

FACILITIES LICENSE AGREEMENT

THIS FACILITIES LICENSE AGREEMENT (this "Agreement") is executed and entered into as of the 27th day of June, 2011, (the "Effective Date") by The Pinnacle at North Lakeway Condominium Association, Inc., a Texas non-profit corporation (the "Condominium Association" and also "Licensor"), the North Lakeway Village Homeowners Association, Inc., a Texas non-profit corporation (the "Section 3 Association"), and the North Lakeway Village Section 6 Homeowners Association, Inc., a Texas non-profit corporation (the "Section 6 Association"). The Section 3 Association and Section 6 Association may be referred to hereinafter together as "Licensees". Licensor and Licensees are sometimes collectively referred to herein as the "Parties".

ARTICLE I **Recitals**

The following facts are correct and form the basis of this Agreement.

1.1 WHEREAS, RH of Texas Limited Partnership, a Maryland limited partnership ("Ryland"), as "Declarant" of the Condominium (defined below) has previously annexed that certain 0.714 acre tract of real property more particularly described in Exhibit "A" attached hereto and incorporated herein (the "License Property" or, the "Property") into the Condominium by that certain Tenth Supplement to Amended and restated Declaration of Covenants, Conditions and Restrictions for the Pinnacle at North Lakeway Condominiums recorded at Document No. 2011092491, Official Public Records of Travis County, Texas (the "Tenth Supplement"); and

1.2 WHEREAS, the Property is located in Travis County, Texas, and is a portion of the property included within the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for The Pinnacle at North Lakeway Condominiums (the "Condominium Declaration") recorded under Document No. 2009103843 in the Real Property Records of Travis County, Texas (the "Condominium"); and

1.3 WHEREAS, the Property has been designated as common element of the Condominium by the Tenth Supplement; and

1.4 WHEREAS, the Condominium Association is the condominium owners association for the Condominium and is the association formed for the sole purpose of exercising all of the powers and privileges, and performing all of the duties and obligations of the association as set forth in the Condominium Declaration; and

1.5 WHEREAS, per Section 82.102(10) of the Texas Uniform Condominium Act, the Condominium Association may grant easements, leases, licenses, and concessions through and over the common elements of the Condominium; and

1.6 WHEREAS, there is nothing in the Condominium Declaration or the bylaws of the Condominium Association inhibiting its rights or otherwise precluding it from granting licenses over the common elements of the Condominium; and

1.7 WHEREAS, the Property includes the following, which shall be referred to collectively herein as the "Facilities":

- a. Swimming Pool;
- b. Amenity Center;
- c. Park Area;
- d. Restrooms; and
- e. Open Space

1.8 WHEREAS, the Section 3 Association is the homeowners association for North Lakeway Village Section 3 ("Section 3") and is the association formed for the sole purpose of exercising all of the powers and privileges, and performing all of the duties and obligations of the association as set forth in that certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for North Lakeway Village – Section 3, recorded at Document No. 200700037, Official Public Records of Travis County, Texas (the "Section 3 Declaration"); and

1.9 WHEREAS, the Section 3 Association is permitted by the Section 3 Declaration, as amended, to enter into contracts and agreements on behalf of, and for the use of amenity facilities by its members; and

1.10 WHEREAS, the Section 6 Association is the homeowners association for North Lakeway Village Section 6 ("Section 6") and is the association formed for the sole purpose of exercising all of the powers and privileges, and performing all of the duties and obligations of the association as set forth in that certain Declaration of Covenants, Conditions, and Restrictions for North Lakeway Village – Section 6, recorded at Document No. 200700038, Official Public Records of Travis County, Texas (the "Section 6 Declaration") and

1.11 WHEREAS, the Section 6 Association is permitted by the Section 6 Declaration, as amended, to enter into contracts and agreements on behalf of, and for the use of amenity facilities by its members; and

1.12 WHEREAS, the Condominium Association is the condominium owners association for the Pinnacle at North Lakeway Condominiums (the "Condominium") and is the association formed for the sole purpose of exercising all of the powers and privileges, and performing all of the duties and obligations of the association as set forth in that certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for The Pinnacle at North Lakeway Condominiums, recorded at Document No. 2009013843, Official Public Records of Travis County, Texas (the "Condominium Declaration"); and

