

Deed Restrictions

All residents of Quest Village are required to agree to, sign, and acknowledge the documented deed restrictions adopted by Quest Village when purchasing property in this subdivision. This is part of the initial mortgage process and in order to be a property owner within Quest Village, these restrictions are voluntarily signed prior to making the final decision to purchase property. Individuals who do not agree with or wish to adhere to these restrictions should reconsider property in this subdivision. Quest Village, in order to maintain our neighborhood and meet the goals of our Mission, requires strict adherence to these restrictions. Violations of restrictions may be processed and handled accordingly, up to and including formal litigation, if necessary.

NOTE:

ALL RESIDENTS ARE REQUIRED TO ABIDE BY THE ACCEPTED DEED RESTRICTIONS AND FAILURE TO READ, UNDERSTAND, AND COMPLY WITH THESE RESTRICTIONS DOES NOT CONSTITUTE A FAILURE ON THE PART OF QUEST VILLAGE, IT'S HOMEOWNER'S ASSOCIATION, OR ANY OTHER ASSOCIATED ENTITIES.

[Definitions](#)

[General Restrictions](#)

[3.01 - Subdividing](#)

[3.02 - Hazardous Activities](#)

[3.03 - Insurance Rates](#)

[3.04 - Mining / Drilling](#)

[3.05 - Noise](#)

[3.06 - Animals - Household Pets](#)

[3.07 - Rubbish and Debris](#)

[3.08 - Maintenance](#)

[3.09 - Antennae](#)

[3.10 - Signs](#)

[3.11 - Tanks and Swimming Pools](#)

[3.12 - Temporary Structures / Buildings](#)

[3.13 - Unsightly Articles: Vehicles / B-Goals](#)

[3.14 - Mobile Homes / Trailers / RV's](#)

[3.15 - Prohibited Conduct](#)

[3.16 - Control of Sewage Effluent](#)

[3.17 - Underground Utility Lines](#)

[3.18 - Window Units \(A/C\)](#)

[3.19 - Compliance with Restrictions](#)

[3.20 - Owner Liability for Damage](#)

[3.21 - Warranty of Enforceability](#)

COVENANTS, CONDITIONS, AND RESTRICTIONS

QUEST VILLAGE

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WILLIAMSON

THAT WHEREAS, **CONTINENTAL HOMES OF AUSTIN, L.P.**, a Texas limited partnership doing business as Milburn Homes ("Milburn") is the sole owner of certain real property located in Williamson County, Texas, as more particularly described on **Exhibit "A"** attached hereto (the "Milburn Property") (the Milburn Property along with other property annexed from time to time in accordance with the provisions hereof shall hereinafter be collectively called the "Property");

WHEREAS, QUEST VILLAGE, LTD., a Texas limited partnership ("Quest"), is the sole owner of certain real property located in Williamson County, Texas, as more particularly described on **Exhibit "B"** attached hereto (the "Quest Property");

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

WHEREAS, Quest has the right to add some or all of the Quest Property to the Property, and upon and in the event of, such addition, Quest shall convey the Quest Property subject to certain protective covenants, conditions, restrictions, liens and charges hereinafter set forth;

WHEREAS, Milburn desires to create and carry out a uniform plan for the improvement, development, and sale of the Milburn Property for the benefit of the present and future owners of the Milburn Property;

WHEREAS, Quest desires to create and carry out a uniform plan for the improvement, development, and sale of the Quest Property for the benefit of the present and future owners of the Quest Property; and

NOW, THEREFORE, it is hereby declared, as to the Milburn Property, and, if annexed, the Quest Property, (i) that all of such Property shall be held, sold, conveyed, and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with such

Property and shall be binding on all parties having any right, title, or interest in or to such Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof, and (ii) that each contract or deed which may hereafter be executed with regard to such Property or any portion thereof shall conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions, and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

ARTICLE I

DEFINITIONS

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

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

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

1.03. Articles. "Articles" shall mean the Articles of Incorporation of Quest Village Residential Owners Association, Inc., which will be filed in the office of the Secretary of State of the State of Texas, as the same are from time to time amended.

1.04. Assessment. "Assessment" or "Assessments" shall mean assessment(s) levied by the Association under the terms and provisions of this Declaration.

1.05. Association. "Association" shall mean and refer to Quest Village Residential Owners Association, Inc., a Texas non-profit corporation created or to be created pursuant to the Articles.

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

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

1.08. Bylaws. "Bylaws" shall mean the Bylaws of the Association which may be adopted by the Board, as the same are

from time to time amended.

1.09. Common Area and Facilities. "Common Area and Facilities" shall mean Lots and other properties, if any, designated by Milburn and/or Quest and conveyed to the Association along with any areas within public right-of-ways or easements that the Board deems necessary or appropriate to maintain for the common benefit of the Owners. Common Area and Facilities may be designated by Quest and/or Milburn and dedicated or otherwise conveyed to the Association from time to time and at any time. If and at the time Quest annexes additional real property to the Property in accordance with Section 2.02 hereof, additional Common Area and Facilities may be designated. The Common Area and Facilities to be owned by the Association at the time of conveyance of the first Lot is described on **Exhibit "C"** attached hereto.

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

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

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

1.13. Member. "Member" or "Members" shall mean any Person(s) holding membership rights in the Association.

1.14. Milburn. "Milburn" shall mean CONTINENTAL HOMES OF AUSTIN, L.P., a Texas limited partnership doing business as Milburn Homes, its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of Milburn must be expressly set forth in writing and the mere conveyance of a portion of the Milburn Property without written assignment of the rights of Milburn shall not be sufficient to constitute an assignment of the rights of Milburn hereunder.

