

Documents
For
Sunfield
Community
Association, Inc.

Articles of Incorporation

FILED
In the Office of the
Secretary of State of Texas

JAN 08 2008

Corporations Section

**CERTIFICATE OF FORMATION
OF
SUNFIELD COMMUNITY ASSOCIATION, INC.
(A TEXAS NONPROFIT CORPORATION)**

In compliance with the requirements on the laws of the State of Texas, and for the purpose of forming a nonprofit corporation, the undersigned does hereby acknowledge:

1. Name of Corporation. The name of the nonprofit corporation is SUNFIELD COMMUNITY ASSOCIATION, INC. (the "Community Association").
2. Registered Office - Registered Agent. The name of the registered agent of the Commercial Association is Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company (the "Registered Agent"). The business address of the registered office of the Commercial Association is 701 Brazos Street, #1050, Austin TX 78701.
3. Principal and Mailing Office. The initial principal and mailing office of the Community Association is c/o Steve Bartlett, 1406 Camp Craft Rd., Suite 222, Austin, Texas 78746.
4. Definitions. A document entitled Community Charter for Sunfield and any Supplements thereto, will be recorded in the Public Records of Hays County and Travis County, Texas (the "Charter") and shall govern many of the operations within a community to be known as Sunfield (the "Community"). All initially capitalized terms not defined herein shall have the meanings set forth in the Charter.
5. Community Council. The affairs of the Community Association shall be managed by a board of directors (known as the "Community Council" and the members of the Community Council known as "Council Members"), which Council Members shall be elected as provided in the Bylaws. Following are the three (3) initial Council Members, who shall serve until the first annual meeting of Members or until their successors are elected and qualified:

<u>Name</u>	<u>Address</u>
Steve Bartlett	1406 Camp Craft Rd. Suite 222 Austin, Texas 78746
Tim Moore	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240
Kathy Russell	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240

Officers. The Community Council shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers as it shall from time to time determine. The names and addresses of the Officers who shall serve until their successors are elected by the Community Council are as follows:

President:	Steve Bartlett	1406 Camp Craft Rd. Suite 222 Austin, Texas 78746
Vice President:	Tim Moore	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240
Secretary & Treasurer:	Kathy Russell	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240

6. Purpose of Community Association. The Community Association is formed to: (a) provide for ownership, management, maintenance and improvement of the Community Property; (b) provide for ownership, management, maintenance and improvement of the Neighborhood Property, to the extent Neighborhood Property is not owned, managed, maintained and improved by a Neighborhood Association; (c) perform the duties delegated to it in the Charter and the bylaws of the Community Association, including any amendments or supplements to those bylaws (the "Bylaws"); (d) administer the interests of the Community Association and the members of the Community Association (the "Members"); and (e) promote the health, safety and welfare of the Members.

7. Nonprofit. The Community Association is a Texas nonprofit corporation and does not contemplate pecuniary gain to, or profit for, its Members.

8. Powers of Community Association. The Community Association shall, subject to the limitations and reservations set forth in the Charter and the Bylaws, have all the powers, privileges and duties reasonably necessary to discharge its obligations, including, but not limited to, the following:

8.1. To perform all the duties and obligations of the Community Association set forth in the Charter, this Certificate of Formation, and the Bylaws.

8.2. To enforce, by legal action or otherwise, the provisions of this Certificate of Formation, the Charter, the Bylaws, the Rules, and any other regulations, covenants, restrictions and/or agreements governing or binding the Community Association or the Community.

8.3. To fix, levy, collect and enforce payment, by any lawful means, of all Assessments and any other amounts payable pursuant to the terms of the Charter, this Certificate of Formation, the Bylaws and the Rules.

8.4. To manage, control, operate, maintain, repair and improve the Community Property in compliance with the Charter and any applicable government permits or regulations.

8.5. To pay all Community Expenses including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the Community Property, or other property of the Community Association.

8.6. To manage, control, operate, maintain, repair and improve areas adjacent to or in close proximity to the Community, pursuant to a separate declaration of restrictive covenants or other cost sharing agreement, by which some or all of such expenses are reimbursed to the Community Association by adjacent landowners.

8.7. To manage, control, operate, maintain, repair and improve portions of the Neighborhood Property in compliance with the Charter and any applicable government permits or regulations, to the extent the Neighborhood Property is not operated and maintained by a Neighborhood Association.

8.8. To pay all Neighborhood Expenses, including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the Neighborhood Property, to the extent the Neighborhood Property is not owned, maintained, operated and preserved by a Neighborhood Association.

8.9. To acquire (by gift, purchase, or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real or personal property (including the Community Property or, the Neighborhood Property, to the extent the Neighborhood Property is not owned by a Neighborhood Association) in connection with the functions of the Community Association, except as limited by the Charter or the Bylaws.

8.10. To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

8.11. To dedicate, grant, license, lease, create easements upon, sell or transfer all or any part of the Community Property or, if applicable, the Neighborhood Property, to any public agency, entity, authority, utility, or other person or entity for such purposes and subject to such conditions as it determines, subject only to requirements in the Charter or the Bylaws, if any.

8.12. To participate in mergers and consolidations with other non-profit corporations organized for the same purposes.

8.13. To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions, or agreements governing the Community Association, the Community Property, the Lots, the Units and, if applicable, the Neighborhood Property, as provided in the Charter and to effectuate all of the purposes for which the Community Association is organized.

8.14. To have and to exercise any and all powers, rights and privileges which a nonprofit corporation organized under the laws of the State of Texas may now, or hereafter, have or exercise.

8.15. To employ personnel and retain independent contractors to contract for management of the Community Association, the Community Property and, if applicable, the Neighborhood Property, if any, as provided in the Charter, including, without limitation, a facility manager, and to delegate in such contract all or any part of the powers and duties of the Community Association.

8.16. To contract for services to be provided to, or for the benefit of, the Community Association, the Owners, the Community Property and, if applicable, the Neighborhood Property, as provided in the Charter such as, but not limited to, telecommunications, maintenance, reclamation, access control and/or utility services. The foregoing rights shall not be deemed to impose any obligation on the Community Association to provide such services.

8.17. To establish committees and delegate certain of its functions to those committees.

9. Voting Rights. Members and Declarant shall have the voting rights set forth in the Bylaws and the Charter.

10. Dissolution. In the event of the dissolution of the Community Association, other than incident to a merger or consolidation, any Voting Member may petition the Texas Circuit Court having jurisdiction over the Community for the appointment of a receiver to manage the affairs of the dissolved Community Association and to manage the Community Property and, if applicable, the Neighborhood Property in the place and stead of the Community Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Community Association and its properties.

11. Effectiveness; Duration. This Certificate of Formation becomes effective when filed by the Texas Secretary of State. The Community Association shall have perpetual existence.

12. Amendments.

12.1. General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to this Certificate of Formation shall affect the rights of Declarant unless such amendment receives the prior written consent of Declarant, which may be withheld for any reason whatsoever.

12.2. Amendments Prior to Turnover. Prior to Turnover (as that term is defined in the Charter), Declarant shall have the right to amend this Certificate of Formation as it deems appropriate, without the joinder or consent of any Person whatsoever. Declarant's right to amend under this Section is to be construed as broadly as possible. In the event that the Community Association shall desire to amend this Certificate of Formation prior to Turnover, the Community Association must first obtain Declarant's prior written consent to any proposed amendment. After receiving Declarant's consent to the proposed amendment, an amendment identical to that approved by Declarant may be adopted by the Community Association pursuant to the requirements for amendments from and after Turnover set forth in Section 12.3. After approval of the amendment by the Community Council as provided in Section 12.3, Declarant shall join in such identical amendment so that its consent to the same will be reflected in the amendment.

12.3. Amendments After Turnover. After Turnover, but subject to the general restrictions on amendments set forth above, this Certificate of Formation may be amended with the approval of not less than seventy-five percent (75%) of the entire Community Council at a Community Council meeting where a quorum has been attained.

12.4. Recording. This Certificate of Formation is being recorded in the Public Records of Hays County and Travis County, Texas, for informational purposes only and amendments to this Certificate of Formation need not be recorded in the Public Records in order to be effective.

13. Limitations. No amendment may be made to this Certificate of Formation which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Charter.

14. Organizer. The name and address of the organizer of this corporation (the "Organizer") is:

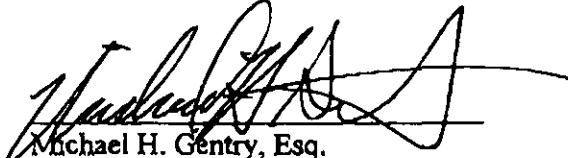
Michael H. Gentry, Esq.
West, Webb, Allbritton & Gentry, P.C.
1515 Emerald Plaza
College Station, Texas, 77845

15. Indemnification of Officers, Council Members and Committee Members. The Community Association shall and does hereby indemnify and hold harmless every Council Member, Officer, member of a Community Association committee, and their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which such Council Member, Officer or committee member may be made a party by reason of being or having been a Council Member, Officer, or member of a Community Association committee, including reasonable counsel fees and paraprofessional fees at all levels of proceeding. This indemnification shall not apply to matters wherein the Council Member, Officer, or committee member shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence, willful misconduct, criminal misconduct, or bad faith. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Council Member, Officer, or committee member may be entitled.

16. Transactions in Which Council Members, Officers, Committee Members, or Declarant are Interested. No contract or transaction between the Community Association and one (1) or more of its Council Members, Officers, committee members or Declarant, or between the Community Association and any other corporation, partnership, association, or organization in which one (1) or more of its Council Members, Officers or committee members are officers, directors or employees or otherwise interested, shall be invalid, void or voidable solely for that reason, or solely because the Council Member, Officer or committee member is present at, or participates in, meetings of the Community Council which authorize the contract or transaction, or solely because said Officer's or Council Member's vote is counted for such purpose. No Council Member, Officer, committee member, or the Community Association shall incur liability by reason of the fact that such Council Member, Officer or committee member may be interested in any such contract or transaction. Interested Council Members shall disclose the general nature of their interest to the Community Council and may be counted in determining the

presence of a quorum at a meeting of the Community Council which authorizes the contract or transaction.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, the undersigned, being the Organizer of this Community Association, has executed this Certificate of Formation, subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument, as of this 8th day of January, 2008


Michael H. Gentry, Esq.
Organizer

Bylaws

**** Electronically Filed Document ****

Hays County Texas
Linda C. Fritsche
County Clerk

Document Number: 2009-90012283
Recorded As : ELECTRONIC RECORDING

Recorded On: May 11, 2009
Recorded At: 10:59:51 am
Number of Pages: 22
Book-VI/Pg: Bk-OPR VI-3649 Pg-793
Recording Fee: \$96.00

Parties:

Direct- 2428 PARTNERS LP
Indirect-

Receipt Number: 218503
Processed By: Lynn Curry

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.



I hereby certify that this instrument was filed for record in my office on the date and
time stamped hereon and was recorded on the volume and page of the named records
of Hays County, Texas

Linda C. Fritsche, County Clerk

NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR
SUNFIELD COMMUNITY ASSOCIATION, INC.

RTT6F#08R31695WR8

2 of 2

**NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR
SUNFIELD COMMUNITY ASSOCIATION, INC.**

STATE OF TEXAS

§

§

COUNTIES OF HAYS AND TRAVIS

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RTT 08K31645WK8
2 of 2

Pursuant to Section 202.006 of the Texas Property Code, the undersigned, as Declarant of the Sunfield Community Association, Inc., hereby states that the following dedicatory instruments attached hereto are true and correct copies of such documents, and that such dedicatory instruments affect all owners of that certain property more particularly described on Exhibit "A" attached hereto and any additional property which hereafter becomes subject to that certain Community Charter for Sunfield dated February 21, 2008 (the "Development"), filed for record as (i) Document Number 80005505 in Volume 3341, Page 143 of the Real Property Records of Hays County, Texas, and (ii) Document Number 2008034580 in the Real Property Records of Travis County, Texas:

Dedicatory Instruments

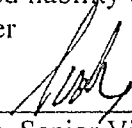
- (a) First Amendment to Community Charter for Sunfield
- (b) Removal and Appointment of Architectural Review Committee of Sunfield Community Association, Inc.
- (c) Removal and Replacement of Council Members of the Community Council of Sunfield Community Association, Inc.
- (d) First Amendment to Bylaws of Sunfield Community Association, Inc.
- (e) Appointment of Additional Council Member of the Community Council of Sunfield Community Association, Inc.

IN WITNESS HEREOF, 2428 Partners, L.P., a Texas limited partnership, has caused this Notice of Filing of Dedicatory Instruments to be effective as of the 20th day of April, 2009.

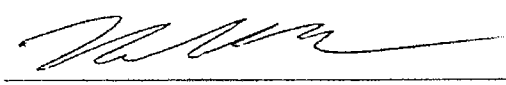
DECLARANT:

2428 PARTNERS, L.P.,
a Texas limited partnership

By: 2428 Management, L.L.C.,
a Delaware limited liability company,
its General Partner

By: 

Scott L. Cox, Senior Vice President

By: 

Robert D. Rollo, Vice President

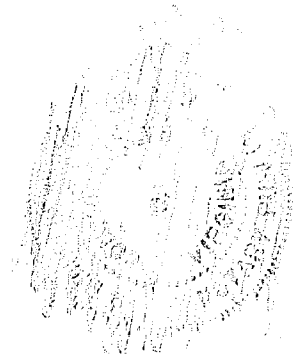
CITY/COUNTY OF FAIRFAX §
§
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Scott L. Cox, Senior Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Goleosorkhi
NOTARY PUBLIC

Michelle K. Goleosorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11



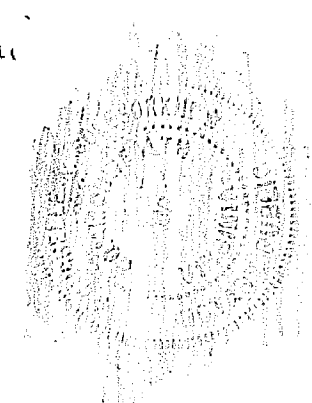
CITY/COUNTY OF FAIRFAX §
§
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Robert D. Rollo, Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Goleosorkhi
NOTARY PUBLIC

Michelle K. Goleosorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11



FIELD NOTES

BEING ALL OF THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF AND A PART OF THE TRINIDAD VARCINAS SURVEY NO. 9, ABSTRACT NO. 465, SITUATED IN HAYS COUNTY, TEXAS, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO 2428 PARTNERS, L.P. AND RECORDED IN VOLUME 2171, PAGE 280 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO 2428 PARTNERS, L.P. AND RECORDED IN VOLUME 2566, PAGE 235 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO PRA BUDA II, L.P., RECORDED IN VOLUME 3074, PAGE 797 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, SAID TRACT BEING 437.833 ACRES OF LAND MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at an iron rod found in an ell corner of said 2428 Partners tract recorded in Volume 2566, Page 235, being also at the northeast corner of that certain tract of land described in a deed to Buffington Meadow Park, Ltd., recorded in Document No. 04028780 of the Official Public Records of Hays County, Texas, for the POINT OF REFERENCE of the herein described tract,

THENCE, crossing said 2428 Partners tract recorded in Volume 2566, Page 235, S72°31'15"E, a distance of 423.37 feet to a point in the northeast right-of-way line of County Road 2001, a 120-foot wide public right-of-way, being also the southwest line of said 2428 Partners tract recorded in Volume 2566, Page 235, for the POINT OF BEGINNING of the herein described 437.833 acre tract of land,

THENCE, with the northeast right-of-way line of said County Road 2001, being also the southwest line of said 2428 Partners tract recorded in Volume 2566, Page 235, the following two (2) courses and distances, numbered 1 and 2,

1. N43°29'07"W, a distance of 1337.87 feet to an iron rod found at a point of curvature to the left, and
2. with said curve to the left having a radius of 2560.00 feet, an arc length of 299.53 feet and whose chord bears, N46°50'14"W, a distance of 299.36 feet to a point on the southwest line of said PRA Buda tract,

THENCE, departing the northeast right-of-way of said County Road 2001, crossing said PRA Buda tract and crossing said 2428 Partners tract recorded in Volume 2566, Page 235, the following nine (9) courses and distances, numbered 1 through 9,

1. with a curve to the left having a radius of 25.00 feet, an arc length of 38.72 feet and whose chord bears, N85°23'44"E, a distance of 34.96 feet to a point,
2. N41°01'47"E, a distance of 435.22 feet to a point of curvature to the right,
3. with said curve to the right having a radius of 1035.00 feet, an arc length of 26.14 feet and whose chord bears, N41°45'11"E, a distance of 26.14 feet to a point,
4. N42°28'36"E, a distance of 980.34 feet to a point of curvature to the right,
5. With said curve to the right having a radius of 1035.00 feet, an arc length of 59.09 feet and whose chord bears, N44°06'44"E, a distance of 59.08 feet to a point,

6. N45°44'52"E, a distance of 461.10 feet to a point of curvature to the right,
7. With said curve to the right having a radius of 5030.00 feet, an arc length of 629.01 feet and whose chord bears, N49°19'49"E, a distance of 628.60 feet to a point of reverse curvature,
8. With said curve to the left having a radius of 1470.00 feet, an arc length of 614.44 feet and whose chord bears, N40°56'18"E, a distance of 609.97 feet to a point of compound curvature to the left, and
9. With said curve to the left having a radius of 965.00 feet, an arc length of 523.92 feet and whose chord bears, N13°24'37"E, a distance of 517.51 feet to a point on the west right-of-way line of existing County Road 118,

THENCE, continuing across said 2428 Partners tract recorded in Volume 2566, Page 235 with the west right-of-way line of said County Road 118, N02°08'36"W, a distance of 995.89 feet to a point at the southeast corner of that certain tract of land described in a deed to Texas Commerce Bank of Austin, recorded in Volume 753, Page 407 of the Deed Records of Hays County, Texas,

THENCE, crossing said County Road 118, N87°13'01"E, a distance of 45.71 feet to a point in the west line of said 2428 Partners tract recorded in Volume 2171, Page 280,

THENCE, with the east right-of-way line of said County Road 118, being also the west line of said 2428 Partners tract recorded in Volume 2171, Page 280, the following two (2) courses and distances, numbered 1 and 2,

1. N02°10'32"W, a distance of 499.22 feet to a point, and
2. N02°34'56"W, a distance of 49.82 feet to a point,

THENCE, crossing said 2428 Partners tract recorded in Volume 2171, Page 280, the following forty-six (46) courses and distances, numbered 1 through 46,

1. N87°46'04"E, a distance of 24.95 feet to a point,
2. S47°11'17"E, a distance of 35.33 feet to a point,
3. N87°45'35"E, a distance of 644.60 feet to a point of curvature to the right,
4. with said curve to the right having a radius of 4060.00 feet, an arc length of 706.79 feet and whose chord bears, S87°15'11"E, a distance of 705.90 feet to a point of reverse curvature,
5. with said curve to the left having a radius of 25.00 feet, an arc length of 39.34 feet and whose chord bears, N52°39'02"E, a distance of 35.41 feet to a point,
6. S82°25'59"E, a distance of 70.00 feet to a point,
7. S07°34'01"W, a distance of 2.11 feet to a point of curvature to the left,
8. with said curve to the left having a radius of 25.00 feet, an arc length of 38.46 feet and whose chord bears, S36°30'28"E, a distance of 34.78 feet to a point of compound curvature,
9. with said curve to the left having a radius of 4060.00 feet, an arc length of 5.70 feet and whose chord bears, S80°32'32"E, a distance of 5.70 feet to a point,
10. S09°29'53"W, a distance of 120.00 feet to a point of curvature to the left,
11. with said curve to the left having a radius of 25.00 feet, an arc length of 40.11 feet and whose chord bears, S53°31'57"W, a distance of 35.95 feet to a point,
12. S07°34'01"W, a distance of 451.24 feet to a point of curvature to the right,
13. with said curve to the right having a radius of 1235.00 feet, an arc length of 101.21 feet and whose chord bears, S09°54'53"W, a distance of 101.18 feet to a point,
14. S12°15'45"W, a distance of 281.67 feet to a point of curvature to the left,

15. with said curve to the left having a radius of 765.00 feet, an arc length of 827.28 feet and whose chord bears, S18°43'04"E, a distance of 787.55 feet to a point,
16. S49°41'52"E, a distance of 130.09 feet to a point of curvature to the left,
17. with said curve to the left having a radius of 25.00 feet, an arc length of 38.30 feet and whose chord bears, N86°24'49"E, a distance of 34.66 feet to a point of reverse curvature,
18. with said curve to the right having a radius of 1135.00 feet, an arc length of 1290.32 feet and whose chord bears, N75°05'37"E, a distance of 1221.95 feet to a point,
19. S72°20'17"E, a distance of 501.69 feet to a point of curvature to the right,
20. with said curve to the right having a radius of 2035.00 feet, an arc length of 259.07 feet and whose chord bears, S68°41'27"E, a distance of 258.90 feet to a point,
21. S24°57'22"W, a distance of 104.67 feet to a point,
22. S20°29'58"W, a distance of 102.70 feet to a point,
23. S24°57'47"W, a distance of 58.57 feet to a point,
24. S29°52'15"W, a distance of 58.56 feet to a point,
25. S34°58'52"W, a distance of 58.56 feet to a point,
26. S38°21'30"W, a distance of 350.35 feet to a point,
27. S36°51'55"W, a distance of 244.11 feet to a point,
28. S42°20'03"W, a distance of 92.09 feet to a point,
29. S45°26'56"W, a distance of 147.66 feet to a point,
30. S31°19'42"W, a distance of 91.30 feet to a point,
31. S25°51'17"W, a distance of 213.45 feet to a point,
32. S32°25'23"W, a distance of 178.81 feet to a point,
33. S30°35'09"W, a distance of 47.25 feet to a point,
34. S24°48'32"W, a distance of 45.79 feet to a point,
35. S20°59'38"W, a distance of 438.65 feet to a point,
36. S30°51'13"W, a distance of 247.44 feet to a point,
37. S16°00'13"W, a distance of 97.45 feet to a point,
38. S13°54'07"W, a distance of 594.23 feet to a point,
39. S10°40'26"W, a distance of 388.39 feet to a point,
40. S22°42'22"W, a distance of 177.57 feet to a point,
41. S67°14'07"E, a distance of 94.16 feet to a point,
42. S22°14'07"E, a distance of 580.62 feet to a point,
43. S83°51'58"W, a distance of 1127.39 feet to a point,
44. S88°44'42"W, a distance of 307.73 feet to a point,
45. S11°48'18"W, a distance of 524.07 feet to a point, and
46. N78°11'42"W, at approximately 724.79 feet passing the east right-of-way line of said County Road 118, for a total distance of 1050.60 feet to a point,

THENCE, continuing across said 2428 Partners tract recorded in Volume 2566, Page 235, with a curve to the right having a radius of 1936.50 feet, an arc length of 1175.31 feet and whose chord bears, N60°50'24"W, a distance of 1157.36 feet to the POINT OF BEGINNING and containing 437.833 Acre of Land.

FIRST AMENDMENT TO COMMUNITY CHARTER FOR SUNFIELD

STATE OF TEXAS §
COUNTIES OF HAYS AND TRAVIS §

This FIRST AMENDMENT TO COMMUNITY CHARTER FOR SUNFIELD (this "Amendment") is made and entered into to be effective as of the 20th day of April, 2009, by 2428 Partners, L.P., a Texas limited partnership ("Declarant").

WHEREAS, Declarant is the owner of that certain development of real property named “Sunfield” which is more particularly described in the Community Charter for Sunfield dated February 21, 2008, filed for record as (i) Document Number 80005505 in Volume 3341, Page 230 of the Real Property Records of Hays County, Texas, and (ii) Document Number 2008034580 in the Real Property Records of Travis County, Texas (the “Charter”);

WHEREAS, the Charter governs the development and use of Sunfield and establishes certain covenants that touch and concern the land contained in Sunfield and that shall be binding upon Declarant and the future owners and occupancy of any portion of such property;

WHEREAS, pursuant Section 20.2(a) of the Charter, until the termination of the Declarant Control Period (as defined in the Charter), Declarant may unilaterally amend the Charter for any purpose subject to the terms of Section 15.2 of the Charter;

WHEREAS, as of the date hereof, the Declarant Control Period has not terminated; and

WHEREAS, Declarant desires to amend and clarify the Charter in certain respects as more fully set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby amends the Charter as follows:

1. Section 5.2(a) of the Charter is hereby deleted and replaced with the following:

“(a) ***Architectural Review Committee.*** The Declarant shall appoint the Architectural Review Committee to review and act upon all applications for review of proposed Improvements by Owners. Prior to Turnover, (i) Declarant may remove any person from the Architectural Review Committee with or without cause, (ii) Declarant shall fill any vacancy in the Architectural Review Committee, and (iii) Declarant may appoint additional persons to the Architectural Review Committee. Any vacancy may be filled by the Declarant at its sole discretion. Following Turnover, (i) the Community Council may remove any person from the Architectural Review Committee with or without cause, (ii) the Community Council shall fill any vacancy in the Architectural Review Committee, and (iii) the Community Council may appoint additional persons as

members of the Architectural Review Committee. In reviewing and acting upon any application for review, the Architectural Review Committee shall act solely in its discretion and owe no duty to any Owner or other Person. The Community Association (or Declarant) may compensate the Architectural Review Committee in such manner and amount, if any, as the Community Council may determine appropriate, and the Community Council may include the compensation of the Architectural Review Committee (or reimbursement of the Declarant for compensation paid to the Architectural Review Committee) in the Community Association's annual operating budget."

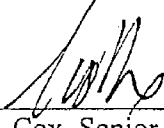
2. Except as amended hereby, all terms and conditions of the Charter are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Charter, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined shall have the same meaning given to such terms in the Charter.

EXECUTED to be effective as of the date first written above.

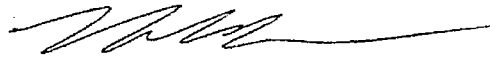
DECLARANT:

2428 PARTNERS, L.P.,
a Texas limited partnership

By: 2428 Management, L.L.C.,
a Delaware limited liability company,
its General Partner

By: 

Scott L. Cox, Senior Vice President

By: 

Robert D. Rollo, Vice President

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Scott L. Cox, Senior Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Goleosorkhi
NOTARY PUBLIC

Michelle K. Goleosorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Robert D. Rollo, Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Goleosorkhi
NOTARY PUBLIC

Michelle K. Goleosorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

REMOVAL AND APPOINTMENT OF ARCHITECTURAL REVIEW COMMITTEE

OF

SUNFIELD COMMUNITY ASSOCIATION, INC.

[illegible]

Pursuant to Section 5.2(a) of the Community Charter for Sunfield dated February 21, 2008, filed for record as (i) Document Number 80005505 in Volume 3341, Page 230 of the Real Property Records of Hays County, Texas, and (ii) Document Number 2008034580 in the Real Property Records of Travis County, Texas, as amended by that certain First Amendment to Community Charter for Sunfield dated April 20, 2009 (the "Community Charter"), 2428 Partners, L.P., as Declarant thereunder, hereby removes the following persons from the Architectural Review Committee (the "ARC") of Sunfield Community Association, Inc. effective as of the date hereof:

1. Steve Bartlett
1406 Camp Craft Road
Suite 222
Austin, Texas 78746
2. Tim Moore
8350 Meadow Road, Suite 265
Dallas, Texas 75231
3. Kathy Russell
8350 Meadow Road, Suite 265
Dallas, Texas 75231

Pursuant to Section 5.2(a) of the Community Charter, Declarant hereby appoints the following persons to the ARC effective as of the date hereof:

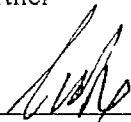
- | | | |
|----|-----------------|--|
| 1. | Scott Cox | 12930 Worldgate Drive
Suite #125
Herndon, Virginia 20170 |
| 2. | Robert Rollo | 12930 Worldgate Drive
Suite #125
Herndon, Virginia 20170 |
| 3. | James R. Feagin | 16380 Addison Road
Addison, Texas 75001 |
| 4. | Jack Tate | 16380 Addison Road
Addison, Texas 75001 |

Dated effective as of the 20th day of April, 2009.

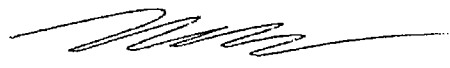
DECLARANT:

2428 PARTNERS, L.P.,
a Texas limited partnership

By: 2428 Management, L.L.C.,
a Delaware limited liability company,
its General Partner

By: 

Scott L. Cox, Senior Vice President

By: 

Robert D. Rollo, Vice President

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Scott L. Cox, Senior Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Galesorkhi
NOTARY PUBLIC

Michelle K. Galesorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Robert D. Rollo, Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Galesorkhi
NOTARY PUBLIC

Michelle K. Galesorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

**REMOVAL AND REPLACEMENT OF COUNCIL MEMBERS
OF COMMUNITY COUNCIL OF
SUNFIELD COMMUNITY ASSOCIATION, INC.**

[illegible]

Pursuant to Article V, Section 7 and Article XV of the Bylaws of Sunfield Community Association, Inc. (the “Bylaws”), 2428 Partners, L.P., as Declarant thereunder, hereby removes the following persons as Council Members of the Community Council of Sunfield Community Association, Inc. effective as of the date hereof (collectively, the “Removed Council Members”):

1. Steve Bartlett
1406 Camp Craft Road
Suite 222
Austin, Texas 78746
2. Tim Moore
8350 Meadow Road, Suite 265
Dallas, Texas 75231
3. Kathy Russell
8350 Meadow Road, Suite 265
Dallas, Texas 75231

Pursuant to Article V, Section 2 and Article XV of the Bylaws, Declarant hereby replaces the Removed Council Members with the following persons and appoints such persons as Council Members of the Community Council of Sunfield Community Association, Inc. effective as of the date hereof:

1. Scott L. Cox
12930 Worldgate Drive
Suite #125
Herndon, Virginia 20170
2. Robert D. Rollo
12930 Worldgate Drive
Suite #125
Herndon, Virginia 20170
3. James R. Feagin
16380 Addison Road
Addison, Texas 75001

Dated effective as of the 20th day of April, 2009.

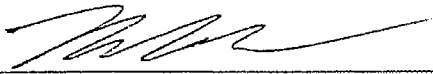
DECLARANT:

2428 PARTNERS, L.P.,
a Texas limited partnership

By: 2428 Management, L.L.C.,
a Delaware limited liability company,
its General Partner

By: 

Scott L. Cox, Senior Vice President

By: 

Robert D. Rollo, Vice President

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Scott L. Cox, Senior Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Galesorkhi
NOTARY PUBLIC

Michelle K. Galesorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Robert D. Rollo, Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Galesorkhi
NOTARY PUBLIC

Michelle K. Galesorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

Except for those Council Members appointed by the Declarant, each Council Member shall be an Owner. A Council Member, other those Council Members appointed by the Declarant, shall hold office for a term length consistent with the provisions of Article V, Section 2."

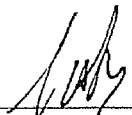
3. Article V, Section 6 of the Bylaws is hereby deleted and replaced with the following:

"6. VACANCY. Prior to Turnover, in the event a vacancy occurs in the Community Council for any reason whatsoever, Declarant shall fill such vacancy and appoint a replacement to serve as a Council Member for the unexpired portion of the term of the former Council Member. Following Turnover, (x) in the event of a vacancy in the Community Council for any reason whatsoever, the remaining Council Members shall elect a replacement by majority vote to serve as a Council Member for the unexpired portion of the term of the former Council Member; and (y) in the event there are no remaining Council Members, the vacancies shall be filled by persons elected by the Members at a Special Meeting called for that purpose."

4. Except as amended hereby, all terms and conditions of the Bylaws are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Bylaws, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined shall have the same meaning given to such terms in the Bylaws.

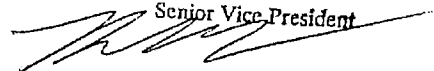
EXECUTED to be effective as of the date first written above.

COMMUNITY COUNCIL OF SUNFIELD
COMMUNITY ASSOCIATION, INC.



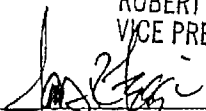
Scott L. Cox

Scott L. Cox
Senior Vice President



Robert D. Rollo

ROBERT D. ROLLO
VICE PRESIDENT



James R. Feagin

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Scott L. Cox, Senior Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Galesorick
NOTARY PUBLIC

Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

CITY/COUNTY OF FAIRFAX §
 §
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Robert D. Rollo, Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Galesorick
NOTARY PUBLIC

Michelle K Galesorick
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11

BYLAWS
OF
SUNFIELD COMMUNITY ASSOCIATION, INC.

(A Texas Nonprofit Corporation)

ARTICLE I
IDENTITY

1. The name of this corporation is Sunfield Community Association, Inc. (the "**Community Association**").
2. The seal of the Community Association, if obtained, shall bear the name of the Community Association, the word "Texas", the words "Nonprofit Corporation", and the year of formation.
3. These Bylaws are being adopted in connection with that certain Community Charter for Sunfield, and any Supplements thereto, as recorded in the Public Records of Hays County and Travis County, Texas (the "**Charter**"). All capitalized terms used but not otherwise defined herein shall be given the meanings ascribed to such terms in the Charter.

ARTICLE II
MEMBERSHIP

1. **MEMBERS.** Membership in the Community Association shall consist of the Owners of Lots or Units in the Community, which may include the Declarant (each a "**Member**", collectively, the "**Members**"). Membership in the Community Association shall continue until the Member transfers or conveys his, her or its Lot or Unit or the interest is transferred by operation of law, at which time the membership shall automatically be conferred upon the transferee.
2. **VOTING RIGHTS.**
 - a. The voting rights of Members shall be as provided in the Charter and these Bylaws. The votes of a Member (including the Declarant) to be cast at meetings of the Community Association shall be cast by that Member's voting member (the "**Voting Member**"). The Voting Member for the Declarant shall be the one (1) individual (who is affiliated with the Declarant in some way, whether as an officer, director, partner or employee) appointed by the Declarant to cast its voting interests in the Community Association. The Declarant shall designate its Voting Member to the Community Association in writing. The number of votes belonging to the Declarant's Voting Member shall be equal to the number of Lots or Units owned by the Declarant, with that Voting Member to cast all of the votes for the Declarant as he or she deems appropriate on any matter to be voted on at a Community Association meeting. If the Lot or Unit owned by a Member, other than the Declarant, is governed or administered by a Neighborhood Association, the Voting Member for such Member shall be the one (1) Member

who is appointed by the Neighborhood Association to act as the Voting Member for the Neighborhood and to vote not only on behalf of that Member, but also all other Members within that Neighborhood other than the Declarant. The Neighborhood Association shall designate the Voting Member for its Neighborhood to the Community Association in writing. If there is no Neighborhood Association for a Neighborhood, the Community Association shall hold a Neighborhood meeting whereby the Members within that Neighborhood shall elect one (1) Voting Member to represent that Neighborhood and vote on behalf of all Members of that Neighborhood at Community Association meetings. A Voting Member for a Neighborhood shall not cast votes in Community Association matters on behalf of the Declarant and the Declarant shall not be involved in the selection of any Voting Member for Members within a particular Neighborhood. Only the Voting Member for the Declarant shall cast the Declarant's votes in the Community Association. A Voting Member may not represent the Members of more than one (1) Neighborhood, unless that Voting Member represents the interest of the Declarant. If there are multiple Neighborhoods within the Community, each Neighborhood shall have one (1) Voting Member. Following Turnover (as that term is defined in the Charter), the number of votes belonging to a Voting Member for a Neighborhood shall be equal to the number of Lots or Units located within the Neighborhood represented by that Voting Member and not owned by the Declarant, as determined by the Declarant, with the relative voting weight of each Lot or Unit being equal to one (1) vote.

b. Prior to Community Association meetings, the Members within a Neighborhood, may, in their discretion, decide (in the case of a Neighborhood that has a Neighborhood Association in accordance with that Neighborhood Association's governing documents or in the case of a Neighborhood that has no Neighborhood Association, by majority vote at a Member meeting) how its Voting Member will vote on any matter to be voted on at the Community Association meeting (a "**Member Decision**"). If the Members or the Neighborhood Association of such Neighborhood fail to advise the Voting Member of a Member Decision prior to a Community Association meeting, such Voting Member shall cast all of the votes for the Members within the Neighborhood as he or she deems appropriate on any matter to be voted on at a Community Association meeting. In the event a Voting Member is advised of the Neighborhood's Member Decision prior to a Community Association meeting, such Voting Member shall cast all of the votes of the Members within the Neighborhood he or she represents in accordance with the outcome of that Neighborhood's Member Decision.

c. The Voting Member shall have the right to vote in person or by proxy when voting on Community Association matters. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the Voting Member. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may be lawfully adjourned and reconvened from time to time, and automatically expires ninety (90) days from the date of the meeting for which it was originally given. A proxy is revocable at any time by the Voting Member.

ARTICLE III MEETINGS

1. ANNUAL MEETING. The annual Members' meeting (the "Annual Meeting") shall be held at a date and time determined by the Community Council from time to time, provided that there shall be an Annual Meeting every calendar year and, to the extent possible, no later than thirteen (13) months after the last preceding Annual Meeting. Unless determined otherwise by the Community Council, the Annual Meeting shall be held on such day designated by the Community Council and shall be held at (a) the principal office of the Community Association or (b) such other place within Hays County or Travis County, Texas as designated by the President of the Community Association. The purpose of the Annual Meeting shall be the election of Council Members (after Turnover) and the transaction of other business authorized to be transacted by Voting Members. The order of business shall be as determined by the Community Council.

2. SPECIAL MEETINGS. A special meeting of the Community Association ("Special Meeting") may be called by the President of the Community Association, a majority of the Community Council, or by written request of Voting Members having not less than one-tenth (1/10th) of the votes entitled to be cast at the meeting, for any purpose and at any time at a location within Hays County or Travis County, Texas. Business transacted at all Special Meetings shall be confined to the subjects and actions to be taken, as stated in the notice of the meeting.

3. QUORUM. A quorum for a Community Association meeting shall exist when Voting Members representing at least thirty percent (30%) of the total voting interests in the Community Association are present, in person or by proxy, at the meeting. Decisions that require a vote of the Voting Members must be made by the concurrence of at least a majority of all voting interests present, in person or by proxy, at a meeting where a quorum is present, except when a lesser or greater vote is otherwise specifically required by the Charter, Certificate of Formation or these Bylaws. Regardless of whether a quorum is obtained, adjournment of an Annual Meeting or Special Meeting to a different date, time or place must be (a) approved by a majority of votes represented by Voting Members at such meeting and (b) either announced at that meeting before adjournment can be taken or disclosed through notice to Members (including Owners who became Members after the original meeting date) delivered in accordance with the requirements for notice of Community Council meetings, as set forth in Article IV of these Bylaws. Any business that might have been transacted on the original date of an adjourned meeting may be transacted at the rescheduled adjourned meeting.

4. LIST OF MEMBERS. After setting a record date for the notice of a meeting, the Community Association shall prepare an alphabetical list of the names of all its Members. The list must identify: (i) the Members who are entitled to notice of the meeting; (ii) the address of each Voting Member; and (iii) the number of votes each Voting Member is entitled to cast at the meeting. Not later than the second business day after the date notice is given of a meeting for which a list was prepared, and continuing through the meeting, the list of Members must be available at the Community Association's principal office or at a reasonable place in the municipality in which the meeting will be held, as identified in the notice of the meeting, for

inspection by Members entitled to vote at the meeting for the purpose of communication with other Members concerning the meeting. A Member's agent or attorney is entitled on written demand to inspect and, at the Member's expense and upon prior written notice, copy the list at a reasonable time during the period the list is available for inspection. The Community Association shall make the list of Members available at the meeting. A Member or Member's agent or attorney is entitled to inspect the list at any time during the meeting or an adjournment of the meeting.

ARTICLE IV NOTICE

1. ANNUAL MEETING. Written notice of the Annual Meeting shall be posted in a conspicuous place in the Community at least ten (10) days before the date of such Annual Meeting. In the alternative, notice of the Annual Meeting may be delivered by electronic transmission provided that Members notified in such manner have (a) provided an email addresses to the Community Association and (b) have consented in writing (whether by a signed document or an email to the Community Association) to receive notice of Community Association meetings by electronic transmission. Notice of an Annual Meeting need not include a description of the purpose or purposes for which the meeting is called. Evidence of compliance with this notice provision shall be made by an affidavit executed by the person providing the notice and filed with the records of the Community Association.

2. SPECIAL MEETINGS. Notice of Special Meetings shall be posted in a conspicuous place in the Community at least two (2) days before such meeting and shall state the purpose of the Special Meeting. In the alternative, notice of a Special Meeting may be delivered by electronic transmission provided that Members notified in such manner have (a) provided their email addresses to the Community Association and (b) have consented in writing (whether by a signed document or an email to the Community Association) to receive notice of Community Association meetings by electronic transmission. Evidence of compliance with this notice provision shall be made by an affidavit executed by the person providing the notice and filed with the records of the Community Association.

3. WAIVER. Voting Members may take action by written agreement, without conducting a meeting, on all matters for which action may be taken at a meeting if the action is taken by the Voting Members entitled to vote on such action and having not less than the minimum number of votes necessary to authorize such action at a meeting at which all Voting Members entitled to vote on such action were present and voted. Nothing herein is to be construed to prevent Members from waiving notice of a meeting or acting by written agreement without a meeting.

ARTICLE V
COMMUNITY COUNCIL

1. INITIAL COMMUNITY COUNCIL. The initial members of the Community Council (each a "Council Member," collectively, the "Council Members") shall be those persons set forth in the Certificate of Formation, who shall serve until Turnover, as described in the Charter, or until replaced by the Declarant.
2. COMMUNITY COUNCIL ELECTIONS. The initial Council Members, appointed by the Declarant, are named in the Articles and shall serve until Turnover, unless replaced by the Declarant. At Turnover, the Council Members shall be elected by the Voting Members of the Community Association, provided that a quorum is obtained at the Turnover meeting. At each Annual Meeting thereafter, the seats of the Council Members whose terms on the Community Council have expired shall be elected by the Voting Members of the Community Association. Council Members elected at Turnover and thereafter shall have staggered terms of office so that the term of some Council Members shall expire each year. The term of office for the three (3) Council Members elected at Turnover shall be as follows: (a) the term of the first Council Member shall expire after three (3) years; (b) the term of the second Council Member shall expire after two (2) years; and (c) the term of the third Council Member shall expire after one (1) year. In the event additional Council Members are elected by the Voting Members at Turnover or thereafter, the terms of each additional Council Member shall follow the term sequence outlined above, with a fourth Council Member having a term of three (3) years, a fifth Council Member having a term of two (2) years, a sixth Council Member having a term of one (1) year, and continuing in similar term sequences for any additional Council Members permitted by these Bylaws or the Certificate of Formation. All Council Members elected upon the expiration of the terms of the Council Members elected at Turnover or thereafter shall hold office for a term of three (3) years. The procedure for electing Council Members at Turnover and thereafter shall be (i) by written and sealed ballot or any other voting procedure determined by the Community Council, (ii) in accordance with Article II, Section 2, and (iii) by a plurality of the votes cast at an Annual Meeting by Voting Members where a quorum has been obtained, with each Voting Member being entitled to cast his or her votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting in elections for the Community Council.
3. POWERS. The powers of the Community Association are as provided in the Charter and the Certificate of Formation.
4. FUNDS AND TITLES TO PROPERTIES. All funds and title to all properties acquired by the Community Association and the proceeds thereof shall be held for the benefit of the Members in accordance with the provisions of the Charter. No part of the income, if any, of the Community Association shall be distributed to the Members, Council Members, or Officers of the Community Association.
5. NUMBER. The number of Council Members shall be designated by resolution of the Community Council from time to time, but shall in no event be less than three (3) nor more than nine (9) Council Members, with the Community Council always being comprised of an odd

number of Council Members. Except for those Council Members appointed or elected by the Declarant, each Council Member shall be an Owner. A Council Member, other than those Council Members appointed by the Declarant, shall hold office for a term length consistent with the provisions of Article V, Section 2.

6. VACANCY. In the event of a vacancy occurring in the Community Council for any reason whatsoever, the remaining Council Members shall elect a replacement to serve as a Council Member for the unexpired portion of the term of the former Council Member. In the event that there are no remaining Council Members, the vacancies shall be filled by persons elected by the Voting Members at a Special Meeting called for that purpose.

7. REMOVAL. Prior to Turnover, any Council Member may be removed with or without cause by the Declarant. Following Turnover, any Council Member may be removed from office at any time, with or without cause, at a Special Meeting called for that purpose and by the vote or agreement in writing by a majority of the total voting interests of Members in the Community Association.

8. COMPENSATION. No compensation shall be paid to Council Members for their services as Council Members, provided that nothing herein contained shall be construed to preclude any Council Member from serving the Community Association in any other capacity and receiving compensation therefor. In that case, however, the compensation must be approved in advance by the Community Council and the Council Member to receive such compensation shall not be permitted to vote on his or her compensation. The Community Council shall have the right to set and pay all salaries or compensation to be paid to Officers, employees, agents or attorneys for services rendered to the Community Association.

9. REGULAR MEETING. A regular meeting of the Community Council shall be held immediately after, and at the same place as, the Annual Meeting. Additional regular meetings may be held as provided by resolution of the Community Council. All regular meetings of the Community Council shall be open to all Members.

10. SPECIAL MEETINGS. Special meetings of the Community Council may be called by the President or a majority of the Council Members for any purpose and at any time or place. Notice thereof stating the purpose shall be mailed or delivered at least two (2) days before such meeting, to each Council Member at his or her address as listed in the Community Association records unless such notice is waived. All special meetings of the Community Council shall be open to all Members.

11. QUORUM AND VOTING. A majority of all Council Members shall constitute a quorum for a Community Council meeting. If a quorum is not present, a majority of those present may adjourn the meeting. Notice of any adjourned meeting shall be given to the Council Members who were not present at the time of adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Council Members. If a quorum is present at a Community Council meeting, a majority vote of the Council Members present shall decide any matter before the Community Council, unless a greater or lesser vote is specifically required in the Certificate of Formation, these Bylaws or the Charter. Council

Members or any committee of the Community Association may not vote by proxy or secret ballot at Community Council meetings.

12. NOTICE. Notice of the date, time and place of all regular and special meetings of the Community Council shall be posted in a conspicuous place in the Community at least forty-eight (48) hours prior to the Community Council meeting. In the alternative, if notice is not posted in a conspicuous place in the Community, notice of each Community Council meeting must be mailed or delivered to each Owner at the address of each Owner on file with the Community Association at least seven (7) days in advance of the meeting, except in an emergency. As an additional alternative, notice of Community Council meetings may be delivered by electronic transmission provided that Members notified in such manner have (a) provided an email addresses to the Community Association and (b) have consented in writing (whether by a signed document or an email to the Community Association) to receive notice of Community Council meetings by electronic transmission. An Assessment may not be levied at a Community Council meeting unless the notice of the meeting includes a statement that Assessments will be considered and the nature of the Assessment.

