

ANDERSON MILL MUNICIPAL UTILITY DISTRICT
POLICIES AND PROCEDURES FOR THE
ENFORCEMENT OF DEED RESTRICTIONS

Revised June 10, 2004

In order to enable the Anderson Mill Municipal Utility District (the "District") to enforce the deed restrictions in the various subdivisions in the District in a uniform and efficient manner, sustain taxable property values in the District and enhance the quality of life for all District residents and inhabitants, the following "Policies and Procedures for the Enforcement of Deed Restrictions" (the "Policies") are hereby adopted.

1. Section 54.237 of the Texas Water Code authorizes the District to take all actions necessary to enforce deed restrictions in the District when "in the reasonable judgment of the board of directors of the district, enforcement of the restriction is necessary to sustain taxable property values in the district". Without limiting the generality of the foregoing and reserving the right in every case to make an independent determination of the need for and propriety of enforcing deed restrictions as authorized by law, the Board of Directors (the "Board") of the District hereby adopts these Policies for the guidance of the District's General Manager, any deed restriction agent ("DRA") hired by the District to help enforce deed restrictions and the residents and inhabitants of the District
2. Although the District has the authority to enforce deed restrictions on residential properties within the District, the District does not have authority to enforce violations on streets within the District, which are within the jurisdiction of Williamson County. A complete copy of the applicable deed restrictions for each village in the District can be obtained at the District offices for a small fee to cover copying charges.
3. The District may initiate the enforcement of an alleged deed restriction violation in any manner that it deems appropriate under the circumstances. However, the typical enforcement case should be initiated by: (1) a resident completing the "Deed Restriction Violation Form" located on the District web site at www.ammud.org, <<http://www.ammud.org>> and filing it with the DRA or General Manager; (2) a resident submitting a complaint using the form available at the District office and filing it with the DRA or General Manager; or (3) an authorized agent of the District, including the DRA and General Manager, unilaterally initiating an enforcement action for an alleged violation of a deed restriction. A complaint shall contain such information as necessary to enable a sufficient evaluation of the alleged deed restriction violation at issue.

4. In most cases, after a complaint is received by the District, the DRA shall make the initial review of the complaint and conduct such further investigation as he/she may deem appropriate. As an alternative, the General Manager or another authorized agent of the District may conduct the initial review and/or investigation. If the investigator determines that a violation exists, the investigator should typically contact the homeowner and attempt to get the violation(s) remedied informally. If a timely resolution is not reached, the investigator should then send a formal enforcement letter (in a form approved by the Board) to the homeowner or resident responsible for the violation asking that the violation be promptly remedied. As a matter of policy, the investigator should send every violator an enforcement letter irrespective of whether additional enforcement action is contemplated and should require the violation to be cured within not more than thirty days. If a timely resolution is still not reached, the investigator should typically forward the file to the General Manager in time for the issue to be scheduled on the agenda for the next scheduled Board meeting, and the homeowner or resident shall be notified that the issue will be discussed and invited to attend the Board meeting.
5. At the Board meeting, the Board may provide the homeowner or resident an opportunity to address the Board about the alleged deed restriction violation. The Board will then determine what, if any, further action should be taken by the District. The Board, upon review of the alleged violation(s) and any rebuttal by the alleged violator, shall at its own discretion, determine the proper course of action as prescribed by law, necessary to alleviate and remediate the alleged violation(s), including taking all legal action if necessary. The Board of Directors reserves the right in all matters to act at its own discretion and in its own best judgment on a case-by-case basis.
6. In situations that require immediate action, the investigator shall immediately notify the Board of the circumstances and the reasons why immediate action is required. By way of example, the construction of an unauthorized structure may necessitate immediate litigation. In this situation and others where time is of the essence, the investigator should take all prudent action necessary to allow the District to respond timely and effectively.
7. With respect to the provision of Section 54.237(b) of the Texas Water Code that requires the Board to determine whether an enforcement action is necessary to sustain taxable property values in the District, the Board hereby finds that, as a general principle, the enforcement of deed restrictions is typically necessary to sustain taxable property values in the District. Although any given violation may not cause the taxable property value of the pertinent house or neighboring houses to immediately decrease, the overall impact of a violation, when considered both individually and collectively with other possible existing violations or with other violations that may occur as a direct or indirect result of the pertinent violation, will necessarily have a negative impact on the ability of the District to sustain taxable property values throughout the District. Nevertheless, the Board reserves

the right to determine on a case-by-case basis whether the enforcement of any particular alleged violation is necessary to sustain taxable property values in the District.

8. The Policies and Procedures for the Enforcement of Deed Restrictions approved in September of 2000 by the District on are hereby superseded by the foregoing Policies.

PASSED AND APPROVED this 10th day of June, 2004.

David L. Harper, President
Anderson Mill Municipal Utility District

ATTEST:

Fred Grampp, Secretary
Anderson Mill Municipal Utility District

(SEAL)