1.13 WHEREAS, Ryland, as the "Developer" of Section 3, Section 6 and the Condominium, and as the Declarant of each of the three Declarations described hereunder, has

previously developed and constructed an "Amenity Area" within the Property including the Facilities described in Section 1.7 above; and

1.14 WHEREAS, Ryland has previously encumbered the Property with that certain Declaration of Easements and Restrictive Covenants Regarding Recreational Facilities Easement for the benefit of the Lot Owners in Section 3 and Section 6 as well as the Owners of Units within the Condominium as recorded at Document No. 2011090174, Official Public Records of Travis County, Texas (the "Easement"); and

1.15 WHEREAS, Licensor wishes for owners of the lots in Section 3 and Section 6, as well as the owners of each of the units in the Condominium (the "Owners") to be able to access, use and enjoy the Facilities within the Property as though such Facilities and Property were part of the common area or amenity facilities of Section 3, Section 6 and the Condominium; and

1.16 WHEREAS, Licensor and Licensees desire that the operation and maintenance of the Facilities shall be funded by assessments against the lots and units to be levied and collected against the Owners by the three Associations, respectively; and

1.17 WHEREAS, it is the intent of the Parties that the Owners of residential lots in Section 3 and Section 6 shall not be excluded from the Property or the Facilities; and

1.18 WHEREAS, the Section 3 Association, the Section 6 Association and Licensor, through their respective Boards of Directors and as agents for the Owners, desire to enter into this Agreement so that the Owners may have use of the Facilities based on the terms and conditions set forth herein, and each of the signators hereto has been authorized by the Board of Directors of their respective entity to sign and enter into this Agreement and bind the Parties hereto.

NOW, THEREFORE, the Parties hereby agree as follows.

ARTICLE II **Facilities License**

2.1 Description of License. Licensor hereby grants to the Section 3 Association and the Section 6 Association, acting as agents for the Owners of lots and units within Section 3, Section 6 (together, the "Subdivisions"), a non-exclusive license (the "License") to enter onto the Property via San Remo Blvd. and use the Facilities for the following limited purposes and uses:

- a. use of the Swimming Pool and Amenity Center in accordance with the rules, hours of operation and limitations posted at those Facilities;
- b. use of other portions of the Property as long as such use is in connection with the purposes set forth herein.

The rights granted hereunder shall only be to the benefit of the Section 3 Association, the Section 6 Association, and the Owners of the lots and Units in Section 3, and Section 6, their

immediate families and/or tenants. Owners shall be permitted to access the Property using San Remo Blvd. and Roberto Drive and shall not be permitted to drive on or access other portions of the Condominium. All Owners shall park on the Property while using the Facilities and shall not be permitted to park on any roadway or other common element or portion of the Condominium unless otherwise designated by the Condominium Association.

2.2 Usage of License. The License shall be interpreted to permit usage of the License in common with other Owners of lots and units within the Subdivisions on a non-exclusive basis. The Section 3 Association, Section 6 Association, lot and unit Owners and all others granted rights hereunder shall comply with all rules and policies promulgated and maintained by Southwest Property Management, Inc. ("Southwest"), its successors or assigns, with regard to use of the Facilities at all times. Southwest is the property management company presently utilized by Licensor and Licensees.

2.3 Own Risk. It is understood and agreed that use of the Facilities shall be at the Associations' (their members, guests, invitees, and tenants), sole risk, and by the use thereof, Owners, the Associations, their members, guests, invitees, and tenants hereby waive all claims and liability against Licensor and the owners of the Condominium Units and hereby assume the full risk of the use thereof, and assume full responsibility for any and all loss, cost, expense, damage or injury, including reasonable attorneys' fees arising there from.

2.4 Insurance Coverage. If requested by Licensor, Licensees shall add coverage under their existing general liability insurance policy covering occurrences involving the Owners or anyone exercising rights under this Agreement and add Licensor as an additional insured under such policy.

