

FIRST AMENDMENT  
TO  
HARRIS RIDGE AREA  
MASTER DECLARATION  
OF COVENANTS, CONDITIONS  
AND RESTRICTIONS  
AND NOTICE OF ADDITION OF LAND

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FIRST AMENDMENT TO HARRIS RIDGE AREA MASTER DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
AND NOTICE OF ADDITION OF LAND

THE STATE OF TEXAS       §  
  §  
COUNTY OF TRAVIS       §

This FIRST AMENDMENT TO HARRIS RIDGE AREA MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND NOTICE OF ADDITION OF LAND (this "Declaration") is made on the date hereinafter set forth by NCNB Texas National Bank, a banking association ("Declarant") and supersedes in its entirety that certain Harris Ridge Residential Area Master Declaration of Covenants, Conditions and Restrictions (the "Original Declaration") recorded in Volume 9776, Page 707 of the Real Property Records of Travis County, Texas.

RECITALS

WHEREAS, Declarant acquired certain real property from Storm Development, Inc., a Texas corporation (the "Original Declarant"), situated in the Harris Ridge Area in Travis County, Texas, pursuant to nonjudicial foreclosure sales, said property being more particularly described in those certain Trustee's Deeds each from Lewis N. Little, Jr., Trustee to Declarant dated May 2, 1989, and recorded in Volume 10929, Page 653, Volume 10929, Page 641 and Volume 10929, Page 666 and those certain Substitute Trustee's Deed each from Lewis N. Little, Jr., Substitute Trustee to Declarant dated May 2, 1989 and recorded in Volume 10929, Page 681, and Volume 10929, Page 635, all of the Real Property Records of Travis County, Texas, and including all of the real property described on Exhibit A, Exhibit B and Exhibit C, all attached hereto and made a part hereof for all purposes.

WHEREAS, pursuant to Article IX, Section 9.06 of the Original Declaration, which covers the real property described on Exhibit A attached hereto, and in connection with the above described nonjudicial foreclosure sales, the Original Declarant assigned all of its privileges, exemptions and rights as "Declarant" under the Original Declaration to Declarant as evidenced by that certain Assignment of Rights as Declarant under Harris Ridge Residential Area Master Declaration of Covenants, Conditions and Restrictions in favor of. Declarant, recorded in Volume 10929, Page 1944 of the Real Property Records of Travis County, Texas;

WHEREAS, pursuant to that certain Notice of Addition of Land to Harris Ridge Residential Area Master Declaration of Covenants, Conditions and Restrictions recorded in Volume 10107, Page 987, of the Real Property Records of Travis County, Texas, certain real property located in Travis County, Texas, and described on Exhibit B attached hereto was added to the Property as defined in the Original Declaration and in this Declaration, and this Declaration applies to said real property;

WHEREAS, Section 2.02 of the original Declaration provides that Declarant may, from time to time, add other lands to the Property as defined therein, whereupon the Original Declaration and the covenants, conditions, restrictions, and obligations set forth therein shall apply to the added land, and the rights, privileges, duties, and liabilities to the person subject to the Original Declaration shall be the same with respect to the added land as with respect to the lands originally covered by the Declaration

WHEREAS, Article IX, Section 9.02 of the Original Declaration provides that the Declarant may amend the Original Declaration acting alone until December 31, 1995, or until Declarant no longer holds a majority of votes in the Master Association, as defined therein, whichever occurs first;

WHEREAS, Declarant holds a majority of votes in said Master Association; and

WHEREAS, Declarant desires to add that certain real property located in Travis County, Texas, and described on Exhibit C attached hereto to the real property subject to the terms of the Original Declaration (the "Property") and to amend the original Declaration as herein provided in order to create and carry out a uniform plan for improvement, development and sale of the Property and portions thereof for the benefit of the present and future owners of the Property, and to adopt and establish the following declarations, reservations, restrictions, covenants, conditions and easements to apply uniformly to the use, improvement, occupancy and conveyance of all the Property, including the roads, avenues, streets, alleys and waterways therein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THAT it is hereby declared that all of the Property shall be held, sold, conveyed and occupied subject to the following easements, restrictions, covenants, and conditions, which shall amend and supersede in its entirety the covenants, conditions and restrictions set forth in the Original Declaration, and which are for the purpose of protecting the value and desirability of the Property and which shall run with the Property and shall be binding on all parties having any right, title, or interest in or to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each such owner thereof, and each contract or deed which may be hereafter executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to the following (regardless of whether or not the same are set out in full or by reference in said contract or deed).

#### ARTICLE I GENERAL

Section 1. Definitions. The following words, when used in this Declaration, unless the context shall prohibit, shall have the following meanings:

a. Architectural Committee. The Architectural Committee shall mean and refer either the Commercial Architectural Committee or the Residential Architectural Committee, as appropriate, which shall depend on whether the portion of the Property affected by the decision of such Architectural Committee will be (i) a Residential Lot, in which event the Architectural Committee shall mean and refer to the Residential Architectural Committee, or (ii) any portion of the Property other than a Residential Lot, in which event the Architectural Committee shall mean and refer to the Commercial Architectural Committee.

b. Assessment. Assessment or Assessments shall mean such assessments as may be levied by the Association including Regular Assessments and Special Assessments, under the terms and provisions of this Declaration.

c. Assessment Unit. Assessment Unit or Assessment Units shall mean and refer to the uniform allocation of Assessments calculated pursuant to the terms of Article X, Section 6.

d. Association. Association shall mean and refer to Harris Ridge Owners Association, Inc., a Texas non-profit corporation.

e. Association Rules and Bylaws. The Association Rules and Bylaws shall mean and refer to those rules and bylaws made,

established and promulgated by the Association covering any and all aspects of the functions of the Association.

f. Board. Board shall mean and refer to the Board of Directors of the Association.

g. Commercial Architectural Committee. Commercial Architectural Committee shall mean and refer to the Commercial Architectural Control Committee created pursuant to this Declaration.

h. Commercial Committee Advisory Members. Commercial Committee Advisory Members shall mean and refer to the nonvoting members, if any, of the Commercial Architectural Committee, which members shall serve in an advisory capacity.

i. Commercial Committee Voting Members. Commercial Committee Voting Members shall mean and refer to the members of the Commercial Architectural Committee entitled to vote in accordance with Article IX, Section 2 of this Declaration.

j. . Commercial Lot. Commercial Lot shall mean and refer to a parcel of land within the Property shown as a subdivided commercial lot on the plat of a subdivision out of the Property, together with the Improvements thereon.

k. Commercial Property. Commercial Property shall mean and refer to any and all Commercial Lots, Multi-Family Tracts, Duplex Lots and Townhouse Lots and such land within the Property as Declarant has, in its sole discretion, designated as Commercial Property, and all other portions of the Property which are not Residential Property.

l. Common Property. Common Property shall mean and refer to (i) those areas of land shown on any recorded plat or its equivalent of the Property or any portion thereof and identified thereon as Common Property, Common Area, Greenbelt Area or by any similar term, (ii) any and all easements, roads, roadways, rights-of-way, and median strips and (iii) any and all real property owned by the Association.

m. Community Facilities Contract. The Community Facilities Contract shall mean and refer to that certain community Facilities Contract attached hereto as Exhibit D attached hereto and made a part hereof for all purposes.

n. Declarant. Declarant shall mean and refer to NCNB Texas National Bank, a banking association, its successors and assigns, and shall include any person or entity to which Declarant may assign its rights and privileges, duties, and obligations hereunder, all of which are and shall be assignable; provided that any assignment of the rights of Declarant hereunder must be expressly set forth in writing and the mere conveyance by Declarant of a portion of the Property without written assignment of the rights of Declarant shall not constitute an assignment of the rights of Declarant hereunder.

o. Declaration. This Declaration shall mean and refer to this instrument, as it may be amended from time to time.

p. Duplex. Duplex snail mean two dwelling units within a single building.

q. Duplex Lot. Duplex Lot shall mean and refer to a parcel of land within the Property shown as a subdivided duplex lot on the plat of a subdivision out of the Property, together with all Improvements located thereon.

r. Improvements. Improvements shall mean and refer to any structure and all appurtenances thereto of every type and kind constructed or located on the Property, *including* but not limited to buildings, outbuildings, patios, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning equipment, water softener fixtures or equipment, and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

s. LDC. LDC shall mean and refer to the Land Development Code of the City of Austin, as same may be amended from time to time.

t. Lot. Lot or Lots shall mean and refer to any Residential Lot, Duplex Lot or Townhouse Lot.

u. Manager. Manager shall mean and refer to the person or firm retained by the Association to manage and operate the Association and its property to the extent deemed advisable by the Board.

v. Mortgage. Mortgage shall mean and refer to any mortgage or deed of trust covering a portion of the Property given to secure the payment of a debt. Mortgagee shall mean and refer to the beneficiary of a Mortgage.

