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HIDDEN HILLS ON LAKE TRAVIS
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR THE RANCH, SECTIONS THREE THROUGH ELEVEN

THE STATE OF TEXAS

COUNTIES OF TRAVIS
AND BURNET

Sections

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Reference is made to the following and their respective records in Travis and Burnet Counties, Texas:

1. that certain Declaration of Covenants, Conditions, and Restrictions for The Ranch, Sections Three through Eleven dated as of July 9, 1986 (the "Original Declaration") as recorded in Volume 9849, Page 599, of the Real Property Records of Travis County, Texas, and as recorded in Volume 371, Page 362, of the Deed Records of Burnet County, Texas;

2. that certain Amendment to Hidden Hills on Lake Travis Declaration of Covenants, Conditions, and Restrictions for The Ranch, Sections Three Through Eleven dated February 27, 1987 (the "First Amendment"), as recorded in Volume 10147, Page 546, of the Real Property Records of Travis County, Texas, and as recorded in Volume 392, Page 424, of the Deed Records of Burnet County, Texas;

3. that certain Amendment Number Two to Hidden Hills on Lake Travis Declaration of Covenants, Conditions and Restrictions for The Ranch, Sections Three Through Eleven dated November 2, 1987 (the "Second Amendment"), as recorded in Volume 10478, Page 487, of the Real Property Records of Travis County, Texas, and as recorded in Volume 415, Page 447, of the Deed Records of Burnet County, Texas; and

4. that certain Amendment No. Three to Hidden Hills on Lake Travis Declaration of Covenants, Conditions and Restrictions for The Ranch, Sections Three Through Eleven dated November 2, 1987 (the "Third Amendment"), as recorded in Volume 10478, Page 482, of the Real Property Records of Travis County, Texas, and as recorded in Volume 415, Page 445, of the Deed Records of Burnet County, Texas.

For convenience the term "Existing Declaration" shall hereinafter collectively refer to and mean the Original Declaration as amended by the First Amendment, the Second Amendment and the Third Amendment.

The Declarant has determined that the Existing Declaration contains certain technical errors which should be corrected and that certain additional amendments thereto, as permitted by the provisions of Section 8.1 of the Existing Declaration, should be made, to wit:

a. correcting the definitions of the terms "Common Area", "Land", "Lot or Lots", "Property", and "Plat or Plats" contained in the Existing Declaration;

b. amending the provisions of Section 2.1 of Article 2 of the Existing Declaration;

c. amending the provisions of Subsection 2.7(d) of Article 2 of the Existing Declaration;

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TRAVIS COUNTY, TEXAS

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d. amending the provisions of Subsection 2.2(b) of Article 2 of the Existing Declaration.

In order to make such corrections and amendments and also avoid the inconvenience of having the covenants, conditions and restrictions of the Existing Declaration contained in five separate documents, the Declarant is executing and recording this instrument as a full restatement of the covenants, conditions and restrictions, as so amended and corrected, which are applicable to and binding upon the lots, tracts and parcels of land (and the respective Owners thereof) situated in The Ranch, Sections Three through Eleven, subdivisions in Travis and Burnet Counties, Texas, according to the maps and plats thereof of record in the Plat Records of said Counties to which reference and their respective records reference is made.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That, The Ranch Associates, pursuant to its power and authority as set forth in the Existing Declaration, and in order to create and carry out a general and uniform plan for the improvement, development, sale, and use of Lots (hereafter defined) in the Subdivision (hereafter defined), for the benefit of the present and future Owners (hereafter defined) of the Lots, does hereby establish and adopt and fully restate the following Restrictions (hereafter defined), as being in full force and effect upon those properties hereinafter stated and to the extent hereinafter stated. To the extent that any variation of any kind or to any extent exists between the covenants, conditions, restrictions, reservations and easements hereinafter set forth and those stated or set forth in the Existing Declaration, those set forth in this instrument shall control and govern. In executing and recording this instrument, The Ranch Associates intends for all references and uses of the Existing Declaration to cease and terminate and be substituted with references to this instrument.

ARTICLE 1 DEFINITIONS

As used in these Restrictions, the terms set forth below shall have the meanings indicated:

1. Additional Land - such tract or tracts, parcel or parcels of land, other than the Land, made subject to the Restrictions by Declarant in accordance with the provisions of Article 7 hereof.
2. Golf Course Lots - Those Lots upon which the rear property line is facing the Golf Course.
3. Annual Maintenance Charge - the assessment made and levied by the Board against each Owner and his Lot in accordance with the provisions of these Restrictions.
4. Articles of Incorporation - the Articles of Incorporation of the Association.
5. Association - Property Owners Association of Hidden Hills on Lake Travis, Inc., a Texas nonprofit corporation, its successors and assigns.
6. Board or Board of Directors - the Board of Directors of the Association, whether such Board be appointed by Declarant or elected by the Association in accordance with the provisions of these Restrictions.
7. Bylaws - the Bylaws of the Association.

8. Common Areas - that portion of Lot 37, Block Two, Section 4, of the Ranch Subdivision described in Exhibit A attached hereto and incorporated herein by reference for all purposes; Lot 38, Block One, Section 4, and Lot 26, Block Two, Section 10, of the Ranch Subdivision; plus all of the Land other than (i) the Lots; (ii) Lot 22, Block Two, Section 4; and (iii) the streets, roads, drives, boulevards or other roadways shown on the Plats (whether labeled as "common area lots" or otherwise).

9. Commencement of Construction - the date on which foundation forms are set for a Unit.

10. Declarant - The Ranch Associates, a Texas joint venture, and its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Office of the County Clerk of Travis County, Texas.

11. Exterior Area - the portion of a Lot not covered by a Unit.

12. Land - those certain tracts or parcels of land containing approximately 290.31 acres and situated in Travis and Burnet Counties, Texas, such tracts or parcels of land being the lands more particularly described on the Plats.

13. Lot or Lots - each of the lots shown by the Plats (other than (i) Lot 37, Block Two, Section 4; (ii) Lot 22, Block Two, Section 4; (iii) Lot 38, Block One, Section 4; (iv) Lot 26, Block Two, Section 10; and (v) all the streets, roads, drives, boulevards and other roadways shown on the Plat, whether labeled as "common area lots" or otherwise), and those otherwise made subject to the Restrictions by Declarant in accordance with the provision of Article 7 hereof.

14. Maintenance Fund - any accumulation of (i) the Annual Maintenance Charges collected by the Board in accordance with the provisions of these Restrictions for the continued maintenance, insuring, repair, and operation of, and the construction of improvements on, the Subdivision and (ii) interest, penalties, assessments, and other sums and revenues collected by the Board pursuant to these Restrictions.

15. Member or Members - a member or members of the Association, as more particularly described in Article 3 hereof.

16. Mortgage - a security interest, mortgage, deed of trust, or lien instrument granted by an Owner to secure the repayment of a loan made to Owner, duly recorded in the Office of the County Clerk of the county in which the Lot is located and creating a lien or security interest encumbering a Lot and all improvements thereon.

17. Owner or Owners - any person or persons, firm, corporation or other entity or any combination thereof that owns, of record, title to a Lot.

18. Plat or Plats - the map or maps, plat or plats, recorded in the Plat Book and page of Travis County, Texas, as follows:

<u>The Ranch, Section No.</u>	<u>Plat Book</u>	<u>Page</u>
Three	84	111A-111B
Four through Eleven	87	1ABCD, 2ABCD, 3ABCD, 4ABCD, 5A.

and the map or maps, plat or plats, recorded in the Cabinet and Slide Number of Burnet County, Texas, as follows:

<u>The Ranch</u> <u>Section No.</u>	<u>Cabinet Number</u>	<u>Slide Number</u>
Four through Eleven	2	17 - BCD 18 - ABCD 19 - ABCD 20 - ABCD 21 - AB D

19. Plans - the final construction plans and specifications (including a related site and grading plan) for any building or improvement of any kind erected, placed, constructed, maintained, or altered on any portion of the Land.

20. Property - Each of the Lots identified on Exhibit B attached hereto and made a part hereof for all purposes.

21. Restrictions - the covenants, conditions, easements, reservations, and stipulations that shall be applicable and govern the improvement, use, occupancy, and conveyance of all the Lots and Common Areas in the subdivision as set out in this instrument or any amendment thereto.

