

**RESOLUTION ADOPTING RULES RELATING TO  
ENFORCEMENT OF RESTRICTIVE COVENANTS**

February 28, 2012

THE STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS           §

WHEREAS, Northtown Municipal Utility District (the "District") is a political subdivision of the State of Texas, created and operating under Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code; and

WHEREAS, under Section 54.237 of the Texas Water Code, the District is authorized to take all actions necessary to enforce restrictive covenants applicable to property within the District when, in the judgment of its Board of Directors ("Board"), enforcement is necessary to sustain taxable property values within the District; and

WHEREAS, the restrictive covenants described on the attached Exhibit "A" (the "Restrictions") are applicable to the property within the District; and

WHEREAS, the Board has determined that it is in the best interests of the District and its taxpayers and ratepayers that rules providing for the enforcement of the Restrictions be adopted for the purpose of protecting and preserving tax property values within the District;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHTOWN MUNICIPAL UTILITY DISTRICT AS FOLLOWS:

Section 1. The District may enforce the Restrictions described on Exhibit "A" when, in the judgment of the Board, enforcement is necessary to sustain taxable property values in the District. The Restrictions will be enforced in a uniform and non-discriminatory manner according to policies and procedures set forth on the attached Exhibit "B", as amended by the Board from time to time.

Section 2. The continued violation of the Restrictions following receipt of notice from the District's representative will constitute a violation of this Resolution, the terms of which constitute rules relating to the enforcement of restrictive covenants ("Rules") adopted by the Board. Notice of a violation from the District's on-site manager or the District's attorney will constitute notice from the District's representative.

Section 3. If a violation of the Restrictions is referred for legal action, the District's attorney will send a cover letter in both English and Spanish with all final notice letters.

Section 4. In the case of a violation of any prohibition contained in the Restrictions against nuisances, including prohibition against loud music or barking dogs, the following requirements must be met before a lawsuit is initiated by the District: (a) the Board must find that the nuisance impairs taxable property values in the District; and (b) the complaining parties must (i) agree, in writing, to appear at any hearing on the matter to testify regarding the violation of the Restrictions and the resulting nuisance; and (ii) join in the lawsuit as a party plaintiff.

Section 5. If legal action is required to enforce any Restrictions, the District will seek recovery of its legal fees and expenses incurred to enforce the Restrictions in accordance with Section 54.237(c) of the Texas Water Code.


Section 6. This Resolution supersedes any Resolutions Adopting Rules Relating to Enforcement of Restrictive Covenants previously adopted by the Board, which will be of no further force and effect.

ADOPTED this 28th day of February, 2012.

**NORTHTOWN MUNICIPAL UTILITY  
DISTRICT**

By:   
Robin Campbell, President  
Board of Directors

ATTEST:

  
Alex Martinez, Secretary  
Board of Directors

## EXHIBIT "A"

1. Declaration of Restrictions Northtown Park Section One, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 87, Pages 7D-8A, Plat Records of Travis County, Texas - Volume 10883, Page 660.
2. Declaration of Restrictions Northtown Park Section Two, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 87, Pages 8B-8C, Plat Records of Travis County, Texas - Volume 9862, Page 48.
3. Declaration of Restrictions Northtown Park Section Four, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 87, Pages 8D-9A, Plat Records of Travis County, Texas - Volume 9862, Page 41 (1986).
4. Declaration of Restrictions Northtown Park Section Four, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 87, Pages 8D-9A, Plat Records of Travis County, Texas - Volume 10724, Page 1621 (1988).
5. Declaration of Restrictions Northtown Park Section Five-A, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 91, Pages 188-189, Plat Records of Travis County, Texas - Volume 11871, Page 909.
6. Declaration of Restrictions Northtown Park Section Seven, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 90, Pages 346-347, Plat Records of Travis County, Texas - Volume 11857, Page 242.
7. Declaration of Restrictions Northtown Park Section Nine, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 91, Pages 53-54, Plat Records of Travis County, Texas - Volume 11815, Page 72.
8. Declaration of Covenants, Conditions and Restrictions for "Meadow Pointe" legally known as Northtown West Section One, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 93, Pages 371-373, Plat Records of Travis County, Texas - Volume 12409, Page 562.
9. Wildflower Residential Area Declaration of Covenants, Conditions and Restrictions, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 99, Pages 13-16, Plat Records of Travis County, Texas - Volume 12836, Page 182, as amended/modified in Volume 12874, Page 471, Volume 12939, Page 1571, Volume 12939, Page 1575 and Volume 13161, Page 327.
10. Declaration of Covenants, Conditions and Restrictions for Trails at Sunset Ridge Subdivision, Unit One, in the City of Pflugerville, Travis County, Texas (Settler's Meadow) recorded as Document No. 1999084334, Official Public Records of Travis County, Texas.