1.15. 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.

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

1.17. Owner. "Owner" or "Owners" shall mean the any Person, including Milburn and Quest, holding a fee simple interest

in any portion of the Property, but shall not include a Mortgagee.

1.18. Person. "Person" or "Persons" shall mean any individual(s), entity or entities having the legal right to hold title to real property.

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

1.20. Plat. "Plat" shall mean a subdivision plat of the Property or any portion thereof.

1.21. Quest. "Quest" shall mean QUEST VILLAGE, LTD., a Texas limited partnership, its duly authorized representatives or their respective successors or assigns provided that any assignment of the rights of Quest must be expressly set forth in writing and the mere conveyance of a portion of the Quest Property without written assignment of the rights of Quest shall not be sufficient to constitute an assignment of the rights of Quest hereunder.

1.22. The Restrictions. The "Restrictions" shall mean this Declaration, as the same may be amended from time to time, together with the Architectural Committee Rules, the Association Rules, and the Articles and Bylaws.

1.23. Subdivision. "Subdivision" shall mean any portion of the Property which is subdivided as shown by a map or plat of record in Williamson County, Texas.

1.24. Supplemental Declaration. "Supplemental Declaration" shall mean any declaration of covenants, conditions, and restrictions which may be hereafter recorded by Quest which is expressly made subject to all the terms and restrictions of this Declaration, except as otherwise expressly set forth in such Supplemental Declaration.

ARTICLE II

DEVELOPMENT OF THE PROPERTY

2.01. Development by Milburn and Quest. Milburn may divide or subdivide the Milburn Property into several areas, develop some of the Milburn Property, and with Quest's consent, sell any portion of the Milburn Property free of these restrictions. Quest may divide or subdivide the Quest Property into several areas, develop some of the Quest Property,

and, at Quest's option, sell any portion of the Quest Property free of these restrictions.

2.02. Addition of Land. Quest or its successors or assigns may, at any time and from time to time, add land to the Property from within the areas described on **Exhibit "B"** attached hereto, in accordance with a staged development plan approved by the Veterans Administration ("VA") and the Federal Housing Administration ("FHA"). Upon such addition, Quest may record one or more Supplemental Declarations and designate such uses, classifications, and covenants, conditions and restrictions as Quest may deem appropriate for that parcel. Any Supplemental Declaration may, but need not, place further covenants, conditions and restrictions on such land. Any Supplemental Declaration may provide for its own procedure for the amendment of any provision thereof, as for example, by specified vote of only the Owners of the property within the area subject thereto or a specified vote of only the Owners of some of the property within the area subject thereto. All land, improvements, and uses in each area so developed shall be subject to both this Declaration and to the Supplemental Declaration, if any, for that area except as provided otherwise therein. In order to add lands to the Property hereunder, Quest shall be required only to record in the Official Records of Williamson County, Texas, a notice of addition of land containing the following provisions:

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

Upon the recording of any such notice or Supplemental Declaration, the Owners of all Lots within the area affected by such notice or Supplemental Declaration shall have the rights, privileges, and obligations with respect to such property in accordance with the provisions of, and to the extent set forth in this Declaration and any Supplemental Declaration.

Quest shall submit a written request for approval of any annexation of land not included in the staged development plan previously approved by VA/FHA to the FHA and the VA accompanied by a copy of the Declaration of Annexation. If neither FHA nor VA notifies Quest of objections to the annexation within fifteen (15) days of the date of Quest's request for approval, such approval shall be deemed to have been granted.

Quest shall not be permitted to add land (other than that identified on **Exhibit "B"**) to this Declaration without the consent of two-thirds of the Owners entitled to vote pursuant Section 6.03 hereof (exclusive of Quest) after the expiration of ten (10) years from the date of this Declaration.

2.03. Withdrawal of Land. If the Quest Property is ever annexed as set forth in Section 2.02 above, Quest shall have the right at any time prior to the expiration of ten (10) years from the date of this Declaration to reduce or withdraw lands then owned by Quest from the Property, and upon any such withdrawal this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall no longer apply to the lands withdrawn. In order to withdraw lands from the Quest Property hereunder, Quest shall be required only to record in the Official Records of Williamson County, Texas, a notice of withdrawal of land containing the following provisions:

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

ARTICLE III

GENERAL RESTRICTIONS

All of the Property shall be owned, held, encumbered, leased, used, occupied, and enjoyed subject to the following limitations and restrictions (which restrictions shall not apply to the Quest Property unless and until it is annexed pursuant to Section 2.02 hereof):

[\(Top of Page\)](#)

3.01 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 the Architectural Committee; provided, however, that when either Milburn or Quest is the Owner thereof, such party may further divide and subdivide any Lot and convey any easements or other interests less than the whole, all without the approval of the Architectural Committee.

[\(Top of Page\)](#)

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

[\(Top of Page\)](#)

3.03 Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon.

[\(Top of Page\)](#)

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

[\(Top of Page\)](#)

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

[\(Top of Page\)](#)

3.06 Animals - Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild or dangerous 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 the Property. No Owner may keep on such Owner's Lot more than four (4) cats and dogs, in the aggregate, not more than two (2) of which may be dogs. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for, or boarded for hire or remuneration on the Property, and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large, and all animals shall be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Architectural Committee, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property.