22. Subdivision - the Land, together with all improvements now or hereafter situated thereon and all rights and appurtenances thereto and all Additional Land, if any, made subject to the Restrictions by Declarant in accordance with the provisions of Article 7 hereof.

23. Subdivision Fence - the decorative existing Kentucky style wood horse fence running along, adjacent to and/or across the Property or portions thereof.

24. Supplemental Declaration - any Supplemental Declaration of Covenants, Conditions, and Restrictions filed for record by Declarant in the Office of the County Clerk of Travis County, Texas to bring Additional Land within the Restrictions in accordance with the provisions of Article 7 hereof.

25. Rules and Regulations - rules adopted from time to time by the Board concerning the management and administration of the Subdivision for the use, benefit and enjoyment of the Owners.

26. Unit - a single family residence and appurtenances constructed on a Lot.

ARTICLE 2
GENERAL PROVISIONS RELATING TO
USE AND OCCUPANCY

Section 2.1 Use Restrictions. Each Owner shall use his Lot and his Unit, if any, thereon for single family residential purposes only. As used herein, the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of Lots for duplex apartments, garage apartments, or other apartment uses (except, however, the construction of servant's quarters will be allowed); or for any business, professional, or other commercial activity of any type. No Owner shall use the Common Areas or use or permit such Owner's Lot or Owner's Unit to be used for any purpose that would (i) void any insurance in force

with respect to the Subdivision; (ii) make it impossible to obtain any insurance required by these Restrictions; (iii) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (iv) constitute a violation of the Restrictions, any applicable law, ordinance, rule, or regulation (including the Rules and Regulations); or (v) unreasonably interfere with the use and occupancy of the Subdivision by the other Owners. Notwithstanding anything contained herein to the contrary, Lot 22, Block Two, of the Ranch Subdivision, Section 4, and that portion of Lot 37, Block Two, Section 4, of the Ranch Subdivision lying between the Western extension of the common boundary line of Lots 22 and 23, Block Two, Section 4, and the northern extension of the common boundary line between Lots 20 and 21, Block Two, Section 4, of the Ranch Subdivision, may be used for commercial purposes, including, without limitation, a marina.

Section 2.2 Approval of Plans.

(a) No building or improvement of any kind (including, without limitation, houses, driveways, docks, piers, boat houses and bulk heads, and all access ways thereto) will be erected, placed, constructed, maintained, or altered on any Lot until the Plans for such building or improvement have been submitted to and approved in writing by the Board. The determination of the Board shall be in its sole discretion.

(b) In determining whether such Plans shall be approved, the Board may take into consideration factors deemed appropriate by the Board. Such factors may include, without limitation, the following:

- (1) compliance with these Restrictions;
- (2) quality, texture and color of the building materials or improvements;
- (3) harmony of external design of such building or improvement with existing and proposed buildings and improvements and with the design or overall character and aesthetics of the Subdivision;
- (4) location of such building or improvement within the Lot on which it will be constructed or placed;
- (5) the number of square feet to be contained in such building or improvement;
- (6) compliance with the Rules and Regulations;
- (7) installation of a pressure reducing valve if deemed necessary by the owner or the owner's representative on those Lots with water pressure in excess of eighty pounds per square inch (80 p.s.i.);
- (8) possible interference or conflict with the use or enjoyment of the Subdivision or any amenities relating thereto, including specifically, but without limitation, any marina, golf course, clubhouse, tennis courts, or golf course paths; and
- (9) compliance with laws, ordinances, rules or regulations of any county, state, municipal or other governmental authority.

(c) The Board shall approve or disapprove the Plans in accordance with the following procedures:

(1) Two (2) complete sets of Plans shall be delivered to the board at the address set forth in the Rules and Regulations.

(2) If the Plans are approved by the Board, a letter of approval, including a description of qualifications or required modifications, if any, will be prepared and dispatched, along with one complete set of Plans, to the Owner. Such approval shall be dated and shall not be effective for construction commenced more than three hundred sixty (360) days after such approval. If construction is not commenced within three hundred sixty (360) days after such approval, Owner shall not begin construction of any building or improvement of any kind until the corresponding Plans have been resubmitted and reapproved by the Board in accordance with the provisions of this Section 2.2.

(3) If the Plans are disapproved by the Board, one set of such Plans shall be returned marked "Disapproved". Disapproved Plans shall be accompanied by a statement of reasons for disapproval.

(4) If the Board fails to indicate its approval within thirty (30) days after receipt of Plans, it will be deemed that the Board has disapproved such Plans.

(5) The Board may require payment by any party who submits Plans for approval of a cash fee to compensate for the expense of reviewing such Plans. The initial fee hereby set for the review of Plans is thirty-five dollars (\$35.00). If the Board considers that the circumstances so warrant, the Board may increase such fee without the joinder or consent of any other party.

(6) The Board may from time to time promulgate and publish Architectural Standards Bulletins. A copy of such Architectural Standards Bulletins in effect at the time will be furnished to Owners on request. Such Architectural Standards Bulletins will supplement these Restrictions and may make other and further provisions as to the approval and disapproval of plans and specifications, prohibited materials, and other matters relating to the appearance, design, and quality of improvements. Such Architectural Standards Bulletins, as they may be promulgated from time to time by the Board, shall be incorporated in these Restrictions by this reference.

(d) All decisions of the Board shall be final and binding and there shall be no review of any action of the Board. The Board shall have the right to delegate its rights and obligations under this Article 2 to an Architectural Review Board, which shall consist of a minimum of five (5) members who need not be members of the Association. The Declarant shall have the right to appoint all the members of the Architectural Review Board, or such lesser number it may choose, as long as it owns at least one Lot in the Subdivision. Members of the Architectural Review Board not appointed by the Declarant shall be appointed by and serve at the pleasure of the Board of Directors of the Association. A majority of the Architectural Review Board shall constitute a quorum to transact business at any meeting of the Architectural Review Board, and the action of a majority present at a meeting at which there is a quorum shall constitute the action of the Architectural Review Board. Any vacancy occurring on the Architectural Review Board because of death, resignation, or other termination of service of any

member thereof shall be filled by the Board of Directors of the Association; except that Declarant shall have the right to fill any vacancy resulting from the termination of any member of the Architectural Review Board originally appointed by the Declarant.

(e) No approval of Plans, and no publication or Architectural Standards Bulletins shall ever be construed as representing or implying that such Plans, specifications, or standards will, if followed, result in a properly designed structure. Such approvals and standards shall in no event be constructed as a representation or guarantee by the Board that any structure will be built in a good or workmanlike manner. Neither Declarant, nor the members of the Board or its representatives, shall be liable in damages to anyone submitting Plans to the Board for approval, or to any Owner or lessee of any part of the Subdivision affected by these Restrictions, by reason of or in connection with the approval or disapproval or failure to approve any Plans submitted. Every person who submits Plans to the Board for approval agrees, by submission of such Plans, and every Owner or lessee of any portion of the Subdivision agrees, by acquiring title thereto or interest therein, that he will not bring any action or suit against Declarant or the members of the Board, or their representatives, to recover any such damages.

Section 2.3 Decoration, Maintenance, Alteration, and Repairs.

(a) Subject to the provisions of Section 2.2, and subject to the Rules and Regulations, each Owner shall have the right to modify, alter, repair, decorate, redecorate or improve such Owner's Unit or the Exterior Area of such Owner's Lot, provided that all such action is performed in a good and workmanlike manner and in a manner that causes minimum inconvenience to other Owners and does not constitute a nuisance. Notwithstanding the foregoing, the Board may require any Owner to remove or eliminate any object situated on such Owner's Unit or lot that is visible from any Common Areas or from any other lot, if, in the Board's sole judgment, such object detracts from the visual attractiveness of the Subdivision.