w. Multi-Family Residence. Multi-Family Residence shall mean and refer to a building *containing* multiple dwelling units, but shall not include a Duplex or Townhouse.

x. Multi-Family Tract. Multi-Family Tract shall mean a lot or tract out of the Property intended for development as a Multi-Family Residence.

aa. Notice of Addition of Land. Notice of Addition of Land shall mean and refer to a notice recorded in the Real Property records of Travis County, Texas, pursuant to Article II, Section 2 of this Declaration.

bb. Notice of Withdrawal of Land. Notice of Withdrawal of Land shall mean and refer to a notice recorded in the Real Property Records of Travis County, Texas, pursuant to Article II, Section 3 of this Declaration.

cc. Owner. Owner shall mean and refer to any person or entity, including Declarant, holding a fee simple interest in any portion of the Property, and specifically shall not include the beneficiary of a Mortgage. An Owner's Property shall mean and refer to that portion of the Property to which Owner holds a fee simple interest,

dd. Plans and Specifications. Plans and Specifications shall mean and refer to any and all documents designed to guide or control the construction or erection of any Improvements, including but not limited to those indicating size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to pertaining to such Improvements.

ee. Property. The Property shall mean and refer to the real property covered by and subject to this Declaration as described on Exhibit A, B and C, attached hereto, together with any

Improvements and additions thereto, and any real property added to the Property covered by and subject to this Declaration pursuant to Article II, Section 2 of this Declaration, together with any Improvements or additions thereto.

ff. Regular Assessment. Regular Assessment shall mean and refer to Assessments levied by the Association pursuant to Article X, Section 8 of this Declaration.

gg. Residential Architectural Committee. Residential Architectural Committee shall mean and refer to the Residential Architectural Control Committee created pursuant to this Declaration.

hh. Residential Committee Advisory Members. Residential Committee Advisory Members shall mean and refer to the nonvoting members, if any, of the Residential Architectural Committee, which members shall serve in an advisory capacity.

ii. Residential Committee Voting Members. Residential Committee Voting Members shall mean and refer to the members of the Residential Architectural Committee entitled to vote in accordance with Article IX, Section 1 of this Declaration.

33. Residential Lot. Residential Lot shall mean and refer to a parcel of land within the Property shown as a subdivided lot on a recorded plat of a subdivision out of the Property and intended for development as a detached, single family residence, together with all Improvements located thereon.

kk. Residential Property. Residential Property shall mean and refer to any and all Residential Lots and such land within the Property as Declarant has, in its sole discretion, designated Residential Property.

11. Special Assessment. Special Assessment shall mean and refer to Assessments levied by the Association pursuant to Article X, Section 9 of this Declaration.

mm. Street. Street shall mean and refer to a road or right-of-way that has been or is intended to be dedicated for use by the public.

nn. Subdivision. Subdivision shall mean and refer to a parcel of and within the Property shown on a final subdivision plat recorded in the Plat Records of Travis County, Texas.

oo. Supplemental Declaration. Supplemental Declaration shall mean and refer to any declaration of covenants, conditions and restrictions which may be recorded hereafter in order (i) to add land to the Property or (ii) to subject any Commercial Property or Residential Property to further covenants, conditions or restrictions or (iii) to withdraw land from the Property.

pp. Townhouse. Townhouse shall mean and refer to a dwelling unit sharing at least one common wall with an adjacent dwelling unit.

qq. Townhouse Lot. Townhouse Lot shall mean and refer to a parcel of land within the Property shown as a subdivided townhouse lot on the plat of a subdivision out of the Property, together with all improvements located thereon.

ARTICLE II  
DEVELOPMENT, ANNEXATION AND WITHDRAWAL OF LAND

Section 1. Development by Declarant. Declarant may divide or subdivide the Property or any portion thereof, designate any portion of the Property to be a separate portion of the Property, and develop parts of the Property. It is contemplated that the Property will be developed pursuant to a master concept plan, which may, from time to time, be amended or modified, in the sole discretion of Declarant, in which the development of and restrictions upon each portion of the Property will benefit each other portion of the Property and the whole thereof. As each portion of the Property is developed or dedicated, Declarant may record one or more Supplemental Declarations and designate the use, classification, and such additional covenants, conditions and restrictions as Declarant may deem appropriate for that portion of the Property. Any Supplemental Declaration may provide its own procedure for the amendment of any provisions thereof, as, for example, by a specified vote of only the owners of the real property within the portion of the Property subject thereto. All lands, improvements and uses in each portion of the Property so developed shall be subject to both this Declaration and the Supplemental Declaration, if any, for that portion of the Property. Any supplemental Declaration recorded for a portion of the Property may designate such portion of the Property to be used and improved for attached or detached residences, multiple family residences or for commercial purposes.

Section 2. Annexation. Declarant, and other persons with Declarant's written consent may, at any time and from time to time, add additional real property to the Property. Upon the recording of a Notice of Addition of Land containing the provisions set forth below in this Article II, the covenants, conditions and restrictions contained in this Declaration shall apply to the added land, and the rights, privileges, duties and liabilities of the persons subject to this Declaration shall be the same with respect to the added land as with respect to the lands originally covered by this Declaration. The Notice of Addition of Land referred to hereinabove shall contain the following provisions and may be contained in any Supplemental Declaration affecting such real property or in any amendment to this Declaration:

- a. A reference to this Declaration, which reference shall state the date of recordation hereof and the book and page numbers wherein this Declaration is recorded;
- b. A statement that the provisions of this Declaration shall apply to the additional real property;
- c. A legal description of the additional real property;  
and
- d. If the additional real property is not owned by Declarant, the written consent of the holders of a majority of the votes in the Association.

Section 3. Withdrawal of Land. With the written consent of the holders of a majority of the votes in the Association, the Declarant or any other interested person may, at any time and from time to time, reduce or withdraw real property from the Property; provided, however, that any such real property withdrawn from the Property shall remain subject to any and all Assessments levied on such real property by the Association. Notwithstanding the foregoing, Declarant expressly reserves the right to sell, transfer or assign all or any part of the Property to a third party free and clear of the covenants, conditions and obligations contained in this Declaration; provided, however, (i) that the written document

evidencing any such sale, transfer or assignment shall specifically state that same is made free and clear of the covenants, conditions and restrictions contained herein and that the transferee shall have no rights or obligations hereunder and (ii) that written notice shall be given to each member of the Association prior to such sale, transfer or assignment. The procedure for withdrawal of land shall be substantially the same as set forth above in Article II, Section 2 for the addition of land except that the instrument shall be designated as Notice of Withdrawal of Land, and the language of the notice shall be changed as necessary to effect withdrawal rather than addition of land. Additionally, such Notice of Withdrawal of Land shall specifically state that the real property withdrawn from the Property shall remain subject to any and all Assessments levied on such real property by the Association.

ARTICLE III  
RESTRICTIONS-GENERALLY

All of the Property shall be owned, held, encumbered, leased, used, occupied and enjoyed subject to the following limitations and restrictions:

Section 1. Antennas. It being the intention of Declarant to strictly limit the number of external antennas and to encourage collective communication systems, antennas, satellite dish receivers or other devices designed to receive telecommunication signals, including but not limited to radio, television or microwave signals which are intended for cable television, network televisions reception or entertainment purposes, whether commercial or otherwise, may only be erected or maintained upon the Property, with the prior written approval of the Architectural Committee, which approval may be withheld for any reason. If the Architectural Committee grants approval for any such device, the Committee may require appropriate placement and landscaping to ensure that same is screened from view or placed in a location so as not to be intrusive to other owners of any part of the Property. Antennas, satellite dish receivers or other devices designated and intended to receive telecommunications signals for uses other than network television reception, cable television or entertainment purposes shall be permitted upon the written approval of the Architectural Committee, which consent shall not be unreasonably withheld; provided, however, that the Architectural Committee may impose conditions or restrictions as to size, materials used, location and appropriate landscaping or screening from view, and further provided that the Architectural Committee shall encourage and require the use of collective systems whenever reasonably practical.

Section 2. Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of insurance on any other portion of the Property nor shall anything be done or kept on the Property which would result in the cancellation of insurance on any Improvements within the Property or which would be in violation of any law.

Section 3. Subdivision. No Lot, Commercial Lot or Multi-Family Tract within the Property which has been finally platted shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Architectural Committee; provided, however, that nothing herein shall be deemed to require the approval of the Architectural Committee for the transfer or sale of any Lot, Commercial Lot or Multi-Family Tract, including improvements thereon, to more than one person to be held by them as tenants in common or joint

tenants, or for the grant of any Mortgage, and further provided that when Declarant is the Owner thereof, Declarant may further divide or subdivide any Lot, Commercial Lot or Multi-Family Tract, or parcel of land or convey an easement or other interest less than the whole, all without the approval of the Architectural Committee. Except when Declarant is the Owner, no subdivision or resubdivision permitted hereunder shall, without the prior written approval of the Architectural Committee, result in an increase in the number of Lots or Multi-Family Tracts or the extension of any existing public or private streets serving the Property so subdivided or resubdivided.