[\(Top of Page\)](#)

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

[\(Top of Page\)](#)

3.08 Maintenance. Each Owner shall keep all shrubs, trees, grass, and plantings of every kind on such Owner's Lot cultivated, pruned, free of trash, and other unsightly material. All Improvements upon any Lot shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner of such Lot. Milburn, as to the Milburn Property, Quest, as to the Quest Property, the Association, and the Architectural Committee shall have the right at any reasonable time to enter upon any Lot to replace, maintain, and cultivate shrubs, trees, grass, or other plantings as deemed necessary; to paint, repair, or otherwise maintain any Improvements in need thereof; and to charge the cost thereof to the Owner of the Lot in the same manner as provided for the Association in Section 6.04(E) hereof.

[\(Top of Page\)](#)

3.08 Antennae. No exterior radio or television antenna or aerial or satellite dish receiver which is visible from any other Lot or the street shall be erected or maintained on any Lot without obtaining the prior written consent of the Architectural Committee. The foregoing notwithstanding, in the event the absolute prohibition of such antenna or receivers is invalidated or held to be unenforceable in any respect, then no exterior radio or television antenna, satellite dish or similar device shall be permitted to be erected or placed on any Lot unless the same is screened from view from adjoining Lots, streets and other portions of the Subdivision.

[\(Top of Page\)](#)

3.09 Signs. No sign of any kind shall be displayed to the public view on any Lot without the prior written approval of the Architectural Committee, except for (i) signs which are part of Milburn's or Quest's overall marketing or construction plans or activities for the Property and (ii) one (1) sign of not more than five (5) square feet, advertising any Lot for sale or rent.

[\(Top of Page\)](#)

3.11 Tanks. The Architectural Committee shall have the right to approve the location of any tank used or proposed in connection with a single family residential structure, including tanks for storage of fuel, water, oil, or LPG, and including swimming pool filter tanks. No elevated tanks of any kind or above-ground swimming pools shall be erected, placed or permitted on any Lot. All tanks shall be screened so as not to be visible from any other portion of the Property.

[\(Top of Page\)](#)

3.12 Temporary Structures/Accessory Buildings. No tent, shack, or other temporary building, improvement, or structure shall be placed upon the Property without the prior written approval of the Architectural Committee; provided, however, that temporary structures necessary for storage of tools and equipment, and for office space for architects, builders, and foremen during actual construction may be maintained with the prior approval of Milburn, as to the Milburn Property and Quest, as to the Quest Property, approval to include the nature, size, duration, and location of such structure. Notwithstanding any provision in this Declaration to the contrary, an Owner shall be permitted, without Architectural Committee approval, to erect one (1) outbuilding on the Owner's Lot if (i) the surface area of the pad on which the outbuilding is placed is less than or equal to eighty (80) square feet, (ii) the height of the outbuilding, measured from the surface of the Lot to the highest portion of the outbuilding is less than or equal to six (6) feet, (iii) the outbuilding is constructed within an area completely enclosed by a privacy fence of not less than six (6) feet in height, (iv) the exterior of the outbuilding is constructed of the same or substantially similar materials as the exterior of any residence located on the Lot, and (v) the outbuilding is constructed within building setback lines in accordance with applicable building codes of the governmental entity having jurisdiction over the Property. Notwithstanding the foregoing, no such outbuilding may be constructed or placed on any Lot which abuts Discovery Boulevard, unless the same is completely screened from view from adjoining Lots and streets including but not limited to Discovery Boulevard, and other portions of the Property. The Architectural Committee shall be entitled to determine, in its sole and absolute discretion, whether an outbuilding constructed or placed on any Lot complies with the foregoing requirements relating to size, height, fence enclosure and construction materials.

[\(Top of Page\)](#)

3.13 Unightly Articles; Vehicles. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any Lot so as to be visible from adjoining property or 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, sports equipment (such as volleyball nets, soccer goals or portable basketball goals) and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Each single family residential structure constructed within the Property shall have sufficient garage space, as approved by the Architectural Committee, to house all vehicles to be kept on the Lot. Lot Owners shall not keep more than two (2) automobiles in such manner as to be visible from any other portion of the Property for any period in excess of seventy-two (72) hours. No automobiles or other above-mentioned articles or vehicles may be parked overnight on any roadway within the Property. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view, and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse or trash shall be kept, stored, or allowed to accumulate on any portion of the Property 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 Subdivision. No commercial vehicles larger than a standard three-quarter (3/4) ton pickup truck or standard two-axle passenger van shall be permitted to remain on any Lot or to be parked on any roadway within the Subdivision.

[\(Top of Page\)](#)

3.14 Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot or used as a residence, either temporary or permanent, at any time, and no motor homes, travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or from public or private thoroughfares at any time.

[\(Top of Page\)](#)

3.15 Prohibited Conduct. No portion of the Subdivision shall be used for vicious, illegal or immoral conduct, or for any conduct in violation of the laws of the State of Texas or the United States of America, or of the police, health, sanitary, building or fire codes, regulations or instructions relating to or affecting the use, occupancy or possession of any portion of the Subdivision.

[\(Top of Page\)](#)

3.16 Control of Sewage Effluent. No outside toilets or privies shall be permitted. Disposal of wastewater from any Lot that would result in raw, untreated, or partially treated sewage being carried into the streets of the Subdivision or into any body of water is strictly prohibited. Drainage of storm water into the sanitary sewage system shall not be permitted; provided, however, that swimming pool drains and backwash systems shall be connected to the sanitary sewage system. No septic tank or other means of sewage disposal system not connected to the sanitary sewage system shall be permitted.