(b) Each Owner shall maintain his Lot, his Unit, and his improvements in good order and repair and in accordance with these covenants, conditions and restrictions at all times, including, without limitation, his driveway and the landscaping in the front yard, which must be kept in a neat, attractive, and manicured condition. Not more than ten percent (10%) of any front yard of a Lot may be covered by rock material. Lots which abut portions of the golf course lying adjacent to the Subdivision shall be required to landscape the areas thereof which abut the golf course in a manner which provides an aesthetically pleasing visual effect from the golf course. Lots which abut two more street right-of-ways which may be required by the Board to plant upright, non-spreading trees which are appropriate for close proximity to streets, together with ground cover, shrubs, flowers, plants and other landscaping that enhance the beauty of the Lot and result in the continuity of landscape design and integrity throughout the Subdivision. If the requirements of this Section 2.3(b) are not satisfied, the Board, at its election, may cause said maintenance, repair, and good order to be maintained, in which case the cost of same shall be billed by the Board to the Owner of the subject Lot, and same shall be paid by said Owner. Any such charges shall be due immediately and shall be secured and bear interest in the same manner as provided in Article 4 for the Annual Maintenance Charges.

(c) The Association shall maintain the Common Areas and the streets, (landscaping, walls, and sprinkler systems within the Common Areas), but shall have no obligation to maintain areas maintained by public authorities.

Section 2.4 Construction, Landscaping, Lawn
Maintenance.

(a) Unless otherwise approved in writing by the Board, no building material of any kind or character shall be placed or stored upon any Lot more than thirty (30) days before the construction of a structure or improvements is commenced. All materials permitted to be placed on a Lot shall be placed within the property lines of the Lot. At the completion of such building or improvements, any unused materials shall be removed immediately from the Lot. After Commencement of Construction of any structure or improvements on the Lots, the work thereon shall be prosecuted diligently, to the end that the structure or improvements shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Unless otherwise approved in writing by the Board, the construction of any structure or improvement on a Lot shall be completed within three hundred sixty (360) days from date of Commencement of Construction, excepting delays due to strikes, war, acts of God or other causes beyond the control of the Owner.

(b) No structure of a temporary character, trailer (with or without wheels), mobile home (with or without wheels), or modular or prefabricated home, tent, shack, barn, or any other out-building structure or building, other than the permanent residence to be built thereon, shall be placed on any Lot, either temporarily or permanently. Notwithstanding the foregoing, Declarant reserves the exclusive right to erect, place and maintain, and to permit builders to erect, place and maintain, such facilities in and upon the Land as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and sale of residences, and construction of other improvements in the Subdivision. Such facilities may include, but are not necessarily limited to, a temporary office building, storage area, signs, portable toilet facilities, and sales office. Declarant and builders shall also have the right to use a residence situated on a Lot as an office or model home during the period of and in connection with construction, sale and, resale, operations in the Subdivision.

(c) Only new construction materials (except for used brick) shall be used in constructing any structure or improvements situated on a Lot. Unless otherwise approved in writing by the Board, all Units situated on any Lot shall have not less than seventy five percent (75%) masonry construction, or its equivalent (at the discretion of the Board), on the exterior wall area; (four-foot by eight-foot (4' x 8') plywood siding is not allowed). Detached garages may have wood siding of a type and design approved expressly by the Board. All attached garage interiors must be sheetrocked and painted, but detached garages located sixty-five feet (65') or more from the front property line of a Lot are not required to have their interiors sheetrocked or painted. In determining whether any building has seventy five percent (75%) masonry construction, or its equivalent, on the exterior wall area, there shall be excluded from the exterior wall area measurements those portions of such exterior wall area which are doors, windows and covered porch walls.

(d) The construction of covered driveways, porte-cocheres, and carports, that are designed as an integral

architectural feature of the Unit will be allowed. No porte-cochere may be constructed over a building line or setback line unless otherwise approved in writing by the Board. Any covered driveway, porte-cochere, or carport is subject to approval by the Board.

(e) No window, roof, or wall type air conditioner that is visible from any public street shall be used, placed or maintained on or in any Unit.

(f) Each kitchen in each Unit shall be equipped with a garbage disposal unit, which garbage disposal unit shall at all times be kept in a serviceable condition.

(g) Prior to occupancy thereof and thereafter, all front yards of all Lots must, as a minimum requirement, be completely sodded or hydro-mulched with grass; and must have shrubs or other landscaping planted adjacent to the front of all Units constructed thereon to screen from view the foundation of such Units, unless otherwise approved in writing by the Board. Moreover, prior to occupancy of any Unit, the front yard of the Lot on which the Unit is located must be landscaped in accordance with a landscape plan previously submitted to and approved by the Board or the Architectural Review Board, in accordance with the provisions of Section 2.2. In this connection, an underground sprinkler system is mandatory.

(h) No fence, wall or other improvement shall be erected, placed, or altered on any Lot at any point nearer to any street than the building setback lines as shown on the Plat, or as provided below, unless otherwise approved in writing by the Board. No fence, wall, hedge, or similar structure or growth shall be constructed greater than eight feet in height unless otherwise approved in writing by the Board, or in excess of any applicable governmental restriction regarding the same, whichever is the lower height.

(i) Roofs of the Units shall be constructed only as follows: built-up flat roofs, concrete or ceramic tile, wood shake, wood shingle, or approved metal. If wood shingle is used, only "Number 1 Perfection" wood shingle shall be used, unless otherwise approved in writing by the Board. If metal is used, the metal surface must have a dull finish upon installation, and must meet Board approval as to type and finish. No composition shingles shall be allowed.

(j) No external antennae, satellite receiving dishes, or other structure designed or used for receiving any type of radio, television, or other communications signal shall be permitted on any Lots within the Subdivision unless such facility is totally screened from view from all surrounding Lots, streets, and other adjacent areas.

(k) Not more than two feet (2') of vertical surface of concrete slab of any Unit shall be exposed to view from any public street or adjacent Lots, unless otherwise approved in writing by the Board, and landscaping, as required by paragraph 2.4(g) above shall be used to screen such exposed slab. Any slab in excess of two feet (2') in height above finished grade shall have at least that excess in height covered with siding or masonry used in constructing the Unit. Any Unit with a pier and beam foundation shall have all mechanical, electrical, plumbing lines and fixtures located thereunder screened from view from any public street and from adjacent Units. Any Unit with an elevated deck shall have its open space below such deck screened from public view and view from adjacent Units. The Board, in its sole discretion, will determine the adequacy of any screening technique employed.

(l) All solar panels or other solar collection devices must be constructed as an integral part of the architectural design of any Unit and the design and installation thereof is subject to the approval of the Board. The Board may further approve solar panels or other solar collection devices to be added to any Unit if the same are totally screened from the view of any and all streets and adjacent properties in the Subdivision or if incorporated into the architectural design of the Unit.

(m) Except for signs, billboards, or other advertising devices displayed by Declarant or its appointees, for so long as Declarant, or any successors or assigns of Declarant to whom the rights of Declarant are expressly transferred, shall own any portion of the Land, no sign of any kind shall be displayed to the public view on any Lot, including specifically, but without limitation, signs offering property or Lots for sale, rent or lease, political signs, signs advertising goods, wares or services for sale or rent, and construction company or repair company signs. Declarant or its agent shall have the right to remove any sign not complying with the provisions of this subsection, and in so doing, shall not be liable and is expressly relieved of any liability for trespass or any other tort in connection therewith, arising from such removal. In addition, the Board, in its discretion, may approve the display of a sign, billboard or other advertising device described in this subsection for a specified period of time upon the submission of a written request by the party desiring to display such sign, billboard, or other advertising device.

(n) No exterior speakers, horns, whistles, bells, or other sound devices (other than security devices used exclusively for security purposes) shall be located, used, or placed on any of the Lots so as to result in an annoyance or disruption to the residents in the Subdivision. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Lots so as to be offensive or detrimental to any other portion of the subdivision or to its occupants.

(o) No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained, or cared for in the Subdivision. Any Owner may keep on such Owner's Lot: (i) not more than two (2) dogs or two (2) cats; or (ii) a combination of not more than two (2) dogs and cats. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed in the Subdivision other than on the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for, or boarded for hire or remuneration in the Subdivision, and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large, and all animals which are permitted hereunder shall be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Board, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Subdivision.

(p) Digging of dirt or the removal of any dirt from any Lot or from any portion of the common areas is prohibited, except as may be necessary in conjunction with the approved landscaping or construction of improvements thereon.