11. Annexation Declaration for Trails at Sunset Ridge Subdivision, Section Two, recorded as Document No. 2000179354, Official Public Records of Travis County, Texas.
12. Annexation Declaration for Trails at Sunset Ridge Subdivision, Section Two, recorded as Document No. 2000181802, Official Public Records of Travis County, Texas.
13. Annexation Declaration for Trails at Sunset Ridge Subdivision, Section Three, recorded as Document No. 2000179353, Official Public Records of Travis County, Texas.
14. Annexation Declaration for Trails at Sunset Ridge Subdivision, Section Four, recorded as Document No. 2002093701, Official Records of Travis County, Texas.
15. Annexation Declaration for Trails at Sunset Ridge Subdivision, Section Four, recorded as Document No. 2002100321, Official Records of Travis County, Texas.
16. Appointment of Architectural Control Committee and Partial Assignment of Rights of Declarant and Developer Under Declaration of Covenants, Conditions and Restrictions for Trails at Sunset Ridge Subdivision, Unit One, recorded as Document No. 2003169616, Official Public Records of Travis County, Texas.
17. Declaration of Covenants, Conditions and Restrictions Brookfield, recorded as Document No. 2001132293, as amended/modified in Document Nos. 2001156100, 2002096768, 2003137042, 2003276457, 2004030166, and 2004171104, Official Public Records of Travis County, Texas.
18. Notice of Annexation/Addition of Land to Amended and Restated Declaration of Covenants, Conditions, and Restrictions Brookfield, recorded as Document No. 2002112311, Official Public Records of Travis County, Texas.
19. Notice of Annexation/Addition of Land to Amended and Restated Declaration of Covenants, Conditions, and Restrictions Brookfield, recorded as Document No. 2002207758, Official Public Records of Travis County, Texas.
20. Notice of Annexation/Addition of Land to Amended and Restated Declaration of Covenants, Conditions, and Restrictions Brookfield, recorded as Document No. 2002207759, Official Public Records of Travis County, Texas.
21. Notice of Annexation/Addition of Land to Declaration of Covenants, Conditions, and Restrictions Brookfield, recorded as Document No. 2003148455, Official Public Records of Travis County, Texas.

22. Notice of Annexation/Addition of Land to Declaration of Covenants, Conditions, and Restrictions Brookfield, recorded as Document No. 2003148456, Official Public Records of Travis County, Texas.
23. Notice of Annexation/Addition of Land to Declaration of Covenants, Conditions, and Restrictions Brookfield, recorded as Document No. 2005034562, Official Public Records of Travis County, Texas.

## EXHIBIT "B"

### RULES GOVERNING ENFORCEMENT OF RESTRICTIVE COVENANTS

#### Section 1.01 Purpose of Rules

These rules are adopted under Section 54.237, Texas Water Code, to ensure the protection of the health, safety and welfare of the residents of the District as intended by the Restrictions; sustain taxable property values in the District; and enhance the quality of life for all District residents and inhabitants through enforcement of the Restrictions as authorized by law.

#### Section 1.02 Definitions

In these Rules, the use of the masculine gender includes the feminine and, unless otherwise indicated by the context, the use of the singular includes the plural, and vice versa. In addition, as used in these Rules, the term:

"Board of Directors" or "Board" means the Board of Directors of the District.

"District" means Northtown Municipal Utility District.

"District Representative" means a representative of the District engaged in carrying out the terms of these Rules under either general or specific authorization to do so from the On-site Manager or the Board; or the District's attorney.