ARTICLE VI OFFICERS

1. NUMBER. The officers of the Community Association (each an "**Officer**", collectively "**Officers**") shall include a President, Vice President, Secretary and Treasurer, each of whom shall be elected by the Community Council. Such assistant Officers as deemed necessary may be elected by the Community Council. The offices of Secretary and Treasurer may be combined into one (1) office of Secretary/Treasurer and held by one (1) person. The President and Secretary may not be the same person. Following Turnover, all Officers must be Members. All Officers shall act without compensation unless otherwise provided by resolution of the Community Council.

2. ELECTION AND TERM. Prior to Turnover, the Declarant shall appoint the Officers. Following Turnover, the Officers shall be elected by the Community Council at the Community Council meeting subsequent to the first Annual Meeting after Turnover. Each Officer shall hold office until his or her successor has been elected by a majority of the entire Community Council at a Community Council meeting where a quorum has been obtained, unless that Officer resigns or is removed by the Community Council in accordance with Article VI, Section 7.

3. PRESIDENT. The President shall be the principal executive Officer of the Community Association and shall supervise all Community Association affairs. The President shall preside at all Member and Community Council meetings and sign all documents and instruments on behalf of the Community Association.

4. VICE-PRESIDENT. In the President's absence, the Vice-President shall perform the President's duties and, in such capacity, shall have all the powers and responsibilities of the President. The Vice-President shall, moreover, perform such duties as may be designated by the Community Council.

5. SECRETARY AND ASSISTANT SECRETARY. The Secretary shall (a) countersign all documents and instruments on behalf of the Community Association, (b) record the minutes of meetings of Members and Council Members, (c) give notices required by these Bylaws, and (d) have custody of, maintain and authenticate the records of the Community Association, other than those maintained by the Treasurer. The Assistant Secretary, if any, is authorized to perform the same duties as the Secretary.

6. TREASURER. The Treasurer shall (a) have custody of all funds of the Community Association, (b) deposit such funds in such depositories as may be selected as hereinafter provided, (c) disburse funds, and (d) maintain financial records of the Community Association, which shall be available for inspection by any Member during business hours on any business day.

7. REMOVAL. Any Officer may be removed by a majority vote of the Council Members present at a Community Council meeting called for that particular purpose and at which a quorum has been obtained, with or without cause. The vacancy shall be filled by a majority vote of Council Members at the same meeting. ...

ARTICLE VII BOOKS AND RECORDS

1. RECORDS TO BE MAINTAINED. The Community Association shall keep records of minutes of all meetings of the Community Council and Members, a record of all actions taken by the Community Council and Voting Members without a meeting, and a record of all actions taken by a committee of the Community Council in place of the Community Council on behalf of the Community Association. A vote or abstention from voting on each matter voted upon by each Council Member present at a Community Council meeting must be recorded in the Community Council minutes. Copies of the minutes of all meetings of the Community Council and Members must be maintained for at least seven (7) years. The Community Association shall also keep a copy of the following records: (a) copies of any plans, specifications, permits, and warranties related to improvements constructed on the Community Property or other property that the Community Association is obligated to maintain, repair and replace (which may include Neighborhood Property); (b) its Certificate of Formation and all amendments thereto currently in effect; (c) its Bylaws and all amendments thereto currently in effect; (d) the Charter and all amendments thereto currently in effect, (e) the current Rules of the Community Association (if any); (f) a list of the names and business street addresses of its current Council Members and Officers; (g) its most recent annual report delivered to the Department of State for the State of Texas; (h) a current roster of all Members and their mailing addresses and parcel identifications; (i) the electronic mailing addresses and numbers designated by Members for receiving notice sent by electronic transmission of those Members consenting in writing (whether by a signed document or an email to the Community Association) to receive notice by electronic transmission; (j) a copy of all of the Community Association's insurance policies (which policies must be retained for at least seven (7) years); (k) a current copy of all contracts to which the Community Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Community Association has

any obligation or responsibility; (l) copies of all bids received for work to be performed for the Community Association within the last year; (m) the financial and accounting records described in Article VIII, Section 6; and (n) all other written records of the Community Association not specifically included in the foregoing which are related to the operation of the Community Association.

2. INSPECTION AND COPYING OF RECORDS. Any books, records and minutes of the Community Association may be in written form or in any other form capable of being converted into written form within a reasonable time. The official records shall be maintained in the State of Texas and open for inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. The Community Association may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Community Association shall maintain an adequate number of copies of the recorded governing documents to ensure their availability to Members and prospective Members, and may charge only its actual costs for reproducing and furnishing these documents to Persons who are entitled to receive them.

ARTICLE VIII CONTRACTS AND FINANCES

1. CONTRACTS. The Community Council may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name or on behalf of the Community Association, and such authority may be general or limited.

2. LOANS. No loans shall be contracted on behalf of the Community Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Community Council.

3. CHECKS. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Community Association shall be signed by such Officers or agents of the Community Association and in the manner as shall from time to time be determined by resolution of the Community Council.

4. DEPOSITS. All funds of the Community Association not otherwise employed shall be deposited from time to time in banks, trust companies, or other depositories as the Community Council may select.

5. FISCAL YEAR. The fiscal year of the Community Association shall begin on the date of incorporation and end on December 31 of that year. Thereafter, the fiscal year of the Community Association shall begin on the first day of January and end on the 31st day of December of every year.

6. FINANCIAL RECORDS. The Community Association shall maintain financial and accounting records according to generally accepted accounting principles, which shall be

open to inspection and copying by Members at reasonable times in accordance with Article VII, Section 2. Such records shall include: (a) a record of receipt and expenditures and accounts for each Member, which accounts shall designate the name and address of the Member, the due dates and amount of each Assessment, the amounts paid upon the account, and the balance due; (b) a copy of the then current annual budget of the Community Association; (c) accurate, itemized and detailed financial reports of the Community Association, showing the actual receipts and expenditures of the Community Association; (d) all tax returns, other financial reports and financial statements of the Community Association; and (e) any other records that identify, measure, record or communicate financial information of the Community Association. All financial and accounting records shall be maintained for a period of at least seven (7) years.

7. FINANCIAL REPORTING. The Community Association shall prepare an annual financial report within ninety (90) days after the close of each fiscal year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: (i) a statement of support, revenue, and expenses; (ii) a statement of changes in fund balances; (iii) a statement of functional expenses; and (iv) a balance sheet for each fund. The Community Association shall provide each Member with written notice that a copy of the financial report is available upon request at no charge to the Member.

ARTICLE IX AMENDMENTS

These Bylaws may be amended or repealed by new Bylaws upon a majority vote of the entire Community Council at a Community Council meeting in which a quorum is attained; provided, however, that at no time shall the Bylaws conflict with the terms of the Charter and the Certificate of Formation. These Bylaws are being recorded in the Public Records of Hays County and Travis County, Texas, for informational purposes only and amendments to these Bylaws need not be recorded in the Public Records in order to be effective.

ARTICLE X RULES

The Community Council may adopt such uniform Rules governing the operation of the Community Property and the Neighborhood Property, if applicable, as may be deemed necessary and appropriate to assure the enjoyment of all Members and to prevent unreasonable interference with the use of such areas. The Rules shall be consistent with applicable law, the Charter, the Certificate of Formation, and these Bylaws.

ARTICLE XI
ANNUAL BUDGET

1. ADOPTION BY THE COMMUNITY COUNCIL. The Community Council shall annually adopt the budget for the Community Association. The annual budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The annual budget must set out separately all fees or charges for recreational amenities, whether owned by the Community Association, the Declarant or another person.

2. REPORTING TO MEMBERS. The Community Association shall provide to each Member written notice that a copy of the annual budget is available upon request at no charge to the Member. A copy of the annual budget must be provided to a Member within ten (10) business days after the Community Association's receipt of a Member's written request for a copy.

ARTICLE XII
COLLECTION OF ASSESSMENTS

Any amounts charged by the Community Association for Community Assessments, Neighborhood Assessments, Special Assessments, or Individual Assessments shall be made and collected in the manner provided in the Charter. To the extent authorized by the Charter, the Community Association may also collect assessments of fees due to a Neighborhood Association under a Neighborhood Declaration.

ARTICLE XIII
FINES AND OTHER SANCTIONS

The Community Association may charge reasonable fines and impose other sanctions for the failure of a Member or a Member's tenants, guests or invitees to comply with any provisions of the Charter, the Certificate of Formation, the Bylaws, the Rules, all as provided in the Charter.

ARTICLE XIV
COMMITTEES

1. The Community Council, by resolution adopted by a majority of the entire Community Council, may designate one (1) or more committees which, to the extent provided in such resolution, shall have and may exercise the authority of the Community Council in the management of the Community Association; provided, however, that no such committee shall have the authority to (a) approve or recommend to Members any actions or proposals required to be approved by the Voting Members, (b) fill vacancies in the Community Council or any committee, or (c) adopt, amend or repeal these Bylaws. The designation of such committees and the delegation of authority thereto shall not operate to relieve the Community Council or any individual director of any responsibility imposed by law.

2. Each committee must be comprised of two (2) or more members. Prior to Turnover, members of a Community Council committee are not required to be Members. Following Turnover, the members of each committee shall be Members.

3. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided for original committee appointments.

4. Unless otherwise provided in the resolution of the Community Council designating a committee, a majority of the entire committee shall constitute a quorum, and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. Further, regular and special meetings of a committee may be held without notice of the date, time, place or purpose of the meeting.

5. Each committee may adopt rules for its own governance, so long as such rules are not inconsistent with the Charter, the Bylaws, the Certificate of Formation or with Rules adopted by the Community Council.

ARTICLE XV DECLARANT'S CONTROL

Notwithstanding anything contained herein to the contrary, the Declarant shall have full right and authority to manage the affairs and exclusive right to elect the Council Members of the Community Association (who need not be Members) until the earliest of the following shall occur: (a) ten (10) years after the last Lot in all phases of Sunfield that will ultimately be operated by the Community Association have been conveyed to Owners (other than Builders and the Declarant); or (b) the surrender by the Declarant of its authority to appoint and remove members of the Community Council or the Officers by an express Supplement to the Charter executed and recorded by the Declarant.

ARTICLE XVI EXCULPATION

The covenants and warranties and obligations of Developer set forth in these Bylaws, if any, are subject to the following express limitations: (i) the State of California Public Employees Retirement System (the "System") is a limited partner in IHP Investment Fund III, L.P. ("IHP"), and (ii) IHP is a limited partner in Developer and is the sole member of the general partner of Developer. Notwithstanding any other term or provision of these Bylaws, System's liability hereunder is solely that of a limited partner in IHP and no personal or direct liability shall at any time be asserted or enforceable against System, its board, any member thereof, or any employee or agent of System on account of or arising out of any obligations related to these Bylaws. Any Owner or other Person residing in or occupying any portion of Sunfield, shall look solely to the assets of Developer for the enforcement of any claims against Developer arising hereunder or related hereto, and to the fullest extent permitted by Texas law, waives any claim against the partners in Developer and IHP, including the System, irrespective of the compliance or noncompliance now or in the future with any requirements relating to the limitation of liability of limited partners.

Declaration of CC&R's



RESIDENTIAL DESIGN GUIDELINES

August 27, 2009

NOTICE

As outlined in the Community Charter for Sunfield (the "**Charter**"), any and all improvements to property in shall be submitted to the Architectural Review Committee (the "**ARC**") for review and approval prior to initiation of any construction activities. Further, it is the Applicant's responsibility to ensure compliance with the latest revisions to these Design Guidelines, which are available upon request from the ARC. The ARC has discretionary authority as set forth in these Design Guidelines.

THESE DESIGN GUIDELINES ARE SUBJECT TO CHANGE WITHOUT NOTICE

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I. INTRODUCTION

A. Project Description

Sunfield is a 2,700+ acre land development planned to include a full range of compatible land uses in a coordinated suburban setting located near I-35. Commercial and educational facilities are planned to keep pace with residential growth. The overall character sought for Sunfield is that of a quality suburban living, shopping and working environment.

B. Applicability of Design Guidelines

These Design Guidelines (the “**Design Guidelines**”) only govern the single-family residential portions of Sunfield. There are separate and distinct design guidelines for the commercial tracts within Sunfield. Owners of tracts within the commercial portion of Sunfield should refer to those design guidelines and not to this document.

C. Intent of Design Guidelines

Sunfield has been meticulously conceived, planned, and executed, and it is the purpose of these Design Guidelines to ensure continuation of these standards. Architectural and landscape concepts are intended to complement one another, and therefore encourage attention to detail. 2428 Partners, LP, a Texas limited partnership, its successors and assigns (hereinafter referred to as “**Developer**”) is establishing criteria and procedures that will promote the highest level of aesthetic value, design compatibility, and maintain and enhance economic value within Sunfield.

The Developer has prepared the following guidelines for all lot purchasers, builders and contractors (approved by Developer for residential construction in Sunfield) (hereinafter referred to as a “**Purchaser/Builder**”). A copy of these guidelines will be distributed to, acknowledged, accepted, and adhered to by all Purchaser/Builders operating in Sunfield.

The Architectural Review Committee (hereinafter referred to as “**ARC**”) is the entity that will administer these Design Guidelines. ARC will have the right to approve, suggest modifications, or deny any or all of the preliminary plans, final plans, or other review submittals.

The ARC may, from time to time, publish and promulgate a list of approved builders (each, an “**Approved Builder**”) which shall set forth the names, addresses and other pertinent information relating to the Approved Builders. The names of and the numbers of Approved Builders may change from time to time. Only Approved Builders may construct improvements on a Lot, other than minor repairs or replacements, without the prior written approval of the ARC.

D. Other Pertinent Information

It is recommended that the property deed, the Charter, and the recorded plat be carefully reviewed before commencing design. There are also various city, county, state, and utility district regulations, policies, and ordinances which apply to development in Sunfield and which should be reviewed prior to commencing design. Sunfield is located outside the corporate limits of the City of Buda. A portion of Sunfield is located in the Extraterritorial Jurisdiction of Buda, and a portion of Sunfield is located in the Limited Purpose Annexation Area of the City of Austin. Sunfield is, therefore, subject to certain development ordinances of the City of Buda and the City of Austin. Sunfield is primarily within Hays County though a portion of the northern area extends into Travis County.

Limiting Conditions

These Design Guidelines establish criteria and procedures for development, design, and construction within Sunfield. These Design Guidelines are not an offer to sell, purchase, or list real estate, nor are they a warranty of any type. Such agreements shall be separately set forth in legally executed, written documents. These Design Guidelines are binding on all Purchasers/Builders of property within Sunfield, except for any improvements constructed or approved by Developer. Remedies for failure to comply are outlined in these Design Guidelines, in the Community Charter for Sunfield ("Charter") and in contracts for sale. Developer reserves the right to amend and revise these Design Guidelines as it deems appropriate.

These Design Guidelines do not supersede (except where more restrictive) or duplicate the Charter, the Texas Property Code, other municipal, county, state, or federal regulations, or other legally binding contracts or agreements between the Developer and Purchaser/Builders. All initially capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Charter.

II. PLAN REVIEW PROCESS AND TIMETABLE

The plan review process has been established to maintain the highest level of aesthetic value within Sunfield. Each Purchaser/Builder acknowledges and agrees that as a condition of sale of a lot within Sunfield (a "Lot"), design and construction will be subject to these Design Guidelines. The initial administrative review fees shall be as set forth in "Exhibit A" (subject to change without notice please check with the ARC for current fee schedule).

A. Initial Plan Review

Three (3) sets of final building plans (with square footage and exterior brick coverage calculations per side elevation) are required for initial plan review. If approved one (1) set will be returned to the Purchaser/Builder and one (1) set will be retained by ARC and one (1) set will be sent to the building inspector. If approved the plan will be included in the Approved Plan/Materials Matrix and it will not be

necessary to resubmit when applying for a building permit, the plan number and materials will need to be referenced on the building permit form when application is made. NO FEE IS DUE AT THE INITIAL PLAN REVIEW.

B. Final Review/Building Permit Application

Final review/Building Permit Application is the last step in the ARC approval process before construction can begin on a lot. If not previously submitted in the Initial Plan Review, three (3) sets of signed and sealed plans must be submitted and approved. Additionally, the builder must submit a site plan (plot Plan) along with any related information requested by the ARC and remittance of the Building Permit Application and associated fee(s). If approved one (1) approved set will be returned to the Purchaser/Builder along with the stamped "approved" Building Permit and association permit # , one (1) set will be retained by the ARC and one (1) set will be sent to the building inspector.

**THE BUILDING PERMIT APPLICATION WILL NOT BE PROCESSED
WITHOUT THE PAYMENT OF THE PERMIT FEE.**

The following items are required for review:

C. Site/Hardscape Plan Submittals

- Scale: 1" = 30' or greater
- Legal description
- House plan designation; elevation type; materials and colors
- Site Plan to include lot lines, pad location on the lot, setbacks, and easements
- Existing drainage inlets, manholes, and all other utilities
- Proposed building footprint(s), patios, walls or fences, sidewalks, driveways, pools, decks, screen enclosures, trellises, and any other hardscape elements
- Surface materials denoted for driveways, patios, courts, decks, etc.
- Payment of the Building Permit Fee.

LANDSCAPE PLAN - indicate location, botanical and common name, size, quantity and specifications in a legible manner of all proposed and existing plant material as outlined in landscape criteria. Indicate existing vegetation to be preserved, and demonstrate that any native plant requirements have been satisfied.

FLOOR PLAN - include balconies, decks, patios, atriums and table of gross square footage and air conditioned area square footage of the Residence.

EXTERIOR ELEVATIONS - include all exterior building elevations with heights clearly indicated. Exterior elevations to show finished floor elevations above grade. Label all finishes of all materials on the elevations. **ALL PLANS SUBMITTED TO THE ARC MUST CLEARLY SHOW OVERALL BRICK PERCENTAGE CALCULATION AS WELL AS BRICK PERCENTAGE CALCULATION FOR EACH SIDE ELEVATION OF THE PLAN.**

POOL AND SCREEN ENCLOSURE PLANS - if applicable.

MATERIAL SPECIFICATIONS (*One set only*) - submit actual color samples (swatches), manufacturer name, and ID number of all exterior paint colors. Submit manufacturer name and color of all roofing materials, brick materials, and paving materials. May be listed on plans if the Materials (specification and color) have been previously approved by the ARC and are shown on the Approved Plan/Materials Matrix.

D. Changes to Plans

Any change affecting the approved site or building plans must be resubmitted for ARC approval. Failure to obtain approval of ARC for any and all such changes to plans prior to the commencement of construction of the improvements will be deemed a material breach of these Design Guidelines. In addition to any other rights permitted by law or in equity, Developer or ARC may proceed in the courts to obtain a mandatory injunction requiring any construction done without approval to be torn down and/or removed immediately. All costs and attorneys fees incurred by ARC or Developer in taking the action, including before commencing any litigation, during any litigation, and for all appellate efforts, will be the expense of the Purchaser/Builder, and Developer will place a lien against the Lot to secure payment of these amounts.

E. Disclaimer of ARC Liability

Neither the ARC, the Developer, nor any of their representatives, successors or assigns shall be liable for damages to anyone submitting plans for approval, or to any lot owner, builder, contractor, visitor or occupant of any of the property in Sunfield by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of any plans or the failure to approve any plans. Any Purchaser/Builder making or causing to be made any proposed improvement or addition to any Lot, Residence or other portion of Sunfield agrees - and shall be deemed to have agreed for such Purchaser/Builder's heirs, personal representatives, successors and assigns - to hold the ARC, Developer, any of their representatives, successors or assigns and all other Purchaser/Builders harmless from any and all liability, damage, including costs and/or expenses, including attorneys'

fees, arising from or in connection with the construction and installation of any proposed improvement. Purchaser/Builder shall be solely responsible for the maintenance, repair and insurance of any alteration, modification, or change and for assuring that the proposed improvement meets with all applicable governmental approvals, rules, and regulations.

No ARC approval as provided herein shall be deemed to represent or imply that the proposed improvement, if constructed in accordance with the approved plans and specifications, will result in properly designed and constructed improvement or that it will meet all applicable building codes, governmental or agency requirements.

F. Timetable for Review

Review Timetable: Within fifteen (15) days of Purchaser/ Builder's submittal of the complete documents of the plan review, the ARC will complete its review. Purchaser/Builder will be notified in writing that the documents have been approved and the building permit is issued, approved subject to specific and required modifications, or denied. If a Purchaser/Builder has not received the ARC's written approval or denial within fifteen (15) days after delivering such documents, the request shall be deemed to have been disapproved by the ARC. If the documents have been approved subject to specific and required modifications, or if such documents have been denied, the written notification from ARC to Purchaser/Builder will describe the nature of the modifications or the basis for the denial. The description will be sufficient for Purchaser/Builder to make the necessary changes in the documents to receive ARC approval upon re-submittal.

Failure to Respond and Consequences: If Purchaser/Builder fails to respond within fifteen (15) days to the written notification from ARC of the documents subject to specific and required modifications or the denial of the documents, or fails to comply with the requirements of the timetable for review, it will be deemed that Purchaser/Builder has elected to withdraw the application.

G. Approved Plan/Material Matrix

At such time as the ARC has approved a construction plan(s), material(s) or color(s), such approved plan(s), material(s) or color(s) shall be noted on an "Approved Plan/Material Matrix" to be maintained by the ARC and made available to Purchasers/Builders. If a plan, materials or colors have been previously approved by the ARC they will be included on the matrix and it is not necessary for the builder to attach complete set of plans or materials and color samples it can simply be referenced on the approved builder permit application.

H. Plan and Elevation Placement on Each Block

Limits on plan and elevation repetition are the following: The same plan shall not be located within 3 lots in either direction on the same side of the street or directly

across the street. When the same plan is used, the same elevation may not be used within 5 lots on the same side of the street on either side of the subject lot, or within 3 lots in either direction on the opposite side of the street of the subject lot.

I. Masonry Repetition

Limits on masonry repetition are the following: the same materials may not be used within three lots of each other, or directly across the street. Stone must be varied in type and meet the above criteria. All combinations of stone and brick must be approved in advance. white, pink and orange brick are discouraged.

III. ARCHITECTURAL DESIGN CRITERIA

Design of a Residence within Sunfield shall reflect a consistent design theme, style, or image. Eclectic design is discouraged. The final design image shall be well-refined and carefully detailed. The floor plans and elevations shall work in unison to achieve consistency in scale, balance, and harmony unto itself and with the neighborhood. The siting of the Residence shall be such that outdoor accessory uses are respectful of existing vegetation and that water feature and streetscape views are enhanced. All final design approvals are at the discretion of the ARC.

A. General Criteria

Without the prior written approval of a variance by the ARC, improvements constructed on every Lot must have the minimum characteristics described below, which may be treated as the minimum requirements for improving and using a Lot. Subject to the limitation set forth in the foregoing sentence, the ARC: (a) may impose additional or different construction restrictions on certain parts of Sunfield, and (b) may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. A Purchaser/Builder should review all restrictions before planning improvements, repairs, or replacements to his Lot or Residence.

Lots. Subdivision of any Lot within Sunfield is prohibited unless approved in writing by ARC and permitted by governing agencies.

Minimum & Maximum Residence Size (AC area). The principal improvement on a Lot must be one detached single family Residence with a minimum and maximum floor area for interior air-conditioned space as follows:

Lot Size	Minimum	Maximum
45' frontage	1200 s.f.	2200 s.f.
50' frontage	1700 s.f.	2800 s.f.
60' frontage	2000 s.f.	3300 s.f.

Height. No Residence may exceed two stories in height, unless otherwise approved by the ARC.

Use. All Lots are restricted to single-family detached residential use, designed for and occupied by one family.

No more than one (1) Residence may be built on a Lot. Buildings accessory to the use of a Residence may be erected provided that they are not used as living quarters unless specifically designed and approved as guesthouses, and any buildings accessory to the use of a Residence must be approved in advance by the ARC.

B. Architectural Review.

No structure shall be commenced, erected, improved or altered, nor shall any grading, clearing, excavation, tree removal or change of exterior color or other work which in any way alters the exterior appearance of any structure be commenced without approval as set forth in the Charter and these Design Guidelines. Variances from procedures or guidelines may be granted when circumstances such as topography, natural obstructions, hardship, aesthetics, or environmental conditions require. To be effective, a variance must be in writing. The grant of a variance does not affect a waiver or estoppel of the ARC's right to deny a variance in other circumstances. All structures must be designed by a licensed architect qualified to perform services in Texas. All square footages must be noted on the plans and signed by a licensed architect.

C. New Construction

The Residence must be constructed on the Lot. A Residence or addition constructed elsewhere may not be moved onto a Lot. At the start of construction - but not before - building material to be used in the construction may be stored on the Lot. Once started, the Residence and all improvements on the Lot must be completed within twelve (12) months of the commencement of construction.

D. Above-Ground Storage Tanks

No above-ground storage tanks shall be permitted on any part of Sunfield. Up to five (5) gallons or 20 pounds of fuel stored on each Lot for emergency purposes and operation of lawn mowers, barbecue gas grills and similar tools or equipment is permitted.

E. Accessory Structures and Enclosures

**GET ARCHITECTURAL APPROVAL BEFORE YOU SHOP FOR OR
BEGIN CONSTRUCTION OF A STORAGE SHED.**

Without the prior written approval of the ARC, accessory structures - such as dog houses, dog runs, decks, patios, gazebos, storage sheds, playhouses, play equipment, pools, spas, tubs, basketball backboards and other sports apparatus and greenhouses -are prohibited (not allowed). To be approved by the ARC, an accessory storage shed must have the following features:

- a. Only one per Lot.
- b. Designed for outdoor use.
- c. Less than 6 feet in height at the ridge line of the roof.
- d. Less than 100 square feet of floor space (e.g. 10' x 10').
- e. Visually harmonious with the house or fence to which it is most visually related or physically attached, including matching major materials such as siding and roofing, dominant colors, construction details, and pitch of roof.
- f. Screened by a fence or acceptable landscape material so it is not visible to a person standing on the surface of an adjoining Lot or street.
- g. Not located in front yards or in unfenced portions of side yards facing streets.

If an accessory structure is installed in violation of this Section, the ARC reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Lot, and may require the Owner to screen it or to remove it.

F. Building Finishes

Exterior wall materials must be approved by ARC. Exterior walls of all Residences shall have brick, stone, or other masonry material specifically approved by the ARC (collectively, "**Masonry**") to meet the following criteria: (i) one hundred percent (100%) masonry coverage on the front and sides of a single story Residence, (ii) one hundred (100%) percent of front of a two story Residence and fifty percent (50%) of the sides provided that, (iii) a rear and/or side wall that faces a street shall be one hundred percent (100%) masonry, (iv) at least a two foot (2') return on each side of the second floor from the front of each Residence, and (v) the exposed exterior foundations facing a street should not exceed a maximum of twelve (12") inches above finished grade, (vi) and any side not facing a street can have a maximum of twenty four (24") inches above finished grade (collectively, the "**Masonry Areas**"). Fireplaces situated on exterior walls must be totally (100%) encased in brick, stone or other masonry material specifically approved by the ARC . The foregoing notwithstanding, the following are specifically excluded from the Masonry Areas and the Masonry requirements: roofs, eaves, front entry returns, soffits, windows, doors, gables, dormers, garage doors, and decorative trim. Unless specifically

approved by the ARC, imitation masonry products, including without limitation fibrous cement siding such as Hardi-plank siding, are prohibited within the Masonry Areas, but are required in siding form only on all other exterior wall areas of a Residence.

Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, landscape and security lighting, attic ventilators, awnings and screens, flagpoles and flags, fountains, gutters and downspouts, shutters, skylights, storm screens, trellises, arbors, and exterior paint and stain, is subject to the ARC's prior approval, including approval of design, color, materials, and location.

G. Setbacks

No improvement may be erected, altered, placed or permitted to remain on any Lot nearer to the front, side and rear lot lines than the minimum distance of setback applicable for such Lot as set forth below with respect to such applicable lot line for such lot:

20' Setback on rear property line

20' Setback on front property line

5' Setback on side property lines (except corner lots with respect to which a 15' setback on the side property line adjoining a street shall be required)

H. Roof Material/Warranty

Roofing materials used on Residences must (i) be of high grade and quality consistent with the exterior design, color and appearance of surrounding Residences, (ii) should have at a minimum a twenty (20) year warranty (iii) be of materials approved in writing by the ARC.

a. Materials permitted:

- Asphalt shingles
- Flat or "S" color impregnated concrete tile
- Barrel clay tile
- Standing seam prefinished metal
- Slate

b. Materials NOT permitted:

- Aluminum shingles
- Wood shingles or shakes
- Roll roofing
- Insulated Aluminum Patio Roofs

Patio, loggia, or lanai roofs shall be designed with architectural detailing to match that of the principal building.

The ARC may, in its sole discretion, approve or disapprove the use of such new materials that may be developed at a future time. Flat roofs shall generally NOT be permitted unless they enhance the design of the Residence, are small, or will not be visible from another Lot.

I. Drainage/Swales/Subsurface

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. Lot drainage is the responsibility of the builder or owner and must be in accordance of all governmental rules and regulations. No person other than Developer, the ARC or a MUD may obstruct or re-channel the drainage flows of drainage gutters, swales or storm sewers. Surface water management, including but not limited to storm water storage and water quality treatment, shall conform to the requirements of the permitting agencies and meet with the approval of Developer. No drainage, including but not limited to, side yard swales, roof, patio, deck or pool drains, shall be allowed to sheet flow over or discharge directly onto an adjoining Lot within Sunfield.

J. Driveways, Walkways and Rear Patios

The driveway materials shall be unified with walkways and streets by respecting the material color and texture in its entirety. Driveways shall be constructed in such a manner so that the flare of the driveway at the adjoining street curb, gutter or pavement does not extend beyond straight-line projection of the side property line of the Lot served by the driveway.

- a. Materials permitted:
- Concrete paver blocks
 - Set stone or old brick
 - Plain concrete

- Any other desired material must be presented to the ARC by actual sample for review.
- b. Materials NOT permitted:
 - Asphalt
 - Mulch
 - Gravel

K. Elevations

- a. Use of the following features is encouraged:
 - Porches/Verandas/Balconies
 - Roof terraces and towers
 - Balustrades
 - Arches and Columns
 - Bay Windows/Rooms
 - Corbels, Keystones, Quoins
 - Transoms and Sidelights
 - Metal Gates and Railings
 - Clerestory Windows
 - Loggias and cloisters
 - Low walls and Decorative Pottery

- L. Varied Lines and Scale.** The mass and scale of all buildings shall be visually appealing through the use of architectural detailing, reveals, windows, patio walls, balconies, varied elevations of roof lines, and varied setbacks along the street.
- M. Colors.** All exterior colors, including original and future color changes proposed by Purchaser/Builder, must be approved in accordance with these Design Guidelines. In addition, Purchaser/Builder may be required to paint a color sample on the Residence before written approval is granted. Bright colors are discouraged. Colors such as hot pink, orange, lime green, and fluorescent yellow are specifically prohibited.
- N. Roofs.** The minimum roof pitch required is 6:12 (that is, 6 inches of rise for every 12 inches of run). The roof pitch of any patio cover must be harmonious with the Residence roofline.

O. Exterior Attachments to Residences

No awnings, canopies, shutters or similar additions shall be attached or affixed to the exterior of any structure without approval from the ARC.

Clotheslines are not permitted. The hanging of laundry, clothing, rugs or any other articles on railings, fences, hedges, or walls is prohibited.

Decorative objects such as weather vanes, sculptures, birdbaths, fountains, and the like shall not be placed or installed in Sunfield without approval in accordance with these Design Guidelines and the Charter.

No outside antennas, satellite receptor dishes or devices or any other type of electronic device, that is utilized or designed to be utilized for the transmission or reception of electronic or other type of signal, shall be allowed without approval in accordance with these Design Guidelines and the Charter. Satellite dishes shall be hidden from view from the street in front of the house, or be disguised to resemble and in fact be visually indistinguishable from Residences, devices or improvements otherwise approvable in Sunfield. No ham radios or radio transmission equipment shall be operated in Sunfield without the prior written consent of the Association, whose consent shall not be unreasonably withheld, and provided that such transmission does not cause interference with the reception or operation of other electrical equipment in Sunfield.

P. Exterior Lights

No exterior lighting fixtures or decorations shall be placed in or about Sunfield, unless approved in accordance with the Design Guidelines and the Charter. Landscape accent lighting (uplights and downlights) are recommended instead of flood lights, and must be directed so as not to adversely affect adjacent properties. No colored lenses or bulbs shall be permitted, except for holiday lighting.

Q. Garage & Driveway

Each Residence must have an attached garage for at least two, but not more than three, standard-size cars with garage doors installed. All metal doors must be painted to match the masonry color or the trim color as approved by the ARC. Wood garages must be stained and/or sealed and must be approved by the ARC. Without the ARC's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. The driveway must be surfaced with concrete.

R. Roof Vents and Chimneys

All roof mounted vents or stacks shall be painted to match the color of the roof. All chimney stacks shall be the same color as the body of the Residence. Each shall be consistent with the style of the Residence. Roof vents, and pipes shall be located behind the ridgeline of the roof.

S. Screen Enclosures

Screen enclosures on a Lot shall not be permitted unless the screen enclosure plans, specifications, elevations, and location are first approved by the ARC.

It is recommended that the vertical elements of the screen enclosure must be columns, pillars, posts, pilasters or other such architectural structures, which complement the architectural style of the Residence. The roof or horizontal framing elements must be of the same design and material of the Residence. Two (2) story screen enclosures shall not be permitted.

Screened enclosures shall not be allowed in the front yard between the Residence and street.

T. Sidewalks

All sidewalks required by the ARC or applicable governmental authorities shall be constructed in accordance with such requirements and completed prior to occupation of the Residence. No other sidewalks shall be placed on any Lot without the approval of the ARC.

U. Signs

No signs, freestanding or otherwise installed, shall be erected or displayed in or on any Lot, except signs used or erected by Developer, Builder plan boxes, signs required for legal proceedings or "for sale" or political signs permitted pursuant to the Charter. No signs "for rent" or "for lease" are allowed. If permission is granted

to any person to erect a sign, the approval may restrict the size, color, lettering, placement and duration of such signs.

V. Structured Wiring

The Purchaser/Builder must comply with structural wiring requirements for the residence as they may be established from time to time by the ARC. Details of such specifications are available at the ARC office.

The Purchaser/Builder must comply with the requirements of the cable, telephone, or other telecommunications providers with reference to the telecommunications wiring for the residence. Details of such specifications are available at the ARC office.

W. Swimming Pools, Spas and Hot Tubs

The design and location of all swimming pools, spas and hot tubs must be approved in accordance with the Charter. Above ground pools are not permitted. Direct drainage of water from swimming pools, spas, or hot tubs into any Community Property shall not be permitted.

X. Trash Removal and Storage

All Lots must provide for garbage, trash, and refuse removal. Trash containers are to be placed at the curbside no earlier than the evening before pickup and retrieved no later than the day of pickup. Trash containers must be stored out of sight from the street(s) adjacent to the house.

Y. Utility Details

All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or the city; (2) elevated or surface lines or equipment installed by Developer as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. Each Lot will use water and sewage systems provided by a utility district, a city, or a private utility provider. Individual water supply and sewage disposal systems are not permitted.

No mechanical equipment is to be placed on roofs. Solar panels are permitted with location approved by the ARC. No solar collectors or devices shall be allowed without approval in accordance with the Charter. Any such collector or device shall be located so as not to be readily visible from surrounding streets and shall be compatible in color and design with the structures to which they are attached.

Air conditioning equipment may not be installed in the front yard of a Residence. Air conditioning equipment installed on the side of the house must be no more than fifteen feet (15') from the rear of the Residence. Window units are prohibited. The

ARC may require that air-conditioning equipment and apparatus be visually screened from the street.

The ARC may require that the following items must be screened from the view of the public and neighboring Lots: (1) air conditioning equipment; (2) satellite reception equipment; (3) yard maintenance equipment; (4) wood piles and compost piles; (5) utility boxes and meters; (6) pool pumps and heaters; (7) accessory structures; (8) garbage cans and refuse containers; and (9) anything determined by the ARC to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, "screened from view" refers to the view of a person in a passenger vehicle driving on a street or the view of a person of average height standing in the middle of a yard of an adjoining Lot.

Z. Walls, Fences and Gates

The construction of fences shall be subject to the prior written consent of the ARC. All fences must be constructed of Spruce or better (cedar is encouraged pine is prohibited) quality flat top pickets and must have a rail no more than six (6) inches from the top. The ARC may, in its discretion, prohibit the construction of any proposed fence, modify the materials of which any proposed fence must be constructed, specify the color and type of stain that may be applied to any fence, or require that any proposed fence be partially screened by vegetation. No portion of any fence shall exceed seven feet (7') in height. No fences, walls or hedges shall be located nearer than thirty feet (30') from the front Lot line. No fence shall be erected on any Lot that is located less than five feet (5') from the front wall of the Residence constructed upon said Lot. No chain link, cloth or agricultural fence shall be allowed. No stain, paint or coloring shall be applied to any portion of a fence without the prior written consent of the ARC. Other than portions of fences that separate a Lot from a street or Community Property, each fence shall be a "good neighbor" fence. With respect to fencing constructed along any common Lot line, unless otherwise approved in writing by the ARC: (1) only one fence shall be constructed along a common Lot line; and (2) after a fence has been constructed along a common Lot line, the Owner of the adjacent Lot shall be entitled to attach fencing materials which otherwise comply with the provisions of these Design Guidelines to the structure of the existing fence constructed along such common Lot line. Notwithstanding above, fences that face F.M. 2001, Sunbright Boulevard and Firecracker (C.R. 118) and streets intersecting F.M. 2001, Sunbright Boulevard and Firecracker (C.R. 118) (to the next intersecting street) must be constructed of cedar with steel posts, and stained with the ARC approved color and specification in a consistently applied manner.

Retaining walls must be constructed entirely with approved materials, however railroad ties may not be used .

AA. Window Frames and Tinting

All window treatments within the Residence that are visible from the street or another Residence must be maintained in good condition and must not detract from the appearance of the Residence. Aluminum foil, newsprint, and bedsheets are not suitable window treatments. The ARC may require a Purchaser/Builder to change or remove a window treatment that the ARC determines to be inappropriate or unattractive. The ARC may prohibit the use of certain colors or materials for window treatments. Window tinting as a method of energy conservation is permitted, provided that the type, color, and method of tinting is approved in accordance with the Charter. **NO SIGNS MAY BE MOUNTED IN THE WINDOW UNLESS APPROVED BY THE ARC.**

IV. LANDSCAPE DESIGN CRITERIA

A landscape plan for each Lot shall be submitted to the ARC for review and approval. Such landscape plan shall be prepared by a licensed Texas landscape architect, who shall utilize a plant palette and theme harmonious with the landscape palette approved for Sunfield. The design must provide enrichment for both the short term and the long term appearance of Sunfield. Each Purchaser/Builder shall be solely responsible for the cost and expense of preparing any landscape plan, the installation of all landscape materials, irrigation, and the maintenance and repair with respect thereto.

A. Design Review Process

The three (3) signed and sealed copies of the landscape plan must be submitted indicating property lines, setbacks, easements, adjacent site conditions, location of the proposed Residence showing windows and doors, proposed hardscape, utility elements, and existing and proposed vegetation. A plant list identifying scientific names, common names, height, spread, caliper (at time of planting), and any other pertinent specifications should accompany the plan.

The landscape plan shall indicate the existing vegetation intended for removal and retention. ARC reserves the right to require changes for individual Lots should special conditions or situations exist.

- A survey must also be submitted to the ARC which locates existing trees four (4) inches in diameter at 4' height or greater and significant shrub masses.
- An on-site review with ARC of existing vegetation may be required prior to any clearing.
- A written approval by ARC of building location to minimize disturbance and removal of existing vegetation.

- Written approval of the landscape plan is required.
- Installation of protective fencing around vegetation prior to construction may be required.

Changes to Landscape Plan. Any change or variation from the approved landscape plan shall require written approval by ARC. Any additional landscaping to be installed or removed after occupancy will require written ARC approval of the modification prior to installation or removal.

Landscape Maintenance. All landscaping, trees, shrubs, lawns and ground cover on a Lot shall be maintained by the Purchaser/Builder in good and living condition at all times. Evidence of fertilization for landscape material may be required by ARC to promote a healthy appearance. Notwithstanding anything provided herein, if a tree must be replaced due to any action or inaction on the part of a Purchaser/Builder, his guests, lessees or invitees, the cost for such replacement or other landscape replacement or maintenance shall be borne by such Purchaser/Builder. Any costs incurred by the Association shall be borne by Purchaser/Builder as an Individual Assessment and shall be due and payable within fifteen (15) days after written request for payment.

Irrigation Maintenance. The Purchaser/Builder of a Lot shall be responsible for maintaining and keeping in good working order the landscape irrigation system installed in or on the Purchaser/Builder's Lot. Irrigation systems shall be maintained in such a manner so as to cause no stains on homes, walls, structures or paved areas.

The Association may not change landscaping in the Sunfield Community Property without the prior written approval of the Developer. No Purchaser/Builder may change the trees or shrubs in the Sunfield Community Property, or any trees on any Lot which were installed by Developer prior to the conveyance of such Lot from Developer to Purchaser/ Builder without approval of the ARC.

B. Planting Requirements

Landscaping must be installed on the Lot and must be completed prior to occupancy of the Residence. Each Purchaser/Builder shall plant and maintain within their front and side yard area the following plant materials:

Trees. Lots measuring 45' or less along the front are required to plant one (1) tree with a three inch (3") caliper or greater as measured four feet (4') from the ground in the front of the residence. Lots measuring greater than 45' are required to plant two (2) trees with a two inch (2") caliper or greater as measured four (4') feet from the ground in the front of the residence. Residences backing too or along sides of major throughfares are required to plant one (1) tree with a one and one half (1½") inch caliper or greater as measured four (4') feet from the ground in the back yard of the residence and within 12' of the back or side of the property fencing.

Shrubs.

MINIMUM REQUIREMENTS		
Lot Size	5 Gallon Shrubs	1 Gallon Shrubs
45' Lots	3	10
50' Lots	4	12
60' Lots	5	15

Lawn Grass. The front and sides of all houses shall be sodded. Builder shall offer Purchaser sod in the back yard, but at a minimum, sod shall be installed in the back yard 3 feet out from the foundation, and the remaining area shall require seeding and/or hydro-mulching.

Specifications. Plant stock used shall be premium quality, healthy, and disease-free material. Plant specifications shall meet or exceed minimum standards established by the "American Standard for Nursery Stock" (American Association of Nurserymen; current edition).

Shrubs and Ground Covers. Shrub materials should be planted to provide a "layered" appearance with larger shrubs in the background stepping down to ground covers in the foreground. A limited palette of complementary plants is encouraged over a larger variety, and should form a continuous mass visually versus isolated plantings. Flowering and native shrub species are encouraged. Ground covers shall be spaced to provide 100% coverage within twelve (12) months of planting. All landscape planting within the rear building setback is subject to ARC approval for type and height.

Grass. All grass areas shall be sodded with Bermuda Grass, Buffalo Grass or Zoysia. The Purchaser/Builder is responsible for landscaping and maintaining the area between front property line and street curb.

Mulch. All planting beds shall receive a minimum three (3) inch layer of shredded cypress mulch. White rock, sand, pebbles, wood chips or similar materials are not permitted except in limited quantities associated with planting beds and should be noted on plans and approved by the ARC.

Berms. Landscape berms shall have gentle, smooth slopes (maximum 3:1) with a natural appearance.

Master Plant List. All plant materials selections shall be from the "**Master Plant List**", which may be obtained from the ARC. Variations from the Master Plant List requested due to hardship or unusual circumstances will be reviewed by the ARC.

Plant materials included on this list are generally suitable for conditions in the Central Texas area.

V. CONSTRUCTION CRITERIA

A copy of these guidelines is to be distributed to, acknowledged, accepted and followed by Purchaser/Builder's subcontractors and materialmen operating in Sunfield. The ARC may establish additional rules governing construction activity within Sunfield.

A. Pre-Construction

Prior to starting new construction, the Purchaser/Builder will notify the ARC to schedule a meeting to discuss the construction parking, dumpster location and the location of the underground utilities, and other relevant information. Purchaser/Builder must use a line locating service for underground utilities prior to trenching or digging on the site. Any questions or other construction site issues should be directed to ARC or the Developer's representative.

B. Construction Inspections

During construction, the ARC has the right, but not the obligation, to make periodic inspections. These inspections may include, but are not limited to, the following:

- **Final Inspection.** Upon written request, a final inspection of each Lot and improvement will be made by the ARC to verify compliance with the ARC approved plans and specifications.
- **Construction Deposit Return.** Upon determination that the improvements strictly comply with ARC approved plans and approval by the ARC, the construction deposit balance, if any, will be returned.
- **Compliance.** The Developer or ARC is empowered by the Charter to enforce compliance with the ARC approved plans and specifications, including stop work orders, fines, or actions in a court of law.

C. Construction Damages

The Developer or ARC may repair damage of any kind or remove any debris or garbage caused by the construction activity of Purchaser/Builder, and all costs of such repair or removal shall be paid by the Purchaser/Builder immediately upon demand by the Developer or ARC; and further, the Developer or ARC may fine the Purchaser/Builder for failing to repair damage or remove debris as follows. A verbal courtesy notice may first be given to the Purchaser/ Builder. If no correction is made within five (5) working days the Developer will impose a \$100.00 fine for the first offense. Subsequent infractions will be \$750 for the second and \$1,000 for the third

offense. If the Purchaser/Builder continues to fail to repair damage and remove debris or garbage as required by the Developer or the ARC, the Purchaser/Builder may be prohibited from future construction activity in the project.

D. Access

Ingress and egress for all Purchasers/Builders, consultants, subcontractors, and materialmen will be limited to the approved construction entrance. Construction access will be available only from 8:00 a.m. to 6:00 p.m. Monday through Saturday. During daylight savings time, access will be available from 8:00 a.m. to 7:00 p.m. Developer or the ARC may change these hours at any time. Construction activity is permitted on Sundays or holidays from 9a.m. to 5p.m. Purchasers/Builders should instruct everyone not to arrive prior to the starting time.

E. Building Elevation

Foundations with stem walls that would otherwise be visible will be required to be screened by backfilling, landscaping, or other approved screening.