Section 4. Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. An Owner shall at all times keep all refuse, garbage and trash in or on such Owner's Property in covered containers and any such container shall be kept within an enclosed structure or appropriately screened from view.

Section 5. Noise. 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 the Property without the prior written approval of the Architectural Committee. No noise or other nuisance shall be permitted to exist or operate on the Property so as to be offensive or detrimental to any owner or to any other property or to its occupants.

Section 6. Construction of Improvements. No Improvements shall hereafter be constructed upon any Commercial Property without the prior written approval of the Commercial Architectural Committee. No Improvements shall hereafter be constructed upon any Residential Property without the prior written approval of the Residential Architectural Committee. The positioning of all Improvements within the Property is hereby expressly made subject to the applicable Architectural, Committee's review. The Architectural Committee may consider the effect the Improvements will have on the Property as a whole, it being expressly understood that neither the Architectural Committee nor the members thereof shall be liable to any Owner in monetary damages or otherwise due to the construction of any Improvements on the Property.

Section 7. Repair of Buildings. All Improvements shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof.

Section 8. Alteration or Removal of Improvements. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any Improvements, or the removal of any Improvements shall be performed only with the prior written approval of the Architectural Committee.

Section 9. Roofing Materials. No reflective roofing materials are permitted on any Improvements without the prior written approval of the Architectural Committee. All roofing materials shall be subject to the approval of the Architectural Committee.

Section 10. Underground Utility Lines. No utility lines, including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or in any Residential Property unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on

buildings or other Improvements as approved in writing by the Residential Architectural Committee; provided, however, that no provision hereof shall be deemed to forbid (a) the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements which have been previously approved in writing by the Residential Architectural Committee and (b) the erection of three phase lines and/or wires for communication or for transmission of sound or current and lines and/or wires erected on the perimeter of the Property above ground with prior written approval from the Residential Architectural Committee.

Section 11. Hazardous Activities. No activities shall be conducted on the Property and no Improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms or fireworks shall be discharged upon the Property, and no open fires shall be lighted or permitted except within safe and well-designed interior fireplaces, or in contained barbecue units while attended and in use for cooking purposes.

Section 12. Temporary Structures. No tent, shack or other temporary building, improvement or structure shall be placed upon the Property without the prior written approval of the Architectural Committee as to, among other considerations, the nature, size, duration and location of such structures; provided, however, temporary structures necessary for storage of tools and equipment, and for office space for architects, builders and foremen during the actual construction may be maintained with the prior approval of Declarant.

Section 13. Mining and Drilling. No portion of the Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel aggregate or earth.

Section 14. Animals. No animals, including pigs, hogs, swine, poultry, fowl, wild animals,, horses, cattle, sheep goats or any other type of animal may be kept, maintained or cared for on the Property; provided, however, that an Owner or occupant of a Lot may keep and maintain a domestic household pet within the ordinary meaning and interpretation of such term. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its owner unless on a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on a Lot and no kennel or other facility for the breeding, raising or boarding of animals for commercial purposes shall be permitted; provided, however, that household pets and other animals may be kept in any pet store or other commercial establishment if such use has been approved by the Architectural Committee. No animal shall be allowed to run at large and all animals 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 Architectural Committee, 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 Property.

Section 15. Prefabricated Buildings. No preconstructed, prefabricated or existing structure may be constructed upon or moved or relocated on to any portion of the Property without the prior written approval of the Architectural Committee.

Section 16. Unsightly Articles; Vehicles. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any portion of the Property so as to be visible from adjoining property or public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks (other than pick-up trucks), tractors, wagons, buses, motorcycles, and 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 or pick-up truck (other than minor emergency repairs), except in enclosed garages or other approved structures. Each single-family residential structure constructed within the Property shall have garage space sufficient to house at least one (1) vehicle. Lot Owners shall not keep more than two (2) automobiles in such manner as to be visible from any other portion of the Property for any period in excess of seventy-two (72) hours. No automobiles or other vehicles may be parked overnight on any roadway within the Property.

Service areas and storage areas, shall be appropriately screened from view and no lumber, metals; bulk materials or scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Property except within enclosed structures which are appropriately screened from view. Liquid propane gas, oil and other exterior tanks shall be kept within enclosed structures or permanently screened from view.

Section 17. Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any portion of the Property at any time, and no travel trailers or recreations vehicles shall be parked on or near any portion of the Property so as to be visible from adjoining property or public or private thoroughfares for more than forty-eight (48) hours.

Section 18. Fences. The construction of fences shall be restricted, and no fence shall be constructed on the Property without the prior written consent of the Architectural Committee, except as otherwise expressly provided in this Declaration. The Architectural Committee may, in its sole discretion prohibit the construction of any proposed fence for which the approval of the Architectural Committee is required, or specify the materials of which any such proposed fence must be constructed, or require that any such proposed fence be screened by vegetation or otherwise screened so as not to be visible from other portions of the Property.

#### ARTICLE IV PROTECTIVE COVENANTS-GENERALLY

Section 1. Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any portion of the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the Architectural Committee, provided that such waiver shall be only for the reasonable period of such construction.

Section 2. Compliance with Provisions of this Declaration. Each owner shall comply strictly with the provisions of this Declaration as the same may be amended from time to time. Failure to comply with the provisions of this Declaration shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Association or by any aggrieved Owner.

Section 3. Construction in Place. All dwellings constructed on the Property shall be built in place on a Lot or Multi-Family Tract and the use of prefabricated materials shall be allowed only with the prior written approval of the Architectural Committee.

Section 4. Setback Requirements. Setback requirements for Lots and Commercial Lots shall be as set forth on the applicable recorded subdivision plat. The location of all Improvements on Multi-Family Tracts shall be subject to approval by the Commercial Architectural Committee.

Section 5. Screening. Antennas, satellite dish receivers or other devices designed to receive telecommunication signals approved by the Architectural Committee, storage areas, air conditioning and heating equipment, incinerators, storage tanks, trucks based on the premises, roof objects (including fans, vents, cooling towers, skylights and all roof mounted equipment which rises above the roof line), trash containers and maintenance facilities, shall either be housed in closed buildings or otherwise completely screened from public view in a manner and at a location approved in writing by the Architectural Committee. Such screening shall include landscaping or permanent fences of solid materials and shall be located as far from property lines as reasonably possible, unless otherwise approved in writing by the Architectural Committee. No antennas or tower shall be erected on the Property without the prior written approval from the Architectural Committee. Any and all lines and/or wires for communication or for transmission of sound or current, not within a building, shall be constructed or placed and maintained underground; provided, however, three phase lines and/or wires for communication or for transmission of sound or current and lines and/or wires erected on the perimeter of the Property shall be permitted to be placed above ground with prior written approval from the Architectural Committee. At a minimum screening shall be required as set forth in the LDC.

Section 6. Sidewalks. The Owner of any portion of the Property shall, at such Owner's expense, construct sidewalks on such Owner's Property prior to the occupancy of any Improvements thereon. Such sidewalks (i) shall be two feet (2') from the curb and shall be a standard width and (ii) shall be constructed along all roadways adjacent to such Owner's Property. An Owner of any portion of the Property adjacent to more than one roadway shall be required to construct sidewalks as provided herein along each roadway adjacent to such Owner's Property.

Section 7. No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a portion of the Property in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring such portion of the Property agrees to hold Declarant harmless therefrom.

ARTICLE V  
PROTECTIVE COVENANTS-COMMERCIAL PROPERTY

Section 1. Use Limitations. Commercial Property may be used for office buildings, light manufacturing and assembly, hotels, religious assemblies, retail sales, restaurants, storage, warehousing and related facilities (on Commercial Lots), for multi-family residences (on Multi-Family Tracts), for duplex residential (on Duplex Lots), for townhouse residential (on Townhouse Lots), or for any uses approved in writing by Declarant, or approved in writing by the Commercial Architectural Committee, and permitted by the LDC on such Commercial Property. The following uses of Commercial Property shall not be permitted:

- a. Overnight parking of campers, mobile homes, boats, trailers or motor homes;
- b. Any use which would create any dangerous, injurious, noxious, or otherwise objectionable noise, glare, smoke, dust or other form of air pollution, liquid or solid refuse or waste, or other substance as to affect any use within the vicinity;
- c. Detached, Single family residential; and
- d. Any use contrary to law or which violates any provision of this Declaration.