2.5 Notification to Owners and Enforcement by Association. Licensor and Licensees shall provide a copy of this Agreement to all Owners within Section 3, Section 6 and the Condominium and shall be required to enforce the obligations of the Parties as set forth herein.

ARTICLE III **Consideration**

3.1 Consideration. In addition to that consideration otherwise stated herein, the Section 3 Association and Section 6 Association and Licensor shall each be responsible for, and the Section 3 Association and Section 6 Association shall pay to Licensor (unless agreed otherwise) an amount equal to the respective Association's proportionate share of (i) the annual operating costs of the Facilities; (ii) any taxes due and owing with respect to the Property and the Facilities, (iii) administrative and overhead costs related to this Agreement; and (iv) the amount needed to maintain a reserve fund for repairs, maintenance, and replacement of the Facilities. It is the intent of the Parties that the Owners shall share in the costs of maintenance and operation of the Facilities evenly on a per unit basis, calculated using the total number of lots and units within Section 3, Section 6 and the Condominium. Each Association's proportionate share of such expenses shall be based on the number of residential lots or condominium units within Section 3, Section 6 and the Condominium, respectively, compared to the total number of lots and condominium units within the Subdivisions. Each Association's proportionate share as described herein shall be calculated as follows:

Section 3:	73 residential lots	Proportionate Share: 34.6%
Section 6:	53 residential lots	Proportionate Share: 25.1%
Condominium:	85 residential units	Proportionate Share: 40.3%
Total:	211 units	100%

3.2 Budget. Licensor shall cause Southwest, its successor or assigns to prepare a budget (the "Budget") of expenses related to the operation and maintenance of the Facilities on an annual basis using Generally Accepted Accounting Practices. Each Association's responsibility for and payment of its share of the expenses shall be based on the Budget and may be paid monthly or in a lump sum at the beginning of such Association's fiscal year. The budget shall include a true-up of the Association's overpayment or underpayment based on the actual expenses from the previous year. The Section 3 and Section 6 Associations shall pay Licensor such Associations' estimated share of the budgeted amount over the course of the year, such amount to be funded as part of the lot owner's regular assessment. Each condominium unit owner shall be obligated to pay the amount imposed by Licensor as part of their regular assessment. By separate agreement, Ryland has agreed with Licensor to fund that portion of assessments that would be attributed to unbuilt Units within the Condominium until such units are constructed and sold to third party users.

ARTICLE IV

Term

4.1 Term. Unless earlier terminated by agreement of both parties, this Agreement will remain in effect until June 30, 2041. No variations, modifications or changes herein or hereof shall be binding upon any party hereto unless set forth in writing executed by Licensor and Licensees. After June 30, 2041, this Agreement shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by each of the Associations that are parties hereto.

4.2 Early Termination. The Parties may mutually agree to terminate this Agreement prior to the end of the Term notice under the following circumstances:

- a. all or a substantial portion of the Facilities are destroyed or substantially damaged through fire, wind or water damage or other casualty;
- b. in the reasonable opinion of the Section 3 Association, the Section 6 Association and Licensor, the costs of maintenance, upkeep, repair or replacement of the Facilities are no longer a practical expense considering the benefits to the Owners of Lots and Units within Section 3, Section 6 and the Condominium.

The written agreement of Licensor and Licensees shall be required for such termination. Upon an early termination of this Agreement, each Association will be refunded any amounts paid pursuant to this Agreement for time periods that have not yet fully accrued per the terms of the Agreement. Notwithstanding the foregoing, termination of this Agreement in accordance with the terms hereof shall not effect a termination of the Easement.

ARTICLE V

General Provisions

5.1 Entire Agreement. This Agreement represents the entire agreement between the Parties hereto and cannot be varied except by the written agreement of the Parties. The Parties agree that there are no oral agreements which are not expressly set forth in this Agreement.

5.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Section 3 Association, the Section 6 Association, Licensor, each of the Owners of the habitable, residential Lots and Units within Section 3, Section 6 and the Condominium and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party's successors and assigns.

5.3 No Property Interest Granted. No provision of this Agreement shall ever be construed to grant or create any rights whatsoever in or to any portion of the Property described herein other than the License. Nothing in this Agreement shall ever constitute or be construed as the grant of an easement or as a dedication of any interest herein described to the public or give any member of the public any rights whatsoever.