"Person Responsible" means the person owning the property where an alleged restrictive covenant violation exists or is occurring or the person causing the alleged violation if other than or in addition to the owner of the property.

"Rules" means these Rules Governing Enforcement of Restrictive Covenants.

#### Section 1.03 Enforcement Policy

(a) The District may enforce a restrictive covenant through administrative proceedings or litigation if the Board, in its reasonable judgment, determines that enforcement is necessary to sustain taxable property values in the District. The District reserves the right in every case to make an independent determination of the need for and propriety of enforcing a restrictive covenant as authorized by law or these Rules.

(b) These Rules are for the guidance of the District Representative, and are not intended to limit or restrict the authority of the Board. The Board may intervene at any time with respect to any authority granted to or action undertaken by the District Representative under these Rules.

(c) The District Representative will keep the Board informed on a current basis of all actions undertaken under these Rules.

#### Section 1.04 Conditions and Activities to be Reviewed for Enforcement

Without limiting the generality of Section 1.03, the District identifies the following conditions and activities that the Board in its reasonable judgment has determined may be subject to enforcement proceedings in order to sustain taxable property values in the District, provided the restrictive covenant has not be terminated, waived or properly rescinded:

- (a) Any activity or condition that, in the Board's judgment, constitutes a nuisance or a violation of a statute, ordinance, regulation, order or judicial decree.
- (b) Location in view on any property or in any public street or right-of-way of:
  - (1) Any inoperable, disabled, dismantled or abandoned vehicle, except where necessary on a temporary basis only, not exceeding 12 hours in any 24 hour period; or
  - (2) Any equipment, machinery or structure not affixed to and serving the property, or any truck, cab or trailer used for commercial purposes, or any other vehicle larger than 1 ton, except where the equipment, machinery, structure or vehicle is being used in good faith in connection with a legitimate commercial service to the property where the equipment, machinery, structure or vehicle is located and only for the period and during the times the service is being provided; or
  - (3) Any window or wall-type air conditioner.
- (c) Parking boats, trailers, mobile homes, motor homes, campers or similar vehicles on any public street, right-of-way or lot except where necessary on a temporary basis only, not exceeding 12 hours in any 24 hour period, pending removal or other action to comply with restrictive covenants.
- (d) Chain-link or wire-mesh fences.
- (e) Failure to remove trash, brush, debris or any other object, whether naturally occurring or resulting from actions of humans or animals, that adversely conflicts with the general character and appearance of the neighborhood in which the property in question is located.
- (f) Failure to promptly reconstruct or restore to its approximate former condition any building, wall or other structure that may have been damaged as a result of accident, fire, age, deterioration, shifting of the earth or other natural or manmade cause.
- (g) Failure to construct or to obtain approval for construction in accordance with applicable restrictive covenants or according to directions of the Architectural Control Committee.

- (h) Modifications of a dwelling contrary to applicable restrictive covenants or to the directions of the Architectural Control Committee.

Section 1.05 Investigation Procedure

(a) The District's Representative will inspect the property within the District for violations of the Restrictive Covenants at least once every 15 days. Upon the District Representative's observation of or receipt of a written complaint of an alleged violation of a restrictive covenant applicable to property in the District that the District may enforce, the District Representative will, within 5 working days, conduct an investigation, which will include photo documentation of the alleged violation and identification of the Person Responsible and his address.

(b) If the District Representative determines that: (1) a violation of an applicable restrictive covenant exists; (2) there is good reason to believe that the covenant has not been terminated, waived or properly rescinded, and (3) the violation is covered by Section 1.04 or has otherwise been determined to negatively impact taxable property values in the District, he will then determine, based on the nature of the violation and the urgency of the need for correction of the violation, whether to proceed administratively or immediately initiate litigation under Section 1.07. In general, administrative proceedings will be used unless prompt action is required to meet the deadlines for enforcement of the restrictive covenant, such as in construction projects, or where there is a nuisance condition constituting an existing or immediate threat to public health, safety or welfare.