[\(Top of Page\)](#)

3.17 Underground Utility Lines. No utility lines, including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any portion of the Property unless the same shall be contained in conduit or cables installed or maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the Architectural Committee; provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements which have been previously approved in writing by the Architectural Committee. Notwithstanding any provision herein to the contrary, Milburn, as to the Milburn Property, and Quest, as to the Quest Property, are hereby exempt from compliance with this Section 3.17, and it is contemplated that overhead lines will be erected, placed and maintained at certain locations within the Property to be designated by Milburn and/or Quest (as the case may be).

[\(Top of Page\)](#)

3.18 No Window Units. No window or wall type air conditioner which is visible from any street in the Subdivision shall be permitted to be used, placed or maintained on or in any building in any part of the Property.

[\(Top of Page\)](#)

3.19 Compliance with the Restrictions. Each Owner shall comply strictly with the provisions of the Restrictions as the same may be amended from time to time. Failure to comply with any of the Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by Milburn, as to the Milburn Property, Quest, as to the Quest Property, the Architectural Committee, the Board on behalf of the Association or an aggrieved Owner.

[\(Top of Page\)](#)

3.20 Liability of Owners for Damage to Common Area and Facilities. No Owner shall in any way alter, modify, add to or otherwise perform any work upon the Common Area and Facilities without the prior written approval of the Board. Each Owner shall be liable to the Association for any and all damages to (i) the Common Area and Facilities, or (ii) any Improvements constructed on any Lot, the maintenance of which has been assumed by the Association, which damages were caused by the neglect, misuse or negligence of such Owner or Owner's family, or by any tenant or other occupant of such Owner's Lot, or any guest or invitee of such Owner. The full cost of all repairs of such damage shall be an Assessment against such Owner's Lot, secured by a lien against such Owner's Lot and collectable in the same manner as provided for in Section 8.06 hereof, including, but not limited to foreclosure of such lien.

[\(Top of Page\)](#)

3.21 No Warranty of Enforceability. Milburn and Quest make no warranty or representation as to the present or future validity or enforceability of any restrictive covenants, terms, or provisions contained in this 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 Milburn or Quest (as the case may be) harmless therefrom.

ARTICLE IV

USE AND CONSTRUCTION RESTRICTIONS

4.01. Approval for Construction. No Improvements shall be constructed upon any Lot without the prior written approval of the Architectural Committee.

4.02. Use. All Lots, unless dedicated to the Association as Common Area and Facilities, shall be improved and used solely for single family residential use, inclusive of an attached private garage for not less than two (2) cars nor more than three (3) cars, fencing and such other Improvements as are necessary or customarily incident to residential use. Carports shall not be permitted. For purposes of these Restrictions, "single family" shall mean a group of persons related by blood, marriage or adoption and shall also include foster children and domestic servants.

4.03. 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 terms of at least six (6) months.

4.04. Dwelling / Accessory Building Height. No single family dwelling greater than two (2) stories or thirty-five (35) feet in height may be constructed on any Lot without the prior written approval of the Architectural Committee. No permitted accessory building shall be located nearer than seven and one-half feet (7.5') to an interior Lot line or exceed six feet (6') in height.

4.05. Fences and Sidewalks. Fences shall be six (6) feet in height and shall be constructed with #1 grade cedar pickets and with treated pine or cedar railings and posts; provided, however, that all Lots which abut a railroad right of way will have fences which are eight feet (8') in height. All Lots shall be fenced so that the fence screens any air conditioning or other equipment on the exterior of the house, and, with respect to any portion of a wood fence which faces any existing or proposed street, the slats shall face the street. All other portions of such wood fencing shall be fenced with the slats alternating by section of the fence (a section being each portion of the fence between support poles), with the slats in one section facing to the interior of the Lot and the slats in the next section facing to the exterior of the Lot. Notwithstanding the foregoing, on the portion of the fence on any Lot which abuts Lot 89, Block B, Quest Village Section 4 (the "Library Tract"), or on any Lot which abuts land which is identified on the Plat as a drainage easement, open space or parkland, all slats shall face the Library Tract or such drainage easement, open or parkland (as the case may be). A fencing plan for each Lot shall be submitted as part of the Plans and Specifications. In no event shall any fence or wall be erected, placed or altered on a Lot nearer to the front street than the front wall of the single family dwelling which is located on the Lot and no hedge may be installed or maintained more than three (3) feet in front of the wall of the single family dwelling which is located on the Lot and closest to the front property line of the Lot. The Owner of each Lot shall construct, at its sole cost and expense and prior to occupying any improvement located on the Lot, a concrete sidewalk, located and designed in conformance with the Plat, to the extent the Plat requires a sidewalk on such Owner's Lot. The provision in the foregoing sentence may not be amended or altered without the express written consent of the Planning Department of Cedar Park, Texas.

4.06. Dwelling Size; Building Materials. All single-story and two-story dwellings shall contain not less than One Thousand Two Hundred Fifty (1250) square feet of enclosed living space, exclusive of porches (open or covered), decks, and garages. All building materials shall be approved by the Architectural Committee, and only new building materials (except for used brick) shall be used for constructing any Improvements. Exposed metal roof decks which reflect light in a glaring manner such as galvanized steel sheets are specifically prohibited. Other roofing materials may be used with the prior written consent of the Architectural Committee, which may specify a minimum quality or grade of materials. 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 shall match the color of the surface from which they project, or shall be of

a color approved by the Architectural Committee. 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 masonry requirements for single and two-story dwellings shall be as follows:

The exterior of each structure built upon any Lot shall be of at least fifty percent (50%) masonry veneer construction, exclusive of roofs, eaves, soffits, windows, doors, gables, garage doors and trim work. On any Lot which abuts Discovery Boulevard, no vertical siding shall be allowed on any Improvement wall which faces Discovery Boulevard. On any Lot which abuts the Library Tract, vertical siding shall be allowed on any Improvement wall which faces the Library Tract only if a privacy fence is constructed between the Improvement wall and the Library Tract.