5.4 Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of intent of this document and in no way affect the terms and provisions thereof.

5.5 INDEMNITY. LICENSOR WILL NOT BE LIABLE TO THE SECTION 3 ASSOCIATION, OWNERS OF LOTS IN SECTION 3, THE SECTION 6 ASSOCIATION, OWNERS OF LOTS IN SECTION 6, THEIR GUESTS, INVITEES, OR TENANTS FOR ANY DAMAGE TO PERSON OR PROPERTY ARISING OUT OF OR CAUSED BY THE USE OF THE LICENSE AS DESCRIBED HEREIN. FURTHER, EACH ASSOCIATION AND ITS MEMBERS (INCLUDING THE OWNERS OF LOTS IN SECTION 3 AND SECTION 6, THEIR GUESTS, INVITEES, AND TENANTS (THE "INDEMNIFYING PARTIES") HEREBY AGREE TO INDEMNIFY, SAVE, DEFEND AND HOLD HARMLESS LICENSOR AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, TENANTS, GUESTS, INVITEES, LICENSEES, SUCCESSORS AND ASSIGNS (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, COSTS, CAUSES OF ACTION, LIABILITIES, OF ANY KIND OR NATURE WHICH RESULT FROM OR ARE IN ANY WAY ATTRIBUTABLE TO THE USE OF THE LICENSE BY THE INDEMNIFYING PARTIES.

5.6 Defaults and Remedies. Notwithstanding any other provision contained in this Agreement to the contrary, no party to this Agreement shall be in default under this Agreement until:

A. In the case of a failure to pay any fees or other sums due under this Agreement, fifteen (15) days after receipt of written notice thereof from Licensor or its representative, as applicable; or

B. In the case of any other default, thirty (30) days after receipt of written notice thereof from any non-defaulting Party; provided, however, where any such default cannot reasonably be cured within thirty (30) days, the defaulting Party shall not be deemed to be in default under this Agreement if such Party commences to cure such default within said thirty (30) day period and thereafter diligently pursues such cure to completion.

In the event of an Association's default in the payment of fees or amounts owed hereunder or an Association's failure to comply with any other material provision of this Agreement, Licensor may, at its option, suspend this Agreement with respect to such defaulting Association and its respective Owners without affecting its right to sue for all past due fees and amounts due and owing, and any other damages to which Licensor may be entitled. Should Licensor be entitled to collect fees or damages and be forced to do so through its attorney, or by other legal procedures, Licensor shall, upon receipt of a favorable ruling, be entitled to its reasonable costs and attorney fees thereby incurred, upon said collection.

5.7 Notices. All notices, demands, and requests hereunder shall be in writing and shall be deemed to have been properly delivered and received (a) as of the date of delivery to the addresses set forth below if personally delivered or delivered by facsimile machine, with delivery confirmed by sender's receipt of a transmission report; (b) 2 business days after deposit in a regularly maintained receptacle for the United States mail, certified mail, return receipt requested and postage prepaid; or (c) 1 business day after deposit with Federal Express or comparable overnight delivery system for overnight delivery with all costs prepaid. All notices, demands, and requests hereunder shall be addressed as follows:

If to Licensor:

North Lakeway Village Homeowners Association, Inc.,
C/O: Southwest Management Services
Attn: Bonnie Carlisle
PO Box 342585
Austin, Texas 78734

If to the Section 3 Association:

North Lakeway Village Homeowners Association, Inc.,
C/O: Southwest Management Services
Attn: Bonnie Carlisle
PO Box 342585
Austin, Texas 78734

If to the Section 6 Association:

North Lakeway Village Section 6 Homeowners Association, Inc.
C/O: Southwest Management Services
Attn: Bonnie Carlisle
PO Box 342585
Austin, Texas 78734

The parties may change their respective addresses upon 5 days written notice to the other party of such change of address in the manner set forth above.

5.8 Memorandum of Agreement. Any party to this Agreement may prepare a memorandum of this Agreement to be recorded in the Travis County Real Property Records. Such memorandum shall be in the form mutually agreed to by the parties.