F. Clean Building Sites

Home sites must be maintained in an orderly fashion, and be policed and cleaned daily for dirt in the street, gutter, or sidewalk. Litter is to be picked up immediately as it tends to blow throughout the area if unattended. The Purchaser/Builder will be responsible to clean and/or replace damaged asphalt, concrete, curbs, temporary erosion control, or other improvements at the discretion of ARC. Erosion due to inclement weather must be addressed immediately to keep the storm sewer system in workable condition, and to avoid any inconvenience to existing residents.

If an objectionable amount of debris attributed to a construction activity is found, and the Purchaser/Builder fails to rectify the situation at that time, ARC reserves the right to correct the situation and charge reasonable rates for any work done in addition to imposing the fines mentioned above.

G. Construction Fencing

Purchasers/Builders are required to install a safety fence a minimum of 42" high around any open holes that will not be filled after that day's work, and around any existing trees or vegetation to be preserved. The purpose for this temporary fencing is to clearly identify any dangerous areas and to protect the native trees. It will be the Purchaser/Builder's responsibility to protect the vegetation selected for preservation. To avoid potential damage to trees, no parking or operating equipment within the dripline is allowed.

H. Construction Trailers

Construction trailers (office, sales, or storage) are permitted with approval of the ARC.

I. Damage

If, during any construction activity on a Lot or at any time, any of the Community Property is damaged or destroyed, including without limitation, any asphalt, paver stones, curbs, manholes, street lights, sidewalks, landscaping, irrigation, erosion control devices or street signs located thereon, the Purchaser/ Builder of such Lot shall be liable for all costs incurred in repairing or replacing such Community Property. The total costs thereof shall be assessed against the Purchaser/Builder as a Special Assessment, the lien for which may be foreclosed in the same manner as is provided for the enforcement of Assessment liens pursuant to the Charter. The ARC reserves the right to collect from Purchaser/Builders a security deposit against any such damages which might occur during the construction of a Residence.

J. Drainage

Surface water runoff on Lots must be controlled and maintained so as not to cause any ponding, erosion or unfavorable impact on adjacent Community Property or Lots. Lots are required to drain toward the drainage system facilities as referenced in the construction/drainage plans and are required to meet all conditions of all applicable permits.

K. Dumpster

A dumpster or trash bin must be positioned on the Lot prior to construction. The dumpster or trash bin is not to be overfilled and is to be emptied without delay when full.

L. Notice of Liability

At the discretion of Developer, or ARC, Purchaser/Builder may be held monetarily accountable for damage, accidental or otherwise, to landscaping and development-related items including, but not limited to, infrastructure, appurtenances, (i.e. street lamps/poles, etc.) trees, and irrigation systems. It is, therefore, recommended that Purchasers/Builders pay particular attention to those items to avoid damage and potential liability.

M. Nuisances

To respect homeowner privacy during construction, do not allow construction workers, subcontractors, or materialmen to enter the property during unauthorized times as provided in Section V(D) of these Design Guidelines or litter, play loud

music, wander around completed homes, or bring alcoholic beverages into the project. Please use your good judgment in order to maintain good relations with the residents.

N. Parking

Parking for Purchasers/Builders, subcontractors and materialmen is limited to the designated construction parking areas unless otherwise approved by the ARC. This request is made to reduce the damage to the streets, sidewalks, erosion control devices and driveways due to oil drips, mechanical equipment, trucks, cranes, and vehicles. Parking is not allowed in the Community Property in front of the Lot because that will damage the sprinkler system in that area. At no time should anyone park in front of completed Residences or on both sides of the street in a manner which blocks traffic.

O. Pets, Friends, or Relatives

Subcontractors and materialmen cannot bring pets, friends, children, or relatives into Sunfield at any time.

P. Portable Toilets

A portable toilet is required during construction and must be positioned in such a way that it is least offensive to Sunfield residents, guests, and customers. The cleaning truck should not be scheduled to clean out the portable toilet before 8:00 AM or after 6:00 PM. This will minimize the disturbance to our homeowners during the pumping cycle of the cleaning process.

Q. Responsibility

The Purchaser/Builder is responsible for the acts of all subcontractors, sub-subcontractors, laborers, materialmen, and others involved in the construction of improvements. Any infractions of these guidelines by any such subcontractor, sub-subcontractor, laborer, materialmen, or others will be deemed to have been made by the Purchaser/Builder.

R. Signage

No names, signs, or job numbers of any kind can be permanently installed on the site or painted by the Purchaser/Builder, architect, subcontractor or materialmen on the building under construction.

S. Storage of Equipment, Supplies and Materials

Lots or Community Property cannot be utilized as temporary storage facility for earth moving equipment, trailers, vans, or other equipment or materials which have

no planned immediate use. Materials and supplies delivered to the Lot must be limited to the home under construction. Adjacent home sites may be utilized for material storage as approved by ARC. Construction materials are to be temporarily stored on-site in an orderly manner that will not interfere with pedestrian or roadway traffic.

VI. PURCHASER/BUILDER ACKNOWLEDGEMENTS

Purchaser/Builder acknowledges that Developer has created a quality community and that Developer will maintain high standards for aesthetic values when considering any preliminary plans or final plans (collectively the “Plans”) or applications submitted by Purchaser/Builder for approval.

Purchaser/Builder acknowledges that the development documentation contains restrictions regarding the construction improvements on the Lot, including, but not limited to, review and approval by the Developer or its designated agent of all proposed improvements. These Design Guidelines may be revised from time to time. Purchaser/Builders agree to be bound by, and to comply with these Design Guidelines. In addition, Purchaser/Builder acknowledges and understands that prior to construction, all proposed improvements must also be approved by applicable governmental authorities.

Purchaser/Builder acknowledges that existing foliage will be cleared selectively, to the extent reasonable, retaining as much of the existing foliage as possible. Purchaser/Builder will be responsible for the installation and maintenance of the landscaping on the Lot and adjacent right-of-way and areas between the property line of the Lot and any abutting road or water's edge, unless it is maintained by the Association. All landscaping on the Lot will conform to Developer's landscape palette within Sunfield.

All Persons acknowledge and agree that Developer's designation of any builder as an “Approved Builder” does not constitute a warranty as to the merchantability or habitability of an Approved Builders' work product.

Purchaser/Builder specifically covenants and agrees that Purchaser/Builder will observe, perform, and comply with each and every requirement contained in these Design Guidelines.

There may be wetland and/or wooded areas within Sunfield designated as Conservation Areas to be preserved in their natural state. No activity, development, construction, or maintenance is to take place in those areas without approval by the Association and all applicable governmental agencies. Wildlife is not to be disturbed.

When the physical construction of any improvement starts, said construction shall be performed diligently and completed within a reasonable time. If for any reason a Residence is not completed within the timeframes for construction, as determined by Developer or the ARC, then the Developer or the ARC may, after ten (10) days notice to the Owner of record of the Lot, enter the Lot and take such steps as are necessary to correct any undesirable condition. The Owner of the Lot shall be liable for all costs incurred in such action and the

total costs thereof will be a lien on the Lot, which lien may be foreclosed in the same manner as is provided for the enforcement of the Assessment liens as set forth in the Charter.

VII. GENERAL

Changes to plans. After approval, any change affecting the exterior of the structure or the ARC approved site plan must be resubmitted for approval by the ARC. Failure to obtain approval of the ARC for any and all such changes to plans prior to the commencement of construction of the improvements will be deemed a material breach of these Design Guidelines. In addition to any other rights permitted by law or in equity, Developer or ARC may proceed in the courts to obtain a mandatory injunction requiring any construction done without approval to be torn down and/or removed immediately. All costs and attorneys fees incurred by Developer or ARC in taking the action, including before commencing any litigation, during any litigation, and for all appellate efforts, will be the expense of the Purchaser/Builder and Developer or the Association may place a lien against the Lot to secure payment of these funds.

Aesthetic Approval Only. The approval, rejection and/or requirement of changes in the Purchaser/Builder's plans by the ARC and the location of all structures or alteration of any structure, will not be construed or interpreted as a representation or determination by ARC that any building, plumbing, electrical code, or other applicable government regulation(s) or requirements(s) have or have not been properly met by the Purchaser/Builder. It is understood that the approval of the ARC relates only to the aesthetics of the improvements shown on the plans, and not to their sufficiency or adequacy. Purchaser/Builder will be responsible for obtaining all necessary technical data and for making prompt application to and obtaining the approval of any and all appropriate government authorities prior to commencement of any work or construction of the improvements.

Hold Harmless. Other than as set forth in this document, neither the ARC nor Developer will have any duty, responsibility, or liability to any Purchaser/Builder or to any other person whomsoever in respect to the exercise of its rights, or the failure to exercise its rights. ARC may reject the plans based on any grounds or reason whatsoever, including purely aesthetic grounds, in its sole and absolute discretion. Purchaser/Builder agrees to hold the ARC and Developer harmless from any actions, claims, damages, or costs arising from an ARC review of the Plans.

Timetable Agreement. Purchaser/Builder agrees that the design review process is an essential part of these Design Guidelines and contains specific deadlines and terms governing the planning and design of the improvements on the Lot.

Protection of Property Values. Purchaser/Builder understands that the ARC's reservation of the right to approve or disprove any and all of the plans (regardless of type and whether defined hereunder) is to preserve and protect property values in Sunfield in compliance with the Charter. Further, ARC's approval does not address or constitute a guaranty of the engineering or technical merits of the plans, nor does it certify compliance with applicable

building codes, water management, environmental, or fire safety requirements or other governmental regulations, but is intended solely for ARC's and Developer's purposes.

Costs or Expenses: In no event will ARC be responsible for any costs or expenses incurred by Purchaser/Builder in complying, or attempting to comply, with the requirements of these Design Guidelines.

Exhibit "A"

List of Fees

DESCRIPTION	FEE
Returned Check Fee	\$ 50
Transfer Fee (Lot to Builder)	\$ 50
Transfer Fee (Builder to Homeowner)	\$ 100
ARC Review Fee - Addition to home	\$ 100
ARC Review Fee - Pool/Sport Court	\$ 75
ARC Review Fee - Storage Shed/Deck	\$ 50
Resale Certificate (basic charge additional charges will apply For expedited service)	\$ 195
Lien Processing Fee	\$ 75
New Home ARC Fee/Building Permit Application (includes: ARC review fee, permit process, building inspection fees (additional reinspection fees may apply), final certificate of occupancy (CO))	\$ 780
Capitalization of Community Association (Working Capital Fee)	\$ 50
City of Buda Registration Fee	\$ 100
Revisions or changes to approved plans	\$ 100

**** Electronically Filed Document ****

Hays County Texas
Linda C. Fritsche
County Clerk

Document Number: 2009-90012282
Recorded As : ELECTRONIC RECORDING

Recorded On: May 11, 2009
Recorded At: 10:59:04 am
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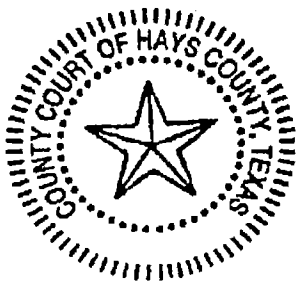
Parties:

Direct- 2428 PARTNERS LP
Indirect-

Receipt Number: 218503
Processed By: Lynn Curry

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.



I hereby certify that this instrument was filed for record in my office on the date and
time stamped hereon and was recorded on the volume and page of the named records
of Hays County, Texas

Linda C. Fritsche

Linda C. Fritsche, County Clerk

FIRST AMENDMENT TO COMMUNITY CHARTER FOR SUNFIELD

RTT6F#08R31695WR8

1 of 2

FIRST AMENDMENT TO COMMUNITY CHARTER FOR SUNFIELD

STATE OF TEXAS

§

RT 08R 31695 WR8
102

§

COUNTIES OF HAYS AND TRAVIS

§

This FIRST AMENDMENT TO COMMUNITY CHARTER FOR SUNFIELD (this "Amendment") is made and entered into to be effective as of the 20th day of April, 2009, by 2428 Partners, L.P., a Texas limited partnership ("Declarant").

WHEREAS, Declarant is the owner of that certain development of real property named "Sunfield" which is more particularly described in the Community Charter for Sunfield dated February 21, 2008, filed for record as (i) Document Number 80005505 in Volume 3341, Page 230 of the Real Property Records of Hays County, Texas, and (ii) Document Number 2008034580 in the Real Property Records of Travis County, Texas (the "Charter");

WHEREAS, the Charter governs the development and use of Sunfield and establishes certain covenants that touch and concern the land contained in Sunfield and that shall be binding upon Declarant and the future owners and occupancy of any portion of such property;

WHEREAS, pursuant Section 20.2(a) of the Charter, until the termination of the Declarant Control Period (as defined in the Charter), Declarant may unilaterally amend the Charter for any purpose subject to the terms of Section 15.2 of the Charter;

WHEREAS, as of the date hereof, the Declarant Control Period has not terminated; and

WHEREAS, Declarant desires to amend and clarify the Charter in certain respects as more fully set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth and for other consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby amends the Charter as follows:

1. Section 5.2(a) of the Charter is hereby deleted and replaced with the following:

"(a) **Architectural Review Committee.** The Declarant shall appoint the Architectural Review Committee to review and act upon all applications for review of proposed Improvements by Owners. Prior to Turnover, (i) Declarant may remove any person from the Architectural Review Committee with or without cause, (ii) Declarant shall fill any vacancy in the Architectural Review Committee, and (iii) Declarant may appoint additional persons to the Architectural Review Committee. Any vacancy may be filled by the Declarant at its sole discretion. Following Turnover, (i) the Community Council may remove any person from the Architectural Review Committee with or without cause, (ii) the Community Council shall fill any vacancy in the Architectural Review Committee, and (iii) the Community Council may appoint additional persons as

members of the Architectural Review Committee. In reviewing and acting upon any application for review, the Architectural Review Committee shall act solely in its discretion and owe no duty to any Owner or other Person. The Community Association (or Declarant) may compensate the Architectural Review Committee in such manner and amount, if any, as the Community Council may determine appropriate, and the Community Council may include the compensation of the Architectural Review Committee (or reimbursement of the Declarant for compensation paid to the Architectural Review Committee) in the Community Association's annual operating budget."

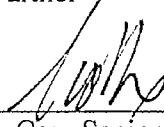
2. Except as amended hereby, all terms and conditions of the Charter are and remain in full force and effect as therein written. In the event of a conflict between the provisions of this Amendment and the provisions of the Charter, the provisions of this Amendment shall control. Capitalized terms which are used herein but not defined shall have the same meaning given to such terms in the Charter.

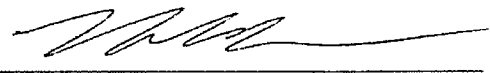
EXECUTED to be effective as of the date first written above.

DECLARANT:

2428 PARTNERS, L.P.,
a Texas limited partnership

By: 2428 Management, L.L.C.,
a Delaware limited liability company,
its General Partner

By: 
Scott L. Cox, Senior Vice President

By: 
Robert D. Rollo, Vice President

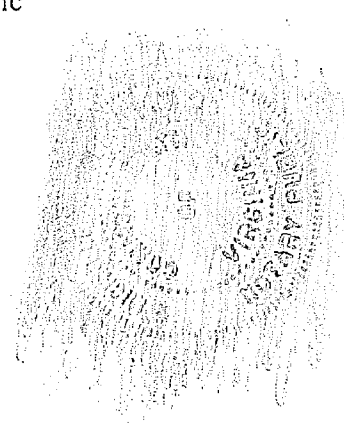
CITY/COUNTY OF FAIRFAX §
§
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Scott L. Cox, Senior Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Golesorkhi
NOTARY PUBLIC

Michelle K. Golesorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11



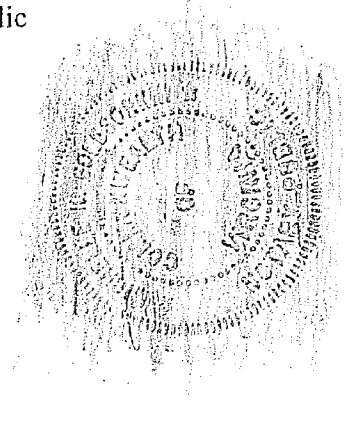
CITY/COUNTY OF FAIRFAX §
§
COMMONWEALTH OF VIRGINIA §

This instrument was acknowledged before me on April 20, 2009, by Robert D. Rollo, Vice President of 2428 Management, L.L.C., a Delaware limited liability company, general partner of 2428 Partners, L.P., a Texas limited partnership, on behalf of said entities.

Michelle K. Golesorkhi
NOTARY PUBLIC

Michelle K. Golesorkhi
Printed Name of Notary Public

Notary Registration Number: 4053579
My Commission Expires: 4/30/11



**Declarant's Adoption
Of
Sunfield Community Design Guidelines
And
Rules and Regulations for Sunfield**

Whereas, 2428 Partners, L.P., a Texas limited partnership (the "**Declarant**") is the Declarant under the following Community charters:

Community Charter for Sunfield recorded in Hays County, Texas, Volume 3341 Page 143 of the Real Property Records of Hays County, Texas; and

Community Charter for Sunfield recorded in Travis County, Texas at Document Number 2008034580, Travis County, Texas (collectively "**Community Charter**"); and

Whereas, pursuant to Chapter 5 of the Community Charter, the Declarant is authorized to adopt Community Design Guidelines applicable to Sunfield; and

Whereas, pursuant to Chapter 7 of the Community Charter, the Declarant is authorized to adopt Rules and Regulations for Sunfield.

Pursuant to the authority set forth in the Community Charter, the Declarant does hereby adopt the Community Design Guidelines and Rules and Regulations, each of which is attached hereto and incorporated herein for all purposes.

Dated effective as of the 11th day of March, 2008.

DECLARANT:

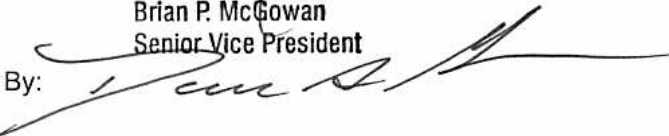
2428 PARTNERS, L.P., a Texas limited partnership

By: 2428 MANAGEMENT, L.L.C., a Delaware limited liability company, its sole General Partner



By: 

Brian P. McGowan
Senior Vice President

By: 

Donald S. Grant
Executive Vice President

SUNFIELD
RESIDENTIAL DESIGN GUIDELINES

December 27, 2007

NOTICE

As outlined in the Community Charter for Sunfield (the “**Charter**”), any and all improvements to property in shall be submitted to the Architectural Review Committee (the “**ARC**”) for review and approval prior to initiation of any construction activities. Further, it is the Applicant's responsibility to ensure compliance with the latest revisions to these Design Guidelines, which are available upon request from the ARC. The ARC has discretionary authority as set forth in these Design Guidelines.

THESE DESIGN GUIDELINES ARE SUBJECT TO CHANGE WITHOUT NOTICE

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I. INTRODUCTION

A. Project Description

Sunfield is a 2,700+ acre land development planned to include a full range of compatible land uses in a coordinated suburban setting located near I-35. Commercial and educational facilities are planned to keep pace with residential growth. The overall character sought for Sunfield is that of a quality suburban living, shopping and working environment.

B. Applicability of Design Guidelines

These Design Guidelines (the “**Design Guidelines**”) only govern the single-family residential portions of Sunfield. There are separate and distinct design guidelines for the commercial tracts within Sunfield. Owners of tracts within the commercial portion of Sunfield should refer to those design guidelines and not to this document.

C. Intent of Design Guidelines

Sunfield has been meticulously conceived, planned, and executed, and it is the purpose of these Design Guidelines to ensure continuation of these standards. Architectural and landscape concepts are intended to complement one another, and therefore encourage attention to detail. 2428 Partners, LP, a Texas limited partnership, its successors and assigns (hereinafter referred to as “**Developer**”) is establishing criteria and procedures that will promote the highest level of aesthetic value, design compatibility, and maintain and enhance economic value within Sunfield.

The Developer has prepared the following guidelines for all lot purchasers, builders and contractors (approved by Developer for residential construction in Sunfield) (hereinafter referred to as a “**Purchaser/Builder**”). A copy of these guidelines will be distributed to, acknowledged, accepted, and adhered to by all Purchaser/Builders operating in Sunfield.

The Architectural Review Committee (hereinafter referred to as “**ARC**”) is the entity that will administer these Design Guidelines. ARC will have the right to approve, suggest modifications, or deny any or all of the preliminary plans, final plans, or other review submittals.

The ARC may, from time to time, publish and promulgate a list of approved builders (each, an “**Approved Builder**”) which shall set forth the names, addresses and other pertinent information relating to the Approved Builders. The names of and the numbers of Approved Builders may change from time to time. Only Approved Builders may construct improvements on a Lot, other than minor repairs or replacements, without the prior written approval of the ARC.

D. Other Pertinent Information

It is recommended that the property deed, the Charter, and the recorded plat be carefully reviewed before commencing design. There are also various city, county, state, and utility district regulations, policies, and ordinances which apply to development in Sunfield and which should be reviewed prior to commencing design. Sunfield is located outside the corporate limits of the City of Buda. A portion of Sunfield is located in the Extraterritorial Jurisdiction of Buda, and a portion of Sunfield is located in the Limited Purpose Annexation Area of the City of Austin. Sunfield is, therefore, subject to certain development ordinances of the City of Buda and the City of Austin. Sunfield is primarily within Hays County though a portion of the northern area extends into Travis County.

Limiting Conditions

These Design Guidelines establish criteria and procedures for development, design, and construction within Sunfield. These Design Guidelines are not an offer to sell, purchase, or list real estate, nor are they a warranty of any type. Such agreements shall be separately set forth in legally executed, written documents. These Design Guidelines are binding on all Purchasers/Builders of property within Sunfield, except for any improvements constructed or approved by Developer. Remedies for failure to comply are outlined in these Design Guidelines, in the Community Charter for Sunfield (“Charter”) and in contracts for sale. Developer reserves the right to amend and revise these Design Guidelines as it deems appropriate.

These Design Guidelines do not supersede (except where more restrictive) or duplicate the Charter, the Texas Property Code, other municipal, county, state, or federal regulations, or other legally binding contracts or agreements between the Developer and Purchaser/Builders. All initially capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Charter.

II. PLAN REVIEW PROCESS AND TIMETABLE

The plan review process has been established to maintain the highest level of aesthetic value within Sunfield. Each Purchaser/Builder acknowledges and agrees that as a condition of sale of a lot within Sunfield (a “Lot”), design and construction will be subject to these Design Guidelines. An administrative review fee shall be as set forth in Exhibit “A”.

A. Initial Review

Two (2) sets of final building plans (with square footage) are required for initial review. One set will be returned to the Purchaser/Builder and one set will be retained by ARC.

B. Final Review

Final review is the last step in the ARC approval process. Review of plot plans and related information is required to ensure consistency with the preliminary plan approval granted previously. Two (2) sets of signed and sealed plans are to be submitted that will be a true extension of the approved Preliminary Plans. One (1) approved set will be returned to the Purchaser/Builder and one (1) set will be retained by the ARC. The following items are required:

C. Site/Hardscape Plan

- Scale: 1" = 30' or greater
- Legal description
- House plan designation; elevation type; materials and colors
- Lot lines, setbacks, and easements
- Existing drainage inlets, manholes, and all other utilities
- Proposed building footprint(s), patios, walls or fences, sidewalks, driveways, pools, decks, screen enclosures, trellises, and any other hardscape elements
- Surface materials denoted for driveways, patios, courts, decks, etc.

LANDSCAPE PLAN - indicate location, botanical and common name, size, quantity and specifications in a legible manner of all proposed and existing plant material as outlined in landscape criteria. Indicate existing vegetation to be preserved, and demonstrate that any native plant requirements have been satisfied.

FLOOR PLAN - include balconies, decks, patios, atriums and table of gross square footage and air conditioned area square footage of the Residence.

EXTERIOR ELEVATIONS - include all exterior building elevations with heights clearly indicated. Exterior elevations to show finished floor elevations above grade. Label all finishes of all materials on the elevations.

POOL AND SCREEN ENCLOSURE PLANS - if applicable.

MATERIAL SPECIFICATIONS (*One set only*) - submit actual color samples (swatches), manufacturer name, and ID number of all exterior paint colors. Submit manufacturer name and color of all roofing materials and paving materials.

D. Changes to Plans

Any change affecting the approved site or building plans must be resubmitted for ARC approval. Failure to obtain approval of ARC for any and all such changes to plans prior to the commencement of construction of the improvements will be deemed a material breach of these Design Guidelines. In addition to any other rights permitted by law or in equity, Developer or ARC may proceed in the courts to obtain a mandatory injunction requiring any construction done without approval to be torn down and/or removed immediately. All costs and attorneys fees incurred by ARC or Developer in taking the action, including before commencing any litigation, during any litigation, and for all appellate efforts, will be the expense of the Purchaser/Builder, and Developer will place a lien against the Lot to secure payment of these amounts.

E. Disclaimer of ARC Liability

Neither the ARC, the Developer, nor any of their representatives, successors or assigns shall be liable for damages to anyone submitting plans for approval, or to any lot owner, builder, contractor, visitor or occupant of any of the property in Sunfield by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of any plans or the failure to approve any plans. Any Purchaser/Builder making or causing to be made any proposed improvement or addition to any Lot, Residence or other portion of Sunfield agrees - and shall be deemed to have agreed for such Purchaser/Builder's heirs, personal representatives, successors and assigns - to hold the ARC, Developer, any of their representatives, successors or assigns and all other Purchaser/Builders harmless from any and all liability, damage, including costs and/or expenses, including attorneys' fees, arising from or in connection with the construction and installation of any proposed improvement. Purchaser/Builder shall be solely responsible for the maintenance, repair and insurance of any alteration, modification, or change and for assuring that the proposed improvement meets with all applicable governmental approvals, rules, and regulations.

No ARC approval as provided herein shall be deemed to represent or imply that the proposed improvement, if constructed in accordance with the approved plans and specifications, will result in properly designed and constructed improvement or that it will meet all applicable building codes, governmental or agency requirements.

F. Timetable for Review

Review Timetable: Within thirty (30) days of Purchaser/ Builder's submittal of the complete documents of the plan review, the ARC will complete its review. Purchaser/Builder will be notified in writing that the documents have been approved, approved subject to specific and required modifications, or denied. If a Purchaser/Builder has not received the ARC's written approval or denial within thirty (30) days after delivering such documents, the request shall be deemed to have been

disapproved by the ARC. If the documents have been approved subject to specific and required modifications, or if such documents have been denied, the written notification from ARC to Purchaser/Builder will describe the nature of the modifications or the basis for the denial. The description will be sufficient for Purchaser/Builder to make the necessary changes in the documents to receive ARC approval upon re-submittal.

Failure to Respond and Consequences: If Purchaser/Builder fails to respond within thirty (30) days to the written notification from ARC of the documents subject to specific and required modifications or the denial of the documents, or fails to comply with the requirements of the timetable for review, it will be deemed that Purchaser/Builder has elected to withdraw the application.

G. Approved Material Matrix

At such time as the ARC has approved a construction material or color, such approved material or color shall be noted on an "Approved Material Matrix" to be maintained by the ARC and made available to Purchasers/Builders.

H. Plan and Elevation Placement on Each Block

Limits on plan and elevation repetition are the following: The same plan shall not be located within 3 lots in either direction on the same side of the street or directly across the street. When the same plan is used, the same elevation may not be used within 8 lots on the same side of the street on either side of the subject lot, or within 3 lots in either direction on the opposite side of the street of the subject lot.

I. Masonry Repetition

Limits on masonry repetition are the following: the same materials may not be used within three lots of each other, or directly across the street. Stone must be varied in type and meet the above criteria. All combinations of stone and brick must be approved in advance. Red and orange brick are discouraged.

III. ARCHITECTURAL DESIGN CRITERIA

Design of a Residence within Sunfield shall reflect a consistent design theme, style, or image. Eclectic design is discouraged. The final design image shall be well-refined and carefully detailed. The floor plans and elevations shall work in unison to achieve consistency in scale, balance, and harmony unto itself and with the neighborhood. The siting of the Residence shall be such that outdoor accessory uses are respectful of existing vegetation and that water feature and streetscape views are enhanced. All final design approvals are at the discretion of the ARC.

A. General Criteria

Without the prior written approval of a variance by the ARC, improvements constructed on every Lot must have the minimum characteristics described below, which may be treated as the minimum requirements for improving and using a Lot. Subject to the limitation set forth in the foregoing sentence, the ARC: (a) may impose additional or different construction restrictions on certain parts of Sunfield, and (b) may promulgate additional rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. A Purchaser/Builder should review all restrictions before planning improvements, repairs, or replacements to his Lot or Residence.

Lots. Subdivision of any Lot within Sunfield is prohibited unless approved in writing by ARC and permitted by governing agencies.

Minimum & Maximum Residence Size (AC area). The principal improvement on a Lot must be one detached single family Residence with a minimum and maximum floor area for interior air-conditioned space as follows:

Lot Size	Minimum	Maximum
45' frontage	1200 s.f.	1900 s.f.
50' frontage	1700 s.f.	2400 s.f.
60' frontage	2200 s.f.	2900 s.f.

Height. No Residence may exceed two stories in height, unless otherwise approved by the ARC.

Use. All Lots are restricted to single-family detached residential use, designed for and occupied by one family.

No more than one (1) Residence may be built on a Lot. Buildings accessory to the use of a Residence may be erected provided that they are not used as living quarters unless specifically designed and approved as guesthouses, and any buildings accessory to the use of a Residence must be approved in advance by the ARC.

B. Architectural Review.

No structure shall be commenced, erected, improved or altered, nor shall any grading, clearing, excavation, tree removal or change of exterior color or other work which in any way alters the exterior appearance of any structure be commenced without approval as set forth in the Charter and these Design Guidelines. Variances from procedures or guidelines may be granted when circumstances such as topography, natural obstructions, hardship, aesthetics, or environmental conditions require. To be effective, a variance must be in writing. The grant of a variance does not affect a waiver or estoppel of the ARC's right to deny a variance in other circumstances. All structures must be designed by a licensed architect qualified to

perform services in Texas. All square footages must be noted on the plans and signed by a licensed architect.

C. New Construction

The Residence must be constructed on the Lot. A Residence or addition constructed elsewhere may not be moved onto a Lot. At the start of construction - but not before - building material to be used in the construction may be stored on the Lot. Once started, the Residence and all improvements on the Lot must be completed within twelve (12) months of the commencement of construction.

D. Above-Ground Storage Tanks

No above-ground storage tanks shall be permitted on any part of Sunfield. Up to five (5) gallons or 20 pounds of fuel stored on each Lot for emergency purposes and operation of lawn mowers, barbecue gas grills and similar tools or equipment is permitted.

E. Accessory Structures and Enclosures

Without the prior written approval of the ARC, accessory structures - such as dog houses, dog runs, decks, patios, gazebos, storage sheds, playhouses, play equipment, pools, spas, tubs, basketball backboards and other sports apparatus and greenhouses - are prohibited (not allowed). To be approved by the ARC, an accessory storage shed must have the following features:

- a. Only one per Lot.
- b. Designed for outdoor use.
- c. Less than 6 feet in height at the ridge line of the roof.
- d. Less than 100 square feet of floor space (e.g. 10' x 10').
- e. Visually harmonious with the house or fence to which it is most visually related or physically attached, including matching major materials such as siding and roofing, dominant colors, construction details, and pitch of roof.
- f. Screened by a fence or acceptable landscape material so it is not visible to a person standing on the surface of an adjoining Lot or street.
- g. Not located in front yards or in unfenced portions of side yards facing streets.

If an accessory structure is installed in violation of this Section, the ARC reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Lot, and may require the Owner to screen it or to remove it.

F. Building Finishes

Exterior wall materials must be approved by ARC. Exterior walls of all Residences shall have brick, stone, or other masonry material specifically approved by the ARC (collectively, “**Masonry**”) to meet the following criteria: (i) one hundred percent (100%) masonry coverage on the front and sides of a single story Residence, (ii) one hundred (100%) percent of front of a two story Residence and fifty percent (50%) of the sides provided that, (iii) a rear and/or side wall that faces a street shall be one hundred percent (100%) masonry, (iv) at least a two foot (2') return on each side of the second floor from the front of each Residence, and (v) the exposed exterior foundations facing a street should not exceed a maximum of twelve (12”) inches above finished grade, (vi) and any side not facing a street can have a maximum of twenty four (24”) inches above finished grade (collectively, the “**Masonry Areas**”). The foregoing notwithstanding, the following are specifically excluded from the Masonry Areas and the Masonry requirements: roofs, eaves, front entry returns, soffits, windows, doors, gables, garage doors, and decorative trim. Unless specifically approved by the ARC, imitation masonry products, including without limitation fibrous cement siding such as Hardi-plank siding, are prohibited within the Masonry Areas, but are required in siding form only on all other exterior wall areas of a Residence.

Installation of all exterior items and surfaces, including address numbers, decorative hardware, external ornamentation, lights fixtures, landscape and security lighting, attic ventilators, awnings and screens, flagpoles and flags, fountains, gutters and downspouts, shutters, skylights, storm screens, trellises, arbors, and exterior paint and stain, is subject to the ARC's prior approval, including approval of design, color, materials, and location.

G. Setbacks

No improvement may be erected, altered, placed or permitted to remain on any Lot nearer to the front, side and rear lot lines than the minimum distance of setback applicable for such Lot as set forth in the final recorded plat or pursuant to the ordinances, rules and regulations of the City of Buda or the City of Austin, as applicable.

H. Roofs

Roofing materials used on Residences must (i) be of high grade and quality consistent with the exterior design, color and appearance of surrounding Residences, (ii) should have a thirty (30) year warranty, (iii) be of materials approved in writing by the ARC. The use of fiberglass shingles is permitted.

I. Drainage/Swales/Subsurface

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. Lot drainage is the responsibility of the builder or owner and must be in accordance of all governmental rules and regulations. No person other than Developer, the ARC or a MUD may obstruct or re-channel the drainage flows of drainage gutters, swales or storm sewers. Surface water management, including but not limited to storm water storage and water quality treatment, shall conform to the requirements of the permitting agencies and meet with the approval of Developer. No drainage, including but not limited to, side yard swales, roof, patio, deck or pool drains, shall be allowed to sheet flow over or discharge directly onto an adjoining Lot within Sunfield.

J. Driveways, Walkways and Rear Patios

The driveway materials shall be unified with walkways and streets by respecting the material color and texture in its entirety. Driveways shall be constructed in such a manner so that the flare of the driveway at the adjoining street curb, gutter or pavement does not extend beyond straight-line projection of the side property line of the Lot served by the driveway.

a. Materials permitted:

- Concrete paver blocks
- Set stone or old brick
- Plain concrete
- Any other desired material must be presented to the ARC by actual sample for review.

b. Materials NOT permitted:

- Asphalt
- Mulch
- Gravel

K. Elevations

a. Use of the following features is encouraged:

- Porches/Verandas/Balconies

- Roof terraces and towers
- Balustrades
- Arches and Columns
- Bay Windows/Rooms
- Corbels, Keystones, Quoins
- Transoms and Sidelights
- Metal Gates and Railings
- Clerestory Windows
- Loggias and cloisters
- Low walls and Decorative Pottery

L. Varied Lines and Scale. The mass and scale of all buildings shall be visually appealing through the use of architectural detailing, reveals, windows, patio walls, balconies, varied elevations of roof lines, and varied setbacks along the street.

M. Colors. All exterior colors, including original and future color changes proposed by Purchaser/Builder, must be approved in accordance with these Design Guidelines. In addition, Purchaser/Builder may be required to paint a color sample on the Residence before written approval is granted. Bright colors are discouraged. Colors such as hot pink, orange, lime green, and fluorescent yellow are specifically prohibited.

N. Roofs. The minimum roof pitch required is 6:12 (that is, 6 inches of rise for every 12 inches of run). The roof pitch of any patio cover must be harmonious with the Residence roofline.

a. Materials permitted:

- Asphalt shingles
- Flat or “S” color impregnated concrete tile
- Barrel clay tile
- Standing seam prefinished metal
- Slate

- b. Materials NOT permitted:
- Aluminum shingles
 - Wood shingles or shakes
 - Roll roofing
 - Insulated Aluminum Patio Roofs

Patio, loggia, or lanai roofs shall be designed with architectural detailing to match that of the principal building.

The ARC may, in its sole discretion, approve or disapprove the use of such new materials that may be developed at a future time. Flat roofs shall generally NOT be permitted unless they enhance the design of the Residence, are small, or will not be visible from another Lot.

O. Exterior Attachments to Residences

No awnings, canopies, shutters or similar additions shall be attached or affixed to the exterior of any structure without approval from the ARC.

Clotheslines are not permitted. The hanging of laundry, clothing, rugs or any other articles on railings, fences, hedges, or walls is prohibited.

Decorative objects such as weather vanes, sculptures, birdbaths, fountains, and the like shall not be placed or installed in Sunfield without approval in accordance with these Design Guidelines and the Charter.

No outside antennas, satellite receptor dishes or devices or any other type of electronic device, that is utilized or designed to be utilized for the transmission or reception of electronic or other type of signal, shall be allowed without approval in accordance with these Design Guidelines and the Charter. Satellite dishes shall be hidden from view from the street in front of the house, or be disguised to resemble and in fact be visually indistinguishable from Residences, devices or improvements otherwise approvable in Sunfield. No ham radios or radio transmission equipment shall be operated in Sunfield without the prior written consent of the Association, whose consent shall not be unreasonably withheld, and provided that such transmission does not cause interference with the reception or operation of other electrical equipment in Sunfield.

P. Exterior Lights

No exterior lighting fixtures or decorations shall be placed in or about Sunfield, unless approved in accordance with the Design Guidelines and the Charter.

Landscape accent lighting (uplights and downlights) are recommended instead of flood lights, and must be directed so as not to adversely affect adjacent properties. No colored lenses or bulbs shall be permitted, except for holiday lighting.

Q. Garage & Driveway

Each Residence must have an attached garage for at least two, but not more than three, standard-size cars with garage doors installed. All metal doors must be painted to match the masonry color or the trim color as approved by the ARC. Wood garages must be stained and/or sealed and must be approved by the ARC. Without the ARC's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of two standard-size operable vehicles therein. The driveway must be surfaced with concrete.

R. Roof Vents and Chimneys

All roof mounted vents or stacks shall be painted to match the color of the roof. All chimney stacks shall be the same color as the body of the Residence. Each shall be consistent with the style of the Residence. Roof vents, and pipes shall be located behind the ridgeline of the roof.

S. Screen Enclosures

Screen enclosures on a Lot shall not be permitted unless the screen enclosure plans, specifications, elevations, and location are first approved by the ARC.

It is recommended that the vertical elements of the screen enclosure must be columns, pillars, posts, pilasters or other such architectural structures, which complement the architectural style of the Residence. The roof or horizontal framing elements must be of the same design and material of the Residence. Two (2) story screen enclosures shall not be permitted.

Screened enclosures shall not be allowed in the front yard between the Residence and street.

T. Sidewalks

All sidewalks required by the ARC or applicable governmental authorities shall be constructed in accordance with such requirements and completed prior to occupation of the Residence. No other sidewalks shall be placed on any Lot without the approval of the ARC.

U. Signs

No signs, freestanding or otherwise installed, shall be erected or displayed in or on any Lot, except signs used or erected by Developer, Builder plan boxes, signs required for legal proceedings or “for sale”, “for rent”, or political signs permitted pursuant to the Charter. If permission is granted to any person to erect a sign, the approval may restrict the size, color, lettering, placement and duration of such signs.

V. Structured Wiring

The Purchaser/Builder must comply with structural wiring requirements for the residence as they may be established from time to time by the ARC. Details of such specifications are available at the ARC office.

The Purchaser/Builder must comply with the requirements of the cable, telephone, or other telecommunications providers with reference to the telecommunications wiring for the residence. Details of such specifications are available at the ARC office.

W. Swimming Pools, Spas and Hot Tubs

The design and location of all swimming pools, spas and hot tubs must be approved in accordance with the Charter. Above ground pools are not permitted. Direct drainage of water from swimming pools, spas, or hot tubs into any Community Property shall not be permitted.

X. Trash Removal and Storage

All Lots must provide for garbage, trash, and refuse removal. Trash containers are to be placed at the curbside no earlier than the evening before pick up and retrieved no later than the day of pickup. Trash containers must be stored out of sight from the street(s) adjacent to the house.

Y. Utility Details

All utility lines and equipment must be located underground, except for: (1) elevated or surface lines or equipment required by a public utility or the city; (2) elevated or surface lines or equipment installed by Developer as part of the development plan; and (3) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. Each Lot will use water and sewage systems provided by a utility district, a city, or a private utility provider. Individual water supply and sewage disposal systems are not permitted.

No mechanical equipment is to be placed on roofs. Solar panels are permitted with location approved by the ARC. No solar collectors or devices shall be allowed without approval in accordance with the Charter. Any such collector or device shall

be located so as not to be readily visible from surrounding streets and shall be compatible in color and design with the structures to which they are attached.

Air conditioning equipment may not be installed in the front yard of a Residence. Window units are prohibited. The ARC may require that air-conditioning equipment and apparatus be visually screened from the street.

The ARC may require that the following items must be screened from the view of the public and neighboring Lots: (1) air conditioning equipment; (2) satellite reception equipment; (3) yard maintenance equipment; (4) wood piles and compost piles; (5) utility boxes and meters; (6) pool pumps and heaters; (7) accessory structures; (8) garbage cans and refuse containers; and (9) anything determined by the ARC to be unsightly or inappropriate for a residential subdivision. Screening may be achieved with fencing or with plant material, such as trees and bushes, or any combination of these. If plant material is used, a reasonable period of time is permitted for the plants to reach maturity as an effective screen. As used in this Section, “screened from view” refers to the view of a person in a passenger vehicle driving on a street or the view of a person of average height standing in the middle of a yard of an adjoining Lot.

Z. Walls, Fences and Gates

The construction of fences shall be subject to the prior written consent of the ARC. The ARC may, in its discretion, prohibit the construction of any proposed fence, specify the materials of which any proposed fence must be constructed, specify the color and type of stain that may be applied to any fence, or require that any proposed fence be partially screened by vegetation. No portion of any fence shall exceed seven feet (7') in height. No fences, walls or hedges shall be located nearer than thirty feet (30') from the front Lot line. No fence shall be erected on any Lot that is located less than five feet (5') from the front wall of the Residence constructed upon said Lot. No chain link, cloth or agricultural fence shall be allowed. No stain, paint or coloring shall be applied to any portion of a fence without the prior written consent of the ARC. Other than portions of fences that separate a Lot from a street or Community Property, each fence shall be a “good neighbor” fence, in which the pickets for each section of the fence (approximately eight (8) feet per section) alternately face each adjoining Lot. With respect to fencing constructed along any common Lot line, unless otherwise approved in writing by the ARC: (1) only one fence shall be constructed along a common Lot line; and (2) after a fence has been constructed along a common Lot line, the Owner of the adjacent Lot shall be entitled to attach fencing materials which otherwise comply with the provisions of these Design Guidelines to the structure of the existing fence constructed along such common Lot line.

Retaining walls must be constructed entirely with approved materials, however railroad ties may not be used for a retaining wall visible from a street

AA. Window Frames and Tinting

All window treatments within the Residence that are visible from the street or another Residence must be maintained in good condition and must not detract from the appearance of the Residence. Aluminum foil, newsprint, and bedsheets are not suitable window treatments. The ARC may require a Purchaser/Builder to change or remove a window treatment that the ARC determines to be inappropriate or unattractive. The ARC may prohibit the use of certain colors or materials for window treatments. Window tinting as a method of energy conservation is permitted, provided that the type, color, and method of tinting is approved in accordance with the Charter.

IV. LANDSCAPE DESIGN CRITERIA

A landscape plan for each Lot shall be submitted to the ARC for review and approval. Such landscape plan shall be prepared by a licensed Texas landscape architect, who shall utilize a plant palette and theme harmonious with the landscape palette approved for Sunfield. The design must provide enrichment for both the short term and the long term appearance of Sunfield. Each Purchaser/Builder shall be solely responsible for the cost and expense of preparing any landscape plan, the installation of all landscape materials, irrigation, and the maintenance and repair with respect thereto.

A. Design Review Process

The two (2) signed and sealed copies of the landscape plan must be submitted indicating property lines, setbacks, easements, adjacent site conditions, location of the proposed Residence showing windows and doors, proposed hardscape, utility elements, and existing and proposed vegetation. A plant list identifying scientific names, common names, height, spread, caliper (at time of planting), and any other pertinent specifications should accompany the plan.

The landscape plan shall indicate the existing vegetation intended for removal and retention. ARC reserves the right to require changes for individual Lots should special conditions or situations exist.

- A survey must also be submitted to the ARC which locates existing trees four (4) inches in diameter at 4' height or greater and significant shrub masses.
- An on-site review with ARC of existing vegetation may be required prior to any clearing.
- A written approval by ARC of building location to minimize disturbance and removal of existing vegetation.
- Written approval of the landscape plan is required.

- Installation of protective fencing around vegetation prior to construction may be required.

Changes to Landscape Plan. Any change or variation from the approved landscape plan shall require written approval by ARC. Any additional landscaping to be installed or removed after occupancy will require written ARC approval of the modification prior to installation or removal.

Landscape Maintenance. All landscaping, trees, shrubs, lawns and ground cover on a Lot shall be maintained by the Purchaser/Builder in good and living condition at all times. Evidence of fertilization for landscape material may be required by ARC to promote a healthy appearance. Notwithstanding anything provided herein, if a tree must be replaced due to any action or inaction on the part of a Purchaser/Builder, his guests, lessees or invitees, the cost for such replacement or other landscape replacement or maintenance shall be borne by such Purchaser/Builder. Any costs incurred by the Association shall be borne by Purchaser/Builder as an Individual Assessment and shall be due and payable within fifteen (15) days after written request for payment.

Irrigation Maintenance. The Purchaser/Builder of a Lot shall be responsible for maintaining and keeping in good working order the landscape irrigation system installed in or on the Purchaser/Builder's Lot. Irrigation systems shall be maintained in such a manner so as to cause no stains on homes, walls, structures or paved areas.

The Association may not change landscaping in the Sunfield Community Property without the prior written approval of the Developer. No Purchaser/Builder may change the trees or shrubs in the Sunfield Community Property, or any trees on any Lot which were installed by Developer prior to the conveyance of such Lot from Developer to Purchaser/ Builder without approval of the ARC.

B. Planting Requirements

Landscaping must be installed on the Lot and must be completed prior to occupancy of the Residence. Each Purchaser/Builder shall plant and maintain within their front and side yard area the following plant materials:

Trees. Two (2) trees with a two inch (2") caliper or greater as measured four (4') feet from the ground shall be planted in the front of the residence. One (1) tree with a one and one half (1½") inch caliper or greater as measured four (4') feet from the ground shall be planted in the back yard of the residence. Homes that back to a major roadway shall plant the back yard shade tree within 12' of the back property fencing.

Shrubs.

MINIMUM REQUIREMENTS		
Lot Size	5 Gallon Shrubs	1 Gallon Shrubs
45' Lots	3	10
50' Lots	4	12
60' Lots	5	15

Lawn Grass. The front and sides of all houses shall be sodded. Builder shall offer Purchaser sod in the back yard, but at a minimum, sod shall be installed in the back yard 3 feet out from the foundation, and the remaining area shall require seeding and/or hydro-mulching.

Specifications. Plant stock used shall be premium quality, healthy, and disease-free material. Plant specifications shall meet or exceed minimum standards established by the “American Standard for Nursery Stock” (American Association of Nurserymen; current edition).

Shrubs and Ground Covers. Shrub materials should be planted to provide a “layered” appearance with larger shrubs in the background stepping down to ground covers in the foreground. A limited palette of complementary plants is encouraged over a larger variety, and should form a continuous mass visually versus isolated plantings. Flowering and native shrub species are encouraged. Ground covers shall be spaced to provide 100% coverage within twelve (12) months of planting. All landscape planting within the rear building setback is subject to ARC approval for type and height.

Grass. All grass areas shall be sodded with Bermuda Grass, Buffalo Grass or Zoysia. The Purchaser/Builder is responsible for landscaping and maintaining the area between front property line and street curb.

Mulch. All planting beds shall receive a minimum three (3) inch layer of shredded wood mulch. White rock, sand, pebbles, wood chips or similar materials are not permitted except in limited quantities associated with planting beds and should be noted on plans and approved by the ARC.

Berms. Landscape berms shall have gentle, smooth slopes (maximum 3:1) with a natural appearance.

Master Plant List. All plant materials selections shall be from the “**Master Plant List**”, which may be obtained from the ARC. Variations from the Master Plant List requested due to hardship or unusual circumstances will be reviewed by the ARC.

Plant materials included on this list are generally suitable for conditions in the Central Texas area.

V. CONSTRUCTION CRITERIA

A copy of these guidelines is to be distributed to, acknowledged, accepted and followed by Purchaser/Builder's subcontractors and materialmen operating in Sunfield. The ARC may establish additional rules governing construction activity within Sunfield.

A. Pre-Construction

Prior to starting new construction, the Purchaser/Builder will notify the ARC to schedule a meeting to discuss the construction parking, dumpster location and the location of the underground utilities, and other relevant information. Purchaser/Builder must use a line locating service for underground utilities prior to trenching or digging on the site. Any questions or other construction site issues should be directed to ARC or the Developer's representative.

B. Construction Inspections

During construction, the ARC has the right, but not the obligation, to make periodic inspections. These inspections may include, but are not limited to, the following:

- **Final Inspection.** Upon written request, a final inspection of each Lot and improvement will be made by the ARC to verify compliance with the ARC approved plans and specifications.
- **Construction Deposit Return.** Upon determination that the improvements strictly comply with ARC approved plans and approval by the ARC, the construction deposit balance, if any, will be returned.
- **Compliance.** The Developer or ARC is empowered by the Charter to enforce compliance with the ARC approved plans and specifications, including stop work orders, fines, or actions in a court of law.

C. Construction Damages

The Developer or ARC may repair damage of any kind or remove any debris or garbage caused by the construction activity of Purchaser/Builder, and all costs of such repair or removal shall be paid by the Purchaser/Builder immediately upon demand by the Developer or ARC; and further, the Developer or ARC may fine the Purchaser/Builder for failing to repair damage or remove debris as follows. A verbal courtesy notice may first be given to the Purchaser/ Builder. If no correction is made within five (5) working days the Developer will impose a \$100.00 fine for the first offense. Subsequent infractions will be \$750 for the second and \$1,000 for the third

offense. If the Purchaser/Builder continues to fail to repair damage and remove debris or garbage as required by the Developer or the ARC, the Purchaser/Builder may be prohibited from future construction activity in the project.

D. Access

Ingress and egress for all Purchasers/Builders, consultants, subcontractors, and materialmen will be limited to the approved construction entrance. Construction access will be available only from 8:00 a.m. to 6:00 p.m. Monday through Saturday. During daylight savings time, access will be available from 8:00 a.m. to 7:00 p.m. Developer or the ARC may change these hours at any time. Construction activity is permitted on Sundays or holidays from 9a.m. to 5p.m. Purchasers/Builders should instruct everyone not to arrive prior to the starting time.

E. Building Elevation

Foundations with stem walls that would otherwise be visible will be required to be screened by backfilling, landscaping, or other approved screening.

F. Clean Building Sites

Home sites must be maintained in an orderly fashion, and be policed and cleaned daily for dirt in the street, gutter, or sidewalk. Litter is to be picked up immediately as it tends to blow throughout the area if unattended. The Purchaser/Builder will be responsible to clean and/or replace damaged asphalt, concrete, curbs, temporary erosion control, or other improvements at the discretion of ARC. Erosion due to inclement weather must be addressed immediately to keep the storm sewer system in workable condition, and to avoid any inconvenience to existing residents.

If an objectionable amount of debris attributed to a construction activity is found, and the Purchaser/Builder fails to rectify the situation at that time, ARC reserves the right to correct the situation and charge reasonable rates for any work done in addition to imposing the fines mentioned above.

G. Construction Fencing

Purchasers/Builders are required to install a safety fence a minimum of 42" high around any open holes that will not be filled after that day's work, and around any existing trees or vegetation to be preserved. The purpose for this temporary fencing is to clearly identify any dangerous areas and to protect the native trees. It will be the Purchaser/Builder's responsibility to protect the vegetation selected for preservation. To avoid potential damage to trees, no parking or operating equipment within the dripline is allowed.

H. Construction Trailers

Construction trailers (office, sales, or storage) are permitted with approval of the ARC.

I. Damage

If, during any construction activity on a Lot or at any time, any of the Community Property is damaged or destroyed, including without limitation, any asphalt, paver stones, curbs, manholes, street lights, sidewalks, landscaping, irrigation, or street signs located thereon, the Purchaser/ Builder of such Lot shall be liable for all costs incurred in repairing or replacing such Community Property. The total costs thereof shall be assessed against the Purchaser/Builder as a Special Assessment, the lien for which may be foreclosed in the same manner as is provided for the enforcement of Assessment liens pursuant to the Charter. The ARC reserves the right to collect from Purchaser/Builders a security deposit against any such damages which might occur during the construction of a Residence.

J. Drainage

Surface water runoff on Lots must be controlled and maintained so as not to cause any ponding, erosion or unfavorable impact on adjacent Community Property or Lots. Lots are required to drain toward the drainage system facilities as referenced in the construction/drainage plans and are required to meet all conditions of all applicable permits.

K. Dumpster

A dumpster or trash bin must be positioned on the Lot prior to construction. The dumpster or trash bin is not to be overfilled and is to be emptied without delay when full.

L. Notice of Liability

At the discretion of Developer, or ARC, Purchaser/Builder may be held monetarily accountable for damage, accidental or otherwise, to landscaping and development-related items including, but not limited to, infrastructure, appurtenances, (i.e. street lamps/poles, etc.) trees, and irrigation systems. It is, therefore, recommended that Purchasers/Builders pay particular attention to those items to avoid damage and potential liability.

M. Nuisances

To respect homeowner privacy during construction, do not allow construction workers, subcontractors, or materialmen to litter, play loud music, wander around

completed homes, or bring alcoholic beverages into the project. Please use your good judgment in order to maintain good relations with these residents.

N. Parking

Parking for Purchasers/Builders, subcontractors and materialmen is limited to the designated construction parking areas unless otherwise approved by the ARC. This request is made to reduce the damage to the streets, sidewalks, and driveways due to oil drips, mechanical equipment, trucks, cranes, and vehicles. Parking is not allowed in the Community Property in front of the Lot because that will damage the sprinkler system in that area. At no time should anyone park in front of completed Residences or on both sides of the street in a manner which blocks traffic.

O. Pets, Friends, or Relatives

Purchasers/Builders, subcontractors and materialmen cannot bring pets, friends, children, or relatives into Sunfield at any time.

P. Portable Toilets

A portable toilet is required during construction and must be positioned in such a way that it is least offensive to Sunfield residents, guests, and customers. The cleaning truck should not be scheduled to clean out the portable toilet before 8:00 AM or after 6:00 PM. This will minimize the disturbance to our homeowners during the pumping cycle of the cleaning process.

Q. Responsibility

The Purchaser/Builder is responsible for the acts of all subcontractors, sub-subcontractors, laborers, materialmen, and others involved in the construction of improvements. Any infractions of these guidelines by any such subcontractor, sub-subcontractor, laborer, materialmen, or others will be deemed to have been made by the Purchaser/Builder.

R. Signage

No names, signs, or job numbers of any kind can be installed on the site or painted by the Purchaser/Builder, architect, subcontractor or materialmen on the building under construction.

S. Storage of Equipment, Supplies and Materials

Lots or Community Property cannot be utilized as temporary storage facility for earth moving equipment, trailers, vans, or other equipment or materials which have no planned immediate use. Materials and supplies delivered to the Lot must be limited to the home under construction. Adjacent home sites may be utilized for

material storage as approved by ARC. Construction materials are to be temporarily stored on-site in an orderly manner that will not interfere with pedestrian or roadway traffic.

VI. PURCHASER/BUILDER ACKNOWLEDGEMENTS

Purchaser/Builder acknowledges that Developer has created a quality community and that Developer will maintain high standards for aesthetic values when considering any preliminary plans or final plans (collectively the “**Plans**”) or applications submitted by Purchaser/Builder for approval.

Purchaser/Builder acknowledges that the development documentation contains restrictions regarding the construction improvements on the Lot, including, but not limited to, review and approval by the Developer or its designated agent of all proposed improvements. These Design Guidelines may be revised from time to time. Purchaser/Builders agree to be bound by, and to comply with these Design Guidelines. In addition, Purchaser/Builder acknowledges and understands that prior to construction, all proposed improvements must also be approved by applicable governmental authorities.

Purchaser/Builder acknowledges that existing foliage will be cleared selectively, to the extent reasonable, retaining as much of the existing foliage as possible. Purchaser/Builder will be responsible for the installation and maintenance of the landscaping on the Lot and adjacent right-of-way and areas between the property line of the Lot and any abutting road or water's edge, unless it is maintained by the Association. All landscaping on the Lot will conform to Developer's landscape palette within Sunfield.

All Persons acknowledge and agree that Developer's designation of any builder as an “Approved Builder” does not constitute a warranty as to the merchantability or habitability of an Approved Builders' work product.

Purchaser/Builder specifically covenants and agrees that Purchaser/Builder will observe, perform, and comply with each and every requirement contained in these Design Guidelines.

There may be wetland and/or wooded areas within Sunfield designated as Conservation Areas to be preserved in their natural state. No activity, development, construction, or maintenance is to take place in those areas without approval by the Association and all applicable governmental agencies. Wildlife is not to be disturbed.

When the physical construction of any improvement starts, said construction shall be performed diligently and completed within a reasonable time. If for any reason a Residence is not completed within the timeframes for construction, as determined by Developer or the ARC, then the Developer or the ARC may, after ten (10) days notice to the Owner of record of the Lot, enter the Lot and take such steps as are necessary to correct any undesirable condition. The Owner of the Lot shall be liable for all costs incurred in such action and the total costs thereof will be a lien on the Lot, which lien may be foreclosed in the same

manner as is provided for the enforcement of the Assessment liens as set forth in the Charter.

VII. GENERAL

Changes to plans. After approval, any change affecting the exterior of the structure or the ARC approved site plan must be resubmitted for approval by the ARC. Failure to obtain approval of the ARC for any and all such changes to plans prior to the commencement of construction of the improvements will be deemed a material breach of these Design Guidelines. In addition to any other rights permitted by law or in equity, Developer or ARC may proceed in the courts to obtain a mandatory injunction requiring any construction done without approval to be torn down and/or removed immediately. All costs and attorneys fees incurred by Developer or ARC in taking the action, including before commencing any litigation, during any litigation, and for all appellate efforts, will be the expense of the Purchaser/Builder and Developer or the Association may place a lien against the Lot to secure payment of these funds.

Aesthetic Approval Only. The approval, rejection and/or requirement of changes in the Purchaser/Builder's plans by the ARC and the location of all structures or alteration of any structure, will not be construed or interpreted as a representation or determination by ARC that any building, plumbing, electrical code, or other applicable government regulation(s) or requirements(s) have or have not been properly met by the Purchaser/Builder. It is understood that the approval of the ARC relates only to the aesthetics of the improvements shown on the plans, and not to their sufficiency or adequacy. Purchaser/Builder will be responsible for obtaining all necessary technical data and for making prompt application to and obtaining the approval of any and all appropriate government authorities prior to commencement of any work or construction of the improvements.

Hold Harmless. Other than as set forth in this document, neither the ARC nor Developer will have any duty, responsibility, or liability to any Purchaser/Builder or to any other person whomsoever in respect to the exercise of its rights, or the failure to exercise its rights. ARC may reject the plans based on any grounds or reason whatsoever, including purely aesthetic grounds, in its sole and absolute discretion. Purchaser/Builder agrees to hold the ARC and Developer harmless from any actions, claims, damages, or costs arising from an ARC review of the Plans.

Timetable Agreement. Purchaser/Builder agrees that the design review process is an essential part of these Design Guidelines and contains specific deadlines and terms governing the planning and design of the improvements on the Lot.

Protection of Property Values. Purchaser/Builder understands that the ARC's reservation of the right to approve or disprove any and all of the plans (regardless of type and whether defined hereunder) is to preserve and protect property values in Sunfield in compliance with the Charter. Further, ARC's approval does not address or constitute a guaranty of the engineering or technical merits of the plans, nor does it certify compliance with applicable

building codes, water management, environmental, or fire safety requirements or other governmental regulations, but is intended solely for ARC's and Developer's purposes.

Costs or Expenses: In no event will ARC be responsible for any costs or expenses incurred by Purchaser/Builder in complying, or attempting to comply, with the requirements of these Design Guidelines.

Exculpation. The covenants and warranties of Developer set forth in these Design Guidelines, if any, are subject to the following express limitations: (i) the State of California Public Employees Retirement System (the "System") is a limited partner in IHP Investment Fund III, L.P. ("IHP"), and (ii) IHP is a limited partner in Developer and is the sole member of the general partner of Developer. Notwithstanding any other term or provision of this Charter, System's liability hereunder is solely that of a limited partner in IHP and no personal or direct liability shall at any time be asserted or enforceable against System, its board, any member thereof, or any employee or agent of System on account of or arising out of any obligations related to these Design Guidelines. Any Owner or other Person residing in or occupying any portion of Sunfield, shall look solely to the assets of Developer for the enforcement of any claims against Declarant arising hereunder or related hereto, and to the fullest extent permitted by Texas law, waives any claim against the partners in Developer and IHP, including the System, irrespective of the compliance or noncompliance now or in the future with any requirements relating to the limitation of liability of limited partners.

Exhibit "A"

List of Fees

DESCRIPTION	FEE
Maximum Assessment	\$ 380
Returned Check Fee	\$ 50
Transfer Fee	\$ 95
ARC Review Fee - Addition to home	\$ 100
ARC Review Fee - Pool/Sport Court	\$ 75
ARC Review Fee - Storage Shed/Deck	\$ 50
Resale Certificate	\$ 125
Lien Processing Fee	\$ 75
New Home ARC Fee - 1200 - 2000 sq. ft.	\$ 140
New Home ARC Fee - 2001 - 3000 sq. ft.	\$ 160
New Home ARC Fee - > 3001 sq. ft.	\$ 180
Revisions or changes to approved plans	\$ 100

RULES AND REGULATIONS

FOR

SUNFIELD COMMUNITY

RULES AND REGULATIONS
FOR
SUNFIELD COMMUNITY

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Community Charter for Sunfield (the “**Charter**”).

The rules and regulations hereinafter enumerated as to the Lots, Units, Community Property, Neighborhood Property, and Sunfield in general (the “**Rules**”) shall apply to and be binding upon all Owners except as otherwise expressly provided herein. The Owners shall at all times obey the Rules and shall use their best efforts to see that the Rules are faithfully observed by their family, guests, tenants, and invitees for whom they are responsible and over whom they exercise control and supervision. Each Owner shall be jointly and severally liable to the Community Association with its family, guests, tenants, and invitees for any violation of the Rules and any damage caused by such violation. Violation of the Rules may subject the violating Owner or the specific violator (in the case of an Owner’s family, guests, tenants, and invitees) to any and all remedies available to the Community Association and other Owners pursuant to the terms of the Charter. Violations may be remedied by the Community Association by fines, suspension of use rights, an injunction or other remedies set forth in the Charter, and the Community Association shall be entitled to recover any and all Legal Costs and any applicable Late Charges against any person violating the Rules. Any waivers, consents or approvals given under these Rules by the Community Council shall be revocable at any time and shall not be considered as a waiver, consent or approval of identical or similar situations unless notified in writing by the Community Council.

1. **Rules and Regulations.**

- a. Violations of the Rules should be reported to the Community Council, the Officers of the Community Association, or any designees thereof.
- b. The procedures for notifying an Owner of any violation of the Rules by that Owner or its family, guests, tenants, and invitees are set forth in the Charter. In the event the Community Association elects to impose sanctions upon an Owner (or the specific violator) for violations of these Rules, the procedures set forth in Section 8.2 of the Charter must be followed.

- c. Owners are responsible for assuring that their family, guests, tenants, and invitees comply with these Rules, with an Owner being responsible for any fines imposed upon its family, guests, tenants, and invitees for Rules violations.
2. **Amenities.** The Community Property amenities are for the exclusive use of Owners and their approved family, guests, tenants, and invitees, (except as otherwise provided in the Charter). The Neighborhood Property amenities are for the exclusive use of Owners (and their approved family, guests, tenants, and invitees) living within the Neighborhood in which the Neighborhood Property is located (except as otherwise provided in the Charter). No Owner, or its family, guests, tenants, and invitees shall mark, damage, destroy, deface or engrave any part of Sunfield buildings, Community Property or Neighborhood Property. Any damage to Sunfield buildings, Community Property, or Neighborhood Property caused by any Owner or its family, guests, tenants, and invitees shall be repaired by the Community Association at the Owner's expense, and the cost therefor shall be collected from the Owner as an Individual Assessment.
3. **Noise.** Loud and disturbing noises are prohibited. All radios, televisions, sound systems, compact disc players, stereos, singing and playing of musical instruments, etc. shall be regulated to sound levels that will not disturb others.
4. **Obstructions.** Sidewalks, entrances, driveways, walkways, right-of-ways, and all Roadways shall be kept and maintained in a clean, safe, neat and efficient manner. All such sidewalks, entrances, driveways, walkways, right-of-ways, and Roadways shall be kept reasonably clean and free of leaves, limbs, excess sand and soil and any and all other types of debris.
5. **Signs; Flags.** No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Residence, fence or other Improvement upon such Lot so as to be visible from public view except the following:
 - a. **For Sale Signs.** An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three feet (3') above the surface of the ground advertising the property for sale.
 - b. **Declarant's Signs.** Signs or billboards may be erected on any Lot by Declarant.

- c. **Political Signs.** Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within five (5) days after the election.
 - d. **For Lease Signs.** Signs or emblems of any kind advertising a Lot, Improvement, or Residence within Sunfield for lease or rent are expressly prohibited and may not be kept or placed upon any Lot or mounted, painted or attached to any Residence, fence or other Improvement upon such Lot so as to be visible from public view.
6. **Clotheslines.** Outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained unless screened completely from view on all sides from all adjoining Lots, Units, Community Property or Neighborhood Property, nor shall any clothing, rugs or other items be hung on any railing, fence, hedge or wall.
7. **Children.** Reasonable supervision must be exercised when children are playing on the Community Property and Neighborhood Property. Children under the age of twelve (12) shall be under the direct control of a responsible adult. Skateboarding, motor scooters, and loud or obnoxious toys are prohibited. Children may be asked to leave the Community Property or Neighborhood Property for misbehavior by or on the instructions of the Community Council.
8. **Emergency Entry.** In case of any emergency originating in, or threatening the Community Property, Neighborhood Property, a Lot, or a Unit, regardless of whether the Owner is present at the time of such emergency, the Community Council, or any other person authorized by the Community Council, or the management agent under a management agreement with the Community Association, shall have the right to enter such property for the purpose of remedying or abating the cause of such emergency and such right of entry shall be immediate.
9. **Plumbing.** No septic tanks, cesspools or similar sewage facilities or oil tanks shall be or may be installed on the Community Property, the Neighborhood Property, a Lot, or a Unit. No bottle gas tanks or soft water tanks may be installed or maintained on any Lot,

Unit or Neighborhood Property unless specifically approved by the Architectural Review Committee.

10. **Irrigation.** Owners may not alter or the irrigation systems within their Lot without prior written approval of the Architectural Review Committee.
11. **Nuisances.** No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of Sunfield. No nuisance or odors shall be permitted to exist or operate upon or arise from Sunfield, so as to render any portion of Sunfield unsanitary, unsightly, offensive, or detrimental to Owners, occupants or Persons using or occupying any other portions of Sunfield, as determined by the Community Council. No noxious or offensive activities shall be carried on in any Lot, Unit, Community Property or Neighborhood Property which could cause disorderly, unsightly, or unkempt conditions, or which could cause embarrassment, discomfort, annoyance, or nuisance to the Owners, occupants, or other Persons occupying or using other portions of Sunfield or which could result in a cancellation of any insurance for any portion of Sunfield, or which would be in violation of any law or governmental code or regulation. No exterior speakers, horns, whistles, bells or other sound devices, except for security and fire alarm devices used exclusively for such purposes, shall be located, used or placed within Sunfield without approval of the Architectural Review Committee. Any waste, garbage, or refuse materials produced or occurring as a result of the permitted activities conducted within any portion of Sunfield shall be stored, processed and transported away from Sunfield in a safe, neat, clean, efficient, healthy and sanitary manner.
12. **Traffic Regulations.** All vehicular traffic on the Roadways shall be subject to the provisions of the laws of the State of Texas and the County concerning operation of motor vehicles on public streets; vehicular traffic on private Roadways within Sunfield may be subject to additional restrictions promulgated by the Community Association. Only drivers properly licensed to operate Motorized Vehicles may operate any type of motor vehicle on any Roadway. All Motorized Vehicles of any kind and nature which are operated on the Roadways shall be operated in a careful, prudent, safe and quiet manner and with due consideration for the rights of all residents, guests and invitees of Sunfield. Except as needed for construction and maintenance by Declarant, the Community Association, or a Neighborhood Association, no Motorized Vehicle may be operated off of paved Roadways.

13. **Parking and Motor Vehicles.** No Owner or any tenants, guests, or invitees of an Owner shall repair or restore any Motorized Vehicle of any kind upon or within any Lot, Unit, or within any portion of the Community Property or the Neighborhood Property, except (a) within enclosed garages or (b) for emergency repairs, and then only to the extent necessary to enable the movement of the Motorized Vehicle to a proper repair facility. A Motorized Vehicle of an Owner or its tenants, guests, or invitees, shall be parked only in the garage or in the driveway serving the Owner's Lot or Unit, with a Motorized Vehicle to be completely within the boundaries of such driveway and not extending outside those boundaries. No "commercial vehicle" (as such term is defined in the County code in effect on the date of recordation of the Charter): (i) shall be permitted to be parked in Sunfield for a period of more than four (4) hours per day unless such commercial vehicle is temporarily present and necessary in the actual construction, maintenance, or repair of a Unit or other Improvements within Sunfield or (ii) shall be permitted to be parked overnight or stored within Sunfield unless fully enclosed within a garage. No recreational vehicle of any kind shall be parked overnight in Sunfield and no golf carts, go carts, boats, boat trailers, watercraft, tractors, trailers of any kind, campers, motor homes, mobile homes or buses shall be permitted to be parked within Sunfield unless kept fully within a garage. No Motorized Vehicle shall be used as a domicile or residence, either temporary or permanent. In the event any Motorized Vehicle is improperly parked in violation of this Section, the Community Council (or a third party towing company at the Community Council's direction) may enter the Lot, Unit, Community Property or Neighborhood Property and remove the Motorized Vehicle and assess as an Individual Assessment all costs incurred by the Community Association for such removal against the Lot or Unit of the Owner that is responsible for improperly parking the vehicle.
14. **Conservation Areas.** Conservation Areas shall be left in their natural, undisturbed state unless otherwise approved by the applicable local, state or federal governmental authorities. No dumping, including soil or other substances such as trash, may be conducted within Conservation Areas.
15. **Hazardous Materials.** No reportable quantities of hazardous materials shall be used or stored upon a Lot, Unit, the Community Property or the Neighborhood Property.
16. **Solicitation.** There shall be no solicitation by any person anywhere in Sunfield for any cause, charity, or for any other purpose whatsoever, unless specifically authorized by the Community Association.

17. **Commercial Prohibition.** Except for Lots and Units owned by Declarant, each Lot and Unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein, unless permitted by the Charter and approved by Declarant (prior to Turnover) or the Community Association (following Turnover). A Unit may be used for “related” business activities. A business activity upon a Unit shall be considered “related” to a residential use and thus permitted under this Section only if conducted by a person or persons residing in the Unit and only if the business activity:
- a. is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;
 - b. complies with applicable zoning requirements;
 - c. does not involve regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within Sunfield; and
 - d. is consistent with Sunfield’s residential character, the Community-Wide Standards and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Community Council determines in its discretion.

“Business” shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether such activity is engaged in full or part time, such activity is intended to or does generate a profit, or a license is required.

No garage sales are permitted within Sunfield except as permitted by Declarant, during the Declarant Control Period, and thereafter by the Community Council. No day care center, group babysitting service or day care facility may be operated within a Unit.

Leasing a Lot or Unit for residential purposes shall not be considered a “business” within the meaning of this subsection, provided that (i) the provisions of Section 18 of these Rules and the Charter are complied with and (ii) an Owner and any other Owners

with whom such Owner is affiliated do not collectively lease or offer for lease more than one (1) Lot or Unit at any time. This provision shall not preclude a Mortgagee from leasing a Lot or Unit upon taking title following foreclosure of its security interest in the Lot or Unit or upon acceptance of a deed in lieu of foreclosure.

18. **Leases.** Any Lot or Unit that is leased shall be leased only in its entirety. Separate rooms, floors, or other areas within a Unit may not be separately leased; however, any detached “in-law suite” or “guest house” approved pursuant by the Architectural Review Committee may be leased separate from the main dwelling. All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Lot or Unit are bound by and obligated to comply with the Governing Documents, which includes these Rules. The Governing Documents shall apply to a tenant or occupant of a leased Lot or Unit regardless of whether such a provision is specifically set forth in the lease. A Lot or Unit shall not be leased for a term of less than three (3) months duration or more than two (2) times during a calendar year. Approval of the Community Council or a Neighborhood Association shall not be required prior to leasing a Unit. Minimum lease terms may vary by Neighborhoods, as may be set forth in a Neighborhood Declaration, but in no event shall a minimum lease be less than as stated above. During the time a Lot or Unit is leased or occupied by others, the Owner shall not have the right to use the Community Property or the Neighborhood Property except (a) as a guest of another Owner or tenant, (b) as an Owner of another Lot or Unit within Sunfield, or (c) to enforce its rights as landlord pursuant to Texas law. Within ten (10) days of a lease being signed, the Owner of the leased Lot or Unit shall notify the Community Council or the Community Association’s managing agent of the lease and provide a copy of the lease and any additional information the Community Council may reasonably require. The Owner must give the tenant copies of the Governing Documents prior to the tenant taking occupancy of the Lot or Unit. The Community Council may adopt Rules governing Leasing and sub-Leasing, so long as those Rules are consistent with this subsection. Owners wishing to lease their Lot or Unit shall be jointly and severally liable to the Community Association with the tenants of their Lot or Unit for any amount which is required by the Community Association to make repairs or to pay any claim for injury or damage to property caused by or which is the responsibility of such tenant.
19. **Community Property.** Owners are required to cooperate with any management firm in the use of Community Property or Neighborhood Property where more than one organized activity is scheduled at the same time.

20. **Guests.** Absent Owners and their tenants shall notify the Community Association, and if applicable, the management firm, in advance by written notice, of the arrival and departure dates of guests who have permission to occupy their Unit for a period of longer than seven (7) days.
21. **Pets.** Domesticated dogs and/or cats may be maintained in a Unit, provided that: (i) such pets are permitted to be so kept by applicable laws and regulations; (ii) no pet shall be kept within any screened enclosure or pet housing unless approved by the Architectural Review Committee; (iii) no structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Community Property or the Neighborhood Property; (iv) such pets are not a nuisance to residents of other Units or of neighboring buildings, as determined by the Community Council; (v) such pets are not a pit bull or other breed considered to be dangerous by the Community Council, in its sole discretion; (vi) no more than three (3) such pets shall be allowed per Unit; (vii) all pets shall be under leash at all times when walked or exercised in any portion of the Community Property or the Neighborhood Property; and (viii) no pet shall be permitted to leave its excrement on any portion of the Community Property or Neighborhood Property, and the Owner of such pet shall immediately remove the same. Tropical fish and tropical birds may be maintained in a Unit in reasonable numbers, but subject to (i)-(v) herein. Any other animal may only be maintained in a Unit with the prior written consent of the Community Council in its discretion, and (if permitted) shall be subject to (i)-(viii) herein. In the event any pet becomes, in the reasonable opinion of the Community Council, a nuisance to the other Owners, such animal shall be removed from the Unit and Sunfield immediately upon receipt of notice from the Community Council. The Community Council, the Community Association, the Officers, a Community Association committee member, and the Declarant shall not be liable for any personal injury, death or property damage resulting from a violation of the foregoing pet restrictions and any occupant of a Unit committing such a violation shall fully indemnify and hold harmless the Community Council, the Community Association, the Officers, a Community Association committee member, and the Declarant in such regard. All pets maintained in a Unit shall be kept or maintained solely as domestic pets and not for any commercial purpose. All pets shall be subject to Rules adopted by the Community Council, provided however, that no subsequent Rule, regulation or amendment of this Section shall prohibit any pet or pets or the replacement of such pet or pets previously approved by the Community Council and maintained in a Unit unless such pet is deemed

a nuisance by the Community Council as provided herein. Notwithstanding anything to the contrary in this Charter, the provisions set forth in this Section shall not be amended without prior approval of all Voting Members.

22. **Firearms.** The discharge of firearms, including without limitation BB guns, pellet guns and other firearms of all types and sizes, is prohibited. Notwithstanding anything to the contrary contained herein, the Community Association shall not be obligated to take action to enforce this Section.
23. **Fines.** Fines for any violation of these Rules are currently set at \$100.00 per each infraction. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, with the fine to continue for each day such violation remains uncured. A fine imposed upon an Owner, or its tenants, guests or invitees, by the Community Association for a violation of these Rules, along with any Late Charges and Legal Costs incurred by the Community Association to recover payment of the fine, shall be treated as an Individual Assessment and shall be the personal obligation of any noncompliant Owner. The fine (along with any Late Charges and Legal Costs incurred by the Community Association to collect the fine, with such Late Charges and Legal Costs to be treated as an Individual Assessment) may, but need not be, imposed first against the violator; provided, that if the fine is not paid by the violator within the time period set by the Community Council, the Owner shall pay the fine upon notice from the Community Council. The procedures for imposing and enforcing fines are set forth in the Charter.
24. **Landscaping.** No landscaping, clearing, grading, excavation or filling of any nature whatsoever shall be implemented and installed by any Owner or Neighborhood Association, other than Declarant, unless and until the plans therefor have been submitted to and approved in writing by the Architectural Review Committee. No Owner or Neighborhood Association, other than Declarant, shall be entitled to cut, remove or mutilate any trees, shrubs, bushes or other vegetation having a trunk diameter of four (4) inches or more at any point above ground level, without obtaining the prior approval of the Architectural Review Committee, except that dead or diseased shrubs, bushes or other vegetation, shall be cut and removed promptly by the Owner, Community Association, or Neighborhood Association, as appropriate.

25. **Exterior Appearance.** Walls and fences on Lots must be approved in writing in advance by the Architectural Review Committee in its sole discretion and all wood fences, if approved, must be properly maintained. Further, no foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades or other purpose, nor shall any window-mounted heating or air-conditioning units be permitted without the approval of the Architectural Review Committee. No projections of any type shall be placed or permitted to remain above the roof of any improvement except approved chimneys or vent stacks.
26. **Porches, Covered Entries and Balconies.** No porches, covered entries or balconies (or any portion thereof) may be enclosed or screened without the prior written consent of the Architectural Review Committee. No grills may be stored on the front porches, covered entries or front balconies of Units. No gym or other equipment may be stored on any porch, covered entry or balcony of a Unit.
27. **Improvements.** The following items, as examples and without limitation, must be approved in advance by the Architectural Review Committee:
- a. All flagpoles and other similar items;
 - b. Exterior sculpture, fountains and other similar items;
 - c. Bicycle racks or stands; and
 - d. Outdoor basketball goals.
28. **Mailboxes.** Mailboxes shall be uniform throughout Sunfield. Only the standard-type mailbox designated by the Architectural Review Committee shall be permitted upon any Lot or Unit. No additional newspaper boxes or other similar receptacles shall be permitted.
29. **Outdoor Children's Play Areas.** Any outdoor children's play areas, including but not limited to (a) tree houses, (b) jungle gyms, or (c) swing sets, must be approved by the Architectural Review Committee and shall be located in the back-yard area of a Unit.
30. **Lighting.** All exterior lighting must be approved in advance by the Architectural Review Committee, except for seasonal Christmas or other holiday decorative lights which may be displayed only between Thanksgiving Day and January 10, unless prohibited or

further restricted by the Design Guidelines or applicable Neighborhood governing documents.

31. **Solar Panels and Energy Conservation Equipment.** The Architectural Review Committee must approve all solar panels and energy conservation equipment prior to installation of such equipment on a Unit. All solar heating apparatus must conform to the standards set forth in the HUD Intermediate Minimum Property Standards Supplement, Solar Heating, and Domestic Water Systems. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as reasonably determined by the Architectural Review Committee. No solar panel, vents, or other roof mounted, mechanical equipment shall project more than one (1.0) foot above the surface of the roof of a Unit; and all such equipment, other than solar panels, shall be painted consistent with the color scheme of the portion of the Unit to which such equipment is installed. This provision is not intended to prohibit the use of solar energy devices.
32. **Antennas.** Unless approved in writing in advance by the Architectural Review Committee, no television antenna, radio receiver, satellite dish or other similar device shall be attached to or installed on any portion of a Unit unless contained entirely within the interior of a Unit or other structure, or if outside, screened so as not to be visible from adjacent streets and otherwise consistent with the Community Guidelines. No radio or television signals or any other form of electromagnetic radiation shall be permitted to originate from any Lot, Unit or Neighborhood which may unreasonably interfere with the reception of television or radio signals within Sunfield; provided, however, that Declarant and the Community Association shall not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio or other Community Systems within Sunfield.
33. **Pools and Spas.** Not all Lot or Unit designs in Sunfield will accommodate a swimming pool or spa. No above ground pools shall be permitted within Sunfield. All pools and appurtenances installed shall require the approval of the Architectural Review Committee. All pools and spas shall be adequately maintained and chlorinated. Unless installed by the Declarant, no slides, or platforms shall be permitted without the Architectural Review Committee's approval. The drainage of a pool or spa into another Lot, Unit, the Community Property or the Neighborhood Property is prohibited. The

materials, design and construction of all pools and spas shall meet standards generally accepted by the industry, shall comply with regulations of all applicable governmental entities.

34. **Roofs and Pressure Treatment.** Roofs, exterior surfaces and/or pavement, including, but not limited to, walks and drives, shall be pressure treated as often as appropriate but in any event within thirty (30) days of notice by the Community Council.
35. **Paint.** Homes shall be repainted as often as needed but in any event within forty-five (45) days of notice by the Community Council.
36. **Storage.** No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the Architectural Review Committee.
37. **Garage Doors.** Garage Doors shall be closed at all times when the garage of a Unit is not in use.
38. **Garbage.** Garbage receptacles shall be kept by Owners in visually-screened areas of the Unit in order to conceal them from view from Roadways and adjacent Lots or Units. Such garbage receptacles shall be transported by the Owner to the edge of the driveway serving the Unit no earlier than sunset of the evening prior to day of garbage collection. Garbage receptacles shall be removed from the driveway not later than 6:00 p.m. on the day of such collection.
39. **Timesharing.** No Unit shall be used for operation of a timesharing, fraction-sharing, vacation or membership club or similar program whereby the right to exclusive use of the Unit rotates among participants in the program or club on a fixed or floating time schedule over a period of years, unless such program is established within Units in a designated Neighborhood by Declarant or with Declarant's prior written approval.
40. **Subdivision or Combination of Lots or Units.** No Person other than Declarant and Builders whom Declarant may authorize shall subdivide or change the boundary lines of any Lot or Unit or combine Lots or Units without the Community Council's prior written approval.

41. **Community Approvals.** Whenever the Community Association's, the Community Council's, or the Architectural Review Committee's consent or approval shall be required to be obtained as set forth in the Charter, Certificate of Formation, Bylaws or these Rules, such notice, consent, approval or authorization shall be required to be in writing.
42. **Effect Upon Declarant.** None of these Rules shall apply to Declarant so long as Declarant owns a Lot or Unit, to the extent such rule would unreasonably interfere with Declarant's ability to develop, market and sell property within Sunfield.
43. **Amendment.** The foregoing Rules are subject to amendment by the Community Council in accordance with the procedures set forth in the Charter. The Community Council shall send notice to all Owners concerning any proposed Rule change in accordance with the requirements set forth in the Bylaws for notice of a Community Association meeting. This notice requirement does not apply to administrative and operating policies that the Community Council may adopt relating to the Community Property, such as hours of operation of an amenity, speed limits on private Roadways, and the method of allocating or reserving use of an amenity by particular individuals at particular times, notwithstanding that such policies may be published as part of the Rules. A change in the Rules adopted under this Section shall take effect thirty (30) days after the date on which written notice of the Rules change is given to the Owners. Notwithstanding the foregoing, during the Declarant Control Period, no amendment to or modification of these Rules shall be effective without prior notice to and the written approval of Declarant.

The foregoing Rules are designed to make living and working conditions for all Owners pleasant and comfortable and are imposed are for the mutual benefit of all. Neighborhood Associations are hereby permitted to enact and enforce rules and regulations for the properties managed or maintained by such entities that are stricter than are found in these Rules.

After Recording Return To:

Mike Gentry
West, Webb, Allbritton & Gentry, P.C.
1515 Emerald Plaza
College Station, Texas 77845



OTHER 2008034580
108 PGS

**COMMUNITY CHARTER
FOR
SUNFIELD**

WPB 948094.8

WPB-SUNFIELD (Texas) - Residential Charter_v9.DOC

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**COMMUNITY CHARTER
FOR
SUNFIELD**

PREAMBLE

This Community Charter for Sunfield (this "Charter") establishes a governance structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance, and preservation of Sunfield as a master planned community. An integral part of the development plan is the formation of Sunfield Community Association, Inc., a Texas not-for-profit corporation (the "Community Association"), to operate, maintain and eventually own various common areas and improvements and to administer and enforce this Charter and the other governing documents referenced in this Charter.

Declaration

2428 Partners, LP, a Texas limited partnership, its successors and assigns (the "Declarant"), is the owner of certain real property located in Travis County and Hays County, Texas (when used herein, the term "County" shall refer to either or both of Travis County and Hays County, as the context shall indicate) more particularly described in Exhibit "A" attached hereto and incorporated by this reference (the "Initial Property"). By executing and recording this Charter, the Declarant submits the Initial Property to the provisions of this Charter and declares that the Initial Property shall constitute the portion of the development named "Sunfield" that shall be subject to the provisions of this Charter ("Sunfield"). The Declarant reserves the right to submit any other real property in the County owned by the Declarant (the "Additional Property") and any other property as provided herein to the provisions of this Charter (and thus become part of Sunfield) at a later time and in the Declarant's sole discretion. The Declarant shall have no obligation to submit the Additional Property or any other property to the provisions of this Charter. This Charter shall govern the development and use of Sunfield and shall touch and concern and be a covenant running with the title to any portion of Sunfield that shall be binding upon the Declarant and the future owners and occupants of any portion of Sunfield, their respective heirs, successors, successors-in-title, and assigns, and any other person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of Sunfield. This Charter shall also be binding upon the Community Association and any Neighborhood Association (as later defined in Section 2.6.)

PART ONE: INTRODUCTION TO SUNFIELD

Chapter 1

Governing Documents

Sunfield is guided and governed by certain principles that each owner and resident, by choosing to own property or reside in Sunfield, agree to uphold. Those principles are set forth in Sunfield's governing documents, which serve as a tie that binds Sunfield together, gives it structure, and provides guidance to all who participate in its growth and evolution.

1.1 Scope and Applicability

Sunfield has been established and is administered pursuant to various documents that have a legal and binding effect on all owners and occupants of real property in Sunfield, as well as on anyone else that may now or in the future have an interest in any portion of the real property comprising Sunfield. Such documents, referred to in this Charter as the “**Governing Documents**,” include this Charter and the other documents described in Table 1.1, as they may be amended. All owners of a Lot or Unit (both as defined in Section 3.1) in Sunfield, as well as their tenants, guests, and invitees, are required to comply with the Governing Documents.

Table 1.1
Governing Documents

<u>“Charter”</u>	This Charter for Sunfield, which creates obligations that are binding upon the Community Association, any Neighborhood Association, and all present and future owners and occupants of real property in Sunfield and their tenants, guests and invitees. The Charter shall be recorded in the Public Records of the County.
<u>“Supplement”</u>	A valid amendment or supplement to this Charter, which may submit additional real property to this Charter, withdraw real property from the provisions of this Charter, create easements over the real property described in the Supplement, impose additional obligations or restrictions on such property, designate special areas as described in Chapter 3, or any of the foregoing. A Supplement shall be recorded in the Public Records of the County.
<u>“Certificate of Formation”</u>	The Certificate of Formation of the Community Association, as amended from time to time, as filed with the Department of State for the State of Texas and attached hereto as Exhibit B, which establishes the Community Association as a not-for-profit corporation under Texas law.
<u>“Bylaws”</u>	The Bylaws of the Community Association, as they may be amended from time to time, as attached hereto as Exhibit C, which govern the Community Association’s internal affairs, such as voting, elections, meetings, etc.
<u>“Design Guidelines”</u>	The design standards and architectural and aesthetics guidelines adopted pursuant to Chapter 5, as they may be amended from time to time, which govern new construction, improvements and modifications to a Unit or Lot including structures, landscaping, and other items on a Unit or Lot.

<u>"Rules"</u>	The rules and regulations of the Community Association adopted pursuant to Chapter 7, which regulate use of property, activities, and conduct within Sunfield.
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1.2 Additional Covenants

No Owner may impose additional covenants on its property without the approval required pursuant to Section 17.6. If the provisions of any such additional covenants are more restrictive than the provisions of this Charter or the Rules, the more restrictive provisions control. The Community Association shall have standing and the power, but not the obligation, to enforce any such additional covenants.

1.3 Conflicts

If there are conflicts between any of the Governing Documents and Texas law, Texas law shall control. If there are conflicts between or among any of the Governing Documents, then the Charter, the Certificate of Formation, and the Bylaws (in that order) shall control. If there is a conflict between the Governing Documents and any additional covenants recorded on any property within Sunfield (or the Rules or policies adopted pursuant to any such additional covenants), the Governing Documents shall control.

The Governing Documents may use diagrams and tables to illustrate concepts and assist the reader. If there is a conflict between any diagram and the text of the Governing Documents, the text shall control.

If any court of competent jurisdiction determines that any provision of this Charter is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions of this Charter or applications of such provision in other instances.

1.4 Definitions

Capitalized terms used in this Charter shall have the meaning described in the Section or subsection where they first appear in bold print and underlined. An index to defined terms may be found at the end of this Charter. All other terms used in this Charter have their natural, commonly accepted definitions. The definitions for capitalized terms used in this Charter shall be applicable to the singular or plural form of such capitalized term.

1.5 Interpretation of Certain References

Consent or Approval. All references in the Governing Documents to "**consent**" or "**approval**" shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person (as defined in this Section) whose consent or approval is required.

Discretion and Determination. All references in the Governing Documents to "**Discretion**" or to the right to "**determine**" any matter shall refer to the sole and absolute power or right to decide or act. Unless otherwise expressly limited in the Governing Documents or by law, any Person authorized in the Governing Documents to exercise its discretion or make a

determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

Person. References in the Governing Documents to a "**Person**" shall refer to an individual, a corporation, a partnership, a limited liability company, or any other legal entity.

Recording. All references in the Governing Documents to a "**recorded**" legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed or the filing of a legal instrument in the Public Records of the County, or such other place designated as the official location for filing documents affecting title to real estate in the County in order to make them a matter of public record.

Community-Wide Standards. Where the Governing Documents require compliance with the "**Community-Wide Standards**," the standard to be applied is the higher of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in Sunfield or (b) the minimum standards described in this Charter, the Design Guidelines, and the Rules. The Community-Wide Standards may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the members of the Community Association's "Community Council" (the "**Community Council**") or the "Architectural Review Committee" (the "**Architectural Review Committee**"). The Community-Wide Standards may or may not be set out in writing. The Declarant initially shall establish the Community-Wide Standards; however, the Community-Wide Standards may evolve as development progresses and as Sunfield matures.

Maintenance. All references in this Charter to "**maintenance**" shall refer to maintenance, repair, and replacement.

Chapter 2

Sunfield Administration

Vibrant communities depend upon all of their stakeholders working together to uphold standards and achieve the vision and goals for Sunfield. The Declarant, the Community Association, the Owners, Builders, and others have a role in the functioning of Sunfield and in helping to fulfill that vision. This Chapter identifies these stakeholders and describes their roles in administering Sunfield.

2.1 The Declarant

The Declarant has established the vision for Sunfield and, through the Governing Documents, has set forth the founding principles that will guide Sunfield during the initial period of development and sale and thereafter. The Declarant's proposed plan for development of Sunfield is described in the land use plans for Sunfield approved by the County, as they may be supplemented and amended, which encompasses all of the Initial Property and all of the Additional Property (the "**Master Plan**"). The Declarant is not obligated to submit the Additional Property, or any other property shown on the Master Plan other than the Initial Property, to this Charter. The Declarant may submit property to this Charter that is not shown on the Master Plan, but it shall have no obligation to do so.

The Declarant has reserved various rights in the Governing Documents with respect to development and administration of Sunfield. The Declarant may exercise certain of these rights throughout the "**Declarant Control Period**," which is the period of time during which the Declarant or any "Declarant Affiliate" owns or controls real property in Sunfield or has an unexpired option to expand Sunfield pursuant to Chapter 16. A "**Declarant Affiliate**" is any Person that controls, is controlled by, or is under common control with the Declarant, and any Person that is an owner, a member, a partner, or a shareholder of the Declarant. During the Declarant Control Period, Declarant is entitled to appoint and remove all members of the Community Council and the officers of the Community Association (the "**Officers**") without a vote of Community Association's voting members (the "**Voting Members**") at the annual meeting of the Community Association (the "**Annual Meeting**"). The Declarant Control Period begins on the date of the Community Association's incorporation and terminates upon the first of the following to occur:

(a) Ten (10) years after the last Lot in all phases of Sunfield that will ultimately be operated by the Community Association have been conveyed to Owners (other than Builders and the Declarant); or

(b) The surrender by the Declarant of its authority to appoint and remove members of the Community Council or the Officers by an express Supplement to this Charter executed and recorded by the Declarant.

The date upon which the Declarant Control Period terminates shall be referred to as "**Turnover**." Each Owner, by acceptance of a deed or other conveyance of a Lot or Unit, vests in the Declarant such authority to remove and appoint members of the Community Council ("**Council Members**") and the Officers prior to Turnover. After Turnover, the Voting Members of the Community Association shall have the right to elect Council Members and the Officers in accordance with the Bylaws.

The Declarant may assign its status and rights as the Declarant under the Governing Documents to any Person who takes title to any portion of Sunfield for the purpose of development and/or sale. Such assignment shall be made only in an instrument signed by both parties and recorded.

2.2 The Community Association

The Declarant has established the Community Association as the primary entity responsible for administering Sunfield in accordance with the Governing Documents. All Owners of Lots or Units shall be members of the Community Association (the "**Members**"), but only designated Voting Members of the Community Association shall have the right to vote on Community Association matters. The procedure for the appointment of Voting Members and the voting interests of Voting Members is set forth in the Bylaws and this Charter. On most matters, the Community Association acts through the Community Council. However, in some instances the Governing Documents or applicable law limit the Community Council's ability to act without the approval of the Voting Members. Unless the Governing Documents or Texas law specifically provide otherwise, the Community Council may exercise the Community Association's rights and powers without a vote of the Voting Members. Membership in the

Community Association shall be appurtenant to and may not be separated from ownership of any Lot or Unit, and ownership of a Lot or Unit shall be the sole qualification for membership in the Community Association. If a Lot or Unit is owned by multiple Owners, each Owner shall share the rights and privileges of being a Member of the Community Association. If an Owner is a corporation, a partnership, or other legal entity, that Owner's membership rights in the Community Association, as well as the rights under this Charter, may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a writing to the Community Association, except that only the individuals residing in the Unit shall be entitled to use any amenities located in the Community Property (as defined in Section 3.1) available for use by Owners. In the event that title to a Lot or Unit is transferred or otherwise conveyed by an Owner, that Owner's membership in the Community Association which is appurtenant to Lot or Unit ownership shall automatically pass to such transferee. The foregoing is not intended to include a Mortgagee (as defined in Section 2.11) or any other Persons who hold an interest in a Lot or Unit merely as security for the performance of an obligation, and the giving of a security for the performance of an obligation shall not terminate or otherwise affect an Owner's membership in a Neighborhood Association, if applicable, or in the Community Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one (1) or more Persons, shall have more than one (1) Community Association or Neighborhood Association membership per Lot or Unit. The voting weight appurtenant to each Lot or Unit is equal to one (1) vote.

After the Declarant relinquishes control of the Community Association at Turnover, subject to the provisions of Chapter 18, the Community Association, through its Community Council, may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all of its Members concerning matters of common interest to the Members, including, but not limited to: (a) the Community Property or other common areas owned or maintained by the Community Association, which may include Neighborhood Property, as defined in Section 2.6; (b) roof or structural components of a building for which the Community Association is responsible; or (c) mechanical, electrical, or plumbing elements serving improvements for which the Community Association is responsible; or (d) ad valorem taxes on Community Property or, if applicable, Neighborhood Property.

The Community Association shall indemnify every Council Member, Officer, and Community Association committee member against all expenses, including attorneys' fees, paraprofessionals' fees, and court costs incurred in connection with any action, suit, or other legal matter or proceeding (including any attorney meetings, negotiation meetings, or mediation, arbitration, trial or appellate proceedings whether or not litigation is instituted) (collectively, "**Legal Costs**") to which he or she may be a party by reason of being or having been a Council Member, Officer, or Community Association committee member, except for expenses incurred from claims arising from that Council Member, Officer or Community Association committee member's own individual gross negligence, willful misconduct, criminal misconduct, or bad faith. The Council Members, Officers, and Community Association committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual gross negligence, willful misconduct, criminal misconduct, or bad faith. The Council Members and Officers shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Community Association on account of any such contract, commitment or action. The Community Association shall, as Community

Expenses (as defined in Section 12.1), maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

2.3 The Community Council

The Community Association may exercise, through the actions of the Community Council or the Officers, all rights and powers which the Governing Documents and Texas law expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. It may also take any action reasonably necessary to effectuate any such right or privilege.

The Community Council may institute, defend, settle, or intervene on behalf of the Community Association in (a) mediation, binding or non-binding arbitration, litigation, or administrative procedures pertaining to the Community Property and certain Neighborhood Property (to the extent the Neighborhood Property is owned or maintained by the Community Association, as set forth in Section 2.6), (b) enforcement of the Governing Documents, or (c) any other civil claim or action. The Community Council has no legal duty to institute litigation or any other proceeding on behalf of or in the name of the Community Association, a Neighborhood Association or its members.

In exercising the Community Association's rights and powers, making decisions on the Community Association's behalf (including, without limitation, deciding whether to file a lawsuit or take other legal action under any circumstances) and conducting the Community Association's affairs, the Council Members and the Officers are required to comply with, and shall be judged by, the standards set forth in the Certificate of Formation.

2.4 The Owners

Each Person that holds record title to a Lot or Unit is referred to in the Governing Documents as an "**Owner**." However, a Person who holds title merely as security for the performance of an obligation (such as a Mortgagee) is not considered an Owner. If a Unit has more than one (1) Owner, all co-Owners are jointly and severally obligated to perform the responsibilities of the Owner under the Governing Documents. Every Owner has a responsibility to comply with the Governing Documents and uphold the Community-Wide Standards.

2.5 Builders

Much of the responsibility and credit for helping to create Sunfield rests with the "**Builders**" – those Persons who purchase one (1) or more unimproved Lots within Sunfield for development into Units and resale in the ordinary course of their business. The Builders have the same privileges and responsibilities as Owners during the time that they own Lots or Units for construction and resale, including the privilege of representation in the Community Association and the responsibility for payment of Assessments to the Community Association; provided, however, that Builders shall not be considered Owners when determining the date of Turnover and the end of the Declarant Control Period. The Declarant may extend any of the rights it has reserved under the Governing Documents with respect to development, marketing, and sale of property in Sunfield to such Builders as it may designate.

2.6 Neighborhoods and Neighborhood Associations

Sunfield will consist of various areas of development referred to in this Charter as **"Neighborhoods."** A Neighborhood may be developed in a manner that places special rules or requirements upon developments within that particular Neighborhood or with the intent for certain amenities or property within that particular Neighborhood (**"Neighborhood Property"**) to be used only by the Owners of Lots or Units within that particular Neighborhood (the **"Neighborhood Owners"**), or their tenants, occupants or guests. The Declarant or, subject to Section 17.6, the Neighborhood Owners, may establish a separate homeowners or property owners association for a Neighborhood (a **"Neighborhood Association"**) to administer covenants applicable to that particular Neighborhood in accordance with the Community-Wide Standards and this Charter or create and administer additional covenants or assessments pursuant to a separate declaration of covenants and restrictions for the Neighborhood (a **"Neighborhood Declaration"**). Each Neighborhood Association shall own the Neighborhood Property within that particular Neighborhood. The Community Association shall manage, maintain, and improve all Neighborhood Property on behalf of the Neighborhood Owners. A Neighborhood Association, if created, shall only be responsible for managing, maintaining and improving the Neighborhood Property located within its Neighborhood if the Community Association delegates such responsibilities to the Neighborhood Association. In such event, such Neighborhood Association shall impose and collect assessments from the Neighborhood Owners for the Neighborhood Association's expenses in managing the Neighborhood Property. Nothing in this Charter requires the creation of a Neighborhood Association for each Neighborhood. The jurisdiction of any Neighborhood Association shall be subordinate to that of the Community Association.

In the event a Neighborhood Association is not created for a Neighborhood, the Community Association shall own, manage, maintain, and improve the Neighborhood Property within that Neighborhood on behalf of the Neighborhood Owners. Any expenses incurred by the Community Association from owning, managing, maintaining and improving Neighborhood Property shall be **"Neighborhood Expenses"** and shall be assessed by the Community Association to the Neighborhood Owners in accordance with Chapter 12. Regardless of whether the Neighborhood Property is owned, managed, maintained or improved by a Neighborhood Association or the Community Association, use of the Neighborhood Property shall be limited to only the Neighborhood Owners, including their tenants, occupants and guests, and only those Neighborhood Owners shall be responsible for the payment of Neighborhood Assessments (as defined in Section 12.2(c)), unless otherwise provided in this Charter or a Supplement.

Every Owner of a Lot or Unit shall be deemed to be a member of the applicable Neighborhood Association, if any, to which such Owner's Lot or Unit is subject. Membership in a Neighborhood Association shall be appurtenant to and may not be separated from ownership of any Lot or Unit, and ownership of a Lot or Unit shall be the sole qualification for membership in a Neighborhood Association. If a Lot or Unit is owned by multiple Owners, each Owner shall share the rights and privileges of being an Owner and member of the Neighborhood Association. If an Owner is a corporation, a partnership, or other legal entity, that Owner's membership rights in the Neighborhood Association, as well as the rights under this Charter, may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a writing to the Neighborhood Association, except that only the individuals residing in

the Unit shall be entitled to use any Neighborhood Property amenities available for use by Owners. In the event that title to a Lot or Unit is transferred or otherwise conveyed by an Owner, that Owner's membership in a Neighborhood Association which is appurtenant to Lot or Unit ownership shall automatically pass to such transferee. The foregoing is not intended to include a Mortgagee or any other Persons who hold an interest in a Lot or Unit merely as security for the performance of an obligation, and the giving of a security for the performance of an obligation shall not terminate or otherwise affect an Owner's membership in a Neighborhood Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one (1) or more Persons, shall have more than one (1) Neighborhood Association membership per Lot or Unit or more than one (1) vote per Lot or Unit in the Neighborhood Association. The voting weight appurtenant to each Lot or Unit in a Neighborhood is equal and each Lot or Unit shall have one (1) vote.

2.7 The City

A portion of Sunfield is currently located within the extra-territorial jurisdiction of the city of Buda, Texas (the "City"). Pursuant to that certain Agreement Concerning Creation and Operation of Winfield (now Sunfield) Municipal Utility District No. 1, between the City and Declarant, the Community Association shall be required to pay to the City, a \$100.00 registration fee upon the sale or resale of each Residence within Sunfield. Such payments shall be part of the Community Expenses. Further, pursuant to that certain Strategic Partnership Agreement between the City and Declarant, all or a portion of Sunfield may be annexed into the City in the future in accordance with the terms of the Strategic Partnership Agreement.

2.8 Municipal Utility Districts

Sunfield is included within the boundaries of, and/or is adjacent to, Sunfield Municipal Utility Districts 1, 2, 3 & 4 (as used herein, the term "MUD" shall refer to one or more of Sunfield Municipal Utility Districts, 1, 2, 3 & 4, as the context shall indicate), which are established for the purpose of providing water, sewer, drainage, or flood control facilities and services within the boundaries of the MUD. A MUD has taxing authority separate from any other taxing authority, and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds, in order to finance such infrastructure. Owners will be required to pay taxes to the applicable MUD in which their Lot or Unit is located. One or more of the MUD's may enter into cost-sharing and/or maintenance agreements with each other for the operation of certain facilities located within Sunfield.

2.9 Private Amenities

There is property located within or adjacent to portions of Sunfield that is intended, without any obligation, to be developed, used and operated as private amenities by Persons other than the Community Association. These private amenities shall be collectively referred to in this Charter as "Private Amenities." The Private Amenities are not a part of the Community Property or Neighborhood Property. Use of the Private Amenities may require an Owner to obtain a membership in such Private Amenities or to pay a fee to use such Private Amenities. Rights to use the Private Amenities are not conferred simply by acquiring ownership of a Lot or Unit.

2.10 Schools; Fire Department

It is intended, but without any obligation whatsoever, that certain public schools ("Schools") and a volunteer fire department ("Fire Department") shall be located within Sunfield. If constructed, the Schools and Fire Department shall not be considered a Lot, a Unit, Community Property or Neighborhood Property. Declarant may, but shall not be obligated to, enter into certain agreements with the Schools and/or the Fire Department, including, without limitation, a shared parking agreement with the Schools. Such agreement may allow use of certain of the Community Property parking areas by the Schools as determined by Declarant in its sole and absolute discretion.

2.11 Mortgagees

If a Lot or Unit is made subject to a mortgage or other form of security instrument affecting title to a Lot or Unit ("Mortgage"), then the holder or beneficiary of that Mortgage ("Mortgagee") also has an interest in the administration of Sunfield, but shall not be a member of (or have any voting rights in) any Neighborhood Association or the Community Association. The Governing Documents contain various provisions for the protection of Mortgagees, including those set forth in Chapter 15.

Chapter 3

Community Structure and Organization

Sunfield consists of parcels of property, referred to as Lots and Units, which are intended for the exclusive use of the Owner and other occupants of such parcel, as well as property that is intended for common use.

3.1 Designations of Properties Comprising Sunfield

Lot. "Lot" shall mean and refer to any unimproved portion of Sunfield which has been subdivided as a lot of record and upon which it is intended that a Unit shall be constructed. Upon completion of construction of the Unit on a Lot, such Lot and the improvements thereon shall collectively be considered to be a Unit for purposes of this Charter.

Unit. "Unit" shall mean and refer to any improved property on a Lot that is intended for residential use, and shall, unless otherwise specified, include, without limitation, single family dwellings, townhouse dwellings, multi-family residences and condominium residences, whether detached or attached, located within Sunfield.

Community Property. Any property, facilities, easements or amenities within Sunfield that the Community Association owns, manages, maintains, or in which it otherwise holds possessory or use rights for the common use or benefit of all Owners are referred to as "Community Property." The Community Property also includes any property that the Community Association holds under a lease and any easements in favor of the Community Association. Community Property shall initially be owned by the Declarant, but shall be conveyed by the Declarant to the Community Association and the Community Association must accept such conveyance not later than Turnover by quit-claim deed.

Neighborhood Property. "Neighborhood Property" shall mean and refer to those certain portions of the Community Property that may be designated as Neighborhood Property and limited to the exclusive use or primary benefit of Owners in a specific Neighborhood, unless otherwise provided in this Charter or a Supplement. Neighborhood Property shall be managed, maintained, improved, and ultimately owned by the applicable Neighborhood Association or the Community Association. In the event a Neighborhood does not have a Neighborhood Association, the Community Association shall own and maintain any Neighborhood Property within such Neighborhood and shall have the right to impose Neighborhood Assessments upon Neighborhood Owners in such Neighborhood to cover Neighborhood Expenses, as may be calculated pursuant to Section 12.2(c). Neighborhood Property shall initially be owned by the Declarant, but shall be conveyed by the Declarant to the appropriate Neighborhood Association or the Community Association no later than Turnover by quit-claim deed.

The Declarant may designate property as Neighborhood Property and dedicate it for use by a particular Neighborhood, Unit or Lot on the recorded plat depicting such property, in the deed conveying such property to the Neighborhood Association or Community Association, as applicable, or in the Supplement by which the property is submitted to the provisions of this Charter. At any time during the Declarant Control Period, the Declarant may assign the use or benefit of the same Neighborhood Property to additional Neighborhoods, Units or Lots.

3.2 Commercial Property

There will be property located within or adjacent to Sunfield that is intended to be developed, used and operated for commercial purposes and to be owned and operated by Persons other than Owners, the Community Association or a Neighborhood Association. Such property is referred to in this Charter as the "Commercial Property". The Commercial Property is not a part of any Unit or Lot, the Community Property or the Neighborhood Property, and shall not be liable for any Assessments hereunder. The Declarant shall determine which property shall be deemed Commercial Property and no part of the Commercial Property shall be subject to this Community Charter.

Chapter 4

Community Association Membership and Voting Rights

The Community Association is the entity primarily responsible for governance and administration of Sunfield. While many powers and responsibilities are vested in the Community Council in order to facilitate day-to-day management and operation, the membership and voting rights vested in the Members allow the Members to participate in administration of Sunfield and influence the outcome of major decisions.

4.1 Membership

The Members of the Community Association shall be the Owners. While Members shall have the right to use all Community Property and, except as otherwise provided herein, the obligation to pay Assessments (as later defined in Section 12.5), only the Voting Members shall have voting rights in the Community Association.

4.2 Voting

The votes of a Member (including the Declarant) to be cast at meetings of the Community Association shall be cast by that Member's Voting Member. The Voting Member shall be determined, and its votes cast as provided in the Bylaws.

PART TWO: COMMUNITY-WIDE STANDARDS

Chapter 5

Architecture, Landscaping and Aesthetic Standards

Sunfield derives its unique character from a mix of compatible architectural styles and from the cooperation of all Builders and Owners in upholding minimum design, landscaping, and aesthetic standards. This Chapter explains how those standards are established and how they are applied and maintained through a process requiring prior approval for construction on and exterior modifications to improvements in Sunfield.

5.1 General

All site work, landscaping, structures (including but not limited to single family dwellings, townhouse dwellings, multifamily residences, (collectively "Residences")), improvements, and other items placed within any portion of Sunfield ("Improvements") are subject to standards for design, landscaping, and aesthetics and approval procedures set forth by the Declarant in the Design Guidelines and this Charter, except as this Chapter or the Design Guidelines may otherwise specify. All plans for Improvements must be submitted to the Architectural Review Committee prior to commencement of construction of Improvements and in accordance with the requirements of the Design Guidelines. Improvements can only be constructed if approved beforehand by the Architectural Review Committee.

No prior approval from the Architectural Review Committee is necessary to repaint the exterior of existing structures using the most recently approved color scheme or to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved by the Architectural Review Committee for such structures. Generally, the Architectural Review Committee's approval is not required for work done to the interior of a structure; however, modifications to the interior of screened porches, patios, and any other portions of a structure visible from outside of the structure do require the Architectural Review Committee's prior approval.

Any dwelling, structure or other Improvements shall be designed by and built in accordance with the plans and specifications of a licensed architect unless the Architectural Review Committee, in its sole discretion, otherwise approves.

Approval of Improvements by the Architectural Review Committee is not a substitute for any approvals or reviews required by the County or any municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

This Chapter shall not apply to the Declarant's design and construction activities during the Declarant Control Period or to the Community Association's activities during the Declarant Control Period.

5.2 Design Review Authority

(a) **Architectural Review Committee.** The Declarant shall appoint the Architectural Review Committee to review and act upon all applications for review of proposed Improvements by Owners. Following Turnover, the Architectural Review Committee shall be appointed by the Community Council. In reviewing and acting upon any application for review, the Architectural Review Committee shall act solely in its discretion and owe no duty to any Owner or other Person. The Community Association (or Declarant) may compensate the Architectural Review Committee in such manner and amount, if any, as the Community Council (or Declarant) may determine appropriate, and the Community Council may include the compensation of the Architectural Review Committee (or reimbursement of the Declarant for compensation paid to the Architectural Review Committee) in the Community Association's annual operating budget.

(b) **Fees; Assistance.** The Architectural Review Committee may establish and charge Owners reasonable fees for its review of applications for proposed Improvements and may require that such fees be paid to the Community Association in advance. Such fees may also include reasonable costs incurred in having professionals review any application.

5.3 Guidelines and Procedures

(a) **Design Guidelines.** The Declarant shall prepare the initial Design Guidelines, which may contain general provisions applicable to all of Sunfield as well as specific provisions that vary among uses or locations within Sunfield. The Design Guidelines are intended to provide guidance to Owners, Builders and contractors regarding matters of particular concern to the Declarant and the Architectural Review Committee. The Design Guidelines are not the exclusive basis for the Architectural Review Committee's decisions regarding proposed Improvements, and compliance with the Design Guidelines does not guarantee approval.

During the Declarant Control Period, only the Declarant shall have the authority to amend the Design Guidelines. Following the Declarant Control Period, the Community Council shall have the sole authority to amend the Design Guidelines.

Amendments to the Design Guidelines shall apply prospectively only. The amendments to the Design Guidelines shall not require modifications to or removal of any Improvements on Lots and Units previously approved once the approved construction or modification has begun. However, any new Improvements must comply with the Design Guidelines as amended. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may eliminate requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Architectural Review Committee and Community Council shall make the Design Guidelines available to Owners and their Builders and contractors upon request. In the Declarant's discretion, the Design Guidelines may be recorded, in which event the recorded

version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(b) **Procedures.** Unless the Design Guidelines provide otherwise, no activities within the scope of this Chapter may begin on any portion of Sunfield until a written application for proposed Improvements is submitted to and approved by the Architectural Review Committee pursuant to the Design Guidelines. The application must be submitted by the Owner of the Lot or Unit upon which Improvements are proposed and shall be accompanied by plans and specifications and such other information as the Architectural Review Committee or the Design Guidelines require. The Architectural Review Committee may exempt certain activities from the application and approval requirements of this Chapter, if such activities are undertaken in compliance with the Design Guidelines and the Community-Wide Standards.

In reviewing each application for proposed Improvements, the Architectural Review Committee may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with Sunfield and the surrounding structures and environment. Decisions of the Architectural Review Committee may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations by the Architectural Review Committee are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular Improvements.

The Architectural Review Committee shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to the procedures in Chapter 18 or judicial review so long as they are made in good faith and in accordance with required procedures of the Design Guidelines.

The Architectural Review Committee shall make a determination on each application for proposed Improvements after receipt of a completed application with all required information. The Architectural Review Committee may permit or require that an application be submitted or considered in stages, in which case a final decision shall not be required until after the final, required submission. The Architectural Review Committee may (a) approve the application with or without conditions, (b) approve a portion of the application and disapprove other portions, or (c) disapprove the application.

The Architectural Review Committee's final decision regarding the approval or disapproval of proposed Improvements may be made at a meeting with the applicant or otherwise provided to the applicant by the Architectural Review Committee in a manner at the sole discretion of the Architectural Review Committee. The final decision shall be communicated to the applicant no later than thirty (30) days after the Architectural Review Committee's receipt of a completed application and all required submissions from the applicant.

If the Architectural Review Committee fails to respond to an applicant with either an approval or a denial of that applicant's application for proposed Improvements within thirty (30) days after receipt of a completed application, approval of that applicant's proposed Improvements shall be deemed disapproved; however, no approval, whether expressly granted or

deemed granted, shall be inconsistent with the Design Guidelines unless a written variance has been granted by the Architectural Review Committee pursuant to Section 5.5.

As part of any approval of Improvements, the Architectural Review Committee may require that construction commence within a specified time period. If construction does not commence within the required period, the approval shall expire, and the applicant must reapply for approval before commencing any activities. The Architectural Review Committee may promulgate fees for consideration of a reapplication, and approval shall not be granted prior to payment of such fee, if any. Once construction of Improvements has commenced, it shall be diligently pursued to completion. All construction shall be completed (as evidenced by a certificate of occupancy or other similar government approval) within twenty-four (24) months of commencement unless otherwise specified in the notice of approval or unless the Architectural Review Committee, in its discretion, grants an extension in writing.

5.4 No Waiver of Future Approvals

The Architectural Review Committee reviewing applications under this Chapter may change from time to time, and opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. It may not always be possible to identify objectionable features until work is completed. In such cases, the Architectural Review Committee may elect not to require changes to objectionable features; however, the Architectural Review Committee may refuse to approve similar proposals in the future. Approval of applications or plans for proposed Improvements shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

5.5 Variances

The Architectural Review Committee may authorize variances from compliance with any of the Design Guidelines and any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. No variance shall (a) be effective unless in writing from the Architectural Review Committee, (b) be contrary to this Charter, or (c) prevent the Architectural Review Committee from denying a variance in other circumstances.

5.6 Limitation of Liability

This Chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of Sunfield and does not create any duty to any Owner or other Person from the Architectural Review Committee, the Community Association, the Community Council, the Council Members, the Officers, any Community Association committee member, or the Declarant with regard to such matters. Review and approval of any application pursuant to this Chapter may be based purely on aesthetic considerations. The Architectural Review Committee, the Community Association, the Community Council, the Council Members, the Officers, any Community Association committee member, and the Declarant are not responsible for the structural integrity or soundness of approved construction or Improvements, for compliance with building codes and other governmental requirements, or for ensuring that all

Improvements are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

The Architectural Review Committee, the Community Association, the Community Council, the Council Members, the Officers, any Community Association committee member, and the Declarant, and any partner, member, employee or agent of any of the foregoing shall not be liable for (a) soil conditions, drainage, or other general site work, (b) any defects in plans revised or approved hereunder, (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not the Declarant, the Architectural Review Committee, or the Community Council has approved or featured such contractor as a Builder, or (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot or Unit.

The Declarant, the Community Association, the Community Council, the Officers, the Architectural Review Committee, or any Person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any Owner or any other party whatsoever, due to any mistakes in judgment, negligence, or any action of Declarant, the Community Association, the Community Council, the Officers, the Architectural Review Committee, or any Person acting on behalf of any of them, in connection with the approval or disapproval of applications or plans and specifications. Each Owner agrees, individually and on behalf of its heirs, successors and assigns by acquiring title to a Lot or Unit that it shall not bring any action or suit against the Declarant, the Community Association, the Community Council, the Officers, the Architectural Review Committee, or any Person acting on behalf of any of them, in order to recover any damages caused by the actions of the Declarant, the Community Association, the Community Council, the Officers, the Architectural Review Committee, or any Person acting on behalf of any of them in connection with the provisions of this Chapter. The Community Association does hereby indemnify, defend and hold the Declarant, the Officers, the Community Council, the Architectural Review Committee and any Person acting on behalf of them, harmless from all costs, expenses, and liabilities, including Legal Costs of all nature resulting by virtue of the acts of the Declarant, the Community Association, the Community Council, the Officers, the Architectural Review Committee, or any Person acting on behalf of any of them. The Declarant, the Community Association, the Community Council, the Officers, the Architectural Review Committee, or any Person acting on behalf of any of them, shall not be responsible for any defects in any plans or specifications or the failure of same to comply with applicable laws or code nor for any defects in any Improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

5.7 - Certificate of Compliance

Any Owner may request in writing that the Architectural Review Committee issue a certificate of compliance certifying that there are no known violations of this Chapter or the Design Guidelines. The Architectural Review Committee shall either grant or deny such written request within thirty (30) days after receipt and may charge a reasonable administrative fee, which shall be paid to the Community Association. Issuance of such a certificate shall prevent the Architectural Review Committee or the Community Association from taking enforcement

action against an Owner for any condition known to the Architectural Review Committee or the Community Association on the date of such certificate

5.8 Schools; Fire Department

Exterior appearance and modifications to any Schools and/or fire stations or other public facilities shall be subject to review and approval by the Architectural Review Committee according to the same procedures as for Lots and Units.

Chapter 6

Maintenance, Repair and Replacement

One of the benefits of owning property in a planned community is the commitment among neighbors to maintain their property in a neat, attractive, and well-landscaped condition to enhance the overall beauty and aesthetic appeal of the community. This Chapter describes the Owners' responsibilities for maintenance and repair of their Lots and Units and for insuring their Lots and Units against property damage so that funds will be available for repair and restoration if needed.

6.1 Maintenance of Lots and Units

Each Owner shall maintain his or her Lot or Unit, including all structures, landscaping, and other Improvements comprising the Lot or Unit, in a manner consistent with the Governing Documents and the Community-Wide Standards, unless such maintenance responsibility is otherwise assumed by or assigned to the Community Association or a Neighborhood Association pursuant to this Charter, any Supplement, a Neighborhood Declaration or by law. If a Lot is vacant, the Owner shall be responsible to keep the Lot in a clean, natural and attractive state and if the Owner shall fail to do so, the Community Association may, but shall not be obligated to, take such action as it determines is appropriate to keep the Lot in a clean, natural and attractive state, with the cost thereof assessed to such Owner as an Individual Assessment. Each Owner shall be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Community Property or public right-of-way lying between the Lot or Unit boundary and any wall, fence, or curb located on the Community Property or public right-of-way within twelve (12) feet of the Lot or Unit boundary.

6.2 Maintenance of Neighborhood Property

The Community Association shall maintain all Neighborhood Property in a manner consistent with the Governing Documents, the Community-Wide Standards, and all applicable covenants. Neither the Community Association nor a Neighborhood Association shall remove trees, shrubs, or similar vegetation from Neighborhood Property without prior approval of the Architectural Review Committee pursuant to Chapter 5.

The Community Association may delegate its maintenance responsibility for Neighborhood Property to the applicable Neighborhood Association. However, if the Community Council determines that the level and quality of maintenance then being provided by the Neighborhood Association is not consistent with the Community-Wide Standards, then the

Community Association shall have the right to take back maintenance responsibility from the Neighborhood Association. The Community Association shall have the right to impose Neighborhood Assessments upon the Neighborhood Owners for any Neighborhood Expenses it occurs while managing or maintaining any Neighborhood Property. The Community Council need not treat all similarly situated Neighborhoods the same when making this determination regarding maintenance of Neighborhood Property.

6.3 Maintenance of Community Property

The Community Association shall maintain the Community Property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standards, and all applicable covenants. The Community Association shall not remove trees, shrubs, or similar vegetation from the Community Property without prior approval of the Architectural Review Committee pursuant to Chapter 5.

6.4 Irrigation Systems.

Irrigation systems within Sunfield, whether for the irrigation of a Lot, Community Property or Neighborhood Property may utilize re-claimed water; however, all re-claimed water shall be used for irrigation purposes only and shall not be used for drinking.

6.5 Responsibility for Repair and Replacement

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, the responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standards.

Each Owner shall carry property insurance for the full replacement cost of all insurable Improvements on his or her Unit, less a reasonable deductible, unless either a Neighborhood Association (if any) or the Community Association carries such insurance (which they may but are not obligated to do). If the Community Association assumes responsibility for insuring a Unit, the premiums for such insurance shall be levied as an Individual Assessment (as defined in Section 12.4) against the benefited Unit and the Owner.

Within ninety (90) days after any damage to or destruction of a structure on a Unit, the Owner shall promptly repair or reconstruct the structure in a manner consistent with the original construction or such other plans and specifications as are approved by the Architectural Review Committee pursuant to Chapter 5 unless the Community Council, in its discretion, agrees to extend such period. Alternatively, the Owner shall clear the Unit of debris and maintain it in a neat and attractive landscaped condition consistent with the Community-Wide Standards. The Owner shall pay any repair or reconstruction costs that insurance proceeds do not cover.

Additional recorded covenants applicable to any Neighborhood may establish additional insurance requirements and more stringent standards for rebuilding or reconstructing structures on Units in such Neighborhood and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

This Section shall apply to a Neighborhood Association with respect to Neighborhood Property within the Neighborhood in the same manner as if the Neighborhood Association was an Owner and the Neighborhood Property was a Unit.

6.6 Maintenance and Repair of Party Walls and Similar Structures

Each wall, fence, driveway, or similar structure or Improvement built as part of the original construction on the Units that serves and/or separates any two adjoining Units shall be considered a party structure. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who use the party structure.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

The right to and the obligation of contribution for party walls and similar structures between Owners, as provided in this Section, shall be appurtenant to the Unit and shall pass to such Owner's successor-in-title.

To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to any party structure. Any dispute concerning a party structure shall be subject to the provisions of Chapter 18.

Chapter 7

Use and Conduct

In order to maintain an environment that encourages respect for and courtesy among neighbors and minimizes the potential for disputes, this Chapter sets forth basic standards regarding use, occupancy, and transfer of interests in Lots and Units. This Chapter also provides a procedure by which the Community Council and the membership can adopt and change the Rules regulating use, conduct, and activities within Sunfield to address particular needs and desires of Sunfield over time.

7.1 Use, Occupancy, and Transfer of Interests in Units

(a) **Residential and Related Uses.** Unless otherwise provided in this Chapter, Lots and Units may be used only for residential purposes, except as the Declarant may otherwise authorize with respect to construction, marketing, and sale activities of the Declarant and Builders it designates. A Unit may also be used for "related" business activities. A business activity upon a Unit shall be considered "related" to a residential use and thus permitted under this Section only if conducted by a person or persons residing in the Unit and only if the business activity:

(i) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;

(ii) complies with applicable zoning requirements;

(iii) does not involve regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within Sunfield; and

(iv) is consistent with Sunfield's residential character, the Community-Wide Standards and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Community Council determines in its discretion.

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether such activity is engaged in full or part time, such activity is intended to or does generate a profit, or a license is required.

No solicitors of a business nature shall be allowed within Sunfield, without the prior written consent of the Community Council. No garage sales are permitted within Sunfield except as permitted by the Community Council. No day care center, group babysitting service or day care facility may be operated within a Unit.

Leasing a Lot or Unit for residential purposes shall not be considered a "business" within the meaning of this subsection, provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than one (1) Lot or Unit at any time. This provision shall not preclude a Mortgagee from leasing a Lot or Unit upon taking title following foreclosure of its security interest in the Lot or Unit or upon acceptance of a deed in lieu of foreclosure. For purposes of this Charter, the term "Leasing" shall refer the offering of regular, exclusive occupancy of a Lot or Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit.

Notwithstanding the provisions of this subsection, while most Lots and Units will be used solely for single-family residential purposes, the Declarant anticipates, but does not guarantee, that Lots and Units within certain Neighborhoods will be used for multi-family residential purposes, so long as those purposes are consistent with the Community-Wide Standards and this Charter and approved beforehand by the Declarant (if prior to Turnover) or the Community Association (if after Turnover).

(b) **Residency Limitation.** No more than two (2) unrelated persons may reside in any Unit. Further, the Community Council may impose and enforce reasonable occupancy limitations and conditions, based upon Unit size and facilities and its fair use of the Community Property.

(c) **Leasing.** Any Lot or Unit that is leased shall be leased only in its entirety. Separate rooms, floors, or other areas within a Unit may not be separately leased; however, any

detached "in-law suite" or "guest house" approved pursuant to Chapter 5 may be leased separate from the main dwelling.

All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Lot or Unit are bound by and obligated to comply with the Governing Documents. The Governing Documents shall apply to a tenant or occupant of a leased Lot or Unit regardless of whether such a provision is specifically set forth in the lease. A Lot or Unit shall not be leased for a term of less than three (3) months duration or more than two (2) times during a calendar year.

Approval of the Community Council or a Neighborhood Association shall not be required prior to leasing a Unit. Minimum lease terms may vary by Neighborhoods, as may be set forth in a Neighborhood Declaration, but in no event shall a minimum lease then be less than as stated above. The Rules may also require that Owners use Community Council-approved lease forms (or include specific lease terms), and may impose a reasonable review or administrative fee in connection with the Community Council's review of a lease.

During the time a Lot or Unit is leased or occupied by others, the Owner shall not have the right to use the Community Property or the Neighborhood Property except (a) as a guest of another Owner or tenant, (b) as an Owner of another Lot or Unit within Sunfield, or (c) to enforce its rights as landlord pursuant to Texas law. Within ten (10) days of a lease being signed, the Owner of the leased Lot or Unit shall notify the Community Council or the Community Association's managing agent of the lease and provide a copy of the lease and any additional information the Community Council may reasonably require. The Owner must give the tenant copies of the Governing Documents prior to the tenant taking occupancy of the Lot or Unit. The Community Council may adopt Rules governing Leasing and sub-Leasing, so long as those Rules are consistent with this subsection. Owners wishing to lease their Lot or Unit shall be jointly and severally liable to the Community Association with the tenants of their Lot or Unit for any amount which is required by the Community Association to make repairs or to pay any claim for injury or damage to property caused by or which is the responsibility of such tenant.

(d) ***Transfer of Title.*** Any Owner desiring to sell or otherwise transfer title to his or her Lot or Unit must obtain written consent from the Community Council prior to such transfer. The transferring Owner shall deliver a request for consent to the transfer to the Community Council by completing the form promulgated therefor, including the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Community Council may reasonably require at least seven (7) days prior to the date of transfer of title. Provided it has received the properly completed transfer request form, the Community Council shall approve the transfer and provide written consent therefor to the Owner prior to the date of transfer of title. The Owner transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including Assessment obligations, until the date upon which the Community Council receives such request for consent, notwithstanding the transfer of title.

(e) ***Resale Certificates.*** Upon request, the Community Association shall provide a "**Resale Certificate**", as defined in and required by Chapter 207, Texas Property Code. The

Community Association may charge a reasonable fee for the preparation of such Resale Certificate.

(f) **Trees; Landscaping.** Each Residence must have a minimum of two (2) trees located within the front yard and a minimum one (1) tree located within the back yard of such Residence at all times. No Owner, other than Declarant, shall be entitled to cut, remove or mutilate any trees having a trunk diameter of four inches (4") or more at any point above ground level, without obtaining the prior written approval of the Architectural Review Committee, except that dead or diseased trees shall be cut and removed promptly by the Owner and immediately replaced with a tree of the same species and size as the removed tree. All landscape improvements visible from a Roadway are subject to review by the Architectural Review Committee prior to installation. Landscaping of each Lot shall be completed within thirty (30) days (subject to extension for delays caused by inclement weather, restrictions or delays caused by governmental regulations prohibiting new planting or watering due to restricted water use) after the Residence construction is completed, and shall include sodded grass and the trees described herein. Approved list of grass and tree specimens with diameters and height are included in the Design Guidelines.

(g) **Nondisturbance of Archeological Sites and Conservation Areas.** Any portion of Sunfield identified on any recorded subdivision plat or the Master Plan as an archaeological site, historical site, preserve area, or a conservation area (collectively, the "Conservation Areas") shall be left in its natural, undisturbed state unless otherwise approved by the applicable local, state or federal governmental authorities.

(h) **Subdivision and Combination of Lots and Units.** No Person other than the Declarant and Builders whom the Declarant may authorize shall subdivide, combine or change the boundary lines of any Lot or Unit or combine Lots or Units without the Community Council's prior written approval. Any such action that the Community Council approves shall be effective only upon recording of a plat or other legal instrument reflecting the subdivision or new boundaries of the affected Units and the payment by the Owner of all fees for preparing and recording such plat or other legal instrument. In the absence of such recorded instrument, adjacent Units owned by the same Owner shall continue to be treated as separate Units for purposes of voting and Assessments, even though such Units may be improved with a single dwelling. Two or more Lots may only be combined into one Lot upon approval by the Architectural Review Committee, who will establish new setback and sideline restrictions for such combined Lot. If two or more Lots are combined in accordance with the requirements of this Section, the Owner shall continue to pay Assessments in such amounts as though the separate Lots had not been combined. Once two or more Lots or Units are combined to form one Lot or Unit, such Lot or Unit may not be resubdivided without the Community Association's prior-written consent. Any such action that the Community Council approves shall be effective only upon recording of a plat or other legal instrument reflecting the resubdivision or new boundaries of the affected Units and the payment by the Owner of all fees for preparing and recording such plat or other legal instrument.

(i) **Timesharing.** No Unit shall be used for operation of a timesharing, fraction-sharing, vacation or membership club or similar program whereby the right to exclusive use of the Unit rotates among participants in the program or club on a fixed or floating time schedule

over a period of years, unless such program is established within Units in a designated Neighborhood by the Declarant or with the Declarant's prior written approval.

(j) **Pets.** Domesticated dogs and/or cats may be maintained in a Unit, provided that: (i) such pets are permitted to be so kept by applicable laws and regulations; (ii) no pet shall be kept within any screened enclosure or pet housing unless approved by the Architectural Review Committee; (iii) no structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Community Property or the Neighborhood Property; (iv) such pets are not a nuisance to residents of other Units or of neighboring buildings, as determined by the Community Council; (v) such pets are not a pit bull or other breed considered to be dangerous by the Community Council, in its sole discretion; (vi) no more than three (3) such pets shall be allowed per Unit; (vii) all pets shall be under leash at all times when walked or exercised in any portion of the Community Property or the Neighborhood Property; and (viii) no pet shall be permitted to leave its excrement on any portion of the Community Property or Neighborhood Property, and the Owner of such pet shall immediately remove the same. Tropical fish and tropical birds may be maintained in a Unit in reasonable numbers, but subject to (i)-(v) herein. Any other animal may only be maintained in a Unit with the prior written consent of the Community Council in its discretion, and (if permitted) shall be subject to (i)-(viii) herein. In the event any pet becomes, in the reasonable opinion of the Community Council, a nuisance to the other Owners, such animal shall be removed from the Unit and Sunfield immediately upon receipt of notice from the Community Council. The Community Council, the Community Association, the Officers, a Community Association committee member, and the Declarant shall not be liable for any personal injury, death or property damage resulting from a violation of the foregoing pet restrictions and any occupant of a Unit committing such a violation shall fully indemnify and hold harmless the Community Council, the Community Association, the Officers, a Community Association committee member, and the Declarant in such regard. All pets maintained in a Unit shall be kept or maintained solely as domestic pets and not for any commercial purpose. All pets shall be subject to Rules adopted by the Community Council, provided however, that no subsequent Rule, regulation or amendment of this Section shall prohibit any pet or pets or the replacement of such pet or pets previously approved by the Community Council and maintained in a Unit unless such pet is deemed a nuisance by the Community Council as provided herein. Notwithstanding anything to the contrary in this Charter, the provisions set forth in this Section shall not be amended without prior approval of all Voting Members.

(k) **Motor Vehicles, Trailers, Boats, Etc.** The Community Council shall have the authority to promulgate Rules to govern or prohibit mobile homes, trailers (either with or without wheels), motor homes, tractors, trucks, helicopters, commercial vehicles of any type, campers, recreational vehicles, motorized campers or trailers, boats or other watercraft, boat trailers, motorcycles, motorized bicycles, motorized go carts, golf carts, automobiles or any other related forms of transportation ("**Motorized Vehicle**"). No Owners or any tenants, guests, or invitees of an Owner shall repair or restore any Motorized Vehicle of any kind upon or within any Lot, Unit or Neighborhood or within any portion of the Community Property or the Neighborhood Property, except (i) within enclosed garages, or (ii) for emergency repairs, and then only to the extent necessary to enable the movement of the Motorized Vehicle to a proper repair facility. A Motorized Vehicle of an Owner or its tenants, guests, or invitees, shall be parked only in the garage or in the driveway serving the Owner's Lot or Unit, and then subject to the reasonable

Rules adopted by the Community Council. No on-street parking shall be permitted. No "commercial vehicle" (as such term is defined in the City or the County code in effect on the date of recordation of this Charter): (A) shall be permitted to be parked in Sunfield for a period of more than four (4) hours per day unless such commercial vehicle is temporarily present and necessary in the actual construction, maintenance, or repair of a Unit or other Improvements within Sunfield or (B) shall be permitted to be parked overnight or stored within Sunfield unless fully enclosed within a garage. No recreational vehicle of any kind shall be parked overnight in Sunfield and no golf carts, go carts, boats, boat trailers, watercraft, tractors, trailers of any kind, campers, motor homes, mobile homes or buses shall be permitted to be parked within Sunfield unless kept fully within a garage. No Motorized Vehicle shall be used as a domicile or residence, either temporary or permanent. In the event any Motorized Vehicle is improperly parked in violation of this Section, the Community Council (or a third party towing company at the Community Council's direction) may enter the Lot, Unit, Community Property or Neighborhood Property and remove the Motorized Vehicle and assess as an Individual Assessment all costs incurred by the Community Association for such removal against the Owner that is responsible for improperly parking the vehicle.

(l) **Firearms.** The discharge of firearms, including without limitation BB guns, pellet guns and other firearms of all types and sizes, is prohibited within Sunfield.

(m) **Lighting.** All exterior lighting for Units must be approved in advance by the Architectural Review Committee, except for seasonal Christmas or other holiday decorative lights which may be displayed only between Thanksgiving Day and January 10, unless prohibited or further restricted by the Design Guidelines or applicable Neighborhood governing documents.

(n) **Burglar Bars.** No bars or obstructions intended for use as burglar bars or sold as devices intended to prohibit forced entry into a Residence may be placed on the exterior of a Residence, including but not limited to windows and doors.

(o) **New Materials.** Except with prior written approval of the Architectural Review Committee, only new materials shall be utilized in constructing any structures situated upon a Lot.

(p) **Solar Panels and Energy Conservation Equipment.** The Architectural Review Committee must approve all solar panels and energy conservation equipment prior to installation of such equipment on a Unit. All solar heating apparatus must conform to the standards set forth in the HUD Intermediate Minimum Property Standards Supplement, Solar Heating, and Domestic Water Systems. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as reasonably determined by the Architectural Review Committee. No solar panel, vents, or other roof mounted, mechanical equipment shall project more than one (1.0) foot above the surface of the roof of a Unit; and all such equipment, other than solar panels, shall be painted consistent with the color scheme of the portion of the Unit to which such equipment is installed. This provision is not intended to prohibit the use of solar energy devices.

(q) **Pools and Spas.** Not all Lot or Unit designs in Sunfield will accommodate a swimming pool or spa. No above ground pools shall be permitted within Sunfield. All pools and appurtenances installed shall require the approval of the Architectural Review Committee. All pools and spas shall be adequately maintained and chlorinated. Unless installed by the Declarant, no slides, or platforms shall be permitted without the Architectural Review Committee's approval. The drainage of a pool or spa into another Lot, Unit, the Community Property or the Neighborhood Property is prohibited. The materials, design and construction of all pools and spas shall meet standards generally accepted by the industry, shall comply with regulations of all applicable governmental entities.

(r) **Tennis Courts, Sports Courts, Playscapes and Basketball Goals.** The location and plans and specifications for any tennis court, sport court, playscape or basketball goal, and its screening or fencing and lighting, shall be subject to the approval and requirements of the Architectural Review Committee. Permanent basketball goals are allowed in the front of a Residence but must be perpendicular to any Roadway along the front of the Residence and must be set back twenty feet (20') from the property line of the Lot. Portable basketball goals are not allowed in the front of the Residence and no goals may be attached to the roof of any Residence. The materials, design and construction of all courts, playscapes and basketball goals shall meet standards generally accepted by the industry, shall comply with regulations of all applicable governmental entities.

(s) **Roofs and Pressure Treatment.** Roofs and/or exterior surfaces and/or pavement, including, but not limited to, walks and drives, shall be pressure treated as often as appropriate but in any event within thirty (30) days of notice by the Community Council.

(t) **Paint.** Residences shall be repainted as often as needed but in any event within forty five (45) days of notice by the Community Council.

(u) **Storage.** No temporary or permanent utility or storage shed, storage building, tent, or other structure or Improvement shall be permitted and no other structure or Improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the Architectural Review Committee, which approval shall conform to the requirements of this Charter and the Design Guidelines.

(v) **Fences and Walls.** Walls and fences on Lots must be approved in writing in advance by the Architectural Review Committee in its sole discretion and all wood fences, if approved, must be properly maintained. The Architectural Review Committee may, in its discretion, prohibit the construction of any proposed fence, specify the materials of which any proposed fence must be constructed, specify the color and type of stain that may be applied to any fence, or require that any proposed fence be partially screened by vegetation.

(w) **Fence Maintenance.** Fence maintenance shall be the responsibility of the Owner on whose Lot the fence is located, and all damage to a fence shall be repaired within thirty (30) days of written notification by the Community Association. It shall be a violation of this Declaration to maintain any fence in such a manner as to allow (i) any portion of that fence to lean so that the fence's axis is more than five (5) degrees out of a perpendicular alignment with

its base, or (ii) missing, loose, or damaged stone or wood rails in the fence, or (iii) symbols, writings, or other graffiti on the fence.

(x) ***Porches.*** No grills, gym equipment or other equipment may be stored on the front porches of Units. The Community Council in its sole discretion may establish Rules regarding the appearance of front porches.

(y) ***Garage Doors.*** Garage Doors shall be closed at all times when the garage of a Unit is not in use.

(z) ***Garbage Storage/Pickup.*** The Community Council shall have the authority to promulgate Rules to govern garbage storage and pickup within Sunfield.

(aa) ***Exterior Appearance.*** No foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades, or other purpose, and all window treatments for all Units within Sunfield shall conform to the Rules and Design Guidelines. Outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed, or maintained, nor shall any clothing, rugs, or other item be hung on any railing, fence, hedge, or wall.

(bb) ***Signs and Other Structures.*** No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Residence, fence or other Improvement upon such Lot so as to be visible from public view except the following:

(i) ***For Sale Signs.*** An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three feet (3') above the surface of the ground advertising the property for sale.

(ii) ***Declarant's Signs.*** Signs or billboards may be erected on any Lot by Declarant.

(iii) ***Political Signs.*** Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within five (5) days after the election

(iv) ***For Lease Signs.*** Signs or emblems of any kind advertising a Lot, Improvement, or Residence within Sunfield for lease or rent are expressly prohibited and may not be kept or placed upon any Lot or mounted, painted or attached to any Residence, fence or other Improvement upon such Lot so as to be visible from public view.

(cc) ***Community Mailboxes.*** Mailboxes for one or more Lots may be provided at one or more locations within Sunfield consistent with the rules and regulations of the United States Postal Service. Subject to such rules and regulations, all community mailboxes and associated access or other related facilities and any other roadside mailboxes shall be subject to the approval of the Community Council. To the extent any community mailboxes or access facilities are located on any Lot, the Owners and occupants of the Lots serviced by such mailboxes shall have

an easement over and across such portion of the Lot on which such mailboxes and facilities are located limited solely to the extent reasonably necessary to obtain access to and from such mailboxes and the public right-of-way nearest to such mailboxes.

(dd) **Antennas, Satellite Dishes.** No exterior radio or television antenna or aerial or satellite dish receiver, or other device designed to receive telecommunication signals, including, but not limited to, radio, television, or microwave signals which are intended for cable television, network television reception, or entertainment purposes shall be erected or maintained, except by Declarant, without the prior written approval of the Architectural Review Committee. Any antenna which is approved by the Architectural Review Committee and which will cover more than fifteen (15) square feet of the surface area of a Lot, shall be screened from view from public or private thoroughfares and adjacent properties. Notwithstanding any provision in this Section to the contrary, one (1) satellite dish no greater than twenty (20) inches in diameter may be affixed to a Residence located on a Lot so long as the satellite dish is not visible from the Roadway located adjacent to the front lot line of such Lot.

(ee) **No Window Units.** No window or wall type air conditioner which is visible from any Roadway shall be permitted to be used, placed or maintained on or in any structure in any part of the Property.

(ff) **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 Sunfield unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the Architectural Review 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 Review Committee; and further provided that this provision shall not apply to utilities installed along the perimeters of Sunfield. The installation method, including, but not limited to, location, type of installation equipment, trenching method and other aspects of installation, for both temporary and permanent utilities shall be subject to review and approval by the Architectural Review Committee.

(gg) **Mining and Drilling.** No portion of Sunfield shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth, except that Declarant and the Community Association shall be permitted to drill and operate water wells within Sunfield.

(hh) **Unfinished Structures.** No structure shall remain unfinished for more than one (1) year after construction of such structure has commenced. Construction of all Residences shall begin no later than two (2) years after ownership of such Lot has been legally conveyed by Declarant.

(ii) **Sidewalks.** All sidewalks required by any governmental entity having jurisdiction over the Property shall be constructed in accordance with all applicable governmental ordinances

and regulations, and shall be completed prior to any occupation of the Residence. No other sidewalks shall be placed on any Lot without the approval of the Architectural Review Committee.

(jj) ***Sight Distance at Intersections.*** No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the Roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the Roadway property lines and a line connecting them at points 25 feet from the intersection of the Roadway property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a Roadway property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(kk) ***Wind Generators.*** No wind generators shall be erected or maintained on any Lot if such wind generator is visible from any other Lot or Roadway.

(ll) ***Chemical Fertilizers, Pesticides or Herbicides.*** No commercial chemical fertilizers, pesticides or herbicides other than those approved by the Architectural Review Committee shall be used on any Lot. This provision in no way limits the use of those products which are readily available for consumer use and approved by an agency, such as the Food and Drug Administration, for the purpose intended.

(mm) ***Wires and Lines.*** No lines, wires or devices for the communication or transmission of the electric current, cable television or telephone shall be erected, placed or maintained upon any Lot unless the same shall be contained in conduit or cable installed and maintained underground or concealed in, under or on buildings; provided, however, that this Section shall not forbid the erection or use of temporary power or telephone lines incidental to the construction of building upon a Lot.

(nn) ***HVAC Equipment.*** All heating and air conditioner compressors and outside units must be screened from view from the Roadway in front of the Residence or to the side from any other Residence by landscaping or fencing.

(oo) ***Minimum Yards.*** The location of all Improvements located on a Lot shall be subject to approval by the Architectural Review Committee. Minimum yard and set-back requirements may be established by the Architectural Review Committee, Declarant, or City of Buda through a Supplemental Declaration in order to maximize open areas, pedestrian and vehicular movement and to benefit the overall appearance of the Property.

(pp) ***Nuisances.*** No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of Sunfield. No nuisance or odors shall be permitted to exist or operate upon or arise from Sunfield, so as to render any portion of Sunfield unsanitary, unsightly, offensive, or detrimental to Owners, occupants or Persons using or occupying any other portions of Sunfield, as determined by the Community Council. No noxious or offensive activities shall be carried on in any Lot, Unit, Community Property or Neighborhood Property which could cause disorderly, unsightly, or unkempt conditions, or which could cause embarrassment, discomfort, annoyance, or nuisance to the Owners, occupants,

or other Persons occupying or using other portions of Sunfield or which could result in a cancellation of any insurance for any portion of Sunfield, or which would be in violation of any law or governmental code or regulation. No exterior speakers, horns, whistles, bells or other sound devices, except for security and fire alarm devices used exclusively for such purposes, shall be located, used or placed within Sunfield without approval of the Architectural Review Committee. Unit Owners shall not play any loud music that would disturb adjacent Unit Owners or others within Sunfield. Any waste, garbage, or refuse materials produced or occurring as a result from the permitted activities conducted within any portion of Sunfield shall be stored, processed and transported away from Sunfield in a safe, neat, clean, efficient, healthy and sanitary manner. Any and all Sunfield streets and roadways (the "Roadways"), driveways, and right-of-ways within Sunfield shall be kept and maintained in a clean, safe, neat and efficient manner. All such streets, driveways, walkways, and right-of-ways shall be kept reasonably clean and free of leaves, limbs, excess sand and soil and any and all other types of debris.

7.2 Rulemaking Authority and Procedures

The initial Rules shall be promulgated by the Declarant. The Governing Documents establish a framework of covenants and conditions that govern Sunfield. The initial Rules are a part of that framework. Within that framework, the Community Council must be able to respond to unforeseen issues and changes affecting Sunfield. Consequently, the Community Council is authorized to change the Rules in accordance with the following procedures, subject to the limitations set forth in Section 7.3.

(a) **Community Council Authority.** Subject to the notice requirements in subsection 7.2(b) and the Community Council's duty to exercise judgment and reasonableness on behalf of the Community Association and its Members, the Community Council may adopt new Rules and modify or rescind existing Rules by majority vote of the Council Members present at any Community Council meeting at which a quorum has been obtained.

The Community Council may make and enforce reasonable Rules governing the use of the Neighborhood Property within specific Neighborhoods. Those Rules shall be binding upon all Owners, occupants, tenants, and guests within that Neighborhood. After expiration of the Declarant Control Period, such Rules may be repealed or modified in a regular Community Association meeting or special meeting of the Community Association (a "Special Meeting") by the Voting Members having not less than a majority of the vote in the Community Association. The Community Council shall have the power to veto any action taken or contemplated to be taken by any Neighborhood Association or Neighborhood members which the Community Council reasonably determines to be adverse to the interests of the Community Association or its Members, or inconsistent with the Community-Wide Standards. The Community Association also shall have the power to require specific maintenance or repairs or aesthetic changes to be made by the Neighborhood Association and to require that a proposed Neighborhood budget include certain items and specific expenditures.

(b) **Notice.** The Community Council shall send notice to all Members concerning any proposed Rule change in accordance with the requirements set forth in the Bylaws for notice of a Community Association meeting. This notice requirement does not apply to administrative and operating policies that the Community Council may adopt relating to the Community

Property, such as hours of operation of an amenity, speed limits on private roads, and the method of allocating or reserving use of an amenity by particular individuals at particular times, notwithstanding that such policies may be published as part of the Rules.

(c) ***Effective Date.*** A change in the Rules adopted under this Section shall take effect thirty (30) days after the date on which written notice of the Rules change is given to the Owners.

(d) ***Conflicts.*** No action taken under this Section shall have the effect of modifying or repealing the Design Guidelines or any provision of this Charter other than the Rules. In the event of a conflict between the Design Guidelines and the Rules, the Design Guidelines shall control. In the event of a conflict between the Rules and any provision of this Charter, the Charter shall control.

7.3 Protection of Owners and Others

Except as may be set forth in this Charter (either initially or by amendment) or in the initial Rules, all Rules shall comply with the following provisions:

(a) ***Similar Treatment.*** Similarly situated Lots and Units shall be treated similarly; however, the Rules may vary by Neighborhood.

(b) ***Activities Within Dwellings.*** No Rule shall interfere with the activities carried on within a dwelling, except that the Community Council may prohibit activities not normally associated with residential property or prohibited by applicable law. It may also restrict or prohibit activities that create monetary costs for the Community Association or other Owners, create a danger to anyone's health or safety, generate excessive noise or traffic, create unsightly conditions visible from outside the Unit, or are an unreasonable source of annoyance, in the Community Council's opinion, to Owners or Sunfield.

(c) ***Allocation of Burdens and Benefits.*** Nothing in this provision shall prevent the Community Council from changing the Community Property available, from adopting generally applicable Rules for use of Community Property, or from denying use privileges to those who are delinquent in paying Assessments, abusing the Community Property, or violating the Governing Documents. This provision does not affect the right to increase the amount of Assessments as provided in Chapter 12.

(d) ***Abridging Existing Rights.*** No Rule shall require that an Owner dispose of personal property kept in or on a Unit in compliance with the Rules and this Charter in effect at the time such personal property was brought onto the Unit. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the Rule.

(e) ***Reasonable Rights to Develop.*** No Rule may unreasonably interfere with the Declarant's ability to develop, market, and sell property in Sunfield.

(f) ***Interference with Easements.*** No Rule may unreasonably interfere with the exercise of any easement.

7.4 Owners' Acknowledgment and Notice to Purchasers

BY ACCEPTING A DEED OR OTHER CONVEYANCE OF A LOT OR UNIT, EACH OWNER ACKNOWLEDGES AND AGREES THAT THE USE, ENJOYMENT, AND MARKETABILITY OF HIS OR HER LOT OR UNIT IS LIMITED AND AFFECTED BY THE RULES, WHICH MAY CHANGE FROM TIME TO TIME. ALL LOT OR UNIT PURCHASERS ARE HEREBY NOTIFIED THAT THE COMMUNITY COUNCIL MAY HAVE ADOPTED CHANGES TO THE RULES AND THAT SUCH CHANGES MAY NOT BE SET FORTH IN A RECORDED DOCUMENT. A copy of the current Rules and all administrative policies are available from the Community Association upon request. The Community Association may charge a reasonable fee to cover its reproduction cost.

Chapter 8

Compliance and Enforcement

The covenants, standards, and rules set forth in the Governing Documents are for the benefit of all Owners and occupants of Sunfield. However, if they are to have any real meaning, there must be a commitment by the stakeholders in Sunfield to comply with them and there must be a mechanism in place to enforce that compliance in the event that someone fails or refuses to do so. This Chapter sets forth the obligation to comply and the remedies available to the Community Association for noncompliance.

8.1 Compliance

Every Owner, and any tenant, guest, or invitee of an Owner, each Member, Neighborhood Association, and the Community Association must comply with the Governing Documents and shall be subject to sanctions for violations as described in this Chapter. Each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the tenants, guests or invitees to their Units, and for any damage to the Community Property or Neighborhood Property that such tenants, guests, or invitees cause.

8.2 Remedies for Non-Compliance

The Community Association, the Declarant and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents. The Community Council may also impose sanctions for violation of the Governing Documents, including those listed below and any others described elsewhere in the Governing Documents.

(a) ***Sanctions Requiring Prior Notice and Hearing.*** After written notice and an opportunity for a hearing in accordance with this Charter, the Community Association may impose any or several of the following sanctions for any violation of the Governing Documents (except for the failure to pay Assessments or costs to the Association):

(i) impose reasonable monetary fines against any Member, Owner or any tenant, guest or invitee of an Owner. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, with the fine to continue for each day such violation remains uncured. A fine imposed upon an Owner, or its tenants,

guests or invitees, by the Community Association for a violation of the Governing Documents, along with any Late Charges (as defined in Section 12.6(a)) and Legal Costs incurred by the Community Association to recover payment of the fine, shall be treated as an Individual Assessment and shall be the personal obligation of any noncompliant Owner. In the event that any tenant, guest, or invitee of an Owner violates the Governing Documents and a fine is imposed by the Community Association, the fine (along with any Late Charges and Legal Costs incurred by the Community Association to collect the fine, with such Late Charges and Legal Costs to be treated as an Individual Assessment) may, but need not be, imposed first against the violator; provided, that if the fine is not paid by the violator within the time period set by the Community Council, that Member shall pay the fine upon notice from the Community Council. In any action to recover a fine imposed by this subsection, the prevailing party is entitled to collect its Legal Costs from the non-prevailing party as determined by the presiding court.

(ii) suspend the right of any Owner, including its tenants, guests and invitees, to use any Community Property facilities or facilities on any other property owned, managed, maintained or leased by the Community Association or any Community Association services (a) for any period during which any charge against such Owner's Lot or Unit remains delinquent, and (b) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation; provided, nothing herein shall authorize the Community Association to limit vehicular or pedestrian ingress or egress to or from a Lot or Unit;

(iii) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents);

(iv) without liability to any Person, preclude any Builder, contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Chapter 5 and the Design Guidelines from continuing or performing any further activities in Sunfield;

(v) levy Individual Assessments to cover costs the Community Association incurs in bringing a Lot, Unit or Neighborhood into compliance with the Community-Wide Standards or other requirements under the Governing Documents; and

(vi) record a notice of violation with respect to any Lot or Unit on which a violation exists.

The Community Association shall not impose the sanctions above unless and until it gives written notice by certified mail, return receipt requested, to the offending party (or if by a tenant, guest, or invitee of an Owner, that Owner) specifying: (i) the alleged violation and the amount due the Community Association; (ii) the action required to abate the violation; (iii) a reasonable time period during which the violation may be abated, which abatement will allow the Owner to avoid the fine or suspension (unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six (6) months); (iv) that the Owner may request a hearing, not later than thirty (30) days after the date the Owner receives the notice, and if such hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision by written notice to the Community Council, and (v) that the

Association may collect from such Owner reimbursement of reasonable attorney's fees and other reasonable costs incurred by the Association relating to collecting amounts, including damages, due the Association for enforcing the terms of the Governing Documents. If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Community Council or before the Community Council if the Community Council does not appoint a committee. The Community Association shall hold a hearing not later than thirty (30) days after the date the Community Council receives the Owner's request for a hearing and shall notify the Owner of the date, time, and place of the hearing not later than ten (10) days before the date of the hearing. The Community Council or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Community Association may make an audio recording of the meeting. An Owner is not liable for attorney's fees incurred by the Association relating to a matter described in this paragraph if the attorney's fees are incurred before the conclusion of the hearing or, if the Owner does not request a hearing, before the date by which the Owner must request a hearing. All attorney's fees, costs, and other amounts collected from an Owner shall be deposited into an account maintained at a financial institution in the name of the Association or its managing agent. Only members of the Community Council or the Association's managing agent or employees of its managing agent may be signatories on the account. On written request from the Owner, the Association shall provide copies of invoices for attorney's fees and other costs relating only to the matter for which the Association seeks reimbursement of fees and costs.

The above notice and hearing provisions do not apply if the Community Association files a suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action. Further., the notice and hearing provisions do not apply to a temporary suspension of a person's right to use Community Property if the temporary suspension is the result of a violation that occurred in the Community Property and involved a significant and immediate risk of harm to others in Sunfield. The temporary suspension is effective until the Community Council makes a final determination on the suspension action after following the procedures prescribed by this section.

(b) ***Other Sanctions.*** The Community Council may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing:

(i) suspend a Member's right to vote in the Community Association through its Voting Member if a Member is more than ninety (90) days delinquent in paying any Assessment;

(ii) exercise self-help or take action to abate a violation on a Lot or Unit in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of parking Rules);

(iii) exercise self-help or take action to abate a violation on the Community Property or Neighborhood Property under any circumstances, even if Neighborhood Property is owned or managed by a Neighborhood Association;

(iv) require an Owner or a Neighborhood Association, at its own expense, to perform maintenance or to remove any structure or Improvement on such Owner's Lot or Unit or on the applicable Neighborhood Property, respectively, that is in violation of the Community-Wide Standards or other requirements under the Governing Documents and to restore the property to its previous condition;

(v) enter a Lot, Unit, or Neighborhood Property and exercise self-help to remove or cure any violating condition if an Owner or a Neighborhood Association, as applicable, fails to take action as required pursuant to subsection 8.2(b)(iv) above, within ten (10) days after receipt of written notice to do so, and any such entry shall not be deemed a trespass; or

(vi) bring a suit at law for monetary damages or in equity, or both, to stop or prevent any violation of the Governing Documents.

8.3 Community Council Decision to Pursue Enforcement Action

The decision regarding whether the Community Association will pursue an enforcement action in any particular case shall be left to the Community Council's discretion, except that the Community Council shall not be arbitrary or capricious in taking an enforcement action. For example, the Community Council may determine that, in a particular case:

(a) the Community Association's position is not strong enough to justify taking any or further action;

(b) the covenant, restriction or Rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify spending the Community Association's resources; or

(d) that it is not in the Community Association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue an enforcement action.

A decision by the Community Council not to enforce a particular provision in the Governing Documents shall not prevent the Community Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or Rule within the Governing Documents.

8.4 Legal Costs

In any action to enforce the Governing Documents, the prevailing party is entitled to recover all Legal Costs, whether or not litigation is commenced. All Legal Costs incurred by the Community Association for the enforcement of the Governing Documents shall be deemed part of the Individual Assessment against a violating Owner or the amount to be recovered from any noncompliant tenant, guest or invitee of an Owner, if enforcement is not sought first against that Owner.

PART THREE: ASSOCIATION OPERATIONS

Chapter 9

Property Management

One of the primary functions of the Community Association and Neighborhood Associations is maintaining and operating property and facilities for the common benefit of the Owners and residents of Sunfield. This Chapter establishes the obligations to accept property that the Declarant designates as Community Property or Neighborhood Property and to maintain, operate, and insure it, along with certain other properties, for the benefit of Sunfield.

9.1 Acceptance and Control of Community Property and Neighborhood Property

(a) *Transfers and Conveyances by the Declarant.* At or before Turnover, the Declarant and its designees shall transfer or convey to the Community Association its interests in the Community Property and the Community Association shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests. The Declarant shall also transfer or convey the Neighborhood Property to the Neighborhood Association operating within the Neighborhood in which the Neighborhood Property is located. The Neighborhood Association shall operate and manage the Neighborhood Property in accordance with this Charter and any applicable Neighborhood Declaration, with the provisions of this Charter controlling any inconsistency between the Charter and any Neighborhood Declaration. If a Neighborhood has no Neighborhood Association, the Declarant shall transfer or convey the applicable Neighborhood Property to the Community Association, which shall manage that Neighborhood Property on behalf of the Neighborhood Owners and in accordance with this Charter.

Upon the Declarant's written request, the Community Association or Neighborhood Association shall reconvey to the Declarant any unimproved real property that the Declarant originally conveyed to the Community Association or Neighborhood Association, as applicable, for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or accommodate changes in the development plan.

(b) *Management and Control.* The Community Association is responsible for management, operation, and control of the Community Property and any applicable Neighborhood Property, subject to any covenants set forth in the Governing Documents, the deed or other instrument transferring the property to the Community Association. A Neighborhood Association shall be responsible for management, operation and control of the Neighborhood Property within its Neighborhood and shall do so in accordance with any covenants set forth in the Governing Documents, any applicable Neighborhood Declaration, and the deed or other instrument transferring the property to the Neighborhood Association. The Community Association may enter into leases, licenses, or operating agreements with respect to portions of the Community Property or applicable Neighborhood Property, for payment or no payment, as the Community Council deems appropriate. The Neighborhood Association shall also have these rights with respect to its Neighborhood Property. The Community Association

may permit use of Community Property facilities or Neighborhood Property facilities, as applicable, by Persons other than Owners and may charge use fees, in such amount as the Community Council may establish, for such use. Similarly, the Neighborhood Association shall have these rights with respect to its Neighborhood Property.

In the event the Community Council reasonably determines that a Neighborhood Association has failed to maintain its Neighborhood Property in accordance with the requirements of this Charter, the Community Association may exercise the rights reserved in Chapter 8 in order to achieve compliance with this Charter.

9.2 Restoring Damaged Improvements

In the event of damage to or destruction of portions of the Community Property or Neighborhood Property for which the Community Association has insurance responsibility, the Community Council or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or Improvements necessitated by changes in applicable building codes.

The Community Association shall repair or reconstruct damaged Community Property Improvements or Neighborhood Property Improvements, if maintained by the Community Association, unless the Declarant, during the Declarant Control Period, and Voting Members entitled to cast at least sixty seven percent (67%) of the total votes in the Community Association, decide within sixty (60) days after the loss not to repair or reconstruct. If the damage is to Neighborhood Property, regardless of whether maintained by the Community Association or a Neighborhood Association, any decision not to restore the damaged Improvements shall also require the approval of at least sixty seven percent (67%) of the Owners of Lots and Units within the Neighborhood to which the Neighborhood Property is assigned. If either the insurance proceeds or estimates of the loss, or both, are not available to the Community Association or Neighborhood Association, as applicable, within such 60-day period, then the period shall be extended until such funds or information are available. No Mortgagee shall have the right to participate in determining whether the damage or destruction to the Community Property or Neighborhood Property, as applicable, shall be repaired or reconstructed.

If a decision is made by the Declarant, during the Declarant Control Period, and the Community Association or Neighborhood Association, as applicable, not to restore the damaged Improvements and no alternative Improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained as Community Property or Neighborhood Property, as applicable and in a neat and attractive condition consistent with the Community-Wide Standards.

The Community Association shall retain and place in a capital improvements account for the benefit of all Owners, or the Neighborhood Owners to which the Neighborhood Property is assigned, as appropriate, any insurance proceeds remaining after paying the costs of repair or reconstruction or after such settlement. A Neighborhood Association shall maintain a similar

account for the benefit of the Neighborhood Owners within its Neighborhood. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit or Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction of damaged Community Property Improvements or Neighborhood Property Improvements maintained by the Community Association, the Community Council may levy Special Assessments (as defined in Section 12.3) against those Owners responsible for the premiums for the applicable insurance coverage under Section 11.4 to cover the shortfall.

9.3 Relationships with Other Properties

The Community Association may contract with the owner of any neighboring property or to provide for sharing of costs associated with (a) maintenance and operation of mutually beneficial properties or facilities, or (b) provision of mutually beneficial services.

Chapter 10

Provision of Services

In addition to its property management role, the Community Association is a vehicle for providing a variety of services for the benefit of Sunfield at large and individual Lots and Units. This Chapter describes some of the services the Community Association may provide and the mechanism by which it may provide varying levels and types of services to different areas of Sunfield.

10.1 Provision of Services to Units

The Community Association, through the Community Council, may, but is not obligated to, arrange for or provide services to Owners and their Units, directly or through contracts with the Declarant, and affiliate of Declarant, or other third parties. The Community Association may, but is not obligated to, enter into bulk service agreements by which a particular service is provided to all Units, or it may offer various services at the option of each Owner, or both. By way of example and not limitation, such services might include such things as cable television, utilities, fire protection, security, trash collection, landscape maintenance, bookkeeping, architectural review, pest control, caretaker services and technology services.

Any Community Association contract for services may require individual Owners or occupants to execute separate agreements directly with the Persons providing components or services in order to gain access to or obtain specified services. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or occupant of a Unit, may result in termination of services provided to such Unit. Any such termination shall not relieve the Owner of the continuing obligation to pay Assessments for any portion of the charges for such service that are assessed against the Unit as Community Expenses pursuant to Chapter 12.

In its discretion, the Community Council may discontinue offering particular services and may modify or cancel existing contracts for services, subject to the contract terms and any provision that may exist elsewhere in the Governing Documents requiring the Community Association to provide such services.

10.2 Community Technology

(a) **Community Systems.** Without limiting the generality of Section 10.1, the Community Association is specifically authorized, but is not obligated, to provide, or to enter into contracts with other Persons to provide, central telecommunication receiving and distribution systems (e.g., cable television, high speed data/Internet/intranet services, and security monitoring) and related components, including associated infrastructure, equipment, hardware, and software, to serve Sunfield ("Community Systems"). Any such contracts may provide for installation, operation, management, maintenance and upgrades or modifications to the Community Systems as the Community Council determines appropriate. The Community Association shall have no obligation to utilize any particular providers. Except for cause (as defined by written agreement with the provider), the Community Association may not, without the Declarant's consent, terminate any contract for Community Systems entered into by the Community Association during the Declarant Control Period.

(b) **Opportunities for Community Interaction.** The Community Association may, but is not obligated to, make use of computers, the Internet, and expanding technology to facilitate Community interaction and encourage participation in Community Association activities. For example, the Community Association may sponsor a Sunfield cable television channel, create and maintain a Sunfield intranet or Internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and residents to interact and participate in Community Association-sponsored activities. To the extent Texas law permits, and unless otherwise specifically prohibited in the Governing Documents, the Community Association may send notices by electronic means, hold Community Council or Community Association meetings and permit attendance and voting by electronic means, and send and collect Assessments and other invoices by electronic means, provided that any Member or Owner receiving such electronic notices consents in writing, as required by Texas law.

Chapter 11

Community Association Insurance

The Community Association is responsible for insuring against various types of risks; including property damage, personal injury, and liability. This Chapter describes the minimum types and amounts of coverage that the Community Association must obtain, the specific requirements for such policies, and the handling of deductibles and premiums for such insurance.

11.1 Required Coverages

The Community Association, through the Community Council, shall obtain and maintain in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

(a) Blanket property insurance covering “risks of direct physical loss” on a “special form” basis (or comparable coverage by whatever name denominated) for all insurable Improvements on:

(i) the Community Property; and

(ii) portions of the Neighborhood Property, to the extent that the Community Association has responsibility for repair or replacement in the event of a casualty.

If such coverage is not generally available at reasonable cost, then “broad form” coverage may be substituted. The limits of Community Association property insurance policies shall be sufficient to cover the full replacement cost of the insured Improvements under current building ordinances and codes;

(b) Commercial general liability insurance on the Community Property, and any applicable Neighborhood Property, insuring the Community Association and its Members for damage or injury caused by the negligence of the Community Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least Five Million Dollars (\$5,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies. If additional coverage and higher limits are available at reasonable cost that a reasonably prudent person would obtain, the Community Association shall obtain such additional coverage or limits;

(c) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(d) Directors and officers liability coverage for actions by the Council Members, the Officers, and the members of Community Association committees appointed by the Community Council taken within the scope of their official duties; and

(e) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Community Association funds in an amount determined in the Community Council’s business judgment but not less than an amount equal to one-fourth (1/4) of the annual Community Assessments (as defined in Section 12.2(b)) on all Lots and Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

The Community Council shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Sunfield area. In the exercise of its business judgment, the Community Council may obtain additional insurance coverage and higher limits than this Section requires.

11.2 Deductibles

The Community Association’s policies may contain reasonable deductibles, which shall not be subtracted from the face amount of the policy in determining whether the policy limits

satisfy the requirements of Section 11.1. In the event of an insured loss, the deductible shall be treated as a Community Expense if the loss or claim relates to Community Property and as a Neighborhood Expense if the loss or claim relates to Neighborhood Property. However, if the Community Council reasonably determines, after notice and an opportunity to be heard in accordance with Section 8.2(a) above, that the loss is the result of the negligence or willful misconduct of one or more Owners or their tenants, guests, or invitees, then the Community Council may assess the full amount of such deductible against such Owners and their Lots and Units as an Individual Assessment.

11.3 Policy Requirements

All Community Association policies shall provide for a certificate of insurance to be furnished to the Community Association, to the Declarant, and, upon request, to each Owner. To the extent available at reasonable cost and terms, all Community Association insurance shall:

(a) be written with a company authorized to do business in Texas which satisfies the requirements of the Federal National Mortgage Association, or such other secondary Mortgage market agencies or federal agencies as the Community Council deems appropriate;

(b) be written in the name of the Community Association as trustee for the benefited parties. All policies shall be for the benefit of the Community Association and its Members, except that policies on Neighborhood Property shall be for the benefit of the Neighborhood Owners to which the Neighborhood Property is assigned and their Mortgagees, as their interests may appear;

(c) not be brought into contribution with insurance purchased by Declarants, Owners, occupants, or their Mortgagees individually;

(d) contain an inflation guard endorsement;

(e) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(f) provide that the Declarant and each Owner are insured persons with respect to liability arising out of such Owner's status as a Member of the Community Association;

(g) provide a waiver of subrogation against Declarant, or any Owner or household member of an Owner; and

(h) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any act or omission of Declarant, or one (1) or more Owners, unless acting on the Community Association's behalf within the scope of their authority, or on account of any curable defect or violation, without prior written demand to the Community Association and allowance of a reasonable time to cure the defect or violation.

The Community Council shall use reasonable efforts to secure insurance policies that list the Declarant and the Owners as additional insureds and provide:

- (i) a waiver of subrogation as to any claims against the Community Association's Council Members, Officers, employees, and any manager;
- (ii) a waiver of the insurer's right to repair and reconstruct instead of paying cash;
- (iii) an endorsement excluding the Declarant's and Owners' individual policies from consideration under any "other insurance" clause;
- (iv) an endorsement requiring at least thirty (30) days' prior written notice to the Community Association of any cancellation, substantial modification, or non-renewal;
- (v) a cross liability provision; and
- (vi) a provision vesting in the Community Council exclusive authority to adjust losses. However, Mortgagees having an interest in such losses may not be precluded from participating in the settlement negotiations, if any, related to the loss.

11.4 Insurance Premiums

Premiums for all Community Association insurance shall be Community Expenses, except that premiums for property insurance on Neighborhood Property shall be Neighborhood Expenses to be assessed pursuant to Chapter 12 against the Lots and Units to which the Neighborhood Property is assigned, unless the Community Council reasonably determines that other treatment of the premiums is more appropriate.

Chapter 12

Community Association Finances

This Chapter provides for various types of funding to cover expenses that the Community Association incurs or expects to incur in exercising its authority and performing its responsibilities under the Governing Documents. The primary source of funding is the Assessments that this Chapter authorizes the Community Association to levy against the Lots and Units and collect from the Owner of each Lot and Unit. Assessments are secured by a lien on each Lot and Unit, as described in this Chapter.

12.1 Community Association Expenses

(a) **Community Expenses.** Except as the Governing Documents otherwise specifically provide, all of the expenses that the Community Association incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Community Property, and otherwise for the general benefit of the Owners, are considered "**Community Expenses.**" Community Expenses include such operating reserves and reserves for repair and replacement of capital items within the Community Property as the Community Council deems necessary or appropriate.

Community Expenses shall not include any expenses incurred during the Declarant Control Period for initial development or original construction costs unless Voting Members representing a majority of the total vote in the Community Association approve such expenditure. Payments due under leases of capital Improvements such as streetlights shall not be considered an initial development or original construction cost.

The characterization of a particular expense as a Community Expense shall not preclude the Community Association from seeking reimbursement for, or a contribution toward, such expenses from other Persons who may be responsible for the expenses incurred or for sharing such expenses pursuant to this Charter, any Supplement, or any other recorded covenants or agreements.

(b) ***Neighborhood Expenses.*** All expenses that the Community Association incurs or expects to incur in connection with the ownership, maintenance, and operation of Neighborhood Property, including any reserve for repair and replacement of such Neighborhood Property, are considered Neighborhood Expenses.

12.2 Budgeting for and Allocating Community Association Expenses

(a) ***Preparation of Budget.*** At least sixty (60) days before the beginning of each fiscal year, the Community Council shall prepare a budget of the estimated Community Expenses, estimated Community Association revenues and any estimated Community Association surplus or deficit for the coming year. The Community Council shall also prepare a separate budget for each Neighborhood as to any Neighborhood Property within that particular Neighborhood that is maintained by the Community Association, which reflects the estimated Neighborhood Expenses, estimated revenues and any estimated surplus or deficit that the Community Association expects to incur in connection with that Neighborhood Property in the coming year.

After expiration of the Declarant Control Period, the estimated expenses in each budget shall include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and replacement of any capital assets to be maintained as a Community Expense or as a Neighborhood Expense, as applicable. In determining the amount of such reserve contribution, the Community Council shall take into account the number and nature of replaceable capital assets, the expected useful life of each, the expected repair or replacement cost, and the contribution required to fund the projected needs by annual contributions over the useful life of the capital asset.

Each budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than Assessments levied against the Lots and Units, and the amount to be generated through the levy of Community Assessments and Neighborhood Assessments pursuant to subsections 12.2(b) and 12.2(c).

(b) ***Calculation of Community Assessments.*** The total budgeted Community Expenses, less any surplus in the Community Expenses budget from prior years and any income anticipated from sources other than Assessments against the Lots and Units, shall be allocated

equally among all Lots and Units subject to Assessments under this Chapter and levied as "Community Assessments." Each Member's proportional share of Community Assessments shall be equal to a fraction having a numerator equal to the number of Lots and Units owned by that Member and a denominator equal to the total Lots and Units within Sunfield. The Declarant shall have the right during the Declarant Control Period, in its sole and absolute discretion, to change the Community Assessments attributable to any portion of Sunfield and to designate portions of Sunfield to be exempt from Community Assessments.

(c) *Calculation of Neighborhood Assessments.* The total Neighborhood Expenses budgeted for each Neighborhood, less any surplus in such budget from prior years, shall be allocated equally among all Lots and Units in the Neighborhood that are subject to Assessments under this Chapter and levied as "Neighborhood Assessments." Unless otherwise specified in any Supplement applicable to such Lots and Units, Neighborhood Assessments shall be allocated equally among all Lots and Units within the Neighborhood where the Neighborhood Property is located. The Declarant shall have the right during the Declarant Control Period, in its sole and absolute discretion, to change the Neighborhood Assessments attributable to any portion of the Neighborhood and to designate portions of the Neighborhood to be exempt from Neighborhood Assessments.

All amounts the Community Association collects as Neighborhood Assessments shall be held in trust for and expended solely for the benefit of the Neighborhood Property for which they were collected and shall be accounted for separately from the Community Association's general funds.

(d) *The Declarant's Subsidy Option.* The Declarant may, but shall not be obligated to, reduce the Community Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by the Declarant under Section 12.6(b)). Any such subsidy may be treated as a contribution, an advance against future Assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy and the characterization thereof shall be conspicuously disclosed as a line item in the income portion of the Community Association budget. Payment of such subsidy in any year shall not obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Community Association and the Declarant.

(e) *Notice of Budget and Assessment; Right to Disapprove.* At least thirty (30) days prior to the Annual Meeting, the Community Council shall send each Member written notice that a copy of each applicable budget for the Community Association is available at no charge to the Member, together with notice of the total amount of the Community Assessments and Neighborhood Assessments to be levied pursuant to such budget. This written notice from the Community Council shall be in any form of written notice permitted under the Bylaws for the Annual Meeting. The budget for Community Expenses shall automatically become effective unless disapproved at the Annual Meeting by (a) the Declarant if during the Declarant Control Period or (b) the Voting Members entitled to cast at least seventy-five percent (75%) of the total votes in the Community Association, if after the Declarant Control Period.

If any proposed budget is disapproved or the Community Council fails for any reason to determine the budget for any year, then the budget most recently in effect, increased by ten percent (10%), shall continue in effect until a new budget is determined.

(f) **Budget Revisions.** If any budget at any time proves inadequate for any reason, the Community Council may call a Special Meeting of the Community Association for the approval of a Special Assessment as provided in Section 12.3.

12.3 Special Assessments

The Community Association, acting through its Community Council, may levy "**Special Assessments**" to cover Community Expenses, Neighborhood Expenses, or other Community Association expenses that are non-routine, unanticipated, or in excess of those anticipated in the applicable Community Association budget for a fiscal year. The Community Council shall call a meeting of the Community Association for the approval of any Special Assessments. Special Assessments shall be approved by Voting Members representing not less than a majority of the total voting interests in the Community Association at a Community Association meeting in which a quorum has been attained. Each Member shall be subject to Special Assessments based upon one (1) or more of the following standards: (a) direct charge to the Member exclusively benefited by the cost or expense; (b) allocation among Members benefited by the cost or expense based upon the relative intensity or quantity of use of the item or service with respect to which the cost or expense was incurred; or (c) equally among every Lot and Unit. Any allocated or shared cost or expense will be allocated as determined by the Community Council, and the determination by the Community Council will be dispositive and binding upon all Members and other Persons affected thereby. During the Declarant Control Period, any Special Assessments shall also be subject to the Declarant's written consent. Special Assessments shall be payable in such manner and at such times as the Community Council determines and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

12.4 Individual Assessments

The Community Association may levy an "**Individual Assessment**" against a particular Lot or Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to the Lot or Unit pursuant to the terms of this Charter, any applicable Supplement or upon request of the Owner pursuant to any menu of optional services which the Community Association may offer (which might include the items identified in Section 10.1). Individual Assessments for such services may be levied in advance of the provision of the service;

(b) to cover costs incurred in bringing the Lot or Unit into compliance with the Governing Documents or costs incurred as a consequence of the Owner or occupants of a Lot or Unit, their agents, contractors, employees, licensees, invitees, or guests; however, the Community Council shall give the Owner prior written notice and an opportunity for a hearing in accordance with Section 8.2 before levying any Individual Assessment under this subsection;

(c) to recover fines imposed by the Community Association pursuant to Section 8.2(a)(i), including any applicable Late Charges and Legal Costs, provided that the Community

Council shall give the Owner prior written notice and an opportunity for a hearing in accordance with Section 8.2 before levying any Individual Assessment under this subsection; and

(d) to cover the Lot or Unit's pro rata share of any costs that the Community Association incurs in bringing the Neighborhood of which the Lot or Unit is a part into compliance with the provisions of the Governing Documents; however, the Community Council must give prior written notice to the Members in the Neighborhood and an opportunity for such Members to be heard in accordance with Section 8.2 before levying any Individual Assessment.

12.5 Authority to Assess Owners; Time of Payment

Community Assessments, Neighborhood Assessments, Special Assessments and Individual Assessments and any other charges the Community Association is authorized to charge under the Governing Documents, shall be collectively referred to in this Charter as "Assessments." The Community Association shall also have the right to collect assessments charged to Owners by a Neighborhood Association or other entity, as collection agent for such third parties (the "Third Party Assessments"). The obligation to pay Assessments shall commence as to each Lot or Unit on the date on which the Declarant transferred title to the Lot or Unit to an Owner. The first annual Community Assessment and Neighborhood Assessment, if any, levied on each Lot or Unit shall be adjusted according to the number of months remaining in the fiscal year at the time Assessments commence on the Lot or Unit.

Assessments shall be paid in the manner and on such dates as the Community Council may establish. The Third Party Assessments shall be paid in the manner and on such dates as the appropriate third-party may establish. Unless the Community Council otherwise provides, the Community Assessment and any Neighborhood Assessment shall be due and payable in advance biannually. The Community Council may require advance payment of Assessments at closing of the transfer of title to a Lot or Unit and impose special requirements for Owners with a history of delinquent payment. If any Owner is delinquent in paying any Assessments or other charges levied on his Lot or Unit, the Community Council may require the outstanding balance on all Assessments to be paid in full immediately. If any Owner is delinquent in paying Third Party Assessments, the collection of such delinquent Third Party Assessments may be controlled by the assessing third party, who may authorize the Community Association to take certain actions on said third party's behalf.

12.6 Obligation for Assessments

(a) *Personal Obligation.* By accepting a deed or other conveyance of any Lot or Unit, each Owner covenants and agrees to pay all Assessments authorized in the Governing Documents when due. All Assessments, which shall include (a) any interest (computed from the due date of the Assessments until the date the Assessments are paid in full and at a rate as the Community Council may establish or the maximum interest rate permitted by Texas law, whichever is lower) and late fees determined by Community Council for the failure to pay Assessments on the due date (collectively, "Late Charges") and (b) all Legal Costs incurred by the Community Association to collect unpaid Assessments, shall be the personal obligation of each Owner and a continuing lien upon each Owner's Lot or Unit in favor of the Community Association until paid in full. Upon a transfer of title to a Lot or Unit, other than through a

foreclosure sale, the grantee shall be jointly and severally liable for any Assessments (which include any Late Charges and Legal Costs incurred by the Community Association to collect unpaid Assessments) due at the time of conveyance. Any purchaser of a Lot or Unit by a foreclosure sale shall thereafter be subject to all future Assessments under the Governing Documents. In the event of co-ownership of any Lot or Unit, all of such co-owners shall be jointly and severally liable for the entire amount of any Assessments (including any applicable Late Charges and Legal Costs) under the Governing Documents. Assessments shall be paid in such manner and on such dates as may be fixed by the Community Council, provided that unless otherwise provided by the Community Council, at any time and from time to time, the Assessments shall be paid biannually.

The Community Council's failure to fix Assessment amounts or rates or to deliver or mail each Owner an Assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Assessments on the same basis as during the last year for which an Assessment was made until a new Assessment is levied, at which time the Community Association may retroactively assess any shortfall.

No Owner may be exempt from liability for Assessments or Third Party Assessments by non-use of Community Property or Neighborhood Property, abandonment of its Lot or Unit, or non-use of services which the Community Association provides pursuant to the authority in this Charter or any applicable Supplement. The obligation to pay Assessments and Third Party Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Community Association or the Community Council to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or Improvements, or from any other action it takes.

Upon written request, the Community Association shall furnish to any Owner liable for any type of Assessment a certificate signed by an Officer or authorized agent setting forth whether such Assessment has been paid. Such certificate shall be conclusive evidence of payment. The Community Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) *The Declarant's Financial Obligations to Community Association.* During the Declarant Control Period, the Declarant shall have the option to either (a) pay Assessments on Lots and Units owned by the Declarant or (b) fund any deficit which may exist between (1) the total amount of Assessments levied on all Lots and Units not owned by the Declarant, plus other income to the Community Association, and (2) the actual expenditures required to operate the Community Association during the fiscal year (not including the funding of any reserves); provided, however, that the annual budget, Assessments, and any deficits of the Community Association, shall be annually reviewed by the Declarant and the Community Council and during such period the Declarant's obligation for funding deficits shall only be up to the amount of the Community Association's budget for a fiscal year. Any surplus in Community Association funds during a fiscal year shall be carried over from fiscal year to fiscal year so as to reduce the Declarant's obligation to pay Assessments. The Declarant shall have no obligation to fund reserves if the Community Council creates such reserves. Unless the Declarant otherwise

notifies the Community Council in writing at least sixty (60) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. After termination of the Declarant Control Period, the Declarant shall pay Assessments on any Lots and Units it owns that are subject to Assessments under this Chapter in the same manner as any other Owner liable for such Assessments.

Regardless of the Declarant's election under this Section, any of the Declarant's financial obligations to the Community Association may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

12.7 Lien for Assessments

(a) **Existence of Lien.** The Community Association shall have a lien against each Lot or Unit to secure payment of Assessments as well as any Late Charges and Legal Costs incurred by the Association to collect unpaid Assessments, with such Late Charges and Legal Costs to be treated as Assessments. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior and (b) the lien or charge of any recorded Mortgage made in good faith and for value having first priority over any other Mortgages on the Unit.

Although no further action is required to create or perfect the lien, the Community Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot or Unit the amount of the delinquent sums due the Community Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Community Association to execute and record any such document shall not affect the validity, enforceability, or priority of the lien.

(b) **Enforcement of Lien.** In the event that the Assessment remains unpaid after sixty (60) days from the original due date, the Community Council may, on behalf of the Community Association, institute suit to collect such Assessment (together with any Late Charges and Legal Costs incurred by the Association to collect unpaid Assessments, with such Late Charges and Legal Costs to be treated as Assessments). The equitable charge and lien provided for in this Section 12.7 shall be in favor of the Community Association. Each Owner, by his acceptance of a deed or other conveyance of a Lot or Unit, vests in the Community Association and its agents the right and power to bring all actions against him/her/it personally for the collection of such amounts as a debt and/or to foreclose the lien in the same manner as other liens for the improvement of real property, including nonjudicial foreclosure. The Community Association may bid for the Lot or Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot or Unit. While a Lot or Unit is owned by the Community Association following foreclosure: (a) no right to vote shall be exercised on the Lot or Unit's behalf by a Voting Member; (b) no Assessments shall be levied on the Lot or Unit; and (c) each other Lot or Unit shall be charged, in addition to its usual Assessment, its pro rata share of the Assessments that would have been charged such Lot or Unit had it not been acquired by the Community Association. Notwithstanding the foregoing, the Community Association shall also have the right to bring a lawsuit in a court of competent jurisdiction for unpaid Assessments (including any applicable Late Charges and Legal Costs) without foreclosing or waiving its lien upon the

Lot or Unit for unpaid Assessments, in addition to pursuing any and all permitted remedies under Texas law to enforce the lien.