(q) No driveways or roadways may be constructed on any Lot to provide any access to any adjoining Lot or other portion of the properties unless otherwise approved in writing by the Board.

(r) Each Lot must be accessible to any adjoining street by a driveway suitable for such purposes before the residential structure located on any such Lot may be occupied or used. No Owner may block any drainage ditch (including road ditches) or drainage gutters on curb and outer streets. Specifications for and construction of all drain tiles, culverts in or over any drainage ditch, or driveway transitions to the public streets and the material used therefore, whether to be installed in connection with a driveway or otherwise, must be approved by the Board. The Board shall determine all elevation and slope requirements for all driveways.

(s) Each residence situated on a Lot shall be connected to the central water supply system constructed by the Declarant or by any successor entity. The Rules and Regulations shall provide general requirements for the elevation and connection to such utilities as the Board may from time to time require.

(t) The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon (not maintained by the Association) cut in a sanitary, healthful, and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash, or rubbish of any kind thereon and shall not burn anything (except by use of an incinerator and then only during such hours as permitted by law). The drying of clothes in full public view is prohibited and the Owners or occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds, or other common or public facilities or areas, where the rear yard or portion of the Lot is visible to full public view, shall construct and maintain a drying yard or other suitable enclosure by use of landscaping, walls or fences (as approved by the Board) to screen the following from public view: drying of clothes, yard equipment, wood piles, or storage piles which are incident to the normal residential requirements of a typical family.

(u) Mail Boxes located in the front yard must be designed and constructed with similar style and materials of the main residence and must be incorporated into and approved with the plans and specifications of the main residence.

(v) No articles deemed to be unsightly by the Board shall be permitted to remain on any Lot so as to be visible from adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Each single family residential structure constructed within the Subdivision shall have sufficient garage space, as approved by the Board, to house all vehicles to be kept on the Lot. Lot Owners shall not keep more than two (2) automobiles in such manner as to be visible from any other Lot.

(w) Each unit shall have, either as an integral part of or attached to the Unit or as a separate detached structure, a garage capable of accomodating at least two (2) but not more than four (4) standard-size passenger automobiles. Each garage in the Subdivision shall be connected to the adjacent street by means of a driveway, said driveway to be constructed out of concrete or other surface specifically approved by the Board. All garages shall have a minimum width of twenty (20) feet and a minimum length of twenty-two (22) feet as measured from the inside wall of the garage. All garages must have either a single overhead door with a minimum door width of sixteen (16) feet for a two-car garage, or two (2) sixteen (16) foot doors for a four car garage, or two (2), three (3), or four (4) individual overhead doors, each a minimum of ten (10) feet in width, and a service door. All overhead doors shall be electrically operated and shall be kept closed when not in use. Automobiles shall be stored in garages when not in use. All garages must have garage doors constructed or faced with wood siding or wood shingles or any similar material in order to be harmonious in quality and color with the exterior of the appurtenant Unit. No "Front Entry Garages" (as hereinafter defined) shall, except as hereinafter provided, be constructed in the Subdivision. The term "Front Entry Garage" shall refer to any garage the plane of the entry way to which is not rotated on an axis at the middle of such entry way at least ninety degrees (90°) from each position at which such garage would be located if it were located in such manner that the plane of the entry way is parallel to the street abutting such Lot (if the abutting street right of way is a straight line) or is parallel to each tangent on the curve of the street abutting such Lot (if the abutting street right-of-way is not a straight line). If the Lot abutts two streets, separate tests shall be applied with respect to each street. Notwithstanding anything contained herein to the contrary, it shall be permissible to construct a Front Entry Garage if the doors of such Front Entry Garage are completely obscured from view from any street abutting the Lot in question by a residence or improvement otherwise permissible under and approved in accordance with the Restrictions. In addition, the Board, in its discretion, may approve the construction of a Front Entry Garage pursuant to the procedure for the approval of plans set forth in Section 2.2 of the Declaration.

(x) Notwithstanding any provision herein to the contrary, the Common Areas shall not be subject to or burdened by the building and use restrictions set forth in this Declaration, except as to the extent the same are made applicable to the Common Areas.

(y) Moveable above ground-swimming pools are strictly prohibited within the Subdivision, except for pools less than six feet (6') in diameter. All swimming pools must be contained within fenced enclosures, and screened from view.

(z) No trees with a circumference larger than twenty-eight (28) inches may be removed from any Lot or destroyed without the prior written consent of the Board. For the purpose of determining the size of the tree, the circumference will be measured one foot above the average natural level of the ground at the base of the tree, and the Board ruling on the circumference of any tree is final and binding on all parties. No concrete, asphalt, or impervious cover of any kind shall be placed within the drip line of any tree twenty-eight (28) inches or larger in circumference without the prior written consent of the Board. The drip line is defined as the line on the ground directly below the farthest extremities of the branches of the tree. The Board's determination of the location of the drip line shall be final

and binding on all parties. Parking area located within the drip line of any tree twenty-eight (28) inches or larger in circumference shall be constructed of a pervious or porous cover such as porous asphalt, grass crete, or other similar material, unless the use of other materials is approved in writing by the Board prior to construction.

(aa) Boat docks, boat houses, piers, bulkheads and other similar structures shall be constructed from materials which are and shall be architecturally designed to be harmonious with the environment and must be lighted in accordance with applicable laws and regulations. All boat houses and boat slips must be covered and contain no more than two slips, unless a greater number is approved by the Board. The foregoing provisions of this paragraph (aa) shall not apply to any Lot or Lots on which the Declarant shall construct a marina or similar facility.

Section 2.5 Size of Residences and Location on Lot. No Unit erected on any Lot shall have more than two and one-half (2-1/2) stories, or exceed a maximum height of thirty-five feet (35'). No Unit with an interior area of less than the applicable minimum number of square feet set forth below, exclusive of the attached garages, porches, or other appurtenances or appendages, shall be erected on any Lot:

<u>Type of Structure</u>	<u>Minimum Interior Area</u>
(a) One (1) story residence	2,200 square feet
(b) One and one-half (1-1/2), two (2), and two and one-half (2-1/2) story residences	2,400 square feet (with at least 1,500 square foot on the first floor)

No structure or improvements shall be located on any Lot between the building setback lines shown on the Plat pertaining to such Lot and the street right-of-ways on which such Lot fronts or which are adjacent to any side Lot line of such Lot. In addition, no structure or improvements shall be located nearer than ten feet (10') to any interior (side) Lot line, unless otherwise approved in writing by the Board, unless the existing Unit located on the immediately adjacent Lot is situated so as to be more than twenty-five feet (25') from the proposed structure or improvements. Structures and improvements may be located up to, but no closer than, forty feet (40') from the rear Lot line of those Lots designated as Golf Course Lots. A detached garage or other permitted accessory building located one hundred feet (100') or more from the front Lot line may be located as close as, but no closer than, five feet (5') from an interior side Lot line. The Plat sets forth certain setback lines for each Lot and no buildings shall be erected closer to the front Lot lines than such setback lines. For the purposes of this Section 2.5, eaves, steps, and open porches shall not be considered to be a part of the building or structure; provided, however, that the foregoing shall not be construed to permit any portion of a building or any such eave, step, or open porch on a Lot to encroach upon another Lot. For the purposes of these Restrictions, the front Lot line of each Lot shall coincide with and be the property line having the smallest or shortest dimension abutting any street right-of-way. Unless otherwise approved in writing by the Board, each Unit shall face the front Lot line of the Lot upon which it is constructed, and each detached garage shall be provided with a driveway access from the front of the Lot. Such access into the garage must comply with the terms stated in Section 2.4 and with all requirements established by the Board. During original construction, the Board, or its assignee, at its sole

discretion, is hereby permitted to approve deviations in the location of improvements upon the Lot, subject to setback shown on the recorded Plat, (including the additional ten foot (10') front Lot line setback, as previously stated) and previous recorded instruments.

Section 2.6 Walls, Fences, and Hedges.

(a) No walls or fences shall be erected or maintained nearer to the front Lot line of any Lot than the walls of the dwelling situated on such Lot that are nearest to such front Lot line unless otherwise approved in writing by the Board.