Roof shingle color shall be "weatherwood" or a substantially similar color.

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

4.08. Garbage Containers. The Architectural Committee shall have the right to specify a specific location on each Owner's Lot in which garbage containers must be placed for trash collection service.

4.09. Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Milburn, as to the Milburn Property, or Quest, as to the Quest Property, unless adequate provision is made for proper drainage and such provision is approved by the Architectural Committee.

4.10. Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Milburn and Quest) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event that construction upon any Lot does not conform to usual practices in the area as determined by the Architectural Committee in its sole good faith judgment, the Architectural Committee shall 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 Property, then the Architectural Committee may contract for or cause such debris to be removed, and the Owner of the Lot shall be liable for all expenses incurred in connection therewith.

4.11. Landscaping. The front and side yards of all Lots, from the front property line to the rear wall of the house, shall be fully sodded with St. Augustine, Bermuda, Prairie Buffalo Grass or other sod approved by the Architectural Committee and at least two (2) trees shall be planted in the front yard of each Lot prior to the occupancy of the residence located on the Lot. "Landscaping" shall mean any modification to a Lot, including but not limited to any berming, irrigation systems, landscape subsurface drainage systems, paving, nonstructural retaining walls, and introduced vegetation. Required landscaping shall be installed before the primary building Improvement is occupied. Landscaping which has been installed on any Lot shall be properly maintained at all times. Grasses and weeds shall at no time be allowed to exceed 6" on vacant developed lots. Recommendations by the Architectural Committee with respect to tree disease control must be followed immediately. These landscaping provisions shall comply with the terms of that certain Planned Unit Development Land Use Plan approved by the City of Cedar Park on January 23, 1997 under Ordinance No. 97-005.

4.12. Natural Gas. All lots shall be provided with natural gas lines, and each building Improvement on a Lot, except Improvements within the Common Area, shall have at least two (2) natural gas appliances.

4.13. Construction in Place. All dwellings, structures, buildings and swimming pools constructed on the Property shall be built in place on the Lot and the use of prefabricated materials other than trusses and wall panels shall be allowed only with the prior written approval of the Architectural Committee.

4.14. Location of Improvements. No buildings or other Improvements, other than garages and porches which are no larger than eight feet by twelve feet (8' X 12'), shall be located on any Lot nearer to the front Lot line than twenty feet (20'). Porches which are eight feet by twelve feet (8' X 12') may be located on any Lot no nearer to the front Lot line than ten feet (10'). Garages shall not be located on any Lot nearer to the front Lot line than twenty-five feet (25'). The front of a primary dwelling structure shall face the front of a similar structure across the street whenever feasible, and the Architectural Committee shall resolve any conflicts arising from this requirement and make the final determination with regard to the orientation of the front of Improvements upon any Lot. No building shall be located on any Lot nearer than ten feet (10') to any rear Lot line. No building shall be located on any Lot nearer than fifteen feet (15') to any side Lot line adjacent to a street. Unless the building is to be located on more than one Lot, no primary dwelling structure shall be located nearer than five feet (5') to an interior Lot line. No permitted accessory building shall be located nearer than seven and one-half feet (7.5') to an interior Lot line. For the purposes of this Declaration, eaves, air conditioning equipment pads, fireplaces, steps and unroofed terraces shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot. Notwithstanding the general guidelines herein set forth as to location of Improvements upon the Lot, it is the intention of Milburn and Quest to establish the importance of locating the Improvements so as to preserve existing natural trees, vegetation and topography to the extent reasonable and practical. The Architectural Committee shall be specifically empowered to enforce, or to grant variances with respect to, these guidelines, so long as the location of the Improvements will not conflict with any Plat or zoning ordinance or encroach upon any other Lot, utility easement, or public right-of-way or result in any building being located closer than ten feet (10') from the primary dwelling structure on another Lot.

4.15. Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site, and may place or construct Improvements on such site with the prior written approval of the Architectural Committee. In cases of such consolidation of Lots, setback lines shall be measured from the two side Lot lines existing after consolidation, rather than from the Lot lines shown on the Plat. The Owner may not thereafter resubdivide the consolidated Lots without the prior written approval of a majority of the Owners.

4.16. Product Mix Along Discovery Boulevard. On no more than four of the Lots which abut Discovery Boulevard shall the Improvements consist of single family dwellings which are two (2) story in height.

4.17. Public Utility Easements. Certain utility easements shown on the Plats ("Utility Easements") have been dedicated to the public use. The maintenance of any sidewalk, paving or other permitted Improvement on the Utility Easements is the responsibility of the Owner. No buildings, decks, pools, or spas shall be constructed, reconstructed, or placed upon, over, or across the Utility Easements except with the consent of the Architectural Committee and of each utility company using such Utility Easement.

ARTICLE V

COMMON AREA AND FACILITIES

5.01. Common Area and Facilities. No land within any Common Area and Facilities shall be improved, used or occupied, except in such manner as shall have been approved by a two-thirds vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for Special Assessments herein. Such required approval shall extend to the nature and type of use, occupancy and improvement. Notwithstanding the foregoing provision, during the time that Milburn and Quest own Lots within the Subdivision, Milburn and Quest shall have the right to construct Improvements within the Common Areas within the Milburn Property or the Quest Property, as the case may be, including park areas, if any, without the consent of the Members or the Association. Access to any Common Area and Facilities may be limited to persons currently paying Assessments, fees and other charges, or otherwise conditioned or restricted, or made available to non-owners, all upon such terms and conditions as the Board may determine.