Section 2. Masonry Requirements. Residences located on Duplex Lots or Townhouse Lots shall have a minimum of seventy-five percent (75%) of their exterior walls of the first floor of stone or masonry construction, such stone or masonry construction to be located on the exterior walls of the first floor facing the street and both sides. Residences located on Duplex Lots or Townhouse Lots shall have a minimum of twenty-five (25%) of their exterior walls of the second floor of stone or masonry construction, such stone or masonry construction to be located on the exterior walls of the second floor facing the street. In computing these percentages (1) all gables shall be excluded from the total area of exterior walls; (2) all windows and door openings shall be excluded from the total area of the exterior walls; and (3) stone and masonry used on fireplaces, chimneys and walls of an attached garage may be included in the computation of stone or masonry used.

Section 3. Sidewalks and Fences. An Owner of a Duplex Lot or Townhouse Lot adjacent to more than one roadway shall be required to construct a six foot (6') wooden fence along any roadway adjacent to such Owners Property, other than the roadway in front of such owners Property. Any such fence shall be constructed as such that the continuous side of the fence faces the adjacent roadway and the supporting boards are not visible from the roadway.

Section 4. Building Heights. Unless a variance is granted as provided in Article IX of this Declaration, no portion of a building in excess of forty feet (40') shall be closer than one hundred feet (100') from a street right-of-way or closer than one hundred feet (100') from a side or rear property line.

Section 5. Parking Areas. All parking areas shall meet or exceed the standards set forth in the LDC.

Section 6. Loading Docks and Areas. All loading docks and areas shall comply with the provisions set forth in the LDC. Loading docks and areas shall not be located on the street side of any building or structure; provided that the Commercial Architectural Committee may approve such location in writing

(subject to specific screening requirements) on one street side of corner buildings or structures. Loading areas may not encroach upon any setback area, except that Declarant may approve such encroachment in connection with the approval of street-side loading areas for corner buildings as described in the preceding sentence. Loading docks and areas shall be screened in a manner approved in writing by the Architectural Committee, considering such things as location (street side or rear side) and views from adjacent and nearby property.

Section 7. Driveways. No driveway for a commercial Lot or Multi-Family Tract shall intersect a road, street or thoroughfare within thirty feet (30') of an intersection. All driveways for Commercial Lots and Multi-Family Tracts shall have a minimum width of twelve feet (12') and shall comply with all limitations set forth in the Community Facilities Contract.

Section 8. Signage. All signs located on Commercial Property shall conform to the standards set forth in the LDC and shall be subject to the prior written approval of the Commercial Architectural Committee. Signs of a flashing or moving character or inappropriately colored signs will not be permitted. The Commercial Architectural Committee shall have the right to enter onto any portion of the Property and to remove, at the Owner's expense, any sign erected without such written approval. An Owner may submit a set of design standards for signs within a planned development and once the standards are approved by the commercial Architectural Committee, no further approval of individual signs shall be required so long as the signs meet the criteria established by the Commercial Architectural Committee and the LDC.

Section 9. Landscaping. All landscaping shall meet or exceed the standards set forth in the LDC.

Landscaping shall be required on all Multi-Family Tracts contemporaneously with the completion of all Improvements on the site, but in no event later than one hundred eighty (180) days after the first occupancy or completion of the buildings on the site, whichever occurs first. All landscaping on Multi-Family Tracts shall conform to a landscaping plan approved by the Commercial Architectural Committee and prepared by a registered landscape architect, unless the Commercial Architectural Committee waives a specific requirement of this Section 8. After (i) determining that such a waiver is justified due to aesthetic or visual considerations, or unusual circumstances, and (ii) finding that such waiver is compensated for through the use of alternative landscape design or similar means which, in the opinion of the Commercial Architectural Committee, are equivalent to or exceed the quality of the landscaping required herein. Factors to be considered by the Commercial Architectural Committee may include, but shall not be limited to whether the plans meet the following criteria:

- (1) Provide automatic underground sprinkling systems for all landscaped areas;
- (2) Do not obstruct sight lines at street or driveway intersections;
- (3) Preserve existing trees to the extent practicable;
- (4) Include at least one (1) tree in the area between the building line and the street right-of-way line every thirty-five (35) feet;
- (5) Include landscape islands in parking areas of at least nine (9) feet in width for each twenty (20) parking

spaces, and include in each island a minimum of one (1) tree; and

- (6) Permit reasonable access to public and private utility lines and easements for installation, maintenance and repair. At least two (2) trees shall be planted in the front yard of each Duplex Lot and the front yard and both side yards of each such Duplex Lot shall be fully sodded prior to the occupancy of the dwelling located on such Duplex Lot.

Section 10. Exterior Illumination. Illumination will be required for all parking areas and walkways between buildings used for commercial or industrial purposes, or Multi-Family Residences, and parking areas, unless otherwise waived or modified by Declarant in writing. Such illumination must conform to plans approved in writing by the Commercial Architectural Committee.

Section 11. Construction Standards.

a. The sides of all buildings used for commercial industrial purposes and all Multi-Family Residences must be faced with brick or stone, or with such other similar quality face materials as may be approved in writing by the Commercial Architectural Committee. Tilt wall type building materials may be used only with specific approval of the Commercial Architectural Committee as to quality and appearance. Windows shall not be glazed or reglazed with mirrored glass without the prior written approval of the Commercial Architectural Committee.

b. Construction of buildings used for commercial or industrial purposes and of Multi-Family Residences must conform to plans and specifications approved in writing by the Commercial Architectural Committee. Factors to be considered by the Commercial Architectural Committee may include, but shall not be limited to, whether the plans (i) include wooden frames; (ii) provide adequate fire protection systems; (iii) provide for all underground utilities (public and private); (iv) preserve the quality and atmosphere of the Property and do not detract from adjacent property; and (v) include exterior fire escapes. Plans should not make extensive use of highly reflective or mirrored glass.

c. The sorting, handling, moving, storing, removing and disposing of all trash and waste materials must be housed or screened in a manner approved in writing by the Commercial Architectural Committee. Not more than one (1) waste receptacle shall be permitted for each building used for commercial or industrial purposes, unless a greater number is approved by the Commercial Architectural Committee and is justified by a building of an unusual shape, configuration or use, it being the intention of the Declarant to encourage the use of trash compactors and to reduce the number of trash dumpsters used on the Property. All facilities and plans for the disposal of wastes other than by public sewage methods (such as shredding, compaction, incineration, reclamation, or chemical dissolution) must be approved in writing by the Commercial Architectural Committee.

d. Each kitchen facility within a commercial building or complex of buildings shall contain a water flushing garbage grinder disposal.

e. No excavation shall be made except in conjunction with the construction of Improvements. When the construction of Improvements is completed, all exposed openings shall be back filled and graded.

f. Once commenced, construction shall be diligently pursued to the end and shall not be left in a partly finished condition any longer than reasonably necessary.

Section 12. Rentals. Nothing in this Declaration shall prevent the rental of any Duplex Lot or Townhouse Lot and the Improvements thereon, for residential purposes.

Section 13. Unfinished Structures. No commercial Improvements shall remain unfinished for more than eighteen (18) months after construction of the same has been commenced.

ARTICLE VI  
PROTECTIVE COVENANTS - RESIDENTIAL PROPERTY

Section 1. Use Limitations. Each Residential Lot shall be improved and used solely for detached, single-family residential use, or as Common Property.

Section 2. Residential Lot Improvements. Any detached, single-family dwelling erected on a Residential Lot less than fifty foot in size shall be at least 1100 square feet of heated and air conditioned area. Any detached, single-family dwelling erected on a fifty to sixty foot Residential Lot shall be at least 1400 square feet of heated and air conditioned area. Any detached, singlefamily dwelling erected on a Residential Lot greater than sixty foot in size shall be at least 1600 square feet of heated and air conditioned area.

Section 3. Masonry Requirements. Residences located on Residential Lots shall have a minimum of seventy-five percent (75%) of their exterior walls of the first floor of stone or masonry construction, such stone or masonry construction to be located on the exterior walls of the first floor facing the street and both sides. In addition, residences located on Residential Lots shall have a minimum of twenty-five percent (25%) of their exterior walls of the second floor of stone or masonry construction, such stone or masonry construction to be located on the exterior walls of the second floor facing the street. In computing these percentages (1) all gables shall be excluded from the total area of exterior walls; (2) all windows and door openings shall be excluded from the total area of the exterior walls; and (3) stone and masonry used on fireplaces, chimneys and walls of an attached garage may be included in the computation as stone or masonry used.

Section 4. Fences. An Owner of a Residential Lot adjacent to more than one roadway shall be required to construct a six-foot (6') wooden fence along any roadway adjacent to such Owner's Property, other than the roadway in front of such Owner's Property. Any such fence shall be constructed such that the continuous side of the fence faces the adjacent roadway and the supporting boards are not visible from the roadway. An Owner of a Residential Lot may construct a wood, rock or brick privacy fence not to exceed six (6) feet in height along the rear and side property lines of such Owner's Property.