(b) All fences and walls, with the exception of the Subdivision Fence, wherever located on a Lot must be of ornamental iron or masonry construction less otherwise approved in writing by the Board. All fences, with the exception of the Subdivision Fence, are subject to Section 2.5 hereof. No chain link fences shall be permitted, except to enclose swimming pools, and then only if they are not visible from any public street or other Lot.

(c) Ownership of any wall, fence or hedge, with the exception of the Subdivision Fence, erected on a Lot shall pass with title to such Lot. Owner shall not damage, destroy, remove, paint or otherwise alter the Subdivision Fence in any manner and shall without limitation be prohibited from installing or constructing gates or openings in the Subdivision Fence. Owner shall be responsible for any damage, and cost attributable thereto, caused to any fence, including the Subdivision Fence, by said Owner or their respective assigns, agents, invitees and representatives. Following the passage of title, it shall be the Owner's responsibility to maintain all walls, fences, or hedges, except the subdivision Fence, located on Owner's Lot. In the event any Owner or occupant of any Lot fails to maintain said wall, fence, or hedge or damages, destroys or alters the appearance of the Subdivision Fence, after thirty (30) days written notice thereof, Declarant, its successors or assigns, or the Association, may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause to be repaired or maintained or to do any other thing necessary to secure compliance with these restrictions, and to place said wall, fence, hedge or Subdivision Fence in a satisfactory condition, and may charge the Owner or occupant of the Lots for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of such Lot, to pay such charge immediately upon receipt of the corresponding statement. If Owner fails to pay such statement upon demand, the payment thereof shall be secured and enforced in the same manner as the annual maintenance charge and special assessment described in Section 4.5 of the Declaration.

(d) Subdivision Fence maintenance and repair shall be the responsibility of the Declarant until such time as the Subdivision Fence is conveyed to the Association, at which time all such responsibility shall be assumed by the Association. The Declarant reserves a permanent maintenance easement five feet (5') in width along a line generally parallel to the existing Subdivision Fence, and a working easement two (2') in width on both sides of and adjacent to the permanent maintenance easement, the intent and location regarding such easement being more particularly depicted on Exhibit B, attached hereto and incorporated herein by reference for all purposes.

(e) Fences, hedges or shrubs, with the exception of the Subdivision Fence, along Golf Course Lots constructed within fifty feet (50') of the rear property line must be approved by the Board.

(f) No fence, hedge or shrub, with the exception of the Subdivision Fence, that obstructs sight lines at elevations between two (2) and six (6) feet above any roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in case of a rounded property corner, from the intersection of a street property line with the intersection of a driveway or alley pavement. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at a sufficient height to prevent obstruction of such site lines.

Section 2.7 Reservations and Easements.

(a) Title to all streets, drives, boulevards, and other roadways, and to all easements shown on the Plat, is hereby expressly reserved and retained by Declarant subject only to the grants and dedications expressly made on the Plat.

(b) Declarant reserves the utility easements, Common Area, roads, and rights-of-way shown on the Plat for the construction, addition, maintenance, and operation of all utility systems (which systems shall include systems for drainage purposes) now or hereafter deemed necessary by Declarant for all utility purposes, including systems of electric light and power supply, drainage, telephone service, cable television service, gas supply, water supply, and wastewater services, including systems for utilization of services resulting from advances in science and technology. There is hereby created an easement upon, across, over, and under all of the Land for ingress and egress for the purpose of installing, replacing, repairing, and maintaining all utilities. By virtue of this easement, it shall be expressly permissible for the Utility Companies and other entities supplying services to install and maintain pipes, wires, conduits, service line, or other utility facilities (which facilities shall include drainage facilities) or appurtenances thereto, on, above, across, and under the Land within the drainage and utility easements now or from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this Section 2.7(b), no utilities (including drainage) or appurtenances thereto may be installed or relocated on the Land until approved by Declarant or, if applicable, the Board. The Utility Companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Land abutting such easements. There is also reserved, for the use of all Utility Companies, an unobstructed aerial easement ten feet (10') wide from a plane fifteen feet (15') above the ground upward, located adjacent to the said easements reserved hereby, and all easements shown on the Plat for electric facilities. The Common Areas may be used for utility and drainage purposes.

(c) Declarant reserves the right to impose further restrictions and dedicate additional easements and roadway rights-of-way, by instrument recorded in the Office of the County Clerk of Travis County or by express provisions in conveyances, with respect to Lots that have not been sold by Declarant. Any such dedications shall be made in accordance with applicable state, county and municipal law.

(d) Declarant reserves the right to make changes in and additions to all easements for the purpose of aiding in the most efficient and economic installation of utility systems. Any such amendment shall be made in accordance with applicable state, county and municipal law.

(e) It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land in the Subdivision by contract, deed, or other conveyance shall not in any event be held or construed to include the title to any oil, gas, coal, lignite, uranium, iron ore, or any other minerals, water (surface or underground), gas, waste water sewer, storm lines, poles or conduits or any utility or appurtenances thereto constructed by or under authority of Declarant or its agents or Utility Companies through, along, or upon said easements or any part thereof to serve said Lot or parcel of land or any other portions of the Subdivision. Declarant hereby expressly reserves the right to maintain, repair, sell, or lease such lines, utilities, drainage facilities, and appurtenances to any municipality or other governmental agency or to any public service corporation or to any other person. Notwithstanding that the title conveyed by Declarant to any Lot or parcel of land in the Subdivision by contract, deed, or other conveyances shall not be held or construed to include the title to any oil, gas, coal, lignite, uranium, iron ore, or any other minerals, Declarant agrees not to use any portion of the surface of the lands in the Subdivision in connection with the exploration for a producing storing, or removing of any of such reserved substances.

Section 2.8 Title to and Operation of the Common Areas.

(a) An easement is hereby granted to each Owner in and to the Common Areas as such for each such Owner's use and enjoyment of the Common Areas and for access to each such Owner's Lot, such easement being subject to the Rules and Regulations adopted from time to time by the Board and to the Board's right to control the use and operation of the Common Areas pursuant to Section 2.8(b). No Owner shall construct any improvements on any of the Common Areas without the express prior written consent of the Board.

(b) The Board shall have the exclusive right to control the use, maintenance, and operation of the Common Areas. Such right includes, without limitation, the following:

(1) The right to charge reasonable admission, rental, and other fees for the use of any facility comprising a portion of the Common Areas.

(2) The right to permit non-Owners to use the Common Areas on terms acceptable to the Board.

(3) Subject to the limitations set forth in this Section 2.8(b) below, the right to borrow money for the purpose of maintaining, operating, constructing, or installing improvements and/or landscaping and sprinkler systems in the Common Areas of all of the Lots and, in connection with any such borrowing, to grant a lien against the Common Areas to secure the Board's obligation to repay such money.

(4) The right to restrict the rights of an Owner who violates any of the provisions of these Restrictions to use the Common Areas in accordance with the provisions of this Section 2.8.

(5) Subject to the limitations set forth in this Section 2.8(b) below, the right to dedicate or transfer all or any part of the Common Areas that have been conveyed to the Association to any public agency, authority, or utility, and to sell, lease, or pledge those Common Areas to any third party, if the Board deems such action to be in the best interests of the Association; provided, such dedication, transfer, sale, lease or pledge does not prevent the Owners from using the Common Areas.

(6) The right to contract for and cause to be built and maintained in the Common Areas swimming pools, tennis courts, boat docks, a golf course, and such other recreational facilities as the Board may, in its discretion, deem to be in the best interests of the Association.

Any lien or other security interest encumbering the Common Areas to secure indebtedness as provided under Section 2.8(b)(3) and any dedication or transfer, sale, lease or pledge of any of the Common Areas as provided under Section 5.8(b)(5) shall be made subject to the covenants, conditions, restrictions and easements set forth in, or granted pursuant to, this instrument, or set forth of record at the time this instrument is recorded, including, without limitation, the easement granted to each Owner in and to the Common Areas for each such Owner's use and enjoyment thereof as such and the easement granted under Section 2.7(f); and no foreclosure sale or deed in lieu thereof, nor any dedication, transfer, sale, lease or pleading, covering or affecting all or any of the Common Areas shall operate to cut off, affect, diminish or impair (i) the right of the Owners hereunder (or by separate instrument granted pursuant to any authority therefor set forth in this instrument) to use any enjoy the Common Areas as such, or (ii) the easement granted under Section 2.7(f).