5.02. Condemnation. If all or any part of the Common Area and Facilities is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association shall be entitled to participate in the proceedings incident thereto. The expense of participation in such proceedings by the Association shall be a common expense to be paid out of Assessments. The Association is specifically authorized to obtain and to pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association, in its discretion, deems necessary or advisable to aid it in any matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association. The Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to contest or defend any such proceedings, to make any settlement with respect thereto or to convey such property to the condemning authority in lieu of condemnation.

ARTICLE VI

THE ASSOCIATION

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

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

6.03. Voting Rights. There shall be two classes of membership for purpose of voting on any Association matter. The Class A Members shall include each Owner (excluding Milburn and Quest) of a Lot within the Property and each such Owner shall have one (1) vote for each Lot owned. The Class B Members shall be Milburn and Quest, and Milburn and Quest shall each have three (3) votes for each Lot owned by Milburn or Quest. The Class B Membership shall convert to a Class A Membership upon the earlier to occur of (i) Milburn owns less than twenty-five percent (25%) of the Milburn Property, and Quest owns less than twenty-five percent (25%) of the Quest Property or (ii) ten (10) years from the date of this Declaration. Where a Lot is held jointly or in common by more than one (1) Owner, such Owners thereof shall designate one (1) Owner among them who shall be entitled to cast such vote and no other person shall be authorized to vote in behalf of such property interest except by proxy signed by such Owners. A copy of such written designation shall be filed with the Board before any such vote may be cast, and, upon the failure of the Owners thereof to file such designation, such vote shall neither be cast nor counted for any purpose whatsoever.

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

(A) Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact the Association Rules and Bylaws. The content of the Association Rules and Association Bylaws may be established by the Board, provided the same are not in conflict with this Declaration.

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

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

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

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

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

(G) Association Management. To retain and pay for the services of a manager to manage and operate the Association, the Common Area and Facilities, to the extent deemed advisable by the Board. To the extent permitted by law, the Association and the Board may delegate any duties, powers, and functions to the manager.

6.05. Common Area and Facilities. Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have the following duties:

(A) To accept, own, operate and maintain all Common Area and Facilities which may be conveyed or leased to it by Milburn or Quest, together with all Improvements of whatever kind and for whatever purpose which may be located in said areas, specifically including an assignment of the obligations of the licensee under a License Agreement between the City of Cedar Park and Quest Village Development, Inc., an affiliate of Quest; and to accept, own, operate and maintain all other property, real or personal, conveyed or leased to the Association by Milburn or Quest and to maintain in good repair and condition all lands, improvements and other Association property owned by or leased to the Association. Such maintenance shall include, but not be limited to, painting, mowing and removal of rubbish or debris of any kind.

(B) To pay all real and personal property taxes and other taxes and Assessments levied upon or with respect to

Common Area and Facilities or any other property owned by or leased to the Association to the extent that such taxes and Assessments are not levied directly upon the Members of the Association. The Association shall have all rights granted by law to contest the legality of the amount of such taxes and Assessments.

(C) To take out and maintain current a policy of liability insurance coverage to cover accidentalbodily injury and/or death caused by the use and enjoyment of the Common Area and Facilities. Such insurance shall be in an amount as the Board shall deem appropriate.

(D) To grant and convey to any person or entity any Common Area and/or any interest therein, including fee title, leasehold estates, easements, rights-of-way, or Mortgages, out of, in, on, over, or under any of same for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder:

- (i). roads, streets, walks, driveways, parking lots, trails, and paths;
- (ii). lines, cables, wires, conduits, pipelines, or other devices for utility purposes;
- (iii). sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines; or
- (iv). any similar Improvement or facilities.

Nothing in this subparagraph (D) shall be construed to permit the use or occupancy of any Improvement or other facility in any way which would violate other provisions of this Declaration.

(E) To pay for water, sewer, garbage removal, landscaping, gardening, and all other utilities or services to and all maintenance of the Common Area and Facilities in accordance with this Declaration and the Restrictions.

(F) To construct new Improvements or additions to the Common Area and Facilities, subject to the approval of the Architectural Control Committee.

(G) To borrow money and to mortgage, pledge or hypothecate any or all of the Common Area and Facilities as security for money borrowed or debts incurred subject to the limitation set forth in this Declaration.

ARTICLE VII

ARCHITECTURAL COMMITTEE

7.01. Membership of Architectural Committee. The Architectural Committee shall consist of not more than three (3) voting Members ("Voting Members"), and such additional nonvoting Members serving in an advisory capacity ("Advisory

Members") as the Voting Members deem appropriate. The following persons are hereby designated as the initial Voting Members of the Architectural Committee: Steve Herring, Terry E. Mitchell and Blake J. Magee.

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

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

7.04. Term. Each Voting Member of the Architectural Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. In the event of death or resignation of any Voting Member, the remaining Voting Member or Voting Members shall have full authority to act until a replacement Voting Member or Voting Members have been designated.

7.05. Appointment. Milburn and Quest, and their respective successors or assigns, shall have the right to appoint and remove all Voting Members of the Architectural Committee so long as there is a Class B Membership. Milburn and Quest may assign this right to the Board at any time prior to the termination of the Class B Membership by written instrument. Thereafter, the Board shall have the right to appoint and remove all Voting Members of the Architectural Committee.