Section 5. Landscaping. At least two (2) trees shall be planted in the front yard of each Residential Lot and the front yard and both side yards of each such Residential Lot shall be fully sodded prior to the occupancy of the dwelling located on such Residential Lot. Each Residential Lot which is adjacent to more than one roadway shall be fully sodded to the curb line along each such roadway prior to the occupancy of the dwelling located on such Residential Lot.

Section 6. Unfinished Structures. No residential Improvements shall remain unfinished for more than one (1) year after construction of the same has been commenced.

Section 7. Rentals. Nothing in this Declaration shall prevent the rental of any Residential Lot and the Improvements thereon for residential purposes.

ARTICLE VII  
PROTECTIVE COVENANTS - COMMON PROPERTIES

Section 1. Use Limitations. No land within any Common Properties shall be improved, used or occupied, except in such manner as shall have been approved by Declarant, in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy and Improvements. Declarant may, by written instrument, delegate its right to grant such approval to the Board. Notwithstanding anything to the contrary contained in this Article VII, access to any Common Properties may be limited to persons who are currently members of the Association or otherwise conditioned or restricted, or made available to non-owners, all on such terms and conditions as Declarant may determine, in its sole discretion and such limitation, condition or restriction shall supersede any conflicting rule or regulation established by the Association.

Section 2. Recreational Improvements. Any proposed construction of recreational improvements within the Common Properties shall be subject to approval by the Residential Architectural Committee. Access to any recreational improvements shall be limited to the Declarant and each Owner of any Lot.

Section 3. Easements. Except as otherwise provided herein, each Owner shall have an easement of use and enjoyment in and to all Common Properties which shall be appurtenant to and shall pass with title to such Owner's Property, subject to the following provisions:

a. The right of the Association to suspend an Owner's voting rights and right to use the Common Properties for any period during which any Assessment against such owner's Property remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association;

b. The right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by an affirmative vote of twothirds (2/3) of the members of the Association;

c. The right of the Association to borrow money for the purpose of improving the Common Properties and, in furtherance thereof, mortgage the Common Properties, all in accordance with the Articles of Incorporation and Bylaws of the Association;

d. The right of the Association to make reasonable rules and regulations regarding the use of the Common Properties and any facilities thereon;

e. The right of the Association to contract for services with third parties on such terms as the Association may determine; and

f. The right of the Declarant to restrict access to any Common Properties.

#### ARTICLE VIII MAINTENANCE

Section 1. Duty of Maintenance. Owners and occupants (including lessees) of any portion of the Property shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that portion of the Property so owned or occupied, including buildings, Improvements and grounds, in a wellmaintained, safe, clean and attractive condition at all times and shall keep all shrubs, trees, grass and plantings of every kind on such portion of the Property so owned or occupied, cultivated, pruned, mowed free of weeds, and free of litter, trash, refuse and wastes and other unsightly material, and shall maintain all Improvements thereon. The Owner of any Commercial Property and occupant (including lessees) of any Commercial Property being used for commercial or industrial purposes shall further have the duty and responsibility, at such Owner or occupant's sole cost and expense, to (i) keep exterior lighting and mechanical facilities in working order; (ii) keep parking areas, driveways, and roads in good repair; (iii) comply with all government, health and police requirements; (iv) stripe parking areas and repaint Improvements as necessary; and (v) repair exterior damage, and wear and tear to Improvements.

Section 2. Street Lighting. The Owner of any commercial Property shall, prior to the occupancy or use of any Improvements on such Owner's Property, have the duty and responsibility, at such Owner's sole cost and expense, to erect, and install street lighting facilities on such Owner's Property. The street lighting facilities to be constructed by each Owner hereunder shall be of a quality and in locations approved by the appropriate department of the City of Austin, Texas.

Section 3. Enforcement. If, in the opinion of the Association, any Owner or occupant of a portion of the Property has failed in any of the foregoing duties or responsibilities, then the Association may give such person or entity written notice of such failure and such person or entity must, within ten (10) days after delivery of such notice, perform the care and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association through its authorized agent or agents, shall have the right and power to enter onto such portion of the Property and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and occupants (including lessees) of any portion of the Property on which such work is performed shall jointly and severally be liable for the cost of such work and shall promptly reimburse the Association for such cost.

If such Owner or occupant shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association then said indebtedness shall be a debt of all of said persons and/or entities, jointly and severally, and shall constitute a lien against that portion of the Property on which said work was performed. All unpaid amounts due as provided in this Article VIII, together with interest and the cost of collection, including attorney's fees, as herein provided, shall become a continuing lien and charge against that portion of the Property covered by such assessment. Such assessment shall be binding on such Property and run with such Property and shall be binding on the Owner of such Property, and such Owner's heirs, devisees, personal representatives, successors or assigns. In the

event of default in the payment of any such amount due hereunder, the Owner of such Property shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount due from the due date thereof, (or if there is no such highest rate, then at the rate of 2% per month) together with all costs and expenses of collection, including reasonable attorneys fees.

The aforesaid lien shall be superior to all other liens and charges against said Property, except only tax liens and all sums unpaid on a first mortgage lien or first deed of trust lien of record securing in either instance sums borrowed for the improvement or acquisition of said Property. The Association shall have the power to subordinate the aforesaid lien to any other lien. Such power shall be entirely discretionary with the Association. To evidence the aforesaid lien, the Association may prepare a written notice of the lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Property covered by such lien and a description of said Property. Such notice shall be signed by an officer of the Association and shall be recorded in the office of the County Clerk of Travis County, Texas.

Any lien for payment of amounts due shall attach with the priority above set forth from the date that such payment becomes delinquent as set forth in this Article VIII, Section 3 and may be enforced by the foreclosure sale of the defaulting Owner's Property by the Association in like manner as a mortgage on real property subsequent to recording of a notice of the lien as provided above, or the Association may institute suit against the owner personally obligated to pay the amount due and/or foreclose of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or nonjudicial, the Owner shall be required to pay costs, expenses, and reasonable attorneys' fees incurred by the Association. The Association shall have the power to bid on the Property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal With same.

## ARTICLE IX

### ARCHITECTURAL CONTROL COMMITTEES

#### Section 1. Residential Architectural Committee.

1.01 Membership of Residential Architectural Committee. The Residential Architectural Committee shall consist of not more than three (3) Residential Committee Voting Members as may be appointed by the Board and such Residential Committee Advisory Members as the Residential Architectural Committee deems appropriate.

1.02 Action by Residential Architectural Committee. Items presented to the Residential Architectural Committee shall be decided by a majority vote of the Residential Committee Voting Members.

1.03 Term. Each member of the Residential Architectural Committee shall hold office until such time as he has resigned or has been removed, or his successor has been appointed as provided herein. The Board shall have the authority to remove any member of the Residential Architectural Committee with or without cause.

1.04 Adoption of Rules. The Residential Architectural committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties.

1.05 Meetings of the Residential Architectural Committee. The Residential Architectural Committee shall meet from time to time as necessary, to perform its duties hereunder. The vote of a majority of the Residential Committee Voting Members taken without a meeting, shall constitute an act of the Residential Architectural Committee. The Residential Architectural Committee may, by resolution, unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of the Residential Architectural Committee, except the granting of variances as herein provided in this Article IX.

1.06 Address of the Residential Architectural Committee. Plans and Specifications shall be submitted to the Residential Architectural Committee in care of NCNB Texas National Bank, Department Manager of the Asset Management Group, Post Office Box 908, 515 Congress Avenue (78701), Austin, Texas 78781, or such other address as may hereafter be designated by the Residential Architectural Committee.

1.07 Review of Proposed Construction. Whenever this Declaration or any Supplemental Declaration requires the approval of the Residential Architectural Committee, the Residential Architectural Committee shall have the right to consider all of the Plans and Specifications for the Improvements or proposal in question and all other facts which, in its sole discretion, are relevant. Except as otherwise provided below, prior to commencement of any construction of any Improvements, the Plans and Specifications therefor shall be submitted to the Residential Architectural Committee and construction thereof shall not commence unless and until the Residential Architectural Committee has approved such Plans and Specifications in writing. The Residential Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Residential Architectural Committee. The Residential Architectural Committee shall review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Residential Architectural Committee of any information or document deemed necessary by the Residential Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. The Residential Architectural Committee shall have the authority to disapprove any proposed Improvements based upon the restrictions set forth in this Declaration or any Supplemental Declaration. The decision of the Residential Architectural Committee shall be final and binding so long as it is made in good faith. The Residential Architectural Committee shall not be responsible for reviewing any proposed Improvements, nor shall its approval of any Plans or Specifications be deemed approval thereof with respect to structural safety, engineering soundness, or conformance with building or other codes. Anything herein to the contrary notwithstanding, in the case of single-family residences constructed on any Residential Lot, the Residential Architectural Committee may limit its review to a review of a typical floor plan for the proposed residence type, and upon the Residential Architectural Committee's approval of such typical floor plan, such residences may be constructed consistent with the approved floor plan without the requirement of further review or approval by the Residential Architectural Committee; provided, however, the Owner shall submit the plot plan to the Residential Architectural Committee for approval.