(c) The Board's rights to control the operation of the Common Areas as set forth in Section 2.8(b) are not a warranty or representation that any of such rights are contemplated or will be exercised by the Board. Furthermore, Declarant shall have no responsibility whatsoever to construct any improvements in the Common Area, unless and to the extent set forth in any written instrument now or hereafter executed by Developer.

(d) An easement is hereby granted to the Association to enter upon the Exterior Areas of all of the Lots for the purposes of landscaping, maintaining and repairing the Common Areas in accordance with the terms and provisions of these Restrictions.

(e) Declarant may, from time to time, convey all or any portion of the Common Areas to the Association in trust for the benefit of the Owners.

Section 2.9 Use of Private Roads. All private roads located within the Property, shall be for the use of the Owners of the Lots in the Property, as well as for the use of all owners of lots in subdivisions which are platted out of lands which were conveyed by any of the following: (1) that certain general warranty deed recorded in Volume 9447, Page 595 of the Real Property Records of Travis County, Texas, (2) that certain general warranty deed recorded in Volume 9461, Page 745, of the Real Property Records of Travis County, Texas, (3) that certain deed recorded in Volume 9039, Page 609, of the Real Property Records of Travis County, Texas, and (4) those certain Special Warranty Deeds recorded in Volume 9745, Pages 1, 19, 49 and 72, respectively, of the Real Property Records of Travis County, Texas, to which instruments and their respective records, reference is here made for all purposes.

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

ARTICLE 3
MANAGEMENT AND OPERATION OF SUBDIVISION

Section 3.1 Management by Association. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power, and obligation to provide for the management, construction, maintenance, repair, replacement, administration, insuring, and operation of the Subdivision as herein provided for and as provided for in the Bylaws and in the Rules and Regulations. The business and affairs of the Association shall be managed by its Board of Directors. The Declarant shall determine the number of directors and appoint, dismiss, and reappoint all of the members of the Association's Board of Directors to ensure the stability of the Association and to administer the Association's and the Subdivisions' affairs, until the first meeting of the Members of the Association is held in accordance with the provisions of Section 3.4 and a Board of Directors is elected. The Board of Directors elected at the first meeting of Members of the Association is herein call the "First Elected Board." The Board of Directors appointed by Declarant pursuant to the provisions of this Section 4.1 is herein called the "Appointed Board."

The Appointed Board may engage the Declarant or any entities, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the maintenance, repair, replacement, administration, and operation of the Subdivision. Without limiting the generality of the foregoing, the Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision as a viable single family residential development, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest.

Section 3.2 Membership in Association. Each Owner, including Declarant during the period of time in which Declarant owns any Lot, shall be a Member of the Association and such membership shall terminate automatically when such ownership ceases. Upon the transfer of ownership of a Lot, howsoever achieved, the new Owner thereof shall, concurrently with such transfer, become a Member in the Association.

Section 3.3 Voting of Members. There shall be two classes of membership in the Association. Class A Members shall be all persons (other than the Declarant) owning one or more Lots. Class B Members shall be the Declarant. The Class B membership shall terminate upon the first to occur of (a) when the then Class B Member so designates in a writing delivered to the Association, (b) ten (10) years after the date of the recording of this Declaration, or (c) when both seventy-five percent (75%) of the Lots in the Subdivision are owned by persons other than the Declarant and the Declarant owns less than twenty acres of other lands adjacent to or across a street from the Subdivision (as the same is from time to time constructed) which are capable of becoming Additional Land. When entitled to vote, each Member shall be entitled to one (1) vote for each Lot owned by that Member. Until such time as Class B membership terminates, the Class B Member shall be vested with the sole and exclusive voting rights except on such matters as to which this Declaration, the Articles of

Incorporation, or the Bylaws of the Association specifically require a vote of the Class A Members. In the event that ownership interests in a Lot are owned by more than one Member of the Association, such Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one vote be cast for each Lot. Such Owners shall appoint one of them as the Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation shall be made in writing to the Board and shall be revocable at any time by actual written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Member of the Association and no single Member is designated to vote on behalf of the Members having an ownership interest in such Lot, then none of such Members shall be allowed to vote. All Members of the Association may attend meetings of the Association and all voting Members may exercise their vote at such meetings either in person or by proxy. The Declarant may exercise the voting rights with respect to Lots owned by it.

Section 3.4 Meetings of the Members.

(a) The first meeting of the Members of the Association shall be held when called by the Appointed Board upon no less than ten (10) and no more than fifty (50) days' prior written notice to the Members. Such written notice may be given at any time but must be given no later than thirty (30) days after both ninety-five percent (95%) of all of the Lots in the Subdivision have been sold by the Declarant and a deed recorded in the Office of the County Clerk of Travis County, Texas for each such Lot and the Declarant owns less than twenty (20) acres of other lands adjacent to or across a street from the Subdivision (as the same is from time to time constituted) which are capable of becoming Additional Lands. The First Elected Board shall be elected at the first meeting of the members of the Association.

(b) Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified in the Bylaws.

Section 3.5 Election and Meetings of the Board of Directors. The Board of Directors shall be elected and shall meet in the manner set forth in the Bylaws.

Section 3.6 Disputes. In addition to its other powers conferred by law or hereunder, the Board shall be empowered to create procedures for resolving disputes between Owners and the Board or the Association, including appointment of committees to consider and recommend resolutions of any such disputes.

Section 3.7 Professional Management. The Board may retain, hire, employ, or contract with such professional management as the Board deems appropriate to perform the day to day functions of the Association and to provide for the construction, maintenance, repair, landscaping, insuring, administration, and operation of the Subdivision as provided for herein and as provided for in the Bylaws.

Section 3.8 Board Actions in Good Faith. Any action, inaction, or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members, or any other person.

ARTICLE 4
MAINTENANCE EXPENSE CHARGE AND MAINTENANCE FUND

Section 4.1 Payment of Annual Maintenance Charge. Each Lot shall be subject to an Annual Maintenance Charge of \$300.00 per year. The amount of the Annual Maintenance Charge for each Lot may be increased or decreased by the Board from time to time, but not more often than once per year. However, if any such change increases the Annual Maintenance Charge by more than twenty percent (20%) of the amount of the Annual Maintenance Charge in the preceding calendar year, the change must be approved by a vote of at least a majority of the votes of each Class of Members, by written vote taken not less than ten (10) days prior to the first day of January of the year in which such increase is scheduled to become effective.

Section 4.2 Payment of Annual Maintenance Charge by Declarant. Notwithstanding anything to the contrary herein, all Lots while owned by the Declarant shall be exempt from the payment of an Annual Maintenance Charge.

Section 4.3 Maintenance Fund. The Annual Maintenance Charges collected by the Board shall be paid into the Maintenance Fund and shall be held, managed, invested, and expended by the Board, at its discretion, for the benefit of the Subdivision and the Owners of Lots therein. The Board shall, by the way of illustration and not by way of limitation, expend the Maintenance Fund for the administration, management, and operation of the Subdivision and for the landscaping, maintenance, insuring, repair, and operation of, and the construction of improvements on, the Common Areas; for the enforcement of these Restrictions by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the discretion of the Board, desirable in order to maintain the character and value of the Subdivision and the Lots therein. The Board and its individual members shall not be liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful misdeeds.

Section 4.4 Special Assessments. The Association may levy and collect Special Assessments to pay in whole or in part the cost of any major repair or maintenance expenses (to the extent that the Board determines that the Annual Maintenance charges assessed for any period are insufficient for the continued operation of the Subdivision and maintenance of the Common Areas) or replacement of a capital improvement without the approval or concurrence of the Members. A "major repair or maintenance expense" means any repair to or maintenance of an existing capital improvement that exceeds \$300.00. "Replacement of a capital improvement" means replacement of any existing capital improvement. The Association may levy or collect a Special Assessment for the acquisition of a new capital improvement provided the Special Assessment is approved by a vote of at least sixty percent (60%) of the votes of each class of Members.