[Remainder of Page to remain blank – Signature Page to follow]

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

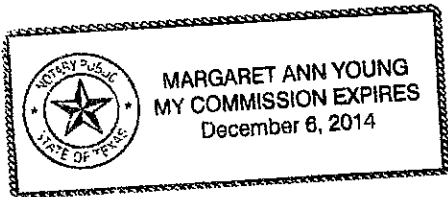
THE PINNACLE AT NORTH LAKEWAY CONDOMINIUM ASSOCIATION, INC.

a Texas nonprofit corporation

By: *William A. Clark*
William A. Clark, President

STATE OF TEXAS §
COUNTY OF *Williamson* §
W.A. TRAVIS §

BEFORE ME, the undersigned authority, on this 27 day of June, 2011, personally appeared, William A. Clark, as President of The Pinnacle at North Lakeway Condominium Association, Inc., a Texas nonprofit corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of the Association.



Margaret Ann Young
Notary Public in and for the State of Texas

**THE NORTH LAKEWAY VILLAGE SECTION 6 HOMEOWNERS
ASSOCIATION, INC.**

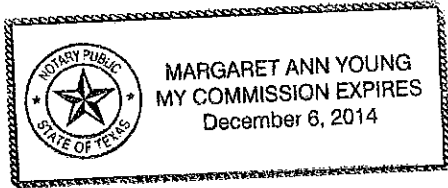
a Texas nonprofit corporation

By: *William A. Clark*
William A. Clark, President

STATE OF TEXAS §

COUNTY OF *Williamson* §
WMA §

BEFORE ME, the undersigned authority, on this 27 day of June, 2011, personally appeared, William A. Clark, as President of The North Lakeway Village Section 6 Homeowners Association, Inc., a Texas nonprofit corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of the Association.



Margaret Ann Young
Notary Public in and for the State of Texas

AFTER RECORDING, RETURN TO:
RH of Texas Limited Partnership
Attn: Margaret Young
1101 Arrow Point Drive, Suite 101
Cedar Park, Texas 78613

EXHIBIT "A"

[To be attached]

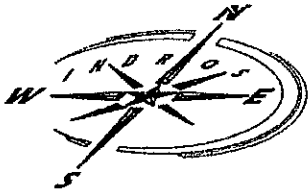


EXHIBIT A

Windrose Land Services Austin Ltd

4120 Commercial Center Drive, Suite 300

Austin, Texas 78744

Phone (512) 326-2100 Fax (512) 326-2770

Professional Surveying Services

LEGAL DESCRIPTION

BEING A TRACT OR PARCEL OF LAND CONTAINING 0.714 ACRE (31,080 SQ. FT.) OF LAND, OUT OF THE B. K. STEWART SURVEY NO. 84, ABSTRACT NO. 2476, LOCATED IN TRAVIS COUNTY TEXAS, AND BEING A PORTION OF THAT TRACT OF LAND CONVEYED TO RH OF TEXAS, LIMITED PARTNERSHIP BY DEED RECORDED IN DOCUMENT NO. 2005220702, T.C.O.P.R., SAID TRACT OF LAND BEING, LOT 1, BLOCK "A" OF NORTH LAKEWAY VILLAGE SECTION 2, A RECORDED SUBDIVISION IN TRAVIS COUNTY, TEXAS, RECORDED IN DOCUMENT NO. 200700099, T.C.O.P.R., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: (ALL BEARINGS SHOWN HEREIN ARE BASED ON SAID RECORDED PLAT OF NORTH LAKEWAY VILLAGE, SECTION 2)

BEGINNING AT A FOUND CAPPED 1/2" IRON ROD IN THE NORTH RIGHT-OF-WAY LINE OF LOMBARDIA DRIVE (50' R.O.W.), SAME BEING AT THE END OF A CURVE TO THE RIGHT IN THE NORTHEAST LINE OF NORTH LAKEWAY VILLAGE SECTION 3, A RECORDED SUBDIVISION IN TRAVIS COUNTY, TEXAS, RECORDED IN DOCUMENT NO. 200700037, T.C.O.P.R., SAME BEING IN THE SOUTHWEST LINE OF SAID LOT 1, BLOCK "A", FOR THE WEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE LEAVING THE SOUTH LINE OF SAID LOT 1, BLOCK "A" AND ENTERING INTO AND ACROSS SAID LOT 1, BLOCK "A" THE FOLLOWING FOUR (4) COURSES:

1. NORTH 57°56'40" EAST, A DISTANCE OF 166.70' TO A SET 1/2" IRON ROD CAPPED (WINDROSE AUSTIN) AT THE BACK OF CURB IN THE CURVING SOUTH LINE OF ROBERTO DRIVE (PRIVATE STREET) BEING A PART OF SAID LOT 1, BLOCK "A", SAID CURVE BEING A CURVE TO THE LEFT HAVING A RADIUS OF 370.00';
2. WITH SAID CURVE TO THE LEFT 122.12', SUBTENDING A CENTRAL ANGLE OF 18°54'41", WHOSE CHORD BEARS SOUTH 43°03'45" EAST, A CHORD DISTANCE OF 121.57' TO A SET 1/2" IRON ROD CAPPED (WINDROSE AUSTIN) AT THE INTERSECTION OF THE SOUTH LINE OF SAID ROBERTO DRIVE AND THE WEST LINE OF SAN REMO BOULEVARD (PRIVATE STREET) BEING A PART OF SAID LOT 1, BLOCK "A", AND BEING AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00';
3. WITH SAID CURVE TO THE RIGHT 34.57', SUBTENDING A CENTRAL ANGLE OF 79°13'43", WHOSE CHORD BEARS SOUTH 10°48'26" EAST, A CHORD DISTANCE OF 31.88' TO A SET 1/2" IRON ROD CAPPED (WINDROSE AUSTIN) AT THE BACK OF CURB IN THE WEST LINE OF SAID SAN REMO BOULEVARD;
4. SOUTH 27°57'15" WEST WITH THE BACK OF CURB ON THE WEST SIDE OF SAID SAN REMO BOULEVARD, A DISTANCE OF 111.88' TO A SET 1/2" IRON ROD CAPPED (WINDROSE AUSTIN) IN THE SOUTHERLY MOST NORTH LINE OF SAID NORTH LAKEWAY VILLAGE SECTION 3, AND BEING A POINT IN THE NORTH RIGHT-OF-WAY LINE OF SAID SAN REMO BOULEVARD AS SHOWN ON THE RECORDED PLAT OF SAID NORTH LAKEWAY VILLAGE SECTION 3, SAME BEING IN THE SOUTH LINE OF SAID LOT 1, BLOCK "A";

THENCE WITH THE COMMON LINE OF SAID NORTH LAKEWAY VILLAGE SECTION 3 AND SAID LOT 1, BLOCK "A", NORTH LAKEWAY VILLAGE SECTION 2, THE FOLLOWING FOUR (4) COURSES:

1. NORTH 62°00'25" WEST, A DISTANCE OF 9.52' TO A FOUND CAPPED 1/2" IRON ROD;
2. SOUTH 27°59'35" WEST, A DISTANCE OF 7.50' TO A FOUND CAPPED 1/2" IRON ROD AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00';
3. WITH SAID CURVE TO THE RIGHT A DISTANCE OF 42.09', SUBTENDING A CENTRAL ANGLE OF 96°27'22', WHOSE CHORD BEARS SOUTH 76°13'15" WEST, A CHORD DISTANCE OF 37.29' TO A FOUND CAPPED 1/2" IRON ROD AT THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 425.00';
4. WITH SAID CURVE TO THE RIGHT A DISTANCE OF 193.62', SUBTENDING A CENTRAL ANGLE OF 26°06'11", WHOSE CHORD BEARS NORTH 42°29'58" WEST, A CHORD DISTANCE OF 191.95' TO THE PLACE OF BEGINNING AND CONTAINING 0.714 ACRE (31,080 SQ. FT.) OF LAND, AS SURVEYED ON THE GROUND ON APRIL 30, 2010.

RONNIE WILLIS, TEXAS R.P.L.S. #5462

MAY 20, 2011

JOB #18618