1.08 Variances. The Residential Architectural committee may grant variances from compliance with any of the provisions of this Declaration, or any Supplemental Declaration, to the extent such provisions affect Residential Lots, when, in the opinion of

the Residential Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property, will not be adverse to the overall development plan for the Property and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and must be signed by a majority of the Residential Committee Voting Members. The granting of such a variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to Residential Lots for any purpose except as to any particular Residential Lot and in the particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

1.09 No Waiver of Future Approvals. The approval or consent of the Residential Architectural Committee to any Plans or Specifications for any work done or proposed, or in connection with any other matter requiring the approval or consent of the Residential Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or any other person.

1.10 Work in Progress. The Residential Architectural Committee, at its option, may inspect all work in progress on a Residential Lot to ensure compliance with approved Plans and Specifications.

## Section 2. Commercial Architectural Committee.

2.01 Membership of the Commercial Architectural Committee. The Commercial Architectural Committee shall consist of not more than three (3) Commercial Committee Voting Members, appointed by Declarant and such Commercial Committee Advisory Members as the Commercial Committee deems appropriate.

2.02 Action by the Commercial Architectural Committee. Items presented to the Commercial Architectural Committee shall be decided by a majority vote of the Commercial Committee Voting Members.

2.03 Term. Each member of the Commercial Architectural Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. The Declarant shall have the authority to remove any member of the Commercial Architectural Committee with or without cause.

2.04 Adoption of Rules. The Commercial Architectural Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties.

2.05 Meetings of the Committee. The Commercial Architectural Committee shall meet from time to time as necessary, to perform its duties hereunder. The Commercial Architectural Committee may, by resolution, unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of the Commercial Architectural Committee, except the granting of variances as herein provided. In the absence of such designation, the vote of a majority of all of the Commercial Committee Voting Members taken without a meeting, shall constitute an act of the Commercial Architectural Committee.

2.06 Address of the Commercial Architectural Committee. Plans and Specifications shall be submitted to the Commercial Architectural Committee in care of NCNB Texas National Bank, Manager of the Asset Management Group, Post Office Box 908, 515 Congress Avenue (78701), Austin, Texas 78781, or such other address as may hereafter be designated by the Commercial Architectural Committee.

2.07 Review of Proposed Construction. Whenever this Declaration or in any Supplemental Declaration requires the approval of the Commercial Architectural Committee, the Commercial Architectural Committee shall have the right to consider all of the Plans and Specifications for the Improvements or proposal in question and all other facts which, in its sole discretion, are relevant. Except as otherwise provided below, prior to commencement of any construction of any Improvements, the Plans and Specifications therefor shall be submitted to the Commercial Architectural Committee and construction thereof shall not commence unless and until the Commercial Architectural Committee has approved such Plans and Specifications in writing. The Commercial Architectural Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Commercial Architectural Committee. The Commercial Architectural Committee shall review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Commercial Architectural Committee of any information or document deemed necessary by the Commercial Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. No improvements shall be allowed which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes and materials and similar features as to be incompatible with any surrounding area within the Property. The Commercial Architectural Committee shall have the authority to disapprove any proposed Improvements based upon the restrictions set forth in the preceding sentence. The decision of the Commercial Architectural Committee shall be final and binding so long as it is made in good faith. The Commercial Architectural Committee shall not be responsible for reviewing any proposed Improvements, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes. Anything herein to the contrary notwithstanding, in the case of Duplex residences constructed on any Duplex Lot, the Commercial Architectural Committee may limit its review to a review of a typical floor plan for the proposed residence type, and upon the Commercial Architectural committee's approval of such typical floor plan, such residences may be constructed consistent with the approved floor plan without the requirement of further review or approval by the Commercial Architectural Committee.

2.08 Variances. The Commercial Architectural Committee may grant variances from compliance with any of the provisions of this Declaration or any Supplemental Declaration for any portion of the Property other than a Residential Lot, when, in the opinion of the Commercial Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property and will not be adverse to the overall development plan for the Property, and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and must be signed by a majority of the Commercial Committee Voting Members. The granting of such a variance shall not operate to waive or amend any of the terms and

provisions of these covenants and restrictions for any purpose except as to the particular portion of the Property for which such variance was granted and in the particular instance covered by the variance. Such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

2.09 No Waiver of Future Approvals. The approval or consent of the Commercial Architectural Committee to any Plans or Specifications for any work done or proposed, or in connection with any other matter requiring the approval or consent of the Commercial Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and Specifications, or other matter whatever, subsequently or additionally submitted for approval or consent by the same or any other person.

2.10 Work in Progress. The Commercial Architectural Committee, at its option, may inspect all work in progress on any portion of the Property other than a Residential Lot to ensure compliance with approved Plans and Specifications.

Section 3. Non-liability of Architectural Committee Members. Neither the Residential Architectural Committee or the Commercial Architectural Committee, nor any member thereof, shall be liable to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of such Architectural Committee's duties under this Declaration, unless such loss, damage or injury is due to the willful misconduct or bad faith of such Architectural Committee or a member thereof. Without limiting the foregoing, neither the Residential Architectural committee or the Commercial Architectural Committee, nor the members thereof shall be liable to any Owner due to the construction of any Improvements on the Property or any portion thereof.

Section 4. Fees. with prior written approval of the Board, the Residential Architectural Committee and the Commercial Architectural Committee shall have the right to require a reasonable submission fee for each set of Plans and Specifications submitted for review; provided, however, that the Residential Architectural Committee may not require a submission fee for review of typical residential floor plans submitted in accordance with Article III, Section 6 of this Declaration.

Section 5. Delegation of Appointment Powers. Declarant shall have the right by written instrument recorded in the Real Property Records of Travis County, Texas, to delegate to the Board the right to appoint and remove members of the Residential Architectural committee, and in the event of such delegation of authority, the selection of Residential Committee Voting Members, as appropriate.

Section 6. Certificate of Compliance. Upon completion of any Improvements approved by the appropriate Architectural Committee and upon written request by the Owner of portion of the Property which such Improvements are constructed (the "Improved Property") the Architectural Committee shall issue a certificate of compliance in a form suitable for recordation. The certificate shall identify the lot or tract and the Improvements, the approved use or uses of such tract, the Plans and Specifications on file with the Architectural Committee pursuant to which the Improvements were constructed and shall specify that the Improvements comply with the approved Plans and Specifications. The certificate shall not be construed to certify, and the Owner of the Improved Property is hereby notified that, the certificate in no way warrants the acceptability, sufficiency or approval by the Architectural Committee of the actual construction of the Improvements or of the

workmanship or materials used. Preparation and recordation of such certificate shall be at the expense of the Owner of the Improved Property.

ARTICLE X  
HARRIS RIDGE OWNERS ASSOCIATION, INC.

Section 1. Organization. Pursuant to the Original Declaration, the Declarant caused the formation and incorporation of the Association. The Association is a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Articles of Incorporation, the Bylaws of the Association and in this Declaration. Neither the Articles of Incorporation nor the Bylaws of the Association shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Nothing in this Declaration shall prevent the creation, by provision therefor in any Supplemental Declaration(s) executed and recorded by Declarant or any person or persons, authorized by Declarant, of subassociations to own, develop, assess, regulate, operate, maintain or manage the Property or a portion thereof subject to such Supplemental Declaration(s).

Section 2. Membership. Any person, upon becoming the owner of a portion of the Property shall automatically become a member of the Association. Membership shall be appurtenant to and shall run with the property interest which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated, except together with the title to the said property interest.

Section 3. Voting Rights. The right to cast votes, and the number of votes which may be cast, for election of members to the Board of Directors of the Association and on all other matters to be voted on by the members of the Association shall be calculated as provided below. Owners entitled to votes pursuant to (a), (b) and (c) below are hereinafter sometimes referred to as "Class A Members." Declarant is hereinafter sometimes referred to as the "Class B Member."

(a) The Owner (other than Declarant) of each Residential Lot, Duplex Lot or Townhouse Lot within the Property shall have one (1) vote for each Lot so owned.

(b) The Owner (other than Declarant) of each Commercial Lot or Multi-Family Tract on which the Improvements have not been completed or of each acre of land upon which a final subdivision plat has not been recorded shall have one (1) vote for each acre of land included within such Commercial Lot, Multi-Family Tract or land upon which a subdivision plat has not been recorded; provided, however, should the Owner under this subparagraph (b) own a fraction of an acre, owner shall be entitled to one (1) vote for such fraction of an acre only in the event such portion is at least one-half (1/2) of an acre.