Section 4.5 Enforcement of Annual Maintenance Charge and Special Assessment.

(a) The Annual Maintenance Charge assessed against each Owner shall be due and payable, in advance, on the date of the sale of such Lot by Declarant for that portion of the calendar year remaining, and on the second (2nd) day of each January thereafter. Any such amount not paid and received by the tenth (10th) day of each January thereafter shall be deemed delinquent, and, without notice, shall bear interest at

the highest contract rate per annum allowed by law from the date originally due until paid.

(b) To secure payment of the Annual Maintenance Charge, Special Assessments levied hereunder, and any other sums due hereunder (including without limitation interest, late fees or delinquency charges), a vendor's lien and superior title shall be and hereby is reserved in and to each Lot and Unit and is hereby assigned and transferred (without recourse on or warranty by Declarant) to the Association, which lien shall be enforceable as hereinafter set forth by the Association or the Board on behalf of the Association. The liens described in this Section 4.5 and the superior title herein reserved shall be deemed subordinate to any Mortgage for the purchase or improvement of any Lot and any renewal, extension, rearrangements, or refinancing thereof. The collection of such Annual Maintenance Charge and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, costs, and attorney's fees shall be chargeable to and be a obligation of the defaulting Owner. The voting rights of any Owner in default in the payment of the Annual Maintenance Charge, Special Assessment or other charge owing hereunder for which an Owner is liable, may be revoked by action of the Board for the period during which such default exists.

(c) Notice of the lien referred to in the preceding paragraph may be given by the recordation in the Office of the County Clerk of Travis County, Texas, of an affidavit, duly executed, sworn to and acknowledged by an officer of the Association, setting forth the amount owed, the name of the Owner or Owners of the affected Lot, according to the books and records of the Association, and the legal description of such Lot.

(d) Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Board the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, both judicially and by non-judicial foreclosure pursuant to Section 51.002 of the Texas Property Code (as same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to its Lot, each Owner by acceptance of such deed expressly GRANTS, BARGAINS, SELLS, and CONVEYS to the President of the Association from time to time serving, as Trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, and other sums due hereunder remaining unpaid hereunder by such Owner from time to time. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and attested to by the Secretary of the Association and filed in the Office of the County Clerk of Travis County, Texas. In the event of the election by the Board to foreclose the lien herein provided for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Lot, and all rights appurtenant thereto, at the door of the County Courthouse of Travis County, Texas on the first

Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder for cash at public venue after the trustee and the Board, respectively, shall have given notices of the proposed sale in the manner hereinafter set forth and to make due conveyance to purchaser or purchasers, with general warranty of title to such purchaser or purchasers binding upon the Owner or Owners of such Lot and his heirs, executors, administrators, and successors. The trustee shall give notice of such proposed sale by posting a written notice of the time, place and terms of the sale for at least twenty-one (21) consecutive days preceding the date of sale at the Courthouse door of Travis County, Texas and, in addition, the Board shall serve written notice at least twenty-one (21) days preceding the date of sale or the proposed sale by certified mail on each of such Owner or Owners according to the records of the Council. Service of such notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to such Owner or Owners at the most recent address as shown by the records of the Association, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

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

(f) It is the intent of the provisions of this Section to comply with the provisions of Article 3810, Texas Revised Civil Statutes, relating to non-judicial sales by power of sale and, in the event of the amendment of said Article 3810 hereafter, which amendment is applicable hereto, the President of the Association, acting without joinder of any other Owner or Mortgagee or other person may, by amendment to these Restrictions filed in the Office of the County Clerk of Travis County, Texas, amend the provisions hereof so as to comply with said amendments to Article 3810.

Section 4.6 Equality of Assessments and Charges. Any Assessments or charges under this Article 4, whether annual or special, payable by each Lot shall be determined by dividing the total Assessment or Charge fixed by the Association by the total number of Lots in the Subdivision.

ARTICLE 5 INSURANCE

Section 5.1 General Provisions. The Board shall obtain insurance for the Subdivision in such amounts as the Board shall deem desirable.

Section 5.2 Policies. All policies of insurance provided for in this Article 5 shall name as insured the Association, as trustee for each Owner. Each such policy shall be without contribution with regard to any other policies of insurance carried individually by an Owner, and shall provide

that such policy shall not be terminated for any cause without at least thirty (30) days prior written notice to the Association. Any proceeds paid in respect of any insurance policy obtained by the Board pursuant to this Article 5 shall be held and disbursed by the Board in accordance with these Restrictions.

Section 5.3 Subrogation. Each Owner and the Association agree to and hereby waive all rights of subrogation against the Declarant that they may have now or in the future under or with respect to any insurance policies.

Section 5.4 Individual Insurance. Each Owner shall be responsible for insuring his Lot and his Unit, its contents and furnishings. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty insurance, if any, obtained by the Board for the benefit of all of the Owners as provided above. Each owner, at his own cost and expense, should carry an individual policy of liability insurance insuring against the liability of such Owner.

ARTICLE 6 FIRE AND CASUALTY: REBUILDING

Section 6.1 Rebuilding. In the event of a fire or other casualty causing damage or destruction to a Lot or the Unit located thereon, the Owner of such damaged or destroyed Lot or Unit shall within three (3) months after such fire or casualty contract to repair or reconstruct the damaged portion of such Lot or Unit and shall cause such Lot or Unit to be fully repaired or reconstructed in accordance with the original Plans therefor, or in accordance with new plans presented to and approved by the Board, and shall promptly commence repairing or reconstructing such Unit, to the end that the Unit shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Alternatively, such damaged or destroyed Unit shall be razed and the Lot restored as nearly as possible to its prior condition.

Section 6.2 Payment of Insurance Proceeds. All insurance proceeds and other funds received by the Association pursuant to these Restrictions as a result of fire or other casualty loss causing damage or destruction to Common Areas shall be applied toward the cost of repair, restoration, or rebuilding of the damaged Common Areas. Any funds remaining after the repair, restoration, or rebuilding of such damaged Common Areas shall be retained by the Board as part of the Maintenance Fund.

Section 6.3 Indemnity of Association. Each Owner shall be responsible for any costs incurred as a result of such Owner's negligence or misuse or the negligence or misuse of (i) his family, tenants, guests, invitees, agents, or employees, or of (ii) any other resident or occupant of his Unit, and shall indemnify the Association and all other Owners against any such costs.

ARTICLE 7 ANNEXATION OF ADDITIONAL LAND

Section 7.1 Addition by Declarant. Declarant hereby declares that it presently contemplates that at a future time the Subdivision may be expanded (but Declarant does not hereby obligate itself to expand the Subdivision) by adding, from time to time, Additional Land. These Restrictions shall become effective with respect to any such annexed Additional Land on the date on which there is filed for record in the

Office of the County Clerk of the county or counties in which the same are located, a Supplemental Declaration to that effect signed and acknowledged by Declarant. Such Supplemental Declaration shall describe the Additional Land and list the Lots that then constitute the Subdivision, shall refer to these Restrictions, and shall declare that these Restrictions shall apply to and affect such Additional Land that Declarant intends to add to the Subdivision. The Supplemental Declaration shall specify the number of Lots that are being annexed to the Subdivision by reason of the filing for record of said Supplemental Declaration. Upon the filing of the Supplemental Declaration, each Lot comprising the Additional Land shall be included within the definition of Lots as set forth in Article 1 hereof. Declarant may cause to be recorded as many separate Supplemental Declarations as may be desired from time to time and at any time, to effect the annexation of Additional Land. Annexation of Additional Land may be accomplished by Declarant without the consent of any other party or entity.

