agent at the address appearing on the most recently filed management certificate or, if there is not a managing agent, to the Board.

5. *Notices.* Members shall be given notice of the date, hour, place, and general subject of a regular or special board meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be: (a) mailed to each property owner not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of the meeting; or (b) provided at least seventy-two (72) hours before the start of the meeting by: (i) posting the notice in a conspicuous manner reasonably designed to provide notice to Association members in a place located on the Association's common area property or on any website maintained by the Association; and (ii) sending the notice by e-mail to each owner who has registered an e-mail address with the Association. It is an owner's duty to keep an updated e-mail address registered with the Association. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent this section. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner as set forth above within two (2) hours after adjourning the meeting being continued.

6. *Meeting without Prior Notice.* A Board may meet by any method of communication, including electronic and telephonic, without prior notice to owners if each director may hear and be heard and may take action by unanimous written consent to consider routine and administrative matters or a reasonably unforeseen emergency or urgent necessity that requires immediate Board action. Any action taken without notice to owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting. The Board may not, without prior notice to owners under Paragraph 5 above consider or vote on:

(a) fines;

(b) damage assessments;

(c) initiation of foreclosure actions;

(d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;

(e) increases in assessments;

(f) levying of special assessments;

(g) appeals from a denial of architectural control approval; or

(h) a suspension of a right of a particular owner before the owner has an opportunity to attend a Board meeting to present the owner's position, including any defense, on the issue.

7. *Development Period.* The provisions of this policy do not apply to Board meetings during the "development period" (as defined in the Master Declaration) unless the meeting is conducted for the purpose of: (a) adopting or amending the governing documents, including declarations, bylaws, rules, and regulations of the Association; (b) increasing the amount of regular assessments of *the* Association or adopting or increasing a special assessment; (c) electing non-developer Board members *of* the Association or establishing a process by which those members are elected; or (d) changing the voting rights of members of the Association.