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

7.07. Review of Proposed Construction. Whenever in this Declaration the approval of the Architectural Committee is required, it shall have the right to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts which, in its sole discretion, are relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefore shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Committee. The Architectural Committee may review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Architectural Committee of any information or documents deemed necessary by the Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. No Improvement shall be allowed upon any Lot which would unreasonably obstruct the view from any other portion of the Property, and no Improvement shall be allowed on any Lot which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes, and materials and similar features as to be incompatible with development within the Property and the surrounding area. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set

forth in the preceding sentence and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. The Architectural Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

7.08. Variance. The Architectural Committee may grant variances from compliance with any of the provisions of this Declaration, when, in the opinion of the Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. Anything herein to the contrary notwithstanding, the Architectural Committee is hereby authorized, at its sole discretion, to waive any requirements relating to garages (including size), fences and setbacks and other matters with the exception of carports, dwelling size and masonry requirements and such decision shall be binding on all Owners of Property encumbered by this Declaration. All variances must be evidenced by written instrument in recordable form, and must be signed by at least two (2) of the Voting Members of the Architectural Committee. The granting of such variance shall not operate to waive or amend any of the terms or provisions of the covenants and restrictions applicable to the Lots for any purpose except as to the particular property and the particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

7.09. Actions of the Architectural Committee. The Architectural Committee may, by resolution, unanimously adopted in writing, designate one or two of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Committee. In the absence of such designation, the vote of the majority of all of the members of the Architectural Committee taken without a meeting shall constitute an act of the Architectural Committee. Notwithstanding anything to the contrary, in the event the Architectural Committee fails to respond to a request for approval of Plans and Specifications within thirty (30) days of receipt of all required information, the Architectural Committee shall be deemed to have approved such Plans and Specifications.

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

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

7.12. Address. Plans and Specifications shall be submitted to the Architectural Committee at 4515 Seton Center Parkway, #200, Austin, Texas 78759, Attn: Steve Herring, or such other address as may be designated from time to time.

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

ARTICLE VIII

FUNDS AND ASSESSMENTS

8.01. Assessments.

(A) The Association may from time to time levy Assessments against each Lot that has been improved. The level of Assessments shall be equal and uniform between all improved Lots. For purposes of this section, a Lot shall not be considered to be "improved" until a house has been constructed thereon. No Assessments hereunder shall be levied against any unimproved Lot.

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

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

8.02. Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

8.03. Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the Restrictions, which shall be limited to the costs incurred pursuant to the powers granted in Section 6.04, the duties set forth in Section 6.05 and the cost of enforcing the Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion. In no event shall the regular annual Assessments per Lot for the year 1998 exceed the sum of \$120.00. Thereafter, at the Board's sole and absolute discretion, the maximum regular

annual Assessments per Lot permitted hereunder may be increased by no more than five percent (5%) per year, unless approved by at least two-thirds of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for Special Assessments herein. If Quest exercises its right to annex some or all of the Quest Property and thereafter elects to exercise its right to withdraw some or all of such property from this Declaration, as outlined in Section 2.03 herein, then the subsequent owner(s) of the Quest Property shall be required to contribute to the financial obligations of the Association an amount not to exceed \$500.00 per acre per year, beginning with the year the Quest Property is withdrawn. Thereafter, the contribution shall not be increased by more than five percent (5%) per year.

8.04. Special Assessments. In addition to the regular annual Assessments provided for above, the Board may levy special Assessments to enable the Board to carry out the mandatory functions of the Association under the Restrictions, upon the approval of at least two-thirds of the Members at a meeting called for that purpose, by adequate notice, with at least sixty percent (60%) of the Members or their proxies present at said meeting. If sixty percent (60%) of the Members do not attend, a second meeting may be called with the same notice and the quorum needed for said second meeting shall be thirty percent (30%) of the Members or their proxies.

8.05. Owner's Personal Obligation for Payment of Assessments. The regular and Special Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest at the rate of ten percent (10%) per annum on the amount of the Assessment, from the due date thereof, together with all costs and expenses of collection, including reasonable attorneys' fees.

8.06. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid shall, together with interest as provided in Section 8.05 hereof and the cost of collection, including attorneys' fees as herein provided, thereupon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot in the hands of the Owner, and such Owner's heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for tax liens and all sums unpaid on a first Mortgage lien of record, securing in either instance sums borrowed for the improvement of the Lot in question. The Association shall have the power to subordinate the aforesaid Assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination must be signed by a duly authorized officer of the Association. To evidence the aforesaid Assessment lien, the Association may prepare a written notice of Assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Williamson County, Texas. Such lien for payment of Assessments shall attach with the priority above set forth from the date that such payment becomes delinquent and may be enforced by the foreclosure on the defaulting Owner's Lot by the Association in like manner as a mortgage on real property subsequent to the recording of a notice of Assessment lien as provided above, or the Association may institute suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorneys' fees incurred. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with the same. Upon the written request of any Mortgagee, the Association shall report to said Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Board the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, both judicially and by non-judicial foreclosure pursuant to Texas Property Code §51.002 (as the same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Lot, expressly GRANTS, BARGAINS, SELLS AND CONVEYS to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Assessment, and other sums due hereunder remaining unpaid hereunder by such Owner from time to time. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and attested to by the Secretary of the Association and filed in the Office of the County Clerk of Williamson County, Texas. In the event of the election by the Board to foreclose the liens herein provided for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Lot, and all rights appurtenant thereto, at the door of the County Courthouse of Williamson County, Texas, on the first Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder for cash at public venue after the trustee and the Board, respectively, shall have given notice of the proposed sale in the manner hereinafter set forth and to make due conveyance to purchaser or purchasers, with general warranty of title to such purchaser or purchasers binding upon the Owner or Owners of such Lot and his heirs, executors, administrators and successors. The trustee shall give notice of such proposed sale by posting a written notice of time, place and terms of the sale for at least twenty-one (21) consecutive days preceding the date of sale at the Courthouse door of Williamson County, Texas, and, in addition, the Board shall serve written notice at least twenty-one (21) days preceding the date of sale or the proposed sale by certified mail on each of such Owner or Owners according to the records of the Association. Service of such notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to such Owner or Owners at the most recent address as shown by the records of the Association, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.

It is the intent of the provisions of this Section to comply with the provisions of Texas Property Code §51.002, relating to non-judicial sales by power of sale and, in the event of the amendment of said §51.002 hereafter, which amendment is applicable hereto, the President of the Association, acting without joinder of any other Owner or Mortgagee or other person may, by amendment to this Declaration filed in the Office of the County Clerk of Williamson County, Texas, amend the provisions hereof so as to comply with said amendments to §51.002.

ARTICLE IX

EASEMENTS

9.01. Reserved Easements. All dedications, limitations, restrictions, and reservations shown on any Plat and all grants and

dedications of easements, rights-of-way, restrictions, and related rights, made prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Milburn or Quest conveying any part of the Property. Milburn, as to the Milburn Property, and Quest, as to the Quest Property, reserve the right to make changes in and additions to the said easements and for the purpose of most efficiently and economically developing the Property. Further, Milburn, as to the Milburn Property, and Quest, as to the Quest Property, reserve the right, without the necessity of the joinder of any Owner or other Person, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes (including without limitation, gas, water, electricity, telephone and drainage) in favor of any Person along any front, rear, or side boundary line of any Lot, which said easements shall have a maximum width of ten (10) feet (provided, however, that easements along side yard lot lines shall straddle such lot lines with five (5) feet on each of the adjoining Owner's Lots).

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

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

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

9.05. Common Area and Facilities. Each Owner shall have a non-exclusive easement for use and enjoyment in and to all Common Area and Facilities which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

(A) Right of Association to suspend the Owner's voting rights and right to use the Common Area and Facilities for any period during which an Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association;

- (B) The right of the Association to dedicate or transfer all or any part of the Common Area and Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a two-thirds vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, with the same quorum as required for Special Assessments herein;
- (C) The right of the Association to borrow money for the purpose of improving the Common Area and Facilities and, in furtherance thereof, mortgage the Common Area and Facilities, all in accordance with the Articles and Bylaws;
- (D) The right of the Association to promulgate reasonable rules and regulations regarding use of the Common Area and Facilities; and
- (E) The right of the Association to contract for services with third parties on such terms as the Association may determine.

ARTICLE X

MISCELLANEOUS

10.01. Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2022, unless amended as herein provided. After December 31, 2022, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished as set forth in Section 10.02 below.

10.02. Amendment/Extinguishment. This Declaration may be amended or extinguished by the recording in the Williamson County Official Records of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment or extinguishment and certifying that such amendment or extinguishment has been approved by Owners entitled to cast at least ninety percent (90%) of the number of votes entitled to be cast pursuant to Section 6.03 hereof for the first twenty years from the date hereof, and by seventy-five percent (75%) of said Owners thereafter. Notwithstanding the foregoing, the Restrictions contained within this Declaration may not be waived by the Architectural Committee or amended by the Owners without the prior written consent of Quest and Milburn, or their respective successors or assigns.

10.03. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either by certified mail, return receipt requested, or personally delivered and a written receipt received therefor. If delivery is made by certified mail, it shall be deemed to have been delivered the date on which it was received by the person to whom such notice was addressed. Such address may be changed from time to time by notice in writing given by such person to the Association.

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

the State of Texas.

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

10.06. Nonliability of Architectural Committee and Board Members. Neither the Architectural Committee, nor any member thereof, nor the Board, nor any member thereof, shall be liable to the Association or to any Owner or to any other person for any loss, damage, or injury arising out of their being in any way connected with the performance of the Architectural Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Committee or its member or the Board or its member, as the case may be.

10.07. Assignment of Milburn or Quest. Notwithstanding any provision in this Declaration to the contrary, Milburn and Quest may assign, in whole or in part, any of their respective privileges, exemptions, rights, and duties under this Declaration to any other Person and may permit the participation, in whole or in part, by any other Person in any of its privileges, exemptions, rights, and duties hereunder.

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

10.09. Construction. The provisions of the Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.

IN WITNESS WHEREOF, Milburn and Quest have executed this Declaration to be effective on the _____ day of _____, 19__.

MILBURN:

CONTINENTAL HOMES OF AUSTIN, L.P., a Texas limited partnership

By: CHTEX of Austin, Inc., a Delaware corporation, its sole general partner

By: _____

Terry E. Mitchell

Vice President

QUEST:

QUEST VILLAGE, LTD., a Texas limited partnership

Quest Village GP, Inc., a Texas corporation, its sole general partner

By: _____

Blake J. Magee

President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 19____, by Terry E. Mitchell, Vice President of CHTEX of Austin, Inc., a Delaware corporation, sole general partner of Continental Homes of Austin, L.P., a Texas limited partnership, on behalf of said partnership.

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 19__, by Blake J. Magee, President of Quest Village GP, Inc., a Texas corporation, sole general partner of Quest Village, Ltd., a Texas limited partnership, on behalf of said partnership.

Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

Milburn Homes

Attn: Legal Dept

4515 Seton Center Parkway, #200

Austin, Texas 78759