Section 7.2 Encompassing Nature of the Restrictions. Upon the filing of a Supplemental Declaration in compliance with the provisions of Section 7.1 annexing Additional Land to the Subdivision, these Restrictions shall further apply to and affect all of the property described in these Restrictions and the property described in any such Supplemental Declaration and shall also bind all owners of any part of such property with the same effect as if the property described in the Supplemental Declaration were originally (i) subject to and described in these Restrictions and (ii) included within the definition of "Land." Thereafter, the powers and responsibilities of the Board shall be co-extensive with regard to all property included within the Subdivision, as expanded, and the Board shall, pursuant to the provisions of these Restrictions, constitute the Board for the Subdivision, as expanded, and the rights, obligations, and duties of each Owner shall be determined in the same manner that the rights, obligations, and duties of the Owners were determined prior to the recordation of such Supplemental Declaration. The Board shall thereupon continue to maintain one Maintenance Fund for the collection and disbursement of monies as required and permitted hereby for the maintenance, repair, and operation of the Subdivision, as expanded, and the Subdivision, as expanded, shall be deemed to be a single family residential project for the purposes, and in accordance with the provisions, of these Restrictions.

Section 7.3 Declarant's Power to Expand the Subdivision. Declarant further reserves the right, at any time and from time to time, without the consent of any other party or entity, to take such action as may be deemed necessary by Declarant to expand satisfactorily the Subdivision. Declarant further reserves the right, without the consent of any other party or entity, to make such additions, deletions, and modifications to these Restrictions with respect to the Additional Land from the remainder of the Subdivision, or as may be necessary or desirable for any other reason. Such additions, deletions, and modifications shall be set forth in the Supplemental Declaration relating to such portion of the Additional Land.

Section 7.4 Declarant's Power-of-Attorney. Each Owner hereby appoints Declarant as its attorney-in-fact for the purpose of effecting the provisions of this Article 7, and the power hereby granted to Declarant shall be, and is, a power coupled with an interest and is irrevocable.

Section 7.5 Additional Land Not Subject to Restrictions Until Annexation. These Restrictions, including

but not limited to this Article 7, do not presently create any interest in or with respect to the Additional Land, and these Restrictions shall not affect in any manner all or any part of such Additional Land unless and until a Supplemental Declaration is filed with respect thereto or to a portion thereof in accordance with this Article 7.

ARTICLE 8
AMENDMENT TO DECLARATION AND SUBDIVISION AND
DURATION OF RESTRICTIONS

Section 8.1 Amendment by Declarant. Notwithstanding anything to the contrary contained in these Restrictions, the Declarant shall have and hereby reserves the right at any time, without the joinder or consent of any other party or entity, to amend these Restrictions by an instrument in writing duly signed, acknowledged and filed for record in the Office of the County Clerk of Travis County, Texas, so long as such amendment (in the sole discretion of the Board) will not be inconsistent with the general overall plan for the development of the Subdivision.

Section 8.2 Amendment. Except as otherwise provided by law and by Section 8.1, the provisions hereof may be amended by an instrument in writing signed by Members having not less than two-thirds (2/3rds) of the total votes in the Association that may be cast thereupon, but no such amendment shall be effective until a written notice thereof is duly recorded in the Office of the County Clerk of each county in which the Subdivision or portion thereof affected is located. The Bylaws of the Association may be amended as therein set forth.

Section 8.3 Duration. These Restrictions shall remain in full force and effect until January 1, 2026, and shall be extended automatically for successive ten (10) year periods; provided, however, that these Restrictions may be terminated on January 1, 2026, or on the commencement of any successive ten (10) year period; by filing for record in the Office of the County Clerk of each county, in which the Subdivision or portion thereof affected is located, an instrument in writing signed by Members having not less than two-thirds (2/3rds) of the total votes in the Association that may be cast thereupon.

Section 8.4 Amendment to Plat or Subdivision. Notwithstanding anything to the contrary contained in these Restrictions, the Declarant shall have and hereby reserves the right at any time, without the joinder or consent of any other party or entity, whether such other party or entity own any portion of the Lot or Lots herein described, to realign or amend any Lot or Lots within the subdivision which may be owned by Declarant, whether such realignment or amendment increases or decreases the size of such Lot or Lots, and to file, seek approval of, and record any and all replats, amended plats, or other revisions to the plat of the Subdivision, so long as such realignment or amendment does not materially destroy the overall plan for the development of the subdivision and is effected in accordance with applicable state, county and municipal law. Declarant shall further have the right and hereby reserves the right at any time to construct or approve the construction of a Unit across the Lot lines of any Lots held in common ownership. For purposes of effecting these rights, each owner hereby appoints Declarant as its attorney-in-fact for the purpose of filing, recording, and seeking any and all necessary approvals and recordings for amended plats or replats made or sought pursuant to this provision, and the power hereby granted to Declarant shall be, and is, a power coupled with an interest and is irrevocable.

ARTICLE 9
MISCELLANEOUS

Section 9.1 Severability. In the event of the invalidity or partial invalidity or partial unenforceability of any provision or a portion of these Restrictions, the remainder of these Restrictions shall remain in full force and effect.

Section 9.2 Rules and Regulations. The Rules and Regulations may be amended from time to time by the Board. The Rules and Regulations are of equal dignity with, and shall be enforceable in the same manner as, the provisions of these Restrictions, but in the event of a conflict, these Restrictions shall control. Each Owner, by accepting conveyance of a Lot, agrees to comply with and abide by the Rules and Regulations, as the same may be amended from time to time.

Section 9.3 Exhibits. The exhibits attached hereto are hereby incorporated by reference into these Restrictions for all purposes as if set out verbatim herein.

Section 9.4 Number and Gender. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities, and associations of every kind or character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

Section 9.5 Articles and Sections. Article and section headings in these Restrictions are for convenience of reference and shall not affect the construction or interpretation of these Restrictions. Unless the context otherwise requires, references herein to Articles and Sections are to Articles and Sections of these Restrictions.

Section 9.6 Delay in Enforcement. No delay in enforcing the provisions of these Restrictions with respect to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

Section 9.7 Limitation of Liability. Declarant, as well as its partners, agents, employees, officers, directors, partners, and their respective officers, directors, agents, and employees, shall not be liable to any Owner or lessee of the Land or any portion thereof or to any other party for any loss, claim, or demand in connection with a breach of any provision of these Restrictions by any party other than Declarant.

Section 9.8 Enforceability. The restrictions adopted and established for the Subdivision by these Restrictions are imposed upon and made applicable to the Subdivision and shall run with the Subdivision and shall be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each purchaser, grantee, Owner, and lessee in the Subdivision, or any portion thereof, and the respective heirs, legal representatives, successors, and assigns of the Subdivision, the Association and each such purchaser, grantee, Owner, and lessee.

Section 9.9 Remedies. In the event any one or more persons, firms, corporations, or other entities shall violate or attempt to violate any of the provisions of these Restrictions, the Declarant, the Association, each purchaser, grantee, Owner, or lessee of the Land, or any portion thereof, may institute and prosecute any proceeding at law or in equity

(i) to abate, prevent, or enjoin any such violation or attempted violation or (ii) to recover monetary damages caused by such violation or attempted violation. Upon the violation of any of the provisions of these Restrictions by any Owner, in addition to all other rights and remedies available to it at law, in equity, or otherwise, the Association, acting through the Board, shall have the right to pursue any or all of the following remedies:

(a) The Board may restrict the right of such Owner to use the Common Areas in such manner as the Board deems fit or appropriate; and

(b) The Board may restrict the right of such Owner to vote in any regular or special meeting of the Members.

WITNESS THE EXECUTION HEREOF, as of the 15th day of August, 1988.

THE RANCH ASSOCIATES
a Texas joint venture

By: Stokes-O'Steen Communities, Inc.
a joint venturer

By: [Signature]
Name: NED SEARCY
Title: VICE PRES

THE STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the 15th day of August, 1988 by Ned Searcy, Vice-President of Stokes-O'Steen Communities, Inc., a Florida corporation, on behalf of said corporation as a joint venturer of The Ranch Associates, a Texas joint venture, on behalf of said joint venture.

[Signature]
Notary Public - State of TEXAS
My Commission expires: Oct 29, 1988

NOTARY SEAL

FILED

1988 AUG 17 AM 11:45

DANA [Signature]
COUNTY CLERK
TRAVIS COUNTY, TEXAS

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED in the Volume and Page of the [unclear] RECORDS of Travis County, Texas, on

AUG 17 1988



[Signature]
COUNTY CLERK
TRAVIS COUNTY, TEXAS

Return To:
R. G. CONVERSE
Fullbright & Jaworski
600 Congress, Suite 2400
Austin, Texas 78701

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

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