(c) The Owner (other than Declarant) of each Commercial Lot or Multi-Family Tract for which a Certificate of Compliance stating that construction of the Improvements has been substantially completed has been issued by the Commercial Architectural Committee shall have three (3) votes for each acre of land included within such Commercial Lot or Multi-Family Tract; provided, however, should the Owner under this subparagraph (c) own a fraction of an acre, owner shall have one (1) vote for each one-third (1/3) of an acre owned within such Commercial Lot or Multi-Family Tract.

(d) The Declarant, its successors or assigns, shall have three (3) votes for each Residential Lot, Duplex Lot or Townhouse Lot owned by Declarant.

(e) The Declarant, its successors or assigns, shall have three (3) votes for each acre of land included within a Commercial Lot or Multi-Family Tract owned by Declarant and three (3) votes for each acre of land owned by Declarant upon which a final subdivision plat has not been recorded; provided, however, should Declarant under this subparagraph (e) own a fraction of an acre, Declarant shall have one (1) vote for each one-third (1/3) of an acre owned by Declarant.

Section 4. Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration, in the Articles of Incorporation or in the Bylaws of the Association. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration the Articles of Incorporation or the Bylaws of the Association. Without in any way limiting the generality of the two preceding sentences, the Association and the Board, acting on behalf of the Association, shall have the power and authority at all times as follows:

a. Association Rules and Bylaws. To make, establish and promulgate and, in its discretion, to amend or repeal and re-enact, such Association Rules and Bylaws, not in conflict with this Declaration, as it deems appropriate covering any and all aspects of the functions of the Association.

b. Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the functions of the Association.

c. Records. To keep books and records of the affairs of the Association.

d. Assessments. To levy Assessments as provided in this Article X.

e. Right of Entry and Enforcement. To enter at any time (i) in an emergency (or in the case of a non-emergency, after twenty-four (24) hours written notice), upon any portion of the Property, and (ii) in an emergency (or in the case of a non-emergency, after ten (10) days written notice), into any Improvements on the Property, without being liable to any owner, for the purpose of enforcing this Declaration or for the purpose of maintaining or repairing any area, Improvements or other facility to conform to this Declaration, and the expense incurred by the Association in connection with the entry upon any portion of the Property and the maintenance and repair work conducted thereon shall be a personal obligation of the owner of the portion of the Property entered upon, shall be a lien upon such portion of the Property and any Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in this Article X for liens arising in connection with Regular Assessments or Special Assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any owner of a portion of the Property who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of this Declaration. The Association is

also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the provisions of this Declaration; provided, however, that the Board shall not expend any funds of the Association for the purpose of bringing suit against Declarant, its successors or assigns.

f. Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association; including advisory services and services for enforcement of restrictions on the Property.

g. Collection of Subassociation. To collect on behalf of and for the account of any subassociation any assessment levied by a subassociation created pursuant to this Declaration or a Supplemental Declaration.

h. Conveyances. To grant and convey to any person or entity any portion of the Property owned by the Association or any interest therein, including fee title, leasehold estates, easements, rights-of-way, or mortgages out of, in, on, over or under any portion of such portion of the Property for the purpose of constructing, erecting, operating or maintaining the following:

i. Parks, parkways or other recreational facilities or structures;

ii. Roads, streets, walks, driveways, trails and paths;

iii. Lines, cables, wires, conduits, pipelines or other vices for utility purposes;

iv. Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or

v. Any similar public, quasi-public or private improvements or facilities.

Nothing in this subparagraph (h) shall be construed to permit the use or occupancy of any portion of the Property or any Improvements thereon or other facility in violation of applicable use and occupancy restrictions imposed by other provisions of this Declaration or the LDC.

i. Manager. To retain and pay for the services of a person or firm to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the Association and the Board may delegate any other duties, powers and functions to the Manager. The members of the Association hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

j. Services and Maintenance. To pay for water, sewer, garbage removal, landscaping, gardening and all other utilities, services and maintenance for the portion of the Property owned by the Association; to maintain and repair easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, detention ponds, lakes and other areas within the Property; and to own and operate any and all types of facilities for both active and passive recreation.

The Association shall (i) maintain all Common Properties dedicated to the Association for maintenance by or with the consent of Declarant and (ii) maintain the landscaping and entry sign located at the entrance of the Property, and all landscaped median strips and rights-of-way within the Property. The Association shall pay for electrical service and for all other costs and expenses necessary to operate and maintain the street lights within the Property until such time as such obligation is assumed by the appropriate governmental entity.

k. Other Services and Properties.

1. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, or the Articles of Incorporation or Bylaws of the Association;

2. To accept, own, operate and maintain all Common Properties which may be conveyed or leased to the Association by Declarant, together with all Improvements of whatever kind and for whatever purpose which may be located on Common Properties; to accept, own, operate and maintain all other property, real and personal, conveyed or leased to the Association by Declarant and to maintain in good repair and condition all lands, Improvements, and other property owned by or leased to the Association, such maintenance to include but not to be limited to mowing and removal of rubbish or debris of any kind;

3. To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any portion of the Property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the members of the Association; the Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments;

4. To execute mortgages, both construction and permanent, for construction of facilities, including Improvements on property owned by or leased to the Association, and to accept Common Properties, whether or not improved, from Declarant subject to such mortgages or by assuming such mortgages. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the borrower, whether Declarant or the Association; provided, however, that any such financing shall have the assent of a majority of the votes for each class of members of the Association who are voting in person or proxy at a meeting duly called for such purpose. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien as shall be deemed appropriate by borrower, whether Declarant or the Association, on the improvements or other facility to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees, assessment of the members of the Association, or otherwise, or any combination thereof, as may be deemed appropriate by Declarant or the Association, as the case may be, but subject to the limitations imposed by this Declaration; and

5. To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment of the Common

Properties. Such insurance shall be in an amount as the Board shall deem appropriate.

l. Construction on Association Property. To construct Improvements or additions to the portion of the Property owned by the Association, subject to the approval of the Architectural Committee as is required in this Declaration.

m. Contracts. To enter into contracts with Declarant or other person(s), on such terms and provisions as the Board shall determine, to operate and maintain any Common Properties, or to provide any service or perform any function on behalf of Declarant or other person.

n. Property Ownership. To acquire and own, and to dispose of all manner of real and personal property, whether by grant, lease, foreclosure sale, gift or otherwise.

Section 5. Indemnification. The Association shall indemnify the Board, each Architectural Committee, and any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, committee member, employee, servant or agent of the Association against expenses, including attorneys' fees, reasonably incurred by him in connection with such action, suit or proceeding if it is found and determined by the Board or a court that he (1) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, or (2) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of Nolo Contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The Board may purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, servant or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

Section 6. Assessments. Assessments established by the Board pursuant to the provisions of this Article X shall be levied on a uniform basis against each parcel within the Property. The amount of the Assessment Unit shall be determined by dividing the total amount determined by the Board to be necessary pursuant to Article X, Sections 8 and/or 9 hereof by that number equal to the total number of Lots plus the number of acres included within all land upon which a subdivision plat has not yet been recorded plus three times the number of acres within all Commercial Lots and Multi-Family Tracts. Notwithstanding anything to the contrary contained herein, in the event construction commences on any Commercial Lot or Multi-Family Tract, (i) the Assessment Unit for such Commercial Lot or Multi-Family Tract shall be determined by dividing the total amount determined by the Board to be necessary pursuant to Article X, Section 8 and/or 9 hereof less the amount determined by the Board to be necessary to maintain any recreational improvements by that number equal to the total number of Lots plus the number of acres included within all land upon which a subdivision plat has not yet been recorded plus three times the number of acres within all Commercial Lots and Multi-Family Tracts and (ii) the Assessment Unit for all the remaining Property shall be equal to the amount determined in (i) of this sentence

plus that amount equal to the total amount determined by the Board to be necessary to maintain any recreational improvements divided by that number equal to the total number of Lots plus the number of acres included within all land upon which a subdivision plat has not yet been recorded plus three times the number of acres within all commercial Lots and Multi-Family Tracts less three times the number of acres within all Commercial Lots and Multi-Family Tracts upon which construction has commenced. Each unpaid Assessment together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the owner of the portion of the Property against which the Assessment fell due, and shall become a vendor's lien against such portion of the Property and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Declaration.

Section 7. Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all moneys paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended. Nothing contained herein shall limit, preclude or impair the establishment of other maintenance funds by a subassociation formed pursuant to this Declaration or any Supplemental Declaration.