Section 1.06 Administrative Procedures

(a) If the District Representative decides to proceed administratively, an 8½" x 5 ½" colored postcard "Courtesy Notice", will be sent to the Person Responsible, by first-class United States mail. This Courtesy Notice will remind the Person Responsible of his or her obligation to comply with the Restrictive Covenants, and politely request compliance.

(b) If the violation is not corrected prior to the date of the next inspection after a Courtesy Notice is sent to a Person Responsible, the District's Representative will send a letter to the Person Responsible, which states:

- (1) The restriction allegedly violated and the nature of the violation;
- (2) That the Person Responsible must either correct the alleged violation within 15 days from the date of the written notice, or request an administrative hearing on the issue;
- (3) That action is being taken under these Rules; and
- (4) that failure to correct the violation within 15-days may result in legal action.



(c) Upon receipt of written notice from the District Representative under (b) above, the Person Responsible must either correct the violation within the 15-day period or, if the Person Responsible disagrees with the District Representative's notification of required corrective action, request an administrative hearing by written notice to the District Representative within the 15-day period.

(d) If the Person Responsible timely requests an administrative hearing, the District Representative will schedule a hearing on the matter before the District On-Site Manager or her authorized representative at the earliest convenient time. The District Representative will give written notice of the time and place of the hearing to the Person Responsible at his residence or work address.

(e) Any hearing held under (d) above, will be conducted by the District On Site Manager or her authorized representative. The person who hears the matter may not be directly involved in the investigation, preparation or presentation of evidence, or negotiations on the matter, except as such activities are related to and occur in the context of the hearing. The hearing may be continued from time to time and place to place in the discretion of the person conducting the hearing. Upon the conclusion of the hearing, the person conducting the hearing will publicly announce his decision and, if applicable, the time established for compliance.

(f) If the Person Responsible does not agree with and accept the decision of the person conducting the hearing, he may appeal to the Board of Directors within 5 working days after the decision is announced and not thereafter. Any appeal will be scheduled for consideration at the next regular meeting of the Board and will be conducted according to procedures established by the Board. The decision of the Board will be final.

#### Section 1.07 Procedures in Subdivisions with Enforcement Activities by an Active Homeowners' Association

In subdivisions within the District within which restrictive covenant violations are actively enforced by a homeowners' association with assessment powers, the Board may elect to allow the homeowners' association to initiate its own investigatory and administrative proceedings in lieu of those specified in Sections 1.05 and 1.06. In such cases, if the Board determines that litigation is necessary to enforce compliance with applicable restrictive covenants, the Board may refer the matter directly to the District's attorney, and will not be required to provide the Person Responsible with a notice under Section 1.06.

#### Section 1.08 Litigation Procedures

(a) If the Board determines that litigation is required to correct a restrictive covenant violation, whether or not administrative proceedings have been conducted under Section 1.06, the Board may refer the matter to the District's attorney.

(b) If a violation of the Restrictions is not cured within the Applicable Cure Period provided in the Restrictive Covenant Officer's Letter or if the violation is cured

but the residence fails to comply with the Restrictions at a subsequent time, notice of the violation of the Restrictions from the District's Attorney (the "District's Attorney Letter") providing a period of 15 days from the date of the letter to cure the violation.

(c) The District's attorney will send written notice to the Person Responsible by certified mail, return receipt requested, and by first-class mail, advising the Person Responsible of the referral of the matter, demanding compliance with the Restrictive Covenants and extending a final opportunity for compliance before litigation is commenced. This written notice will include a cover letter in both English and Spanish.

(d) If the violation is not corrected following written notice from the District's attorney, the Board will determine whether to proceed with litigation. If the Board authorizes litigation, the attorney will proceed and seek all remedies as may be appropriate. These may include, without limitation, temporary restraining orders and other proceedings to enjoin or abate the violation of the restrictive covenant, as the circumstances may require; joint actions with other parties; and recovery of legal fees, District administrative costs and charges, costs of court and other expenses as authorized by law. The District's attorney will prosecute the litigation to a final judgment unless otherwise instructed by the Board.

(e) Alternatively, the Board may refer the restrictive covenant violation to the Travis County Attorney with a request that he initiate litigation against the Person Responsible under Chapter 343, Texas Health & Safety Code, if the violation is subject to enforcement under that Chapter.