The Association may not foreclose a lien if the debt securing the lien consists solely of (i) fines assessed by the Association; or (ii) attorney's fees incurred by the Association solely associated with fines assessed by the Association.

The amount of attorney's fees that the Association may include in a nonjudicial foreclosure sale for an Assessment lien is limited to the greater of (i) one-third of the amount of all actual costs and Assessments, excluding attorney's fees, plus interest and court costs, if those amounts are permitted to be included by law; or (ii) \$2,500. However, this does not prevent the Association from recovering or collecting attorney's fees in excess of such amounts by other means provided by law.

(c) **Notice & Redemption After Foreclosure Sale.** If the Association conducts a foreclosure sale of a Lot or Unit, the Association must send to the Owner not later than the 30th day after the date of the foreclosure sale a written notice stating the date and time the sale occurred and informing the Owner of the Owner's right to redeem the Lot or Unit under Section 209.011, Texas Property Code. The notice must be sent by certified mail, return receipt requested, to the Owner's last known mailing address, as reflected in the records of the Association. Not later than the 30th day after the date the Association sends such notice, the Association must record an affidavit in the real property records of the County, stating the date on which the notice was sent and containing a legal description of the Lot or Unit. Any Person is entitled to rely conclusively on the information contained in the recorded affidavit. The notice requirements of this paragraph also apply to the sale of a Lot or Unit by a sheriff or constable conducted as provided by a judgment obtained by the Association. The Owner may redeem the Lot or Unit after the foreclosure sale as provided in Section 209.011, Texas Property Code. After the redemption period as provided in Section 209.011, Texas Property Code, expires, the Association (if it purchased the Lot or Unit at foreclosure) shall record an affidavit in the real property records of the County stating that the Owner did not redeem the Lot or Unit during such redemption period.

(d) **Effect of Sale or Transfer.** Sale or transfer of any Lot or Unit shall not affect the Assessment lien in favor of the Community Association or relieve such Lot or Unit from the lien for any subsequent Assessments; however, the sale or transfer of any Lot or Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such Assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Lot or Unit shall not be personally liable for Assessments on such Lot or Unit due prior to such acquisition of title. Such unpaid Assessments shall be deemed to be Community Expenses or Neighborhood Expenses, as applicable, and collectible from Owners of all Lots and Units subject to such Assessment under this Chapter, including such acquirer, its successors and assigns.

12.8 Exempt Property

The following property shall be exempt from payment of Community Assessments, Neighborhood Assessments, and Special Assessments:

- (a) all Community Property;
- (b) any property dedicated to and accepted by any governmental authority or public utility;
- (c) any Neighborhood Property;
- (d) any property owned by a MUD;
- (e) any Commercial Property.

The Community Association may, by resolution, grant exemptions to certain Persons qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Charter for purposes listed in Section 501(c) of the Internal Revenue Code.

12.9 Use of Reserves

Any reserve funds established by the Community Association from time to time, whether funded from Assessments or from the capital contributions from Owners, shall be used only for the purpose originally reserved for in the Community Association budget and may not be used by the Community Association for any other purpose, unless such other purpose is approved by Voting Members representing not less than seventy-five percent (75%) of all voting interests in the Community Association. All reserve funds of the Community Association shall not be commingled with any operating funds of the Community Association.

12.10 Capitalization of Community Association

The first Owner of each Lot or Unit other than the Declarant shall make a contribution to the working capital of the Community Association in an amount equal to one-sixth (1/6) of the annual Community Assessment per Lot or Unit for that year. This amount shall be in addition to, not in lieu of, the annual Assessments levied on the Lot or Unit and shall not be considered an advance payment of such Assessments. This amount shall be due and payable to the Community Association immediately upon transfer of title, for its use in covering initial start-up expenses, operating expenses and other expenses that it incurs pursuant to this Charter and the Bylaws.

12.11 Use and Consumption Fees

The Community Council may charge use and consumption fees to any Person using Community Association services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners).

12.12 Community Enhancement Fee

(a) **Authority.** As an additional funding source, the Community Council may establish and collect a "Community Enhancement Fee" (the "Community Enhancement Fee") upon each transfer of title to a Lot or Unit. The fee shall be charged to the seller of the Lot or

Unit, shall be payable to the Community Association at the closing of the transfer, and shall be secured by the Community Association's lien for Assessments under Section 12.7. Each Owner shall notify the Community Association's Secretary or designee at least seven (7) days prior to the scheduled closing and provide the name of the buyer, the date of title transfer, and other information the Community Council may reasonably require.

(b) **Fee Limit.** The Community Council shall have the sole discretion to determine the amount of and method of calculating the Community Enhancement Fee. The fee may be based upon a sliding scale that varies in accordance with the gross selling price of the Lot or Unit or any other factor the Community Council deems appropriate. However, the Community Enhancement Fee may not exceed one-half percent (0.5%) of the Lot or Unit's gross selling price. The gross selling price of a Lot or Unit is the total cost to the purchaser of the Lot or Unit, excluding transfer taxes and title fees imposed by the County and/or the State of Texas.

(c) **Purpose.** The Community Enhancement Fee shall be placed by the Community Association in a segregated account and used to provide funding for activities and such other purposes as the Community Council deems beneficial to the general good and welfare of Sunfield. For example, Community Enhancement Fees might be used in funding:

(i) programs and activities which enhance the welfare, benefit, and lifestyle of residents within and outside of Sunfield;

(ii) the preservation and maintenance of natural areas, wildlife preserves, or similar conservation areas and sponsorship of educational programs and activities that contribute to the overall understanding, appreciation, and preservation of the natural environment within and surrounding Sunfield;

(iii) programs, services, and activities which serve to promote a sense of community within Sunfield, such as recreational leagues, cultural programs, educational programs, festivals and holiday celebrations and activities, a Sunfield computer network, and recycling programs;

(iv) social services, educational programs, community outreach programs, and other charitable causes; and

(v) promotion of Sunfield as a desirable place to live.

(d) **Exempt Transfers.** Notwithstanding the above, no Community Enhancement Fee shall be levied upon transfer of title to a Unit:

(i) by or to the Declarant;

(ii) by a co-Owner to any Person who was a co-Owner of the same Lot or Unit immediately prior to such transfer;

(iii) to the Owner's estate, surviving spouse, or heirs at law upon the death of the Owner;

(iv) to an entity wholly owned by the grantor or to a family trust created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the Community Enhancement Fee shall become due;

(v) to a Mortgagee pursuant to a Mortgage or upon foreclosure of a Mortgage;
or

(vi) under circumstances which the Community Council, in its discretion, deems to warrant classification as an exempt transfer (e.g., a transfer made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the Community Enhancement Fee).

PART FOUR: RELATIONSHIPS WITHIN AND OUTSIDE SUNFIELD

Chapter 13

Easements

The easements created in this Chapter establish the rights of Owners to use the Community Property and create various rights for the benefit of Owners, the Declarant, the Community Association, and others over property within Sunfield. Some of these rights are related to development and construction within Sunfield and on adjacent property, while others relate to the rights of Community Association to come upon property of others to fulfill its responsibilities and the interrelationships between Sunfield and the owners of adjacent property.

13.1 Easements in Community Property

The Declarant grants to each Owner a non-exclusive right and easement of use, access, and enjoyment in and to the Community Property, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Community Association; and
- (c) The Community Council's right to:
 - (i) adopt Rules regulating Community Property use and enjoyment, including Rules limiting the number of guests who may use the Community Property, and to charge use fees for such use;
 - (ii) suspend an Owner's right to use Community Property facilities;
 - (iii) dedicate or transfer all or any part of the Community Property, subject to such approval requirements as may be set forth in this Charter;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any amenity situated upon the Community Property;

(v) rent any portion of any Community Property amenities on an exclusive or non-exclusive short-term basis to any Person;

(vi) permit use of any amenities situated on the Community Property by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Community Council's discretion; and

(vii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, as permitted in the Governing Documents or any applicable Neighborhood governing documents.

Any Owner may extend his or her right of use and enjoyment in the Neighborhood Property to the members of his or her family, tenants, and social invitees, as applicable, subject to reasonable Community Council regulation. An Owner who leases his or her Lot or Unit shall be deemed to have assigned all such rights to the tenant of such Lot or Unit for the period of the lease.

13.2 Easements in Neighborhood Property

The Declarant grants to each Owner a non-exclusive right and easement of use, access, and enjoyment in and to the Neighborhood Property within the Neighborhood where the Owner's Lot or Unit is located, subject to:

(a) The Governing Documents and any other applicable covenants, and any applicable Neighborhood Declaration or Neighborhood governing documents;

(b) Any restrictions or limitations contained in any deed conveying such property to the Community Association or a Neighborhood Association, as applicable; and

(c) The right of the Community Council or a Neighborhood Association, as applicable, to:

(i) adopt Rules regulating the use and enjoyment of the Neighborhood Property, including Rules limiting the number of guests who may use the Neighborhood Property, and to charge use fees for such use;

(ii) suspend an Owner's right to use the Neighborhood Property facilities;

(iii) dedicate or transfer all or any part of the Neighborhood Property, subject to such approval requirements as may be set forth in this Charter or any applicable Neighborhood Declaration or Neighborhood governing document;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any amenity situated upon the Neighborhood Property;

(v) rent any portion of any Neighborhood Property amenities on an exclusive or non-exclusive short-term basis to any Person;

(vi) permit use of any amenities situated on the Neighborhood Property by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the discretion of the Community Council or Neighborhood Association, as applicable; and

(vii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, as permitted in the Governing Documents.

Any Owner may extend his or her right of use and enjoyment in the Neighborhood Property to the members of his or her family, tenants, and social invitees, as applicable, subject to reasonable Community Council or Neighborhood Association regulation, as applicable. An Owner who leases his or her Lot or Unit shall be deemed to have assigned all such rights to the tenant of such Lot or Unit for the period of the lease.

13.3 Easements of Encroachment

The Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between (a) each Lot or Unit and any adjacent Community Property or Neighborhood Property, and (b) between adjacent Lots or Units. A permitted encroachment is a structure or fixture that extends unintentionally from one Person's property onto another's a distance of less than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

13.4 Easements for Utilities, Etc.

(a) *Installation and Maintenance.* During the Declarant Control Period, the Declarant reserves for itself and grants to the Community Association, and all utility providers, perpetual non-exclusive easements throughout Sunfield (including the Lots and Units, but not through a structure) to the extent reasonably necessary to:

(i) install utilities and infrastructure to serve Sunfield, other Community Systems, security and similar systems, and drainage systems;

(ii) install walkways, pathways and trails, street lights, and signage on property designated by the Declarant, the Community Association, or within public rights-of-way or easements reserved for such purpose on a recorded plat;

(iii) inspect, maintain, repair, and replace the utilities, infrastructure, and other Improvements described above; and

(iv) access and read utility meters.

Notwithstanding the above, the Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) ***Specific Easements.*** The Declarant also reserves the non-exclusive right and power to grant and record such specific easements consistent with Section 13.4(a) as it deems necessary to develop the Initial Property and Additional Property. The location of the specific easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not be unreasonably withheld, delayed, or conditioned.

(c) ***Minimal Interference.*** All work associated with the exercise of the easements described in subsections 13.4(a) and 13.4(b) of this Section shall be performed so as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

13.5 Easements to Serve Additional Property

The Declarant hereby reserves for itself, its duly authorized agents, successors, assigns, Mortgagees, and the MUD, an easement over the Community Property and Neighborhood Property for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such property is made subject to this Charter. This easement includes, but is not limited to, a right of ingress and egress over the Community Property and Neighborhood Property for construction of roads and for connecting and installing utilities on such property. The Person exercising such easement rights shall be responsible for any damage caused to the Community Property or Neighborhood Property as a result of their actions in connection with development of such property.

13.6 Easements for Maintenance, Emergency, and Enforcement

By this Charter, the Declarant grants to the Community Association easements over Sunfield (including the Lots and Units, but not through a structure) as necessary to enable the Community Association to fulfill its maintenance responsibilities under this Charter and its enforcement rights.

The Community Association shall also have the right, but not the obligation, to enter upon any Lot or Unit for emergency, security, and safety reasons, to perform maintenance, to inspect for compliance with the Governing Documents and to enforce the Governing Documents. Any Council Member and its duly authorized agents and assignees and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the affected Owner.

13.7 Easements for Bodies of Water, Wetlands and Surface Water Management

The Declarant reserves for itself, the Community Association, the MUD and their respective successors, assigns, and designees, the non-exclusive right and easement, but not the obligation, to enter upon bodies of water, wetlands and the surface water management system located within Sunfield to (a) install, operate, maintain, and replace pumps and other infrastructure, (b) construct, maintain, and repair structures and equipment used for retaining water or the drainage of water, and (c) maintain such areas in a manner consistent with the Community-Wide Standards. The Declarant, the Community Association, MUD and their respective successors, assigns, and designees shall have an access easement over and across any portion of Sunfield which abuts or contains bodies of water, wetlands or the surface water management system, to the extent reasonably necessary to exercise their rights under this Section.

The Declarant further reserves for itself, the Community Association, MUD and their respective successors, assigns, and designees, a perpetual, non-exclusive right and easement of access and encroachment over the Community Property, Neighborhood Property, Lots and Units (but not the dwellings thereon) adjacent to or within fifty (50) feet of bodies of water, wetlands and the surface water management system within Sunfield, in order to (a) temporarily flood and back water upon and maintain water over such property, (b) alter in any manner and generally maintain the bodies of water, wetlands and the surface water management system within Sunfield, (c) maintain and landscape the slopes and banks pertaining to such areas, and (d) perform any obligation it may have under any permit or agreement with the City, County, the State of Texas, or any other applicable government entity, including, but not limited to, any water management permits. All Persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make the Declarant or any other Person liable for damage resulting from flooding due to weather events or other natural occurrences.

13.8 Easements for Conservation Areas

There are hereby reserved to the Declarant, the Community Association, MUD and their successors and assigns, perpetual, non-exclusive easements over all property in Sunfield for the purpose of (a) vehicular access over paved roads and pedestrian access over other portions of Sunfield to and from all Conservation Areas, and (b) maintenance of all Conservation Areas.

13.9 Easement for Additional Property

There is hereby reserved in the Declarant for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Community Property and Neighborhood Property, perpetual, non-exclusive rights and easements for: (a) pedestrian and vehicular ingress, egress and parking, across, within, and on all Roadways, sidewalks, the nature trails, the pedestrian/bike path and parking facilities, from time to time located within the Community Property or the Neighborhood Property or within easements serving the Community Property or the Neighborhood Property; (b) the installation, maintenance, repair, replacement and use within the Community Property or Neighborhood Property of a Community Control Program (as defined in Section 14.2) systems and utility facilities and distribution lines, including without limitation

drainage systems, storm sewers and electrical, gas, telephone, water, sewer and telecommunication services system lines; and (c) drainage and discharge of surface water onto and across Sunfield, provided that such drainage and discharge shall not materially damage or affect Sunfield or any Improvements from time to time thereon.

13.10 Drainage Easement for the Declarant, MUD, and the Community Association.

The Declarant hereby creates a non-exclusive easement in favor of the Declarant, the MUD and the Community Association, and any applicable water management district, state agency, and/or federal agency having jurisdiction over Sunfield, over, across and upon Sunfield for drainage and water management purposes. An easement for ingress, egress and access shall exist for such parties to enter upon and over any portion of Sunfield (including Lots and Units) in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, conservation areas, preserve areas, and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of Sunfield and/or installation or maintenance of utilities or which may obstruct or retard the flow of water through Sunfield and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Charter.

13.11 Drainage Easement for Lots, Community Property and Neighborhood Property.

The Declarant hereby creates a non-exclusive easement over each Lot and the Community Property in favor of each other Lot and the Community Property in order to permit drainage and run-off from one Lot to another or to the Community Property, or from the Community Property to any Lot. The Declarant hereby creates a non-exclusive easement over each Lot and the Neighborhood Property in favor of each Lot and the Neighborhood Property in order to permit drainage and run-off from one Lot to the Neighborhood Property, or from the Neighborhood Property to any Lot.

13.12 Easement to Inspect and Right to Correct

The Declarant reserves for itself and the Community Association and others that may be designated by the foregoing parties the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, Improvement, or condition which may exist on any portion of the property within Sunfield, including Lots and Units, and a perpetual non-exclusive easement of access throughout Sunfield to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot or Unit shall be only after reasonable notice to the Owner, and no entry into an enclosed structure shall be permitted without the Owner's consent. The Person exercising this easement shall promptly repair, at such Person's own expense, any damage caused by such Person's actions. Nothing in this Section shall relieve an Owner of the responsibility for the maintenance and repair of his or her Lot or Unit.

13.13 Easement for Community Systems

The Declarant reserves for itself, any Declarant Affiliates, and the respective successors and assigns of the Declarant or a Declarant Affiliate, a perpetual right and easement over all

property in Sunfield to install and operate the Community Systems as the Declarant, in its discretion, deems appropriate to serve any portion of Sunfield. Such right shall include, without limitation, the Declarant's right to select and contract with companies licensed to provide telecommunications, cable television, and other Community Systems services in the region. The Declarant also has the right to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable. Notwithstanding the above, there is no guarantee or representation that any particular Community System will be made available.

13.14 Creation of Easements

Should the intended creation of any easement provided for in this Charter fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to accept such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Community Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally granted the benefit of such easement, and the intended grantees hereby designate the Declarant and the Community Association (or either of them) as their lawful attorney-in-fact to execute any instrument on their behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited.

Chapter 14

Disclosures and Waivers

This Chapter discloses some important information about Sunfield for the benefit of prospective purchasers of property in Sunfield. Each Owner, by accepting a deed or other conveyance of a Lot or Unit in Sunfield, also accepts and agrees to the matters set forth in this Chapter.

14.1 Public Access

Certain portions of the Community Property, Neighborhood Property, Lots and Units within Sunfield may be subject to easements for pedestrian access by the general public to parks, conservation areas, and other properties adjacent to Sunfield, as well as easements for vehicular and pedestrian access by local government, public utilities, the MUD, and others for inspection, operation, and maintenance of pipelines, pumps, utilities, lakes, and other Improvements. **EACH OWNER AND OCCUPANT OF A LOT OR UNIT, BY ACCEPTING ANY INTEREST IN A LOT OR UNIT OR OCCUPYING A LOT OR UNIT, ACKNOWLEDGES THAT SUCH PUBLIC ACCESS MAY OCCUR AND AGREES THAT THE DECLARANT, THE COMMUNITY ASSOCIATION, THE COUNCIL MEMBERS, THE OFFICERS, THE COMMUNITY ASSOCIATION COMMITTEE MEMBERS, AND ANY NEIGHBORHOOD ASSOCIATION, AND THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, PARTNERS OR MEMBERS,**

SHALL HAVE NO RESPONSIBILITY OR LIABILITY FOR MONITORING, RESTRICTING, OR PREVENTING SUCH ACCESS, NOR FOR ANY LOSS OR DAMAGE THAT ANY PERSON EXERCISING SUCH EASEMENTS MAY CAUSE.

14.2 Safety and Security

Each Owner and occupant of a Lot or Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in Sunfield. The Community Association may, but shall not be obligated to, maintain or support certain activities and systems within Sunfield designed to promote or enhance the level of safety or security which each Person provides for himself, herself or it and his, her, or its property (the "Community Control Program"). Neither the Declarant, the Community Association, the Community Council, the Council Members, the Officers, the Community Association committee members, any Neighborhood Association, nor their agents, successors, assigns, officers, directors, partners or members shall in any way be considered insurers or guarantors of safety or security within Sunfield, nor shall any of the foregoing be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including the Community Control Program, monitoring systems or any other mechanism or system for limiting access to Sunfield, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide detection or protection. Each Owner acknowledges, understands, and shall be responsible for informing any tenants, occupants, guests, and other invitees of such Owner's Lot or Unit, that the Declarant, the Community Association, the Community Council, the Council Members, the Officers, the Community Association committee members, any Neighborhood Association, and their agents, successors, assigns, officers, directors, partners or members are not insurers or guarantors of security or safety and that each Person within Sunfield assumes all risks of personal injury and loss or damage to property, including Lots, Units, vehicles, and the contents of Lots, Units or vehicles, resulting from acts of third parties.

14.3 Changes in Master Plan

Each Owner acknowledges that Sunfield is a master planned community, the development of which is likely to extend over many years, and agrees that neither the Community Association nor any Neighborhood Association shall engage in, or use Community Association or Neighborhood Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within Sunfield during the Declarant Control Period or (b) changes in the Master Plan as it relates to property outside Sunfield, without the Declarant's prior written consent.

14.4 View Impairment

Neither the Declarant, the Community Association, the Community Council, the Officers, the Community Association committee members, nor any Neighborhood Association guarantee or represent that any view over and across the Lots and Units, any open space within Sunfield, or any Community Property or Neighborhood Property will be preserved without impairment. The

Declarant, Declarant Affiliates, the Community Association, the Community Council, the Neighborhood Association and their agents, successors, assigns, officers, directors, partners or members shall have no obligation to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standards or as otherwise required under a separate covenant or agreement. The Community Association (with respect to the Community Property and Neighborhood Property, as applicable), and the Neighborhood Associations (with respect to the Neighborhood Property) shall have the right to add trees and other landscaping from time to time, subject to applicable law. There shall be no express or implied easement for view purposes or for the passage of light and air.

14.5 Notices and Disclaimers as to Community Systems

Each Owner acknowledges that interruption in cable television and other Community Systems and services will occur from time to time. The Declarant, Declarant Affiliates, or any of their respective successors or assigns, agents, officers, directors, partners or members shall not be liable for, and no Community System or service user shall be entitled to a refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems and services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

14.6 Disclaimer of Implied Warranties

TO THE EXTENT LAWFUL, ALL IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, HABITABILITY, SUBSTANTIAL COMPLIANCE WITH GOVERNMENTALLY APPROVED PLANS AND SPECIFICATIONS, AND ALL OTHER IMPLIED OR EXPRESS WARRANTIES OF ANY KIND OR CHARACTER RELATING TO LOTS AND UNITS, THE COMMUNITY PROPERTY, AND NEIGHBORHOOD PROPERTY ARE SPECIFICALLY DISCLAIMED BY THE DECLARANT, THE DECLARANT AFFILIATES AND EITHER PARTY'S AGENTS, OFFICERS, PARTNERS AND MEMBERS. THE DECLARANT AND ITS AGENTS AND ANY DECLARANT AFFILIATE AND ITS AGENTS HAVE NOT GIVEN AND NO OWNER HAS RELIED UPON OR BARGAINED FOR ANY SUCH WARRANTIES. THE DECLARANT AND ITS AGENTS AND ANY DECLARANT AFFILIATE AND ITS AGENTS HAVE MADE NO WARRANTIES OR REPRESENTATIONS IN CONNECTION WITH THE LOTS, UNITS, THE COMMUNITY PROPERTY, OR NEIGHBORHOOD PROPERTY, INCLUDING, WITHOUT LIMITATION, WORKMANSHIP OR MATERIALS. WARRANTIES ON APPLIANCES AND AIR CONDITIONING SYSTEMS FURNISHED WITH A UNIT ARE MANUFACTURER'S WARRANTIES ONLY AND EACH OWNER AGREES TO BE LIMITED TO THE MANUFACTURER'S WARRANTIES FOR ANY RELIEF PERTAINING TO A BREACH OF AN EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AS TO ANY IMPLIED WARRANTY WHICH CANNOT BE DISCLAIMED ENTIRELY, ALL SECONDARY, INCIDENTAL AND CONSEQUENTIAL DAMAGES ARE SPECIFICALLY EXCLUDED AND DISCLAIMED.

14.7 Mold Disclaimer

Given the climate in Texas, molds, mildew, toxins and fungi may exist and/or develop. Each Owner is hereby advised that certain molds, mildew, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Unit, each Owner shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi, and to have released the Declarant, the Declarant's Affiliates, and its agents, officers, partners and members from any and all liability resulting from same, including, without limitation, any liability for incidental or consequential damages (which may result from, without limitation, the inability to possess the Unit, inconvenience, moving costs, hotel costs, storage costs, loss of time, lost wages, lost opportunities and/or personal injury). Without limiting the generality of the foregoing, leaks, wet flooring and moisture will contribute to the growth of mold, mildew, fungus or spores. Each Owner by acceptance of a deed or other conveyance of a Unit shall be deemed to have agreed that the Declarant, the Declarant's Affiliates, and its agents, officers, partners and members are not responsible for any illness or allergic reactions, personal injury or death which may be experienced by the Owner, its family members and/or its or their guests, tenants and invitees and to any pets of persons aforementioned in this sentence, as a result of mold, mildew, fungus or spores. It is the Owner's responsibility to keep a Unit clean, dry, well-ventilated and free of contamination.

14.8 Square Footage

Each Owner, by acceptance of a deed or other conveyance of a Lot or Unit, understands and agrees that there are various methods for calculating the square footage of a Lot or Unit, and that depending on the method of calculation, the quoted square footage of a Lot or Unit may vary. Additionally, as a result of "in the field" construction, other permitted changes to a Unit, and settling and shifting of Improvements, actual square footage of a Unit may also be affected. By accepting title to a Lot or Unit, the applicable Owner shall be deemed to have conclusively agreed to accept the size and dimensions of that Lot or Unit, regardless of any variances in the square footage from that which may have been disclosed at any time prior to closing, whether included in the Declarant's promotional materials or otherwise. Without limiting the generality of this Section 14.8, each Owner shall be deemed to have fully waived and released the Declarant, the Declarant's Affiliates, and its agents, officers, partners and members from any warranty or claims for losses or damages resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage of its Lot or Unit.

14.9 Water and Sewage Treatment Facilities; School; Fire Station

A water treatment facility, sewage treatment facility, fire station and public school are all intended to be located within a portion of Sunfield. These facilities may emit noise or odors. Further, these facilities may result in additional traffic within Sunfield. By acceptance of a deed or other conveyance of a Lot or Unit, each Owner acknowledges the possibility of such noise, odors, or additional traffic and agrees that any such noise, odors, or additional traffic shall not be deemed a nuisance under this Charter or at law and that the Declarant, any Declarant Affiliate, the Community Association, the Council Members, the Officers, and any Community Association committee members, shall not be liable in any way for such noise, odors or additional traffic.

Chapter 15

Rights of Lenders

In order to enhance each Owner's ability to obtain financing for the purchase of its Lot or Unit, this Chapter sets forth various provisions for the benefit of Mortgagees who make Mortgage loans and for the benefit of those agencies which guarantee and insure Mortgage loans made by Mortgagees.

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots or Units in Sunfield. The provisions of this Chapter apply to both this Charter and to the Bylaws, notwithstanding any other provisions contained therein.

15.1 Notices of Action

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Community Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of Sunfield or which affects any Lot or Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of Assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Lot or Unit or the Owner or occupant which is not cured within sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Community Association or Neighborhood Association; or
- (d) Any proposed action that would require the consent of a specified percentage of Eligible Holders.

15.2 Special FHLMC Provision

If and so long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless approved by at least sixty-seven percent (67%) of the first Mortgagees or by Voting Members entitled to cast at least sixty-seven percent (67%) of the total votes in the Community Association, the Community Association shall not:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Community Property or Neighborhood Property which the Community Association owns, directly or indirectly, or maintains (the granting of easements for utilities or other similar purposes consistent with the

intended use of the Community Property or Neighborhood Property, as applicable, shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner (a decision, including contracts, by the Community Council or provisions of any declaration subsequently recorded on any portion of Sunfield regarding Assessments for Neighborhood Property or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Charter);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance, or maintenance of Lots, Units, the Community Property or the Neighborhood Property (the issuance and amendment of the Design Guidelines shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) Fail to maintain insurance, as required by this Charter; or

(e) Use hazard insurance proceeds for any Community Property or Neighborhood Property losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges or Assessments which are in default and which may or have become a lien against the Community Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of a Community Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Community Association.

15.3 No Priority

No provision of this Charter or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot or Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Community Property.

15.4 Notice to Community Association

Upon the Community Association's request, each Owner shall be obligated to furnish to the Community Association the name and address of the Mortgagee of any Mortgage encumbering that Owner's Lot or Unit.

15.5 Failure of Mortgagee to Respond

Any Mortgagee who receives a written request from the Community Council to respond to or consent to any action shall be deemed to have approved such action if the Community Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Community Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

15.6 Construction of Chapter 15

Nothing contained in this Chapter shall be construed to reduce the percentage vote that must otherwise be obtained under this Charter, the Bylaws, or Texas law for any of the acts set out in this Chapter.

PART FIVE: COMMUNITY DEVELOPMENT

Chapter 16

Expansion of Sunfield

Due to the need to pace development to the needs of Sunfield and the market demand for Lots and Units, Sunfield will be developed in phases. The Declarant or the Community Association may expand the Initial Property submitted to the Charter as set forth in this Chapter.

16.1 Expansion by the Declarant

From time to time, the Declarant may submit all or any portion of the Additional Property to the provisions of this Charter by recording a Supplement describing the Additional Property to be submitted in the Public Records of the County. Unless otherwise required by Section 15.2, the Declarant may record such a Supplement without the consent of any Person except the owner of such property, if not the Declarant. The Declarant shall not be obligated to submit any of the Additional Property or any other property to the provisions of this Charter. The Declarant's right to expand Sunfield under this Section expires when all of the Additional Property (as subsequently reduced or added) has been submitted to this Charter or the Declarant Control Period expires, whichever is earlier. Prior to that time, the Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the Additional Property. Any such transfer of this right shall be described in a recorded instrument executed by the Declarant. After the Declarant Control Period, any portion of the Additional Property that has not submitted to this Charter may be submitted to this Charter by the Declarant, but only after a Supplement is approved by the Voting Members entitled to cast a majority of the total votes in the Community Association at a meeting duly called for such purpose at which a quorum is attained, as well as by the owner of the property to be submitted.

16.2 Expansion by the Community Association

The Community Association also may submit additional property to this Charter by recording a Supplement describing that additional property. Any Supplement which the Community Association records must be approved by the Voting Members entitled to cast a majority of the total votes in the Community Association at a meeting duly called for such purpose at which a quorum is attained, as well as by the owner of the property to be submitted. During the Declarant Control Period, the Declarant's consent shall also be required for such action by the Community Association to be valid. The Community Association's President and Secretary, the owner of the property to be submitted by the Community Association to this Charter, and the Declarant, if the Declarant's consent is required, shall sign the Supplement.

16.3 Additional Covenants and Easements

Any Supplement that the Declarant records during the Declarant Control Period may impose additional covenants and easements on the property described in the Supplement, such as covenants obligating the Community Association to maintain and insure such property and authorizing the Community Association to recover its costs through appropriate Assessments. Such provisions may be included in a Supplement submitting new property to this Charter or may be set forth in a separate Supplement applicable to property previously submitted to this Charter. If someone other than the Declarant owns the property, then the Supplement must be signed by such owner evidencing such owner's consent. Any such Supplement may add to, create exceptions to, or otherwise modify the provisions of this Charter as it applies to the property described in the Supplement, in order to reflect the different character and intended use of such property.

16.4 Effect of Filing a Supplement

A Supplement shall be effective upon recording unless otherwise specified in the Supplement. On the effective date of the Supplement, any additional property made subject to this Charter shall be assigned voting rights in the Community Association and Assessment liability in accordance with the provisions of this Charter.

Chapter 17

Additional Rights Reserved to the Declarant

This Chapter reserves various rights to the Declarant, in addition to those specifically reserved elsewhere in the Governing Documents, in order to facilitate the Declarant's development and sale of property in Sunfield, to enable the Declarant to respond to Owners' concerns, and to protect various property rights and other interests of the Declarant.

17.1 Withdrawal of Property

Subject to the provisions of Section 15.2, during the Declarant Control Period, the Declarant may amend this Charter to remove any portion of Sunfield that is owned by the Declarant from the provisions of this Charter. Such amendment shall not require the consent of any Person other than the owner of the property to be withdrawn, if not the Declarant. The Declarant shall withdraw portions of the Property from the provisions of this Charter by executing a Supplement to this Charter, which shall be recorded.

17.2 Declarant Not Subject to Rules

Subject to the provisions of Section 15.2, the Rules shall not be applied in a manner which would prohibit or restrict the development of Sunfield or adversely affect the interests of the Declarant. Without limiting the foregoing, Declarant and/or its assigns, shall have the right to: (a) develop and construct Lots, Units, Community Property, Neighborhood Property and related Improvements within Sunfield, and make any additions, alterations, Improvements, or changes thereto or to rezone the property within Sunfield; (b) maintain sales offices (for the sale, resale and leasing of Lots and Units) and general office and construction operations within

Sunfield; (c) place, erect or construct portable, temporary or accessory buildings or structures within Sunfield for sales, construction, storage or other purposes; (d) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of Sunfield; (e) post, display, inscribe or affix to the exterior of any portion of the Community Property and Neighborhood Property or portions of Sunfield owned by the Declarant, signs and other materials used in developing, constructing, selling or promoting the sale of any portion of Sunfield including, without limitation, Lots and Units; (f) excavate fill from any lakes or waterbodies within and/or contiguous to Sunfield by dredge or dragline, store fill within Sunfield and remove and/or sell excess fill; and grow or store plants and trees within or contiguous to Sunfield and use and/or sell excess plants and trees; and (g) undertake all activities which, in the sole opinion of Declarant, are necessary for the development and sale of any lands and Improvements comprising Sunfield which may include all obligations as set forth in any applicable permits.

17.3 Marketing and Sales Activities

Notwithstanding anything in the Governing Documents to the contrary, during the Declarant Control Period, the Declarant and its designees or assigns may construct, use, and maintain upon portions of the Community Property, the Neighborhood Property and other property it owns, such facilities and activities as, in the Declarant's opinion, may reasonably be required, convenient, or incidental to the construction, sale, resale, leasing or marketing of Lots and Units and other properties owned or developed by the Declarant or any Declarant Affiliate. Such permitted facilities and activities shall include, but not be limited to: (a) constructing and maintaining business, sales, resales, or leasing offices, model homes, and parking areas; (b) maintaining employees in any business, sales, resales, or leasing offices or model homes; (c) maintaining or displaying signs, flags (whether hung from flag poles or attached to a structure); (d) holding or sponsoring special marketing or promotional events; and (e) maintaining exterior lighting features or displays. If reasonably required, convenient, or incidental to construction, sales or marketing activities, the Declarant, a Declarant Affiliate, and the employees, agents, and designees of the Declarant or any Declarant Affiliate may park vehicles in designated parking areas on the Community Property and Neighborhood Property. The Declarant, any Declarant Affiliate, and the employees, agents and designees of the Declarant or any Declarant Affiliate shall have easement rights to access and use the Roadways, Community Property, and Neighborhood Property in connection with these construction, sale, and marketing activities.

17.4 Right to Improve, Replat

Subject to the provisions of Section 15.2, during the Declarant Control Period, the Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Community Property and Neighborhood Property for the purpose of making, constructing, and installing Improvements to the Community Property, Neighborhood Property and to the Additional Property as it deems appropriate. During this period, the Declarant shall have the right, but not the obligation, to make Improvements and changes to the Community Property, Neighborhood Property and to all Lots and Units owned by the Declarant, including without limitation: (a) installation and maintenance of any Improvements in and to the Community Property and the Neighborhood Property; (b) changes in the location of the boundaries of any Lots and Units owned by the Declarant or of the

Community Property or the Neighborhood Property; and (c) changes in the maintenance of any water, sewer, drainage, irrigation or other utility system or facilities.

During this period, the Declarant may replat property that it owns and convert Lots and Units it owns into Community Property, as well as amend the Master Plan as the Declarant deems appropriate.

17.5 Right to Approve Changes in The Community-Wide Standards

During the Declarant Control Period, no amendment to or modification of any Rules shall be effective without prior notice to and the written approval of the Declarant. During the Declarant Control Period, only the Declarant shall have the authority to amend the Design Guidelines. Following the Declarant Control Period, the Community Council shall have the sole authority to amend the Design Guidelines.

17.6 Additional Covenants and Restrictions

During the Declarant Control Period, no Person may record any additional covenants or restrictions affecting any portion of Sunfield without the Declarant's written consent. Any instrument recorded without the required consent shall be void and of no force and effect. After the Declarant Control Period, no Person may record any additional covenants or restrictions affecting any portion of Sunfield without the Community Association's written consent.

17.7 Exclusive Rights to Use of Name

No Person shall use the name "Sunfield", or any derivative of such name or in any logo or depiction associated with Sunfield in any printed or promotional material without the Declarant's prior written consent.

17.8 Right to Notice of Design or Construction Claims

No Owner shall retain an expert for the purpose of inspecting the design or construction of any structures or Improvements within Sunfield in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless the Declarant and any Builder involved in the design or construction have been first notified in writing and given an opportunity to meet with that Owner to discuss the owner's concerns and conduct their own inspection.

17.9 Right to Transfer or Assign the Declarant's Rights

Any or all of the Declarant's special rights and obligations set forth in this Charter or the Bylaws may be transferred in whole or in part to other Persons. However, such a transfer shall neither reduce an obligation nor enlarge a right beyond that which the Declarant has under this Charter or the Bylaws. No such transfer or assignment shall be effective unless it is in a recorded instrument the Declarant signs. The foregoing sentence shall not preclude the Declarant from permitting other Persons to exercise, on a onetime or limited basis, any right reserved to the Declarant in this Charter where the Declarant does not intend to transfer such

right in its entirety. In such case, it shall not be necessary to record any written assignment unless necessary to evidence the Declarant's consent to such exercise.

PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN ACTIONS

Chapter 18

Litigation

18.1 Initiation of Litigation by Community Association

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Community Association shall not initiate any judicial or administrative proceeding having an amount in controversy in excess of One Hundred Thousand Dollars (\$100,000) unless first approved by Voting Members entitled to cast a majority of the total votes in the Community Association, except that no such approval shall be required for actions or proceedings:

- (i) initiated during the Declarant Control Period;
- (ii) initiated to enforce the provisions of this Charter, including collection of Assessments and foreclosure of liens;
- (iii) initiated to challenge ad valorem taxation or condemnation proceedings;
- (iv) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (v) to defend claims filed against the Community Association or to assert counterclaims in proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

Chapter 19

Changes in the Community Property

Various influences and circumstance within and outside Sunfield may give rise to a need or desire to make changes in the ownership or rights to use Community Property. This Chapter explains the procedures for dealing with matters such as changing use rights in Community Property or Neighborhood Property, partition of the Community Property, and condemnation.

19.1 Assignment and Reassignment of Neighborhood Property

The Community Council may designate a portion of the Community Property as Neighborhood Property, and may reassign Neighborhood Property, upon approval of the Community Council and Voting Members entitled to cast a majority of the total votes in the

Community Association, including a majority of the votes attributable to Lots and Units in the respective Neighborhoods. During the Declarant Control Period, any such assignment or reassignment shall also require the Declarant's written consent.

Upon approval of a majority of Owners of Lots and Units to which any Neighborhood Property is assigned, the Community Association may permit Owners of other Lots and Units within Sunfield to use all or a portion of such Neighborhood Property upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses attributable to such Neighborhood Property.

19.2 Condemnation

If any part of the Community Property (or Neighborhood Property owned by the Community Association) is taken by any authority having the power of condemnation or eminent domain, or conveyed by the Community Association in lieu of and under threat of condemnation with such approval as may be required under Section 19.4, each Owner (or affected Neighborhood Owner, in the case of Neighborhood Property) shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Community Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Community Property (or Neighborhood Property owned by the Community Association) on which Improvements have been constructed, the Community Association shall restore or replace such Improvements on the remaining land included in the Community Property to the extent available, unless within sixty (60) days after such taking the Declarant (during the Declarant Control Period) and the Voting Members (or affected Neighborhood Owners, with regards to Neighborhood Property) entitled to cast at least sixty-seven percent (67%) of the total votes in the Community Association (or Neighborhood Association, as applicable) shall otherwise agree. Any such construction shall be in accordance with plans approved by the Community Council and the Architectural Review Committee. The provisions of Section 9.2 regarding funds for restoring Improvements shall apply.

If the taking or conveyance does not involve any Improvements on the Community Property, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as proceeds from the sale of Community Property under Section 19.4.

19.3 Partition

Except as permitted in this Charter, the Community Property and Neighborhood Property shall remain undivided, and no Person shall bring any action to partition any portion of the Community Property or Neighborhood Property without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Community Council from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Charter, with such approval as may be required under Section 19.4.

19.4 Transfer or Dedication of Community Property

The Community Association may dedicate portions of the Community Property to the County or to any other local, state, or federal governmental or quasigovernmental entity, may subject Community Property to a security interest, or may transfer or convey Community Property as follows:

(a) if Community Property, other than Neighborhood Property, upon the written direction of Voting Members entitled to cast at least seventy-five percent (75%) of the votes in the Community Association, and the Declarant (during the Declarant Control Period); or

(b) if Neighborhood Property, upon written approval of Neighborhood Owners of at least seventy-five percent (75%) of the Lots and Units in the Neighborhood to which such Neighborhood Property is assigned.

The proceeds from the sale or mortgaging of Community Property other than Neighborhood Property shall be an asset of the Community Association to be used as the Community Council determines. The proceeds from the sale or mortgaging of Neighborhood Property shall be disbursed in the manner approved by the Owners of Lots and Units in the Neighborhood to which the Neighborhood Property is assigned at the time such sale or Mortgage is authorized.

No conveyance or encumbrance of Community Property or Neighborhood Property may deprive any Lot or Unit of rights of access or support.

Chapter 20

Termination and Amendment of Charter; Exhibits

As Sunfield matures and grows, the rules by which it is governed must be flexible enough to adapt to changes in the development plan, as well as changes in the needs and desires of Sunfield that inevitably will occur. This Chapter sets out procedures by which either the Declarant or the Owners as a group may amend this Charter to address such changes.

20.1 Term and Termination

This Charter, including all of the covenants, conditions, and restrictions hereof, shall run until May 1, 2037, unless amended as herein provided. After May 1, 2037, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least three-fourths (3/4) of the Lots within the property then subject to this Declaration..

If any provision of this Charter would be unlawful, void, or voidable by reason of any rule restricting the period of time that covenants can affect title to property, that provision shall expire twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

This Section shall not permit termination of any easement created in this Charter without the consent of the holder of such easement.

20.2 Amendment

(a) *By the Declarant.* In addition to specific amendment rights granted elsewhere in this Charter, until termination of the Declarant Control Period, the Declarant may unilaterally amend this Charter for any purpose, subject to the provisions of Section 15.2.

(b) *By Voting Members.* Except as otherwise specifically provided above and elsewhere in this Charter, this Charter may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members entitled to cast at least sixty-seven percent (67%) of the total votes in the Community Association. During the Declarant Control Period, any such amendment shall also require the Declarant's written consent.

The percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) *Validity and Effective Date.* No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant (or the assignee of such right or privilege).

If an Owner or Voting Member consents to any amendment to this Charter or the Bylaws, it will be conclusively presumed that such Owner or Voting Member has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Charter.

(d) *Exhibits.* All exhibits referenced in this Charter are incorporated into this Charter by this reference.

20.3 Exculpation

The covenants and warranties of Declarant set forth in this Charter, if any, are subject to the following express limitations: (i) the State of California Public Employees Retirement System (the "System") is a limited partner in IHP Investment Fund III, L.P. ("IHP"), and (ii) IHP is a limited partner in Declarant and is the sole member of the general partner of Declarant. Notwithstanding any other term or provision of this Charter, System's liability hereunder is solely that of a limited partner in IHP and no personal or direct liability shall at any time be asserted or enforceable against System, its board, any member thereof, or any employee or agent of System on account of or arising out of any obligations related to this Charter. Any Owner or other Person residing in or occupying any portion of Sunfield, shall look solely to the assets of Declarant for the enforcement of any claims against Declarant arising hereunder or related

hereto, and to the fullest extent permitted by Texas law, waives any claim against the partners in Declarant and IHP, including the System, irrespective of the compliance or noncompliance now or in the future with any requirements relating to the limitation of liability of limited partners.

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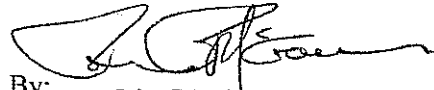
In witness whereof, the Declarant has executed this Charter as of the 21st day of February, 2008.

DECLARANT:

2428 PARTNERS, L.P., a Texas limited partnership

By: 2428 MANAGEMENT, L.L.C.,
a Delaware limited liability company,
Its sole General Partner



By: 
Brian P. McGowan
Senior Vice President

By: 
D. Kirk Davis
Chief Financial Officer

ACKNOWLEDGEMENTS FOLLOW ON NEXT PAGE

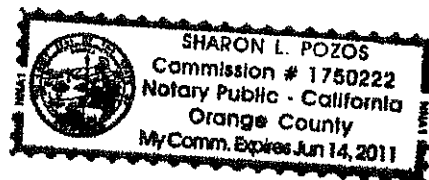
State of California)
County of Orange)

On Feb. 21, 2008 before me, Sharon L. Pozos, Notary Public,
personally appeared Brian P. McGowan who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sharon L. Pozos
(Seal)



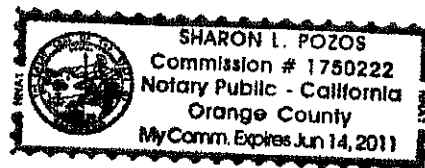
State of California)
County of Orange)

On Feb. 21, 2008 before me, Sharon L. Pozos, Notary Public,
personally appeared D. Kirk Davis who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sharon L. Pozos
(Seal)



JOINDER OF COMMUNITY ASSOCIATION

Sunfield Community Association, Inc., a Texas not-for-profit corporation, hereby joins in this Charter for the sole purpose of agreeing to perform its obligations as contained herein.

SUNFIELD COMMUNITY ASSOCIATION, INC.,
a Texas not-for-profit corporation

By: Tim Moore

Name: Tim Moore, Vice President

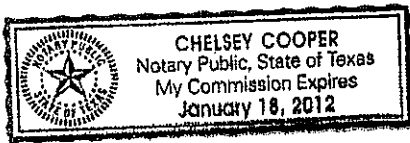
By: Kathy Russell

Name: Kathy Russell, Secretary & Treasurer

STATE OF TEXAS)

COUNTY OF Dallas)ss.

The foregoing instrument was acknowledged before me this 22 day of February 2008, by Tim Moore, the Vice-President of Sunfield Commercial Association, Inc., a Texas not-for-profit corporation, on behalf of the corporation.

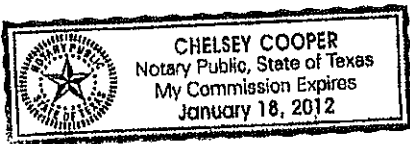


Print Name: Chelsey Cooper
NOTARY PUBLIC - STATE OF TEXAS

STATE OF TEXAS)

COUNTY OF Dallas)ss.

The foregoing instrument was acknowledged before me this 22 day of February 2008, by Kathy Russell, the Secretary & Treasurer of Sunfield Commercial Association, Inc., a Texas not-for-profit corporation, on behalf of the corporation.



Print Name: Chelsey Cooper
NOTARY PUBLIC - STATE OF TEXAS

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Exhibit "A"

The Initial Property

Four (4) Pages Follow with Legal Description

FIELD NOTES

BEING ALL OF THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF AND A PART OF THE TRINIDAD VARCINAS SURVEY NO. 9, ABSTRACT NO. 465, SITUATED IN HAYS COUNTY, TEXAS, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO 2428 PARTNERS, L.P. AND RECORDED IN VOLUME 2171, PAGE 280 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO 2428 PARTNERS, L.P. AND RECORDED IN VOLUME 2566, PAGE 235 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO PRA BUDA II, L.P., RECORDED IN VOLUME 3074, PAGE 797 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, SAID TRACT BEING 437.833 ACRES OF LAND MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at an iron rod found in an ell corner of said 2428 Partners tract recorded in Volume 2566, Page 235, being also at the northeast corner of that certain tract of land described in a deed to Buffington Meadow Park, Ltd., recorded in Document No. 04028780 of the Official Public Records of Hays County, Texas, for the **POINT OF REFERENCE** of the herein described tract,

THENCE, crossing said 2428 Partners tract recorded in Volume 2566, Page 235, $S72^{\circ}31'15''E$, a distance of 423.37 feet to a point in the northeast right-of-way line of County Road 2001, a 120-foot wide public right-of-way, being also the southwest line of said 2428 Partners tract recorded in Volume 2566, Page 235, for the **POINT OF BEGINNING** of the herein described 437.833 acre tract of land,

THENCE, with the northeast right-of-way line of said County Road 2001, being also the southwest line of said 2428 Partners tract recorded in Volume 2566, Page 235, the following two (2) courses and distances, numbered 1 and 2,

1. $N43^{\circ}29'07''W$, a distance of 1337.87 feet to an iron rod found at a point of curvature to the left, and
2. with said curve to the left having a radius of 2560.00 feet, an arc length of 299.53 feet and whose chord bears, $N46^{\circ}50'14''W$, a distance of 299.36 feet to a point on the southwest line of said PRA Buda tract,

THENCE, departing the northeast right-of-way of said County Road 2001, crossing said PRA Buda tract and crossing said 2428 Partners tract recorded in Volume 2566, Page 235, the following nine (9) courses and distances, numbered 1 through 9,

1. with a curve to the left having a radius of 25.00 feet, an arc length of 38.72 feet and whose chord bears, $N85^{\circ}23'44''E$, a distance of 34.96 feet to a point,
2. $N41^{\circ}01'47''E$, a distance of 435.22 feet to a point of curvature to the right,
3. with said curve to the right having a radius of 1035.00 feet, an arc length of 26.14 feet and whose chord bears, $N41^{\circ}45'11''E$, a distance of 26.14 feet to a point,
4. $N42^{\circ}28'36''E$, a distance of 980.34 feet to a point of curvature to the right,
5. With said curve to the right having a radius of 1035.00 feet, an arc length of 59.09 feet and whose chord bears, $N44^{\circ}06'44''E$, a distance of 59.08 feet to a point,

6. N45°44'52"E, a distance of 461.10 feet to a point of curvature to the right,
7. With said curve to the right having a radius of 5030.00 feet, an arc length of 629.01 feet and whose chord bears, N49°19'49"E, a distance of 628.60 feet to a point of reverse curvature,
8. With said curve to the left having a radius of 1470.00 feet, an arc length of 614.44 feet and whose chord bears, N40°56'18"E, a distance of 609.97 feet to a point of compound curvature to the left, and
9. With said curve to the left having a radius of 965.00 feet, an arc length of 523.92 feet and whose chord bears, N13°24'37"E, a distance of 517.51 feet to a point on the west right-of-way line of existing County Road 118,

THENCE, continuing across said 2428 Partners tract recorded in Volume 2566, Page 235 with the west right-of-way line of said County Road 118, N02°08'36"W, a distance of 995.89 feet to a point at the southeast corner of that certain tract of land described in a deed to Texas Commerce Bank of Austin, recorded in Volume 753, Page 407 of the Deed Records of Hays County, Texas,

THENCE, crossing said County Road 118, N87°13'01"E, a distance of 45.71 feet to a point in the west line of said 2428 Partners tract recorded in Volume 2171, Page 280,

THENCE, with the east right-of-way line of said County Road 118, being also the west line of said 2428 Partners tract recorded in Volume 2171, Page 280, the following two (2) courses and distances, numbered 1 and 2,

1. N02°10'32"W, a distance of 499.22 feet to a point, and
2. N02°34'56"W, a distance of 49.82 feet to a point,

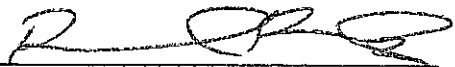
THENCE, crossing said 2428 Partners tract recorded in Volume 2171, Page 280, the following forty-six (46) courses and distances, numbered 1 through 46,

1. N87°46'04"E, a distance of 24.95 feet to a point,
2. S47°11'17"E, a distance of 35.33 feet to a point,
3. N87°45'35"E, a distance of 644.60 feet to a point of curvature to the right,
4. with said curve to the right having a radius of 4060.00 feet, an arc length of 706.79 feet and whose chord bears, S87°15'11"E, a distance of 705.90 feet to a point of reverse curvature,
5. with said curve to the left having a radius of 25.00 feet, an arc length of 39.34 feet and whose chord bears, N52°39'02"E, a distance of 35.41 feet to a point,
6. S82°25'59"E, a distance of 70.00 feet to a point,
7. S07°34'01"W, a distance of 2.11 feet to a point of curvature to the left,
8. with said curve to the left having a radius of 25.00 feet, an arc length of 38.46 feet and whose chord bears, S36°30'28"E, a distance of 34.78 feet to a point of compound curvature,
9. with said curve to the left having a radius of 4060.00 feet, an arc length of 5.70 feet and whose chord bears, S80°32'32"E, a distance of 5.70 feet to a point,
10. S09°29'53"W, a distance of 120.00 feet to a point of curvature to the left,
11. with said curve to the left having a radius of 25.00 feet, an arc length of 40.11 feet and whose chord bears, S53°31'57"W, a distance of 35.95 feet to a point,
12. S07°34'01"W, a distance of 451.24 feet to a point of curvature to the right,
13. with said curve to the right having a radius of 1235.00 feet, an arc length of 101.21 feet and whose chord bears, S09°54'53"W, a distance of 101.18 feet to a point,
14. S12°15'45"W, a distance of 281.67 feet to a point of curvature to the left,

15. with said curve to the left having a radius of 765.00 feet, an arc length of 827.28 feet and whose chord bears, S18°43'04"E, a distance of 787.55 feet to a point,
16. S49°41'52"E, a distance of 130.09 feet to a point of curvature to the left,
17. with said curve to the left having a radius of 25.00 feet, an arc length of 38.30 feet and whose chord bears, N86°24'49"E, a distance of 34.66 feet to a point of reverse curvature,
18. with said curve to the right having a radius of 1135.00 feet, an arc length of 1290.32 feet and whose chord bears, N75°05'37"E, a distance of 1221.95 feet to a point,
19. S72°20'17"E, a distance of 501.69 feet to a point of curvature to the right,
20. with said curve to the right having a radius of 2035.00 feet, an arc length of 259.07 feet and whose chord bears, S68°41'27"E, a distance of 258.90 feet to a point,
21. S24°57'22"W, a distance of 104.67 feet to a point,
22. S20°29'58"W, a distance of 102.70 feet to a point,
23. S24°57'47"W, a distance of 58.57 feet to a point,
24. S20°52'15"W, a distance of 58.56 feet to a point,
25. S34°58'52"W, a distance of 58.56 feet to a point,
26. S38°21'30"W, a distance of 350.35 feet to a point,
27. S36°51'55"W, a distance of 244.11 feet to a point,
28. S42°20'03"W, a distance of 92.09 feet to a point;
29. S45°26'56"W, a distance of 147.66 feet to a point,
30. S31°19'42"W, a distance of 91.30 feet to a point,
31. S25°51'17"W, a distance of 213.45 feet to a point,
32. S32°25'23"W, a distance of 178.81 feet to a point,
33. S30°35'09"W, a distance of 47.25 feet to a point,
34. S24°48'32"W, a distance of 45.79 feet to a point,
35. S20°59'38"W, a distance of 438.65 feet to a point,
36. S30°51'13"W, a distance of 247.44 feet to a point,
37. S16°00'13"W, a distance of 97.45 feet to a point,
38. S13°54'07"W, a distance of 594.23 feet to a point,
39. S10°40'26"W, a distance of 388.39 feet to a point,
40. S22°42'22"W, a distance of 177.57 feet to a point,
41. S67°14'07"E, a distance of 94.16 feet to a point,
42. S22°14'07"E, a distance of 580.62 feet to a point,
43. S83°51'58"W, a distance of 1127.39 feet to a point,
44. S88°44'42"W, a distance of 307.73 feet to a point,
45. S11°48'18"W, a distance of 524.07 feet to a point, and
46. N78°11'42"W, at approximately 724.79 feet passing the east right-of-way line of said County Road 118, for a total distance of 1050.60 feet to a point,

THENCE, continuing across said 2428 Partners tract recorded in Volume 2566, Page 235, with a curve to the right having a radius of 1936.50 feet, an arc length of 1175.31 feet and whose chord bears, N60°50'24"W, a distance of 1157.36 feet to the **POINT OF BEGINNING** and containing 437.833 Acre of Land.

Prepared by:


Douglas R. Rummel, Jr. ~ R.P.L.S. No. 5780
Carlson, Brigrance & Doering, Inc.
5501 West William Cannon Drive
Austin, TX 78749
Phone: (512) 280-5160



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BEARING BASIS FROM 2428 PARTNERS, L.P. IN DOCUMENT NO. 04030779
OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS.

Exhibit "B"

Certificate of Formation

COPY FOLLOWS

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Phil Wilson
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

SUNFIELD COMMUNITY ASSOCIATION, INC.
File Number: 800920857

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 01/08/2008

Effective: 01/08/2008



A handwritten signature of Phil Wilson in cursive script.

Phil Wilson
Secretary of State

Phone: (512) 463-5555
Prepared by: Misty Shaw

Come visit us on the internet at <http://www.sos.state.tx.us/>
Fax: (512) 463-5709
TDD: 16306

Dial: 7-1-1 for Relay Services
Document: 198859740002

CERTIFICATE OF FORMATION
OF
SUNFIELD COMMUNITY ASSOCIATION, INC.
(A TEXAS NONPROFIT CORPORATION)

In compliance with the requirements on the laws of the State of Texas, and for the purpose of forming a nonprofit corporation, the undersigned does hereby acknowledge:

1. Name of Corporation. The name of the nonprofit corporation is SUNFIELD COMMUNITY ASSOCIATION, INC. (the "Community Association").
2. Registered Office - Registered Agent. The name of the registered agent of the Commercial Association is Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company (the "Registered Agent"). The business address of the registered office of the Commercial Association is 701 Brazos Street, #1050, Austin TX 78701.
3. Principal and Mailing Office. The initial principal and mailing office of the Community Association is c/o Steve Bartlett, 1406 Camp Craft Rd., Suite 222, Austin, Texas 78746.
4. Definitions. A document entitled Community Charter for Sunfield and any Supplements thereto, will be recorded in the Public Records of Hays County and Travis County, Texas (the "Charter") and shall govern many of the operations within a community to be known as Sunfield (the "Community"). All initially capitalized terms not defined herein shall have the meanings set forth in the Charter.
5. Community Council. The affairs of the Community Association shall be managed by a board of directors (known as the "Community Council" and the members of the Community Council known as "Council Members"), which Council Members shall be elected as provided in the Bylaws. Following are the three (3) initial Council Members, who shall serve until the first annual meeting of Members or until their successors are elected and qualified:

<u>Name</u>	<u>Address</u>
Steve Bartlett	1406 Camp Craft Rd. Suite 222 Austin, Texas 78746
Tim Moore	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240
Kathy Russell	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240

Officers. The Community Council shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers as it shall from time to time determine. The names and addresses of the Officers who shall serve until their successors are elected by the Community Council are as follows:

President:	Steve Bartlett	1406 Camp Craft Rd. Suite 222 Austin, Texas 78746
Vice President:	Tim Moore	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240
Secretary & Treasurer:	Kathy Russell	One Lincoln Centre 5400 LBJ Freeway, Suite 1560 Dallas, Texas 75240

6. Purpose of Community Association. The Community Association is formed to: (a) provide for ownership, management, maintenance and improvement of the Community Property; (b) provide for ownership, management, maintenance and improvement of the Neighborhood Property, to the extent Neighborhood Property is not owned, managed, maintained and improved by a Neighborhood Association; (c) perform the duties delegated to it in the Charter and the bylaws of the Community Association, including any amendments or supplements to those bylaws (the "Bylaws"); (d) administer the interests of the Community Association and the members of the Community Association (the "Members"); and (e) promote the health, safety and welfare of the Members.

7. Nonprofit. The Community Association is a Texas nonprofit corporation and does not contemplate pecuniary gain to, or profit for, its Members.

8. Powers of Community Association. The Community Association shall, subject to the limitations and reservations set forth in the Charter and the Bylaws, have all the powers, privileges and duties reasonably necessary to discharge its obligations, including, but not limited to, the following:

8.1. To perform all the duties and obligations of the Community Association set forth in the Charter, this Certificate of Formation; and the Bylaws.

8.2. To enforce, by legal action or otherwise, the provisions of this Certificate of Formation, the Charter, the Bylaws, the Rules, and any other regulations, covenants, restrictions and/or agreements governing or binding the Community Association or the Community.

8.3. To fix, levy, collect and enforce payment, by any lawful means, of all Assessments and any other amounts payable pursuant to the terms of the Charter, this Certificate of Formation, the Bylaws and the Rules.

8.4. To manage, control, operate, maintain, repair and improve the Community Property in compliance with the Charter and any applicable government permits or regulations.

8.5. To pay all Community Expenses including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the Community Property, or other property of the Community Association.

8.6. To manage, control, operate, maintain, repair and improve areas adjacent to or in close proximity to the Community, pursuant to a separate declaration of restrictive covenants or other cost sharing agreement, by which some or all of such expenses are reimbursed to the Community Association by adjacent landowners.

8.7. To manage, control, operate, maintain, repair and improve portions of the Neighborhood Property in compliance with the Charter and any applicable government permits or regulations, to the extent the Neighborhood Property is not operated and maintained by a Neighborhood Association.

8.8. To pay all Neighborhood Expenses, including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the Neighborhood Property, to the extent the Neighborhood Property is not owned, maintained, operated and preserved by a Neighborhood Association.

8.9. To acquire (by gift, purchase, or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real or personal property (including the Community Property or, the Neighborhood Property, to the extent the Neighborhood Property is not owned by a Neighborhood Association) in connection with the functions of the Community Association, except as limited by the Charter or the Bylaws.

8.10. To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

8.11. To dedicate, grant, license, lease, create easements upon, sell or transfer all or any part of the Community Property or, if applicable, the Neighborhood Property, to any public agency, entity, authority, utility, or other person or entity for such purposes and subject to such conditions as it determines, subject only to requirements in the Charter or the Bylaws, if any.

8.12. To participate in mergers and consolidations with other non-profit corporations organized for the same purposes.

8.13. To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions, or agreements governing the Community Association, the Community Property, the Lots, the Units and, if applicable, the Neighborhood Property, as provided in the Charter and to effectuate all of the purposes for which the Community Association is organized.

8.14. To have and to exercise any and all powers, rights and privileges which a nonprofit corporation organized under the laws of the State of Texas may now, or hereafter, have or exercise.

8.15. To employ personnel and retain independent contractors to contract for management of the Community Association, the Community Property and, if applicable, the Neighborhood Property, if any, as provided in the Charter, including, without limitation, a facility manager, and to delegate in such contract all or any part of the powers and duties of the Community Association.

8.16. To contract for services to be provided to, or for the benefit of, the Community Association, the Owners, the Community Property and, if applicable, the Neighborhood Property, as provided in the Charter such as, but not limited to, telecommunications, maintenance, reclamation, access control and/or utility services. The foregoing rights shall not be deemed to impose any obligation on the Community Association to provide such services.

8.17. To establish committees and delegate certain of its functions to those committees.

9. Voting Rights. Members and Declarant shall have the voting rights set forth in the Bylaws and the Charter.

10. Dissolution. In the event of the dissolution of the Community Association, other than incident to a merger or consolidation, any Voting Member may petition the Texas Circuit Court having jurisdiction over the Community for the appointment of a receiver to manage the affairs of the dissolved Community Association and to manage the Community Property and, if applicable, the Neighborhood Property in the place and stead of the Community Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Community Association and its properties.

11. Effectiveness: Duration. This Certificate of Formation becomes effective when filed by the Texas Secretary of State. The Community Association shall have perpetual existence.

12. Amendments.

12.1. General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to this Certificate of Formation shall affect the rights of Declarant unless such amendment receives the prior written consent of Declarant, which may be withheld for any reason whatsoever.

12.2. Amendments Prior to Turnover. Prior to Turnover (as that term is defined in the Charter), Declarant shall have the right to amend this Certificate of Formation as it deems appropriate, without the joinder or consent of any Person whatsoever. Declarant's right to amend under this Section is to be construed as broadly as possible. In the event that the Community Association shall desire to amend this Certificate of Formation prior to Turnover, the Community Association must first obtain Declarant's prior written consent to any proposed amendment. After receiving Declarant's consent to the proposed amendment, an amendment identical to that approved by Declarant may be adopted by the Community Association pursuant to the requirements for amendments from and after Turnover set forth in Section 12.3. After approval of the amendment by the Community Council as provided in Section 12.3, Declarant shall join in such identical amendment so that its consent to the same will be reflected in the amendment.

12.3. Amendments After Turnover. After Turnover, but subject to the general restrictions on amendments set forth above, this Certificate of Formation may be amended with the approval of not less than seventy-five percent (75%) of the entire Community Council at a Community Council meeting where a quorum has been attained.

12.4. Recording. This Certificate of Formation is being recorded in the Public Records of Hays County and Travis County, Texas, for informational purposes only and amendments to this Certificate of Formation need not be recorded in the Public Records in order to be effective.

13. Limitations. No amendment may be made to this Certificate of Formation which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Charter.

14. Organizer. The name and address of the organizer of this corporation (the "Organizer") is:

Michael H. Gentry, Esq.
West, Webb, Allbritton & Gentry, P.C.
1515 Emerald Plaza
College Station, Texas, 77845

15. Indemnification of Officers, Council Members and Committee Members. The Community Association shall and does hereby indemnify and hold harmless every Council Member, Officer, member of a Community Association committee, and their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which such Council Member, Officer or committee member may be made a party by reason of being or having been a Council Member, Officer, or member of a Community Association committee, including reasonable counsel fees and paraprofessional fees at all levels of proceeding. This indemnification shall not apply to matters wherein the Council Member, Officer, or committee member shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence, willful misconduct, criminal misconduct, or bad faith. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Council Member, Officer, or committee member may be entitled.

16. Transactions in Which Council Members, Officers, Committee Members, or Declarant are Interested. No contract or transaction between the Community Association and one (1) or more of its Council Members, Officers, committee members or Declarant, or between the Community Association and any other corporation, partnership, association, or organization in which one (1) or more of its Council Members, Officers or committee members are officers, directors or employees or otherwise interested, shall be invalid, void or voidable solely for that reason, or solely because the Council Member, Officer or committee member is present at, or participates in, meetings of the Community Council which authorize the contract or transaction, or solely because said Officer's or Council Member's vote is counted for such purpose. No Council Member, Officer, committee member, or the Community Association shall incur liability by reason of the fact that such Council Member, Officer or committee member may be interested in any such contract or transaction. Interested Council Members shall disclose the general nature of their interest to the Community Council and may be counted in determining the

presence of a quorum at a meeting of the Community Council which authorizes the contract or transaction.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, the undersigned, being the Organizer of this Community Association, has executed this Certificate of Formation, subject to the penalties imposed by law, for the submission of a materially false or fraudulent instrument, as of this 8th day of January, 2008

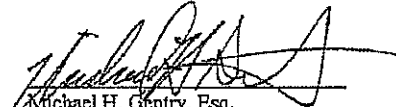

Michael H. Gentry, Esq.
Organizer

Exhibit "C"

BYLAWS
OF
SUNFIELD COMMUNITY ASSOCIATION, INC.

(A Texas Nonprofit Corporation)

ARTICLE I
IDENTITY

1. The name of this corporation is Sunfield Community Association, Inc. (the "Community Association").

2. The seal of the Community Association, if obtained, shall bear the name of the Community Association, the word "Texas", the words "Nonprofit Corporation", and the year of formation.

3. These Bylaws are being adopted in connection with that certain Community Charter for Sunfield, and any Supplements thereto, as recorded in the Public Records of Hays County and Travis County, Texas (the "Charter"). All capitalized terms used but not otherwise defined herein shall be given the meanings ascribed to such terms in the Charter.

ARTICLE II
MEMBERSHIP

1. MEMBERS. Membership in the Community Association shall consist of the Owners of Lots or Units in the Community, which may include the Declarant (each a "Member", collectively, the "Members"). Membership in the Community Association shall continue until the Member transfers or conveys his, her or its Lot or Unit or the interest is transferred by operation of law, at which time the membership shall automatically be conferred upon the transferee.

2. VOTING RIGHTS.

a. The voting rights of Members shall be as provided in the Charter and these Bylaws. The votes of a Member (including the Declarant) to be cast at meetings of the Community Association shall be cast by that Member's voting member (the "Voting Member"). The Voting Member for the Declarant shall be the one (1) individual (who is affiliated with the Declarant in some way, whether as an officer, director, partner or employee) appointed by the Declarant to cast its voting interests in the Community Association. The Declarant shall designate its Voting Member to the Community Association in writing. The number of votes belonging to the Declarant's Voting Member shall be equal to the number of Lots or Units owned by the Declarant, with that Voting Member to cast all of the votes for the Declarant as he

or she deems appropriate on any matter to be voted on at a Community Association meeting. If the Lot or Unit owned by a Member, other than the Declarant, is governed or administered by a Neighborhood Association, the Voting Member for such Member shall be the one (1) Member who is appointed by the Neighborhood Association to act as the Voting Member for the Neighborhood and to vote not only on behalf of that Member, but also all other Members within that Neighborhood other than the Declarant. The Neighborhood Association shall designate the Voting Member for its Neighborhood to the Community Association in writing. If there is no Neighborhood Association for a Neighborhood, the Community Association shall hold a Neighborhood meeting whereby the Members within that Neighborhood shall elect one (1) Voting Member to represent that Neighborhood and vote on behalf of all Members of that Neighborhood at Community Association meetings. A Voting Member for a Neighborhood shall not cast votes in Community Association matters on behalf of the Declarant and the Declarant shall not be involved in the selection of any Voting Member for Members within a particular Neighborhood. Only the Voting Member for the Declarant shall cast the Declarant's votes in the Community Association. A Voting Member may not represent the Members of more than one (1) Neighborhood, unless that Voting Member represents the interest of the Declarant. If there are multiple Neighborhoods within the Community, each Neighborhood shall have one (1) Voting Member. Following Turnover (as that term is defined in the Charter), the number of votes belonging to a Voting Member for a Neighborhood shall be equal to the number of Lots or Units located within the Neighborhood represented by that Voting Member and not owned by the Declarant, as determined by the Declarant, with the relative voting weight of each Lot or Unit being equal to one (1) vote.

b. Prior to Community Association meetings, the Members within a Neighborhood, may, in their discretion, decide (in the case of a Neighborhood that has a Neighborhood Association in accordance with that Neighborhood Association's governing documents or in the case of a Neighborhood that has no Neighborhood Association, by majority vote at a Member meeting) how its Voting Member will vote on any matter to be voted on at the Community Association meeting (a "Member Decision"). If the Members or the Neighborhood Association of such Neighborhood fail to advise the Voting Member of a Member Decision prior to a Community Association meeting, such Voting Member shall cast all of the votes for the Members within the Neighborhood as he or she deems appropriate on any matter to be voted on at a Community Association meeting. In the event a Voting Member is advised of the Neighborhood's Member Decision prior to a Community Association meeting, such Voting Member shall cast all of the votes of the Members within the Neighborhood he or she represents in accordance with the outcome of that Neighborhood's Member Decision.

c. The Voting Member shall have the right to vote in person or by proxy when voting on Community Association matters. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the Voting Member. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may be lawfully adjourned and reconvened from time to time, and automatically expires ninety (90) days from the date of the meeting for which it was originally given. A proxy is revocable at any time by the Voting Member.

ARTICLE III MEETINGS

1. ANNUAL MEETING. The annual Members' meeting (the "Annual Meeting") shall be held at a date and time determined by the Community Council from time to time, provided that there shall be an Annual Meeting every calendar year and, to the extent possible, no later than thirteen (13) months after the last preceding Annual Meeting. Unless determined otherwise by the Community Council, the Annual Meeting shall be held on such day designated by the Community Council and shall be held at (a) the principal office of the Community Association or (b) such other place within Hays County or Travis County, Texas as designated by the President of the Community Association. The purpose of the Annual Meeting shall be the election of Council Members (after Turnover) and the transaction of other business authorized to be transacted by Voting Members. The order of business shall be as determined by the Community Council.

2. SPECIAL MEETINGS. A special meeting of the Community Association ("Special Meeting") may be called by the President of the Community Association, a majority of the Community Council, or by written request of Voting Members having not less than one-tenth (1/10th) of the votes entitled to be cast at the meeting, for any purpose and at any time at a location within Hays County or Travis County, Texas. Business transacted at all Special Meetings shall be confined to the subjects and actions to be taken, as stated in the notice of the meeting.

3. QUORUM. A quorum for a Community Association meeting shall exist when Voting Members representing at least thirty percent (30%) of the total voting interests in the Community Association are present, in person or by proxy, at the meeting. Decisions that require a vote of the Voting Members must be made by the concurrence of at least a majority of all voting interests present, in person or by proxy, at a meeting where a quorum is present, except when a lesser or greater vote is otherwise specifically required by the Charter, Certificate of Formation or these Bylaws. Regardless of whether a quorum is obtained, adjournment of an Annual Meeting or Special Meeting to a different date, time or place must be (a) approved by a majority of votes represented by Voting Members at such meeting and (b) either announced at that meeting before adjournment can be taken or disclosed through notice to Members (including Owners who became Members after the original meeting date) delivered in accordance with the requirements for notice of Community Council meetings, as set forth in Article IV of these Bylaws. Any business that might have been transacted on the original date of an adjourned meeting may be transacted at the rescheduled adjourned meeting.

4. LIST OF MEMBERS. After setting a record date for the notice of a meeting, the Community Association shall prepare an alphabetical list of the names of all its Members. The list must identify: (i) the Members who are entitled to notice of the meeting; (ii) the address of each Voting Member; and (iii) the number of votes each Voting Member is entitled to cast at the meeting. Not later than the second business day after the date notice is given of a meeting for which a list was prepared, and continuing through the meeting, the list of Members must be available at the Community Association's principal office or at a reasonable place in the municipality in which the meeting will be held, as identified in the notice of the meeting, for

inspection by Members entitled to vote at the meeting for the purpose of communication with other Members concerning the meeting. A Member's agent or attorney is entitled on written demand to inspect and, at the Member's expense and upon prior written notice, copy the list at a reasonable time during the period the list is available for inspection. The Community Association shall make the list of Members available at the meeting. A Member or Member's agent or attorney is entitled to inspect the list at any time during the meeting or an adjournment of the meeting.

ARTICLE IV NOTICE

1. ANNUAL MEETING. Written notice of the Annual Meeting shall be posted in a conspicuous place in the Community at least ten (10) days before the date of such Annual Meeting. In the alternative, notice of the Annual Meeting may be delivered by electronic transmission provided that Members notified in such manner have (a) provided an email addresses to the Community Association and (b) have consented in writing (whether by a signed document or an email to the Community Association) to receive notice of Community Association meetings by electronic transmission. Notice of an Annual Meeting need not include a description of the purpose or purposes for which the meeting is called. Evidence of compliance with this notice provision shall be made by an affidavit executed by the person providing the notice and filed with the records of the Community Association.

2. SPECIAL MEETINGS. Notice of Special Meetings shall be posted in a conspicuous place in the Community at least two (2) days before such meeting and shall state the purpose of the Special Meeting. In the alternative, notice of a Special Meeting may be delivered by electronic transmission provided that Members notified in such manner have (a) provided their email addresses to the Community Association and (b) have consented in writing (whether by a signed document or an email to the Community Association) to receive notice of Community Association meetings by electronic transmission. Evidence of compliance with this notice provision shall be made by an affidavit executed by the person providing the notice and filed with the records of the Community Association.

3. WAIVER. Voting Members may take action by written agreement, without conducting a meeting, on all matters for which action may be taken at a meeting if the action is taken by the Voting Members entitled to vote on such action and having not less than the minimum number of votes necessary to authorize such action at a meeting at which all Voting Members entitled to vote on such action were present and voted. Nothing herein is to be construed to prevent Members from waiving notice of a meeting or acting by written agreement without a meeting.

ARTICLE V
COMMUNITY COUNCIL

1. INITIAL COMMUNITY COUNCIL. The initial members of the Community Council (each a "Council Member," collectively, the "Council Members") shall be those persons set forth in the Certificate of Formation, who shall serve until Turnover, as described in the Charter, or until replaced by the Declarant.

2. COMMUNITY COUNCIL ELECTIONS. The initial Council Members, appointed by the Declarant, are named in the Articles and shall serve until Turnover, unless replaced by the Declarant. At Turnover, the Council Members shall be elected by the Voting Members of the Community Association, provided that a quorum is obtained at the Turnover meeting. At each Annual Meeting thereafter, the seats of the Council Members whose terms on the Community Council have expired shall be elected by the Voting Members of the Community Association. Council Members elected at Turnover and thereafter shall have staggered terms of office so that the term of some Council Members shall expire each year. The term of office for the three (3) Council Members elected at Turnover shall be as follows: (a) the term of the first Council Member shall expire after three (3) years; (b) the term of the second Council Member shall expire after two (2) years; and (c) the term of the third Council Member shall expire after one (1) year. In the event additional Council Members are elected by the Voting Members at Turnover or thereafter, the terms of each additional Council Member shall follow the term sequence outlined above, with a fourth Council Member having a term of three (3) years, a fifth Council Member having a term of two (2) years, a sixth Council Member having a term of one (1) year, and continuing in similar term sequences for any additional Council Members permitted by these Bylaws or the Certificate of Formation. All Council Members elected upon the expiration of the terms of the Council Members elected at Turnover or thereafter shall hold office for a term of three (3) years. The procedure for electing Council Members at Turnover and thereafter shall be (i) by written and sealed ballot or any other voting procedure determined by the Community Council, (ii) in accordance with Article II, Section 2, and (iii) by a plurality of the votes cast at an Annual Meeting by Voting Members where a quorum has been obtained, with each Voting Member being entitled to cast his or her votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting in elections for the Community Council.

3. POWERS. The powers of the Community Association are as provided in the Charter and the Certificate of Formation.

4. FUNDS AND TITLES TO PROPERTIES. All funds and title to all properties acquired by the Community Association and the proceeds thereof shall be held for the benefit of the Members in accordance with the provisions of the Charter. No part of the income, if any, of the Community Association shall be distributed to the Members, Council Members, or Officers of the Community Association.

5. NUMBER. The number of Council Members shall be designated by resolution of the Community Council from time to time, but shall in no event be less than three (3) nor more than nine (9) Council Members, with the Community Council always being comprised of an odd

number of Council Members. Except for those Council Members appointed or elected by the Declarant, each Council Member shall be an Owner. A Council Member, other than those Council Members appointed by the Declarant, shall hold office for a term length consistent with the provisions of Article V, Section 2.

6. VACANCY. In the event of a vacancy occurring in the Community Council for any reason whatsoever, the remaining Council Members shall elect a replacement to serve as a Council Member for the unexpired portion of the term of the former Council Member. In the event that there are no remaining Council Members, the vacancies shall be filled by persons elected by the Voting Members at a Special Meeting called for that purpose.

7. REMOVAL. Prior to Turnover, any Council Member may be removed with or without cause by the Declarant. Following Turnover, any Council Member may be removed from office at any time, with or without cause, at a Special Meeting called for that purpose and by the vote or agreement in writing by a majority of the total voting interests of Members in the Community Association.

8. COMPENSATION. No compensation shall be paid to Council Members for their services as Council Members, provided that nothing herein contained shall be construed to preclude any Council Member from serving the Community Association in any other capacity and receiving compensation therefor. In that case, however, the compensation must be approved in advance by the Community Council and the Council Member to receive such compensation shall not be permitted to vote on his or her compensation. The Community Council shall have the right to set and pay all salaries or compensation to be paid to Officers, employees, agents or attorneys for services rendered to the Community Association.

9. REGULAR MEETING. A regular meeting of the Community Council shall be held immediately after, and at the same place as, the Annual Meeting. Additional regular meetings may be held as provided by resolution of the Community Council. All regular meetings of the Community Council shall be open to all Members.

10. SPECIAL MEETINGS. Special meetings of the Community Council may be called by the President or a majority of the Council Members for any purpose and at any time or place. Notice thereof stating the purpose shall be mailed or delivered at least two (2) days before such meeting, to each Council Member at his or her address as listed in the Community Association records unless such notice is waived. All special meetings of the Community Council shall be open to all Members.

11. QUORUM AND VOTING. A majority of all Council Members shall constitute a quorum for a Community Council meeting. If a quorum is not present, a majority of those present may adjourn the meeting. Notice of any adjourned meeting shall be given to the Council Members who were not present at the time of adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Council Members. If a quorum is present at a Community Council meeting, a majority vote of the Council Members present shall decide any matter before the Community Council, unless a greater or lesser vote is specifically required in the Certificate of Formation, these Bylaws or the Charter. Council

Members or any committee of the Community Association may not vote by proxy or secret ballot at Community Council meetings.

12. NOTICE. Notice of the date, time and place of all regular and special meetings of the Community Council shall be posted in a conspicuous place in the Community at least forty-eight (48) hours prior to the Community Council meeting. In the alternative, if notice is not posted in a conspicuous place in the Community, notice of each Community Council meeting must be mailed or delivered to each Owner at the address of each Owner on file with the Community Association at least seven (7) days in advance of the meeting, except in an emergency. As an additional alternative, notice of Community Council meetings may be delivered by electronic transmission provided that Members notified in such manner have (a) provided an email addresses to the Community Association and (b) have consented in writing (whether by a signed document or an email to the Community Association) to receive notice of Community Council meetings by electronic transmission. An Assessment may not be levied at a Community Council meeting unless the notice of the meeting includes a statement that Assessments will be considered and the nature of the Assessment.

ARTICLE VI OFFICERS

1. NUMBER. The officers of the Community Association (each an "Officer", collectively "Officers") shall include a President, Vice President, Secretary and Treasurer, each of whom shall be elected by the Community Council. Such assistant Officers as deemed necessary may be elected by the Community Council. The offices of Secretary and Treasurer may be combined into one (1) office of Secretary/Treasurer and held by one (1) person. The President and Secretary may not be the same person. Following Turnover, all Officers must be Members. All Officers shall act without compensation unless otherwise provided by resolution of the Community Council.

2. ELECTION AND TERM. Prior to Turnover, the Declarant shall appoint the Officers. Following Turnover, the Officers shall be elected by the Community Council at the Community Council meeting subsequent to the first Annual Meeting after Turnover. Each Officer shall hold office until his or her successor has been elected by a majority of the entire Community Council at a Community Council meeting where a quorum has been obtained, unless that Officer resigns or is removed by the Community Council in accordance with Article VI, Section 7.

3. PRESIDENT. The President shall be the principal executive Officer of the Community Association and shall supervise all Community Association affairs. The President shall preside at all Member and Community Council meetings and sign all documents and instruments on behalf of the Community Association.

4. VICE-PRESIDENT. In the President's absence, the Vice-President shall perform the President's duties and, in such capacity, shall have all the powers and responsibilities of the President. The Vice-President shall, moreover, perform such duties as may be designated by the Community Council.

5. SECRETARY AND ASSISTANT SECRETARY. The Secretary shall (a) countersign all documents and instruments on behalf of the Community Association, (b) record the minutes of meetings of Members and Council Members, (c) give notices required by these Bylaws, and (d) have custody of, maintain and authenticate the records of the Community Association, other than those maintained by the Treasurer. The Assistant Secretary, if any, is authorized to perform the same duties as the Secretary.

6. TREASURER. The Treasurer shall (a) have custody of all funds of the Community Association, (b) deposit such funds in such depositories as may be selected as hereinafter provided, (c) disburse funds, and (d) maintain financial records of the Community Association, which shall be available for inspection by any Member during business hours on any business day.

7. REMOVAL. Any Officer may be removed by a majority vote of the Council Members present at a Community Council meeting called for that particular purpose and at which a quorum has been obtained, with or without cause. The vacancy shall be filled by a majority vote of Council Members at the same meeting.

ARTICLE VII BOOKS AND RECORDS

1. RECORDS TO BE MAINTAINED. The Community Association shall keep records of minutes of all meetings of the Community Council and Members, a record of all actions taken by the Community Council and Voting Members without a meeting, and a record of all actions taken by a committee of the Community Council in place of the Community Council on behalf of the Community Association. A vote or abstention from voting on each matter voted upon by each Council Member present at a Community Council meeting must be recorded in the Community Council minutes. Copies of the minutes of all meetings of the Community Council and Members must be maintained for at least seven (7) years. The Community Association shall also keep a copy of the following records: (a) copies of any plans, specifications, permits, and warranties related to improvements constructed on the Community Property or other property that the Community Association is obligated to maintain, repair and replace (which may include Neighborhood Property); (b) its Certificate of Formation and all amendments thereto currently in effect; (c) its Bylaws and all amendments thereto currently in effect; (d) the Charter and all amendments thereto currently in effect, (e) the current Rules of the Community Association (if any); (f) a list of the names and business street addresses of its current Council Members and Officers; (g) its most recent annual report delivered to the Department of State for the State of Texas; (h) a current roster of all Members and their mailing addresses and parcel identifications; (i) the electronic mailing addresses and numbers designated by Members for receiving notice sent by electronic transmission of those Members consenting in writing (whether by a signed document or an email to the Community Association) to receive notice by electronic transmission; (j) a copy of all of the Community Association's insurance policies (which policies must be retained for at least seven (7) years); (k) a current copy of all contracts to which the Community Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Community Association has

any obligation or responsibility; (l) copies of all bids received for work to be performed for the Community Association within the last year; (m) the financial and accounting records described in Article VIII, Section 6; and (n) all other written records of the Community Association not specifically included in the foregoing which are related to the operation of the Community Association.

2. INSPECTION AND COPYING OF RECORDS. Any books, records and minutes of the Community Association may be in written form or in any other form capable of being converted into written form within a reasonable time. The official records shall be maintained in the State of Texas and open for inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. The Community Association may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Community Association shall maintain an adequate number of copies of the recorded governing documents to ensure their availability to Members and prospective Members, and may charge only its actual costs for reproducing and furnishing these documents to Persons who are entitled to receive them.

ARTICLE VIII CONTRACTS AND FINANCES

1. CONTRACTS. The Community Council may authorize any Officer or agent to enter into any contract or execute and deliver any instrument in the name or on behalf of the Community Association, and such authority may be general or limited.

2. LOANS. No loans shall be contracted on behalf of the Community Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Community Council.

3. CHECKS. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Community Association shall be signed by such Officers or agents of the Community Association and in the manner as shall from time to time be determined by resolution of the Community Council.

4. DEPOSITS. All funds of the Community Association not otherwise employed shall be deposited from time to time in banks, trust companies, or other depositories as the Community Council may select.

5. FISCAL YEAR. The fiscal year of the Community Association shall begin on the date of incorporation and end on December 31 of that year. Thereafter, the fiscal year of the Community Association shall begin on the first day of January and end on the 31st day of December of every year.

6. FINANCIAL RECORDS. The Community Association shall maintain financial and accounting records according to generally accepted accounting principles, which shall be open to inspection and copying by Members at reasonable times in accordance with Article VII,

Section 2. Such records shall include: (a) a record of receipt and expenditures and accounts for each Member, which accounts shall designate the name and address of the Member, the due dates and amount of each Assessment, the amounts paid upon the account, and the balance due; (b) a copy of the then current annual budget of the Community Association; (c) accurate, itemized and detailed financial reports of the Community Association, showing the actual receipts and expenditures of the Community Association; (d) all tax returns, other financial reports and financial statements of the Community Association; and (e) any other records that identify, measure, record or communicate financial information of the Community Association. All financial and accounting records shall be maintained for a period of at least seven (7) years.

7. FINANCIAL REPORTING. The Community Association shall prepare an annual financial report within ninety (90) days after the close of each fiscal year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include: (i) a statement of support, revenue, and expenses; (ii) a statement of changes in fund balances; (iii) a statement of functional expenses; and (iv) a balance sheet for each fund. The Community Association shall provide each Member with written notice that a copy of the financial report is available upon request at no charge to the Member.

ARTICLE IX AMENDMENTS

These Bylaws may be amended or repealed by new Bylaws upon a majority vote of the entire Community Council at a Community Council meeting in which a quorum is attained; provided, however, that at no time shall the Bylaws conflict with the terms of the Charter and the Certificate of Formation. These Bylaws are being recorded in the Public Records of Hays County and Travis County, Texas, for informational purposes only and amendments to these Bylaws need not be recorded in the Public Records in order to be effective.

ARTICLE X RULES

The Community Council may adopt such uniform Rules governing the operation of the Community Property and the Neighborhood Property, if applicable, as may be deemed necessary and appropriate to assure the enjoyment of all Members and to prevent unreasonable interference with the use of such areas. The Rules shall be consistent with applicable law, the Charter, the Certificate of Formation, and these Bylaws.

ARTICLE XI
ANNUAL BUDGET

1. ADOPTION BY THE COMMUNITY COUNCIL. The Community Council shall annually adopt the budget for the Community Association. The annual budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The annual budget must set out separately all fees or charges for recreational amenities, whether owned by the Community Association, the Declarant or another person.

2. REPORTING TO MEMBERS. The Community Association shall provide to each Member written notice that a copy of the annual budget is available upon request at no charge to the Member. A copy of the annual budget must be provided to a Member within ten (10) business days after the Community Association's receipt of a Member's written request for a copy.

ARTICLE XII
COLLECTION OF ASSESSMENTS

Any amounts charged by the Community Association for Community Assessments, Neighborhood Assessments, Special Assessments, or Individual Assessments shall be made and collected in the manner provided in the Charter. To the extent authorized by the Charter, the Community Association may also collect assessments of fees due to a Neighborhood Association under a Neighborhood Declaration.

ARTICLE XIII
FINES AND OTHER SANCTIONS

The Community Association may charge reasonable fines and impose other sanctions for the failure of a Member or a Member's tenants, guests or invitees to comply with any provisions of the Charter, the Certificate of Formation, the Bylaws, the Rules, all as provided in the Charter.

ARTICLE XIV
COMMITTEES

1. The Community Council, by resolution adopted by a majority of the entire Community Council, may designate one (1) or more committees which, to the extent provided in such resolution, shall have and may exercise the authority of the Community Council in the management of the Community Association; provided, however, that no such committee shall have the authority to (a) approve or recommend to Members any actions or proposals required to be approved by the Voting Members, (b) fill vacancies in the Community Council or any committee, or (c) adopt, amend or repeal these Bylaws. The designation of such committees and the delegation of authority thereto shall not operate to relieve the Community Council or any individual director of any responsibility imposed by law.

2. Each committee must be comprised of two (2) or more members. Prior to Turnover, members of a Community Council committee are not required to be Members. Following Turnover, the members of each committee shall be Members.

3. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided for original committee appointments.

4. Unless otherwise provided in the resolution of the Community Council designating a committee, a majority of the entire committee shall constitute a quorum, and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. Further, regular and special meetings of a committee may be held without notice of the date, time, place or purpose of the meeting.

5. Each committee may adopt rules for its own governance, so long as such rules are not inconsistent with the Charter, the Bylaws, the Certificate of Formation or with Rules adopted by the Community Council.

ARTICLE XV DECLARANT'S CONTROL

Notwithstanding anything contained herein to the contrary, the Declarant shall have full right and authority to manage the affairs and exclusive right to elect the Council Members of the Community Association (who need not be Members) until the earliest of the following shall occur: (a) ten (10) years after the last Lot in all phases of Sunfield that will ultimately be operated by the Community Association have been conveyed to Owners (other than Builders and the Declarant); or (b) the surrender by the Declarant of its authority to appoint and remove members of the Community Council or the Officers by an express Supplement to the Charter executed and recorded by the Declarant.

ARTICLE XVI EXCULPATION

The covenants and warranties and obligations of Developer set forth in these Bylaws, if any, are subject to the following express limitations: (i) the State of California Public Employees Retirement System (the "System") is a limited partner in IHP Investment Fund III, L.P. ("IHP"), and (ii) IHP is a limited partner in Developer and is the sole member of the general partner of Developer. Notwithstanding any other term or provision of these Bylaws, System's liability hereunder is solely that of a limited partner in IHP and no personal or direct liability shall at any time be asserted or enforceable against System, its board, any member thereof, or any employee or agent of System on account of or arising out of any obligations related to these Bylaws. Any Owner or other Person residing in or occupying any portion of Sunfield, shall look solely to the assets of Developer for the enforcement of any claims against Developer arising hereunder or related hereto, and to the fullest extent permitted by Texas law, waives any claim against the partners in Developer and IHP, including the System, irrespective of the compliance or noncompliance now or in the future with any requirements relating to the limitation of liability of limited partners.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2008 Mar 05 12:25 PM 2008034580

GONZALES \$444.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

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.