Section 8. Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under this Declaration, including but not limited to, the cost of all maintenance, the cost of providing street lighting, the cost of enforcing this Declaration, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Regular Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Regular Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time, and from time to time, levy further Regular Assessments in the same manner as aforesaid. All such Regular Assessments shall be due and payable to the Association at the beginning of each fiscal year or, during such fiscal year in equal quarterly installments on or before the first day of each January, April, July, and October, or in such other manner as the Board may designate in its sole and absolute discretion. The Regular Assessment for each Lot shall be equal to one Assessment Unit per Lot. The Regular Assessment for each Commercial Lot and Multi-Family Tract on which the Improvements have not been completed and land upon which a final subdivision plat has not been recorded shall be equal to one Assessment Unit per acre. The Regular Assessment for each Commercial Lot and Multi-Family Tract for which a Certificate of Compliance stating that construction of improvements has been substantially completed has been issued by the Commercial Architectural Committee shall be equal to three Assessment Units per acre. In no event shall the Regular Assessment for each Lot, for the year 1991, exceed the sum of \$120.00 per Lot. In no event shall the Regular Assessment for each Commercial Lot and Multi-Family Tract on which the Improvements have not been completed and land upon which a final subdivision plat has not been recorded, for the year 1991, exceed the sum of \$120.00 per acre. In no event shall the Regular Assessment for each Commercial Lot and Multi-Family Tract for which a Certificate of Compliance stating that construction of Improvements has been substantially completed has been issued by the Commercial Architectural Committee, for the year 1991, exceed

\$360.00 per acre. Thereafter, the maximum Regular Assessment permitted hereunder may be increased by ten percent (10%) per year. The maximum Regular Assessment may be increased above ten percent (10%) during a year by affirmative vote of two-thirds (2/3) of each class of members of the Association, voting in person or by proxy, at a meeting duly called for such purpose. Any percentage increase in the Regular Assessment, whether approved by the Board or the Association as provided herein, shall apply equally to each Lot, Commercial Lot and Multi-Family Tract.

Section 9. Special Assessments. In addition to the Regular Assessments provided for in Section 8 above, the Board may levy Special Assessments whenever in the Board's opinion such Special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under this Declaration. The amount of any Special Assessments shall be at the reasonable discretion of the Board. The Special Assessment for each Lot shall be equal to one Assessment Unit per Lot. The Special Assessment for each Commercial Lot and Multi-Family Tract on which the Improvements have not been completed and land upon which a final subdivision plat has not been recorded shall be equal to one Assessment Unit per acre. The Special Assessment for each Commercial Lot and Multi-Family Tract for which a Certificate of Compliance stating that construction of Improvements has been substantially completed has been issued by the Commercial Architectural Committee shall be equal to three Assessment Units per acre. In no event shall the total Special Assessment for each Lot, during the year 1991, exceed the sum of \$60.00. In no event shall the Special Assessment for each Commercial Lot and Multi-Family Tract on which the Improvements have not been completed and land upon which a final subdivision plat has not been recorded, for the year 1991, exceed \$60.00 per acre. In no event shall the Special Assessment for each Commercial Lot and Multi-Family Tract for which a Certificate of Compliance stating that construction of Improvements has been substantially completed has been issued by the Commercial Architectural Committee, for the year 1991, exceed \$180.00 per acre. Thereafter, the maximum Special Assessment permitted hereunder shall increase by ten percent (10%) per year. In addition to the Special Assessments authorized above, the Association may levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvements upon the Common Properties, provided that any such Special Assessment shall have the assent of two-thirds (2/3) of the votes for each class of members of the Association who are voting in person or by proxy at a meeting duly called for such purpose.

Section 10. Owner's Personal Obligation for Payment of Assessments. The Regular Assessments and the Special Assessments provided for herein shall be the personal and individual debt of the Owner of the portion of the Property covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessments, the Owner of the portion of the Property so assessed shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessments from the due date thereof, (or if there is no such highest rate, then at the rate of 2% per month) together with all costs and expenses of collection, including reasonable attorneys' fees.

Section 11. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article X and unpaid when due, shall, together with interest as provided in Section 10 above and the cost of collection, including attorneys' fees as herein provided, shall become a continuing lien and charge on the portion of the Property covered by such Assessment, which shall bind such portion of the Property in the hands of the Owner, and such Owner's

heirs, devisees, personal representatives, successors or assigns. The aforesaid lien shall be superior to all other liens and charges against the said portion of the Property, except only tax liens and all sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed for the acquisition or improvement of the portion of the Property in question. The Association shall have the power to subordinate the aforesaid assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. To evidence the aforesaid assessment lien, the Association may prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the portion of the Property covered by such assessment lien and a description of the affected portion of the Property. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Travis County, Texas. Such assessment lien shall attach with the priority set forth above from the date that such payment becomes delinquent and may be enforced by the Association by (i) the nonjudicial foreclosure of the assessment lien against the defaulting Owner's Property in like manner as a mortgage on real property, subsequent to the recording of a notice of assessment lien as provided above; or (ii) instituting suit against the Owner personally obligated to pay the Assessment and/or the judicial foreclosure of the aforesaid lien. In any foreclosure proceeding, whether judicial or nonjudicial, the owner shall be required to pay the costs, expenses, and reasonable attorneys' fees incurred by the Association in connection with such foreclosure proceeding. The Association shall have the power to bid on the portion of the Property to be sold at such foreclosure sale or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee holding a Mortgage on the portion of the Property to be sold at any such sale, the Association shall report to said Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

ARTICLE XI  
MISCELLANEOUS PROVISIONS

Section 1. Duration. This Declaration and the covenants, restrictions, charges and liens set out herein shall run with and bind the land, and shall inure to the benefit of and be enforceable by every owner of any part of the Property, including Declarant, and their respective legal representatives, heirs, successors and assigns, for a term beginning on the date this Declaration is recorded, and continuing through and including December 31, 2005, after which time said covenants shall be automatically extended for successive periods of five (5) years unless a change (the word "change" including additions, deletions or modifications thereto, in whole or in part) is approved by an affirmative vote of two-thirds (2/3) of each class of the members of the Association, provided that the members of the Association shall have the same relative voting power as provided in Article X, Section 3; provided, however, that no such change shall be effective until one (1) year following the approval of the change, nor shall any such change be effective prior to the recording of a certified copy of such resolution in the Real Property Records of Travis County, Texas.

Section 2. Amendment. This Declaration may be amended by the Declarant so long as Declarant holds a majority of the votes of the Association. No amendment by Declarant shall be effective until there has been recorded in the deed records of Travis County, Texas, an instrument executed and acknowledged by Declarant and setting forth the amendment. In addition, this Declaration may be amended by the recording in the Travis County Real Property Records

of an instrument setting forth the amendment and certifying that such amendment has been approved by an affirmative vote of two-thirds (2/3) of the members of the Association, provided that the members of the Association shall have the same relative voting power as provided in Article X, Section 3.

Section 3. Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Property for ingress and egress in connection with replacing, repairing, and maintaining all utilities, including, but not limited to, water, gas, telephones, electricity and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvements. Notwithstanding any provision contained in this section, no electrical lines, water lines or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Committee. 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 Property abutting such easements.

Section 4. Drainage Easements. Each Owner covenants to provide easements for drainage and water flow, as contours of land and the arrangement of Improvements approved by the Architectural Committee thereon, require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the drainage easements as defined in this Declaration and shown on a recorded plat of a subdivision out of the Property. There shall be no construction of Improvements, temporary or permanent in any drainage easement, except as approved in writing by the Architectural Committee.

Section 5. Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither the Declarant nor any supplier of any utility service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

Section 6. Utility Easements. Declarant reserves the right to locate, construct, erect and maintain or cause to be located, constructed, erected and maintained in and on any areas reserved as Drainage Easement or Conservation Easement as shown on a recorded plat of a portion of the Property, sewer and other pipelines, conduits, wires and any public utility function beneath or above the surface of the ground, with the approval of the Architectural Committee, with the right of access to the same at any time for the purpose of repair and maintenance.

Section 7. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage, print prepaid, and properly addressed.

Section 8. interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Texas.

Section 9. Exemption of Declarant. Notwithstanding anything in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of either the Residential Architectural Committee or the Commercial Architectural committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction sales and leasing anywhere within the Property.

Section 10. Assignment of Declarant. Notwithstanding anything in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other person and may permit the participation, in whole or in part, by any other person in any of its privileges, exemptions, rights and duties hereunder.

Section 11. Enforcement and Nonwaiver.

a. Except as otherwise provided herein, any Owner, at such Owner's expense, and/or Declarant, shall have the right to enforce all of the provisions of this Declaration. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.

b. Every act or omission whereby any provision of this Declaration is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated by any owner (at such Owner's expense) or Declarant.

c. Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any portion of the Property is hereby declared to be a violation of this Declaration and subject to all of the enforcement procedures set forth herein.

d. The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of this Declaration.

Section 12. Construction. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise effect that which is set forth in any of the paragraphs, sections or articles hereof.

EXECUTED as of the            day of            , 1991.

NCNB TEXAS NATIONAL BANK, a banking association  
By:    Name:    Title: