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SCOFIELD RESIDENTIAL AREA DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THE STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS: 930107,35-01

COUNTY OF TRAVIS

§

WHEREAS, Mellon Properties Company, a Louisiana corporation ("Declarant"), is the owner of certain real property, more particularly described on Exhibit A attached hereto and incorporated herein by reference ("Property"), which aclarant proposes to develop and subdivide for residential purposes; and

WHEREAS, Declarant desires to create and carry out a uniform plan for the improvement, development and sale of the Property for the benefit of the present and future owners of the Property, and to convey the Property subject to certain protective covenants, conditions, easements, restrictions, liens and charges hereinafter set forth; and

WHEREAS, Declarant desires to create a homeowner's association for the purpose of maintaining certain common areas, administering and enforcing these covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created;

NOW, THEREFORE, it is hereby declared (i) that all the Property shall be held, sold, conveyed and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and shall run with the Property, 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 party; and (ii) that each contract or deed which may hereafter be 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 easements, covenants, conditions and restrictions regardless of whether or not the same are set forth or referred to in said contract or deed.

ARTICLE 1
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the meanings hereinafter specified.

1.1 Architectural Control Committee. "Architectural Control Committee" shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property.

1.2 Architectural Control Committee Rules. "Architectural Control Committee Rules" shall mean the rules and regulations adopted by the Architectural Control Committee, as from time to time amended.

1.3 Articles. "Articles" shall mean the Articles of Incorporation of Scofield Residential Owners Association, Inc., filed in the office of the Secretary of State of the State of Texas, as from time to time amended.

1.4 Assessment. "Assessment" shall mean such assessments as may be levied by the Association under the terms and provisions of this Declaration.

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

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1.5 Association. "Association" shall mean Scofield Residential Owners Association, Inc., a Texas nonprofit corporation.

1.6 Board. "Board" shall mean the Board of Directors of the Association.

1.7 Bylaws. "Bylaws" shall mean the Bylaws of the Association adopted by the Board, as from time to time amended.

1.8 Common Area. "Common Area" shall mean the land described on Exhibit B attached hereto and incorporated herein by reference, as from time to time modified in accordance with this Declaration, and which is owned and held by the Association for the common use and enjoyment of the Owners.

1.9 Declarant. "Declarant" shall mean Mellon Properties Company, a Louisiana corporation, or its successors or assigns; provided that any assignment of the rights of Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant.

1.10 Declaration. "Declaration" shall mean this instrument, as from time to time amended.

1.11 FHA. "FHA" shall mean the Federal Housing Administration.

1.12 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers, and any facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.13 Lot. "Lot" shall mean any parcel or parcels of land within the Property shown as a subdivided lot on a Plat of a Subdivision out of the Property, together with all Improvements located thereon.

1.14 Member. "Member" shall mean any Person holding membership rights in the Association.

1.15 Mortgage. "Mortgage" shall mean any mortgage or deed of trust covering any portion of the Property given to secure the payment of debt.

1.16 Mortgagee. "Mortgagee" shall mean the owner and holder of a Mortgage.

1.17 Occupied Lot. "Occupied Lot" shall mean a Lot upon which Improvements have been constructed and which has been occupied for residential use. Once a Lot has been so occupied and used, it will be deemed an "Occupied Lot" for purposes of this Declaration regardless of whether it ceases to be occupied at any time thereafter.

1.18 Owner. "Owner" shall mean any Person, including Declarant, holding a fee simple interest in any portion of the Property, but shall not include a Mortgagee.

1.19 Person. "Person" shall mean any individual or entity having the legal right to hold title to real property.

1.20 Plans and Specifications. "Plans and Specifications" shall mean the documents designed to guide or control the construction or erection of any Improvement, including but not limited to those indicating location, 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 such Improvement.

1.21 Plat. "Plat" shall mean a subdivision plat of any of the Property.

1.22 Property. "Property" shall mean the real property described on Exhibit A attached hereto and incorporated herein by reference, as from time to time modified in accordance with this Declaration.

1.23 Restrictions. "Restrictions" shall mean this Declaration, the Articles and Bylaws of the Association, and any rules of the Association or its committees, as from time to time in effect and from time to time amended.

1.24 Subdivision. "Subdivision" shall mean any portion of the Property which is subdivided, as shown on a map or plat of record in the Plat Records of Travis County, Texas.

1.25 Subassociation. "Subassociation" shall mean any nonprofit Texas corporation or unincorporated association organized and established by Declarant pursuant to or in connection with a Supplemental Declaration.

1.26 Supplemental Declaration. "Supplemental Declaration" shall mean any declaration of covenants, conditions, and restrictions which may be hereafter recorded by Declarant which is expressly made subject to all the terms and restrictions of this Declaration, except as otherwise expressly set forth in such Supplemental Declaration.

1.27 VA. "VA" shall mean the Veteran's Administration.

ARTICLE 2 ADDITIONS/WITHDRAWALS FROM THE PROPERTY

2.1 Staged Subdivision; Addition of Land. It is contemplated that Declarant may develop certain real property (now owned or hereafter acquired by Declarant) in the vicinity of the Property for residential purposes and may include such real property within the definition of the Property. Declarant, its successors and assigns, shall have the right at any time prior to December 31, 2002, without the consent or approval of Owners of any Lots (other than Declarant), to bring within the scheme of this Declaration additional land so long as (a) such land is within the land described on Exhibit C attached hereto, and (b) either the VA or the FHA determines that the addition of the land is in accordance with the general master plan previously approved by them. As each area covered by the general master plan is developed or dedicated, Declarant may record one or more Supplemental Declarations and designate such uses, classifications, and covenants, conditions and restrictions as Declarant may deem appropriate for that parcel. Any Supplemental Declaration may, but need not, provide that certain provisions of this Declaration are not applicable to the land covered by such Supplemental.

Declaration. Any Supplemental Declaration may, but need not, provide for the establishment of a Subassociation to be comprised of the Owners within the areas subject thereto. Any Supplemental Declaration may provide for its own procedure for the amendment of any provision thereof, as for example, by specified vote of only the Owners of the property within the area subject thereto or a specified vote of only the Owners of some of the property within the area subject thereto. All land, improvements, and uses in each area so developed shall be subject to both this Declaration and to the Supplemental Declaration, if any, for that area except as provided otherwise therein. Furthermore, additional properties may be annexed into the Property at any time with the assent of two-thirds (2/3) of the votes for each class of Members who are eligible to vote in person or by proxy at a meeting duly called to vote on such matter. Upon the filing of a notice of addition of land as hereinafter described (which notice may be contained within a Supplemental Declaration affecting such lands), this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall apply to the added lands and the rights, privileges, duties and liabilities of the persons subject to this Declaration shall be the same with respect to the added lands as with respect to the lands originally covered by this Declaration, except as expressly provided otherwise in a Supplemental Declaration. In order to add lands to the Property hereunder, Declarant shall be required only to record in the Real Property Records of Travis County, Texas, a Supplemental Declaration which gives notice of the addition of land, and which contains the following provisions:

- (a) a reference to this Declaration, which reference shall state the book and page numbers of the Travis County Real Property Records wherein this Declaration is recorded;
- (b) a statement that the provisions of this Declaration shall apply to the added lands, except as expressly provided otherwise therein;
- (c) a legal description of the added lands; and
- (d) a legal description of any Common Area within the added lands.

Upon the recording of any such Supplemental Declaration, the Owners of all Lots within the area affected by such Supplemental Declaration shall have the rights, privileges, and obligations with respect to such property in accordance with the provisions of, and to the extent set forth in this Declaration and each Supplemental Declaration.

2.2 Withdrawal of Land. Declarant shall have the right at any time prior to the earlier of (i) the date the Class B membership hereinafter provided for is converted to Class A membership, or (ii) December 31, 2002, to reduce or withdraw lands then owned by Declarant from the Property, and upon any such withdrawal this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall no longer apply to the lands withdrawn. In order to withdraw lands from the Property hereunder, Declarant shall be required only to record in the Real Property Records of Travis County, Texas, a notice of withdrawal of land containing the following provisions:

- (a) a reference to this Declaration, which reference shall state the book and page numbers of the Travis County Real Property Records wherein this Declaration is recorded;

- (b) a statement that the provisions of this Declaration shall no longer apply to the withdrawn lands;
- (c) a legal description of the withdrawn lands; and
- (d) a legal description of any Common Area within the withdrawn lands.

ARTICLE 3 GENERAL RESTRICTIONS

All of the Property and any right, title or interest therein shall be owned, held, encumbered, leased, used, occupied and enjoyed subject to the following limitations and restrictions.

3.1 Towers and Antennas. No antenna, satellite dish or other device for the transmission or reception of television signals, radio signals or any other form of electromagnetic radiation which is visible from the exterior of the residence shall be erected, used or maintained on any Lot except with the written approval of the Architectural Control Committee. Any such device approved by the Architectural Control Committee shall be located to the rear of the roof ridge line, gable line or center line of the principal dwelling structure if attached to such structure and shall be located to the rear of the rear wall of the principal dwelling structure if it is a freestanding device. No such device shall be permitted to extend above the roof of the primary dwelling structure so as to be visible from any street adjoining said Lot. In the event audio-video communication services are made available to any Lot by a coaxial cable system, no television antenna may be erected thereon and any existing exterior television antenna shall be removed, except as specifically allowed in writing by the Architectural Control Committee.

3.2 Insurance Rates. Nothing shall be done or kept on the Property which would increase the customary rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon without the prior written approval of the Board.

3.3 Subdividing. No Lot shall be further divided or subdivided, and no easements or other interests therein less than the whole shall be conveyed by the Owner thereof, without the prior written approval of the Board; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey any easement or other interest less than the whole, all without the approval of the Board.

3.4 Signs. Except for signs, billboards or other advertising devices displayed by Declarant, for so long as Declarant or any successors or assigns of Declarant to whom the rights of Declarant under this Section 3.4 are expressly transferred, shall own any portion of the Property, no sign of any kind shall be displayed to the public view on any Lot or the Common Area, except:

- (a) builders may display one (1) sign of not more than six (6) square feet on a Lot to advertise the Lot and any residential structure situated thereon for sale during the construction and/or sale period;
- (b) any Owner may display one (1) sign of not more than four (4) square feet on a Lot improved with a residential structure to advertise the Lot and residence for sale or rent;

SCOFIELD RESIDENTIAL OWNERS ASSOCIATION

Construction of Improvements

1. All improvements as defined in **Section 1.12** of the Declaration of Covenants, Conditions, and Restrictions for Scofield Residential Owners Association, ("Deed Restrictions") must be approved by the Architectural Control Committee ("ACC") **before** construction begins.
2. **STORAGE SHEDS** - The building must be constructed of materials equivalent to those used in the construction of the home. For example, the siding must be of at least the same quality as that used on the home. The paint must be the same color as the paint on the home. The shingles must be either the same as those on the home or wood shake shingles. The building need not be constructed of brick. Metal sheds, however, will **not** be allowed.
3. Storage buildings, playscapes, and other improvements, must meet the set-back and height guidelines outlined in Section 3.24 (Location of Improvements) of the Deed Restrictions.
4. Basketball goals must be approved by the ACC before they are installed. The metal pole must be permanently installed in the ground, at least 25' back from the curb. The basketball goal must be properly maintained and painted, with nets in good repair.
5. A site plan and description of the proposed improvement must be submitted to the Architectural Control Committee for approval. Mail all submissions to:

Mr. Paul Beavers
Scofield Farms Architectural Control Committee
c/o Liddiard Management Company
12343 Hymeadow, Suite 3B
Austin, Texas 78750
Fax (512) 219-5696

6. Any questions regarding the process of obtaining approval may be directed to:

Liddiard Management Company
12343 Hymeadow Dr., Suite 3B
Austin, TX 78750
(512) 219-1927
Fax (512) 219-5696

- (c) signs required for legal proceedings;
- (d) for so long as a builder owns any unimproved Lot, such builder may display one (1) sign of not more than one hundred (100) square feet on a Lot owned by such builder which contains a model home; and
- (e) permanent entrance signs for the Subdivision which may be designed, located and erected by Declarant, in Declarant's sole judgment.

3.5 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 portion of the Property or to its occupants. Refuse, garbage and trash shall be kept at all times in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view.

3.6 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 any of the Property. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

3.7 Construction of Improvements. No Improvements shall hereafter be constructed upon any of the Property without the prior written approval of the Architectural Control Committee. In the case of single-family residences and duplex residences to be constructed on a Lot, the Architectural Control Committee may limit its review to a review of a typical floor plan for the proposed residence, and upon the Architectural Control Committee's approval of such floor plan, residences may be constructed consistent with the approved floor plan without the requirement of further review or approval by the Committee, anything herein to the contrary notwithstanding.

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

3.9 Roofing Materials. Roofs shall consist of wood shingles or dimensional fiberglass asphalt or composition shingles of a weight equal to 240 pounds or more per square. Any other type of roof must be approved by the Architectural Control Committee.

3.10 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 upon any portion of the Property unless the same shall be contained in conduit or cables installed or maintained underground or concealed in, under or on buildings or other Improvements as approved in writing by the Architectural Control Committee; provided, however, that no provision hereof shall be deemed to forbid 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 Architectural Control Committee. Notwithstanding any provision herein to the contrary, Declarant is hereby exempt from compliance with this Section 3.10, and it is contemplated that overhead lines will be erected, placed

and maintained at certain locations within the Property to be designated by Declarant.

3.11 Natural Gas. All Lots shall be provided with natural gas lines, and each building Improvement on a Lot, except building Improvements within the Common Area, shall have at least two (2) natural gas appliances.

3.12 Hazardous Activities. No activities shall be conducted on the Property and no Improvements shall be 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 within barbecue units while attended and in use for cooking purposes.

3.13 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 Control Committee; provided, however, that temporary structures necessary for storage of tools and equipment and for office space for architects, builders and foremen during actual construction may be maintained with the prior written approval of Declarant, which approval may include the nature, size, duration and location of such structure.

3.14 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.

3.15 Unsightly Articles: Vehicles. No article deemed to be unsightly by the Architectural Control Committee shall be permitted to remain on any Lot 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 pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall at all times, except when in actual use, be kept in enclosed structures or screened from view, and no repair or maintenance work shall be done on any of the foregoing or on any automobile (other than minor emergency repairs) except in enclosed garages or other structures. Each single family residential structure constructed within the Property shall have sufficient garage space, as approved by the Architectural Control Committee, to house all vehicles to be kept on the Lot. No Owner shall 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 inoperable automobiles or other vehicles may be parked overnight on any roadway within the Property. No automobiles or other vehicles may be parked overnight on any roadway within the Property for more than two (2) consecutive nights. Service areas, storage areas, compost piles, and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view. No lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, scrap, refuse, or trash shall be kept, stored or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view.

3.16 Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot at any time, and no travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or public or private thoroughfares for any period in excess of forty-eight (48) hours.

3.17 Fences. All Lots shall be fenced prior to occupancy of a dwelling located on such Lot. The construction of fences on any Lot proposed for residential use shall be of wood or masonry construction, or a combination thereof, and shall not exceed six feet (6') in height. Chainlink fences shall not be permitted. All Lots with wood fencing shall be fenced so that with respect to any portion of the fence which faces any existing or proposed street, the slats shall face the street. All other portions of such wood fencing shall be fenced with the slats alternating by section of the fence (a section being each portion of the fence between support poles), with the slats in one section facing to the rear of the Lot and the slats in the next section facing to the front of the Lot. A fencing plan for each Lot shall be submitted as part of the Plans and Specifications. Upon written request, the Architectural Control Committee may waive the requirement of a fencing plan for any Lot if the builder uses plans previously approved by the Architectural Control Committee for another similarly located Lot. Notwithstanding the foregoing, the Architectural Control Committee may in its discretion prohibit the construction of any proposed fence, modify the requirements as to how slats of a wood fence shall face, specify the materials of which any proposed fence must be constructed, or require that any proposed fence be screened by vegetation or otherwise so as not to be visible from other portions of the Property.

3.18 Animals - Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property. 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 confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. 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 Control 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.

3.19 Landscaping Requirements. It is the intent of the Restrictions to recognize, utilize and supplement the existing landscape and visual resources and to permit and require a viable introduced landscape, so as to ensure consistent quality and provide for visual harmony through color and textural variety within the Property.

- (a) Detailed landscape plans for each Lot shall be submitted as part of the Plans and Specifications. Upon written request, the Architectural Control Committee may waive the requirement of such plans for any Lot if the builder uses plans previously approved by the Architectural Control Committee for another Lot. There shall be no revisions made to the approved plans without resubmittal to and approval by the Architectural Control Committee of the revised plans.
- (b) Existing trees shall be deemed to be trees of 6" caliper and above measured three feet (3') above grade. During construction, existing trees shall be preserved and protected to the extent reasonable for the intended

development. Relief from protection of major trees shall be at Declarant's discretion. Building or paving operations occurring adjacent to existing trees to be saved shall be in accordance with the Restrictions.

- (c) Demolition of existing trees shall mean any operation, including transplanting, which removes, uproots or renders the tree incapable of sustaining a healthy and thriving condition. Any tree that is deemed by the Architectural Control Committee to be unnecessarily demolished shall be replaced with a tree approved by the Architectural Control Committee according to the following chart:

<u>Existing Tree to be Demolished</u>	<u>Replacement Tree</u>
6" + cal. to 12" cal.	One 4" cal., 14' ht., 6' spr.
12" + cal. to 18" cal.	Two 4" cal., 14' ht., 6' spr.
18" + cal. to 24" cal.	Three 4" cal., 14' ht., 6' spr.
24" cal. and up	Four 4" cal., 14' ht., 6' spr.

Note: No existing hardwood tree shall be demolished prior to specific written approval of the Architectural Control Committee.

- (d) All introduced vegetation shall be trees, shrubs, vines, ground covers, seasonal flowers or sodded grasses which are commonly used in Central Texas for landscaping purposes and which are approved by the Architectural Control Committee.
- (e) Landscaping shall mean any proposed modification to a Lot, including but not limited to any berming, irrigation systems, landscape subsurface drainage systems, paving, nonstructural retaining walls, and introduced vegetation according to the plans approved by the Architectural Control Committee. Landscaping in accordance with the approved plans shall be installed within ten (10) days after the date the City of Austin issues the Certificate of Occupancy with respect to the Improvements on such Lot. Extensions to the time limit may be granted by the Architectural Control Committee for up to an additional thirty (30) days on a case by case basis. The approved plans shall include permanent sodded grass or in all sodded areas. Winter rye shall be considered a temporary measure to reduce soil erosion through the winter season, and shall be completely demolished and replaced with sodded grass according to the approved plans.
- (f) The land use listed below shall be landscaped with the following numbers of hardwood shade trees. The hardwood shade trees shall be no smaller in size than 3" caliper measured three feet (3') above grade.

<u>Land Use</u>	<u>Required Numbers of Trees</u>
Single Family (by builders)	Two per front yard within 10' of Street R.O.W. (four for corner lots; two on the front and two on the side)

All land users shall be required to landscape front yards, side yards, and adjacent to building foundations. Trees, shrubs, ground covers, seasonal color and sodded grass shall be used in these areas to achieve the

landscape intent for the land use according to the approved plans.

- (g) Landscaping which has been installed on any Lot, including temporary landscaping, shall be properly maintained at all times. Recommendations by the Architectural Control Committee with respect to tree disease control must be followed immediately. Grasses and weeds shall at no time be allowed to exceed 6" in the Common Area and vacant developed lots.

3.20 Masonry Requirements. The exterior of each structure built upon any interior Lot shall be of at least fifty percent (50%) masonry construction. The exterior of each structure built upon any corner Lot shall be of at least seventy-five percent (75%) masonry construction. Brick, natural stone and stucco shall be considered to be masonry for purposes of this section. Combinations of materials and the proportion thereof shall aesthetically and architecturally blend with and enhance the Subdivision, and shall be subject to approval by the Architectural Control Committee.

3.21 Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as unreasonably to interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within 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 construction practices customary 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 Control Committee, provided that such waiver shall be only for the reasonable period of such construction.

3.22 Construction in Place. All dwellings constructed on the Property shall be built in place on the Lot and the use of prefabricated materials other than trusses and wall panels shall be allowed only with the prior written approval of the Architectural Control Committee.

3.23 Unfinished Structures. No structure shall remain unfinished for more than two hundred seventy (270) days after construction has commenced. Construction of residential Improvements shall begin no later than one (1) year after ownership of the Lot has been legally conveyed by Declarant.

3.24 Location of Improvements. No buildings or other Improvements shall be located on any Lot nearer to the front Lot line than twenty-five feet (25'). The front of a primary dwelling structure shall face the front of a similar structure across the street whenever feasible, and the Architectural Control Committee shall resolve any conflicts arising from this requirement and make the final determination with regard to the orientation of the front of Improvements upon any Lot. No building shall be located on any Lot nearer than ten feet (10') to any rear Lot line. No building shall be located on any Lot nearer than fifteen feet (15') to any side Lot line adjacent to a street. Unless the building is to be located on more than one Lot, no building shall be located nearer than five feet (5') to an interior Lot line. No permitted accessory building shall be located nearer than five feet (5') to an interior Lot line or exceed eight feet (8') in height. For the purposes of this Declaration, eaves, steps and unroofed terraces shall not be considered as part of a building; provided, however,

that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot. Notwithstanding the general guidelines herein set forth as to location of Improvements upon the Lot, it is the intention of Declarant to establish the importance of locating the Improvements so as to preserve existing natural trees, vegetation and topography to the extent reasonable and practical. The Architectural Control Committee shall be specifically empowered to require or to grant variances with respect to these guidelines, so long as the location of the Improvements will not encroach upon any other Lot, utility easement, or public right-of-way or result in any building being located closer than ten feet (10') from the primary dwelling structure on another Lot.

3.25 New Materials. Only new materials shall be utilized in constructing any structures situated upon a Lot, unless approved by the Architectural Control Committee.

3.26 No Window Units. No window or wall type air conditioner which is visible from any street in the Subdivision shall be permitted to be used, placed or maintained on or in any building in any part of the Property.

3.27 Minimum Floor Area. The air conditioned portion of the primary dwelling structure erected on any Lot shall have a floor area of (i) not less than one thousand two hundred (1,200) square feet for any Lot, such area to be exclusive of all porches, carports, garages and other rooms which are not air conditioned with the main living quarters.

3.28 Design. No structure may exceed two (2) stories in height or may have a garage which is intended to shelter more than three (3) cars.

3.29 Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site, and may place or construct Improvements on such site with the prior written approval of the Architectural Control Committee. In cases of such consolidation of Lots, setback lines shall be measured from the two side Lot lines existing after consolidation, rather than from the Lot lines shown on the Plat. The Owner may not thereafter resubdivide the consolidated Lots without the prior written approval of the Board.

3.30 Sidewalks. The Owner of each Lot is hereby required to construct or cause to be constructed a concrete sidewalk in the public street right-of-way adjacent to such Lot in accordance with the specifications set forth in the Plat, in conjunction with and at the time of construction of the primary dwelling structure on such Lot. Sidewalks shall be extended from Lot line to Lot line and shall follow the pattern of the incoming sidewalks (as proposed or built) on adjacent Lots. Placement of sidewalks in public rights-of-way around the terminus of cul-de-sac streets shall follow the pattern of the incoming sidewalk (as proposed or built) on adjacent Lots and shall be placed four feet (4') from the curb line, so as to insure a continuous walk around the terminus. Owners of corner Lots shall install such sidewalks parallel to the front Lot line and the side street Lot line. If not otherwise provided, the Owners of corner Lots shall extend to a terminus at and with the street curb in accordance with all applicable Federal, State, County and City regulations respecting sidewalk construction and/or specifications. Any public utility easements provided along front and side Lot lines may be used for construction of the sidewalks with the prior written approval of the Architectural Control Committee and of any utility companies furnishing utility service through such easements. Each Owner shall be responsible

for the maintenance and repair of the sidewalk adjacent to such Owner's Lot after construction.

3.31 Compliance with Provisions of Restrictions. Each Owner shall comply strictly with the provisions of the Restrictions as from time to time amended. Failure to comply with any of the Restrictions 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 Owner.

3.32 No Warranty of Enforceability. While Declarant has no reason to believe that any of the covenants, terms or provisions of 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 covenant, term or provision. Any Owner acquiring a Lot in reliance on one or more of such covenants, terms or provisions shall assume all risks of the validity and enforceability thereof, and by acquiring such Lot agrees to hold Declarant harmless therefrom.

ARTICLE 4 USE RESTRICTIONS

4.1 General. The Property shall be improved and used solely for single-family residential use, including related or ancillary uses approved by Declarant, including Common Areas, utility easements, and recreational facilities. "Single-family" shall mean a group of persons related by blood, marriage or adoption and shall also include foster children and domestic servants.

4.2 Common Area. No land within any Common Area shall be improved, used or occupied, except in such manner as shall have been approved by the Architectural Control Committee, in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy and improvement.

ARTICLE 5 ASSOCIATION MATTERS

5.1 Organization. Concurrently with the recordation of this Declaration, Declarant has caused the formation and incorporation of the Association. The Association shall be a nonprofit corporation created for the purposes, charged with the duties, and vested with the powers prescribed in its Articles and Bylaws, in this Declaration, and by applicable law. Neither the Articles nor the Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

5.2 Membership. Any Person upon becoming an Owner of an Occupied Lot automatically and concurrently shall become a Member of the Association. Declarant shall be a Member of the Association so long as Declarant owns any Lot. 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 such property interest.

5.3 Voting Rights. The right to cast votes and the number of votes which may be cast for election of the Board, and on all other matters to be voted on by the Members, shall be calculated as provided below. Owners entitled to votes pursuant to (a) below are hereinafter sometimes referred to as "Class A Members."

Declarant, which is entitled to vote pursuant to (b) below, is hereinafter sometimes referred to as the "Class B Member."

- (a) The Owner (other than Declarant) of each Occupied Lot within the Property shall have one (1) vote for each Occupied Lot so owned.
- (b) Declarant shall have three (3) votes for each Lot owned by it (regardless of whether occupied) until the earlier of (i) December 31, 2002, or (ii) the date when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership (i.e. the date that 75% of the Lots have been sold by Declarant and occupied). Thereafter, the Class B membership shall cease and be converted to Class A membership, and Declarant shall have only one (1) vote for each Lot owned by it, if any. The total votes held by the Class A members and the total votes held by the Class B members shall be recalculated upon the recording of a Supplemental Declaration which results in any addition to or subtraction of lands from the Property. If at any point in time the total votes held by the Class A membership equals the total votes held by the Class B membership, the Class B membership shall cease and convert to Class A membership regardless of whether a future addition or subtraction of land would create a different result.
- (c) Any property interest entitling the Owner thereof to vote as herein provided held jointly or in common by more than one Owner shall require that such Owners thereof designate, in writing, a single Owner who shall be entitled to cast such vote and no other person shall be authorized to vote in behalf of such property interest. A copy of such written designation shall be filed with the Board before any such vote may be cast, and, upon the failure of the Owners thereof to file such designation, such vote shall neither be cast nor counted for any purpose whatsoever.

5.4 Duties of the Association. Subject to and in accordance with this Declaration, the Association acting through the Board shall have and perform each of the following duties:

- (a) accept, own, operate, and maintain all personal and real property conveyed to or leased by the Association ("Association Property"), together with all Improvements thereon and all appurtenances thereto;
- (b) own and maintain all Common Area and all Improvements thereon and all appurtenances thereto, all streets (including median areas) which have been constructed but not accepted by the appropriate governmental entity, and all entry signs and associated landscaping;
- (c) pay all real and personal property taxes and other taxes and assessments levied upon or with respect to the Association Property and the Common Area, to the extent that such taxes and assessments are not levied directly upon the Members; and the Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments;
- (d) 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;

- (e) make, establish, promulgate, and in its discretion to amend or repeal and reenact, the Bylaws and such rules not in conflict with this Declaration as it deems proper, covering any and all aspects of its functions, including the use and occupancy of the Association Property and the Common Area;
- (f) keep books and records of the Association's affairs and to make such books and records, together with a current copy of this Declaration, available for inspection by the Owners and the Mortgagees upon request during normal business hours; and
- (g) carry out and enforce all duties of the Association set forth in this Declaration and in the Restrictions.

5.5 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 powers as are expressly set forth in this Declaration. 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. 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 following power and authority at all times.

- (a) The Association shall have the power and authority to levy Assessments in accordance with and as provided in this Declaration.
- (b) The Association shall have the power and authority to enter at any time in an emergency (or in a non-emergency after twenty-four (24) hours written notice to the Owner of the affected Property), without being liable to any Owner, upon any Lot or any Common Area for the purpose of enforcing this Declaration or for the purpose of maintaining or repairing any Lot, Common Area, Improvement, or other facility to conform to this Declaration. Notwithstanding any provision herein to the contrary, the Association may not alter or demolish any items of construction in enforcing this Declaration before judicial proceedings are instituted by the Association. The expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the affected Lot, shall be a lien upon such Lot and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided herein for regular and special Assessments.
- (c) 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 an Owner 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 this Declaration; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.

- (d) The Association shall have the power and authority to grant and convey to any person or entity any Association Property and/or any Common Area and/or any interest therein, including fee title, leasehold estates, easements, rights-of-way, or Mortgages, out of, in, on, over, or under any of same for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder:
- (i) roads, streets, walks, driveways, parking lots, trails, and paths;
 - (ii) lines, cables, wires, conduits, pipelines, or other devices for utility purposes;
 - (iii) sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines; or
 - (iv) any similar Improvements or facilities.

Nothing in this subparagraph (d) shall be construed to permit the use or occupancy of any Improvement or other facility in any way which would violate other provisions of this Declaration.

- (e) The Association shall have the power and authority to retain and pay for the services of a manager to manage and operate the Association, including the Association Property and/or the Common Area, 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 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.
- (f) The Association shall have the power and authority:
- (i) to retain and pay for legal and accounting services necessary or proper in the operation of the Association;
 - (ii) to pay for water, sewer, garbage removal, landscaping, gardening, and all other utilities or services to and all maintenance of the Association Property and the Common Area, in accordance with this Declaration and the Restrictions;
 - (iii) 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 or this Declaration;
 - (iv) to construct new Improvements or additions to the Association Property or the Common Area, subject to the approval of the Architectural Control Committee;
 - (v) to enter into contracts with Declarant and with any other Person on such terms and provisions as the Board shall determine, and to acquire, own,

and dispose of all manner of real and personal property, whether by grant, lease, gift, or otherwise; and

- (vi) to borrow money and to mortgage, pledge or hypothecate any or all of the Association Property as security for money borrowed or debts incurred subject to the limitation set forth in this Declaration.

5.6 Indemnity. The Association shall indemnify 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 such Person is or was a director, officer, committee member, employee, servant or agent of the Association or the Board, against all claims and expenses including attorney's fees reasonably incurred by such Person in connection with such action, suit or proceeding, if it is found and determined by the Board or a Court that such Person (i) acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Association, or (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such Person's 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 such Person did not act in good faith or in a manner which such Person 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 such Person's 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 or the Board, against any liability asserted against such Person or incurred by such Person in any such capacity, or arising out of such Person's status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

ARTICLE 6 ARCHITECTURAL CONTROL COMMITTEE

6.1 Membership. The Architectural Control Committee shall consist of not more than three (3) voting members ("Voting Members") and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as Declarant deems appropriate.

6.2 Declarant's Rights of Appointment. Until the earlier of (i) December 31, 2002, or (ii) the date when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership (i.e. the date that 75% of the Lots have been sold by Declarant and occupied), Declarant shall have the right to appoint and remove all members of the Architectural Control Committee. Declarant may delegate in whole or in part its right to appoint and remove members of the Architectural Control Committee to the Board by written instrument.

6.3 Action by Architectural Control Committee. Items presented to the Architectural Control Committee shall be decided by a majority vote of the Voting Members. The Architectural Control Committee may appoint an agent to act on behalf of the Architectural Control Committee, and the Architectural Control Committee may delegate any duties, powers and/or functions to the agent. Any such appointment and delegation shall be in writing.

6.4 Term. Each Voting Member shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein. Each Advisory Member shall hold office at the discretion of and may be removed at any time by Declarant.

6.5 Adoption of Rules. The Architectural Control Committee may adopt such procedural and substantive rules, standards, policies and development guidelines, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties and the orderly development of the Property, including but not limited to a building code, a fire code, a housing code, architectural guidelines, landscaping guidelines, and other similar codes or guidelines as it may deem necessary and desirable. Such rules, standards, policies, procedures and development guidelines shall be binding and enforceable against each Owner in the same manner as any other restriction set forth herein. Nothing contained herein shall be deemed to affect any approval granted by the Architectural Control Committee in accordance with the terms of this Declaration prior to the amendment of such rules, standards, policies procedures or development guidelines.

6.6 Review of Proposed Construction. The Architectural Control Committee shall have the right whenever its approval is required under this Declaration to consider all of the Plans and Specifications for the Improvement or proposal in question and all other facts and information which in its sole discretion are relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefor shall be submitted to the Architectural Control Committee, and construction thereof may not commence unless and until the Architectural Control Committee has approved such Plans and Specifications in writing. Upon written request, the Architectural Control Committee may waive the requirement of such plans for any Lot if the builder uses plans previously approved by the Architectural Control Committee for another Lot. There shall be no revisions made to the approved plans without resubmittal to and approval by the Architectural Control Committee of the revised plans. The Architectural Control 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 or from time to time assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Control Committee. The Architectural Control Committee may postpone review of any Plans and Specifications submitted for approval pending its receipt of any information or document deemed necessary by it. The Architectural Control Committee shall have the authority to disapprove any proposed Improvement based upon this Declaration, and the decision of the Architectural Control Committee shall be final and binding so long as it is made in good faith. The Architectural Control Committee shall not be responsible for reviewing any proposed Improvement, 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.

6.7 Variance. The Architectural Control Committee may grant variances from compliance with any of the provisions of this Declaration when, in its opinion and in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property and/or is justified due to 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 Voting Members. The granting of such variance shall not operate to waive or amend any of the terms and provisions of the Restrictions applicable to the Lots for any purpose except as to the particular property and the particular matter 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.

6.8 Actions of the Architectural Control Committee. The Architectural Control Committee may, by resolution unanimously adopted in writing, designate any of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Control Committee. In the absence of such designation, the vote of a majority of all Voting Members, which may be taken without a meeting, shall constitute an act of the Architectural Control Committee.

6.9 No Waiver of Future Approvals. The approval or consent of the Architectural Control Committee to any Plans and Specifications 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 a different Person.

6.10 Work in Progress. At its option, the Architectural Control Committee may inspect any work in progress to insure compliance with approved Plans and Specifications.

6.11 Nonliability of Architectural Control Committee Members. Neither the Architectural Control Committee nor any member thereof, nor the Board nor any member thereof, shall be liable to the Association or 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 the Architectural Control Committee's or the Board's respective duties under this Declaration, unless due to the willful misconduct or bad faith of such Person. Neither the Architectural Control Committee nor any member thereof shall be liable to any Owner due to the construction of any Improvement within the Property.

6.12 Address. Plans and Specifications shall be submitted to the Architectural Control Committee at 600 Congress (c/o Mellon Properties Company), Suite 1700, Austin, Texas 78701, or such other address as may be designated by Declarant (or the Board if Declarant has delegated such designation right to the Board) from time to time.

ARTICLE 7 FUNDS AND ASSESSMENTS

7.1 Assessments. Assessments established pursuant to this Declaration shall be levied on a uniform basis against each Lot within the Property for the purpose of promoting the recreation, health, safety, and welfare of the residents within the Property and for the improvement and maintenance of the Common Area. Assessments shall be levied against each Lot beginning on the day the street improvements along the front Lot line of each Lot have been paved.

7.2 Operating Fund. The Board shall establish an operating fund into which shall be deposited all monies 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 shall be used solely for purposes authorized by this Declaration.

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7.3 Regular Annual Assessments. Until January 1, 1994, without the assent of two-thirds (2/3) of the votes of each class of Members who are eligible to vote at a meeting duly called to vote on such matter with at least sixty percent (60%) of Members who are eligible to vote represented in person or by proxy, the annual Assessment per Occupied Lot shall not exceed \$300.00 dollars. For the 1993 fiscal year, the Board shall establish a budget for the Association, and as of February 1, 1993, may levy assessments based on that budget against all Lots. For fiscal year 1994, and every year thereafter, the Board shall estimate the net expenses of the Association for such fiscal year, which shall be (i) the expenses to be incurred by the Association during such year in performing its functions under the Restrictions, including but not limited to the cost of all duties required and activities authorized herein of the Association, the Board, and the Architectural Control Committee, and a reasonable provision for contingencies and appropriate replacement reserves, less (ii) any expected income and any surplus from the prior year's operating fund. Assessments sufficient to pay such estimated net expenses shall then be levied as provided herein, and the Assessments so levied by the Board shall be final and binding so long as it is made in good faith. In no event, however, may the Board increase an annual Assessment by more than five percent (5%) over the previous year's annual Assessment without the assent of two-thirds (2/3) of the votes for each class of Members who are eligible to vote at a meeting duly called to vote on such matter with at least sixty percent (60%) of Members who are eligible to vote represented in person or by proxy. Each Owner shall be given written notice of the amount of such annual Assessment at least thirty (30) days prior to the date such annual Assessment is due and payable. All such regular annual Assessments shall be due and payable to the Association, at the discretion of the Board, either in one (1) payment at the beginning of the fiscal year or in twelve (12) monthly payments equal to 1/12th of the total annual Assessment, or at such time and in such other manner as the Board may from time to time designate.

7.4 Reduction of Annual Assessment. Notwithstanding the provisions of the foregoing subsection, with respect to Lots other than Occupied Lots, the Owner shall only be required to pay thirty-three percent (33%) of the amount of the annual Assessment levied against Occupied Lots. As soon as a Lot becomes an Occupied Lot, the full annual Assessment levied against Occupied Lots, prorated to the date such occupancy occurred, shall immediately and permanently attach to such Occupied Lot and shall be due and payable by the Owner. Nothing in this subsection shall be construed to relieve an Owner from payment of full annual Assessments for every year after a Lot becomes an Occupied Lot.

7.5 Special Assessments. In addition to the regular annual Assessments provided herein, 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 functions of the Association under the Restrictions. The amount of any special Assessments shall be at the reasonable discretion of the Board. In no event shall the total special Assessment per Lot during the fiscal year 1993 exceed the sum of \$60.00 during any one year without the assent of two-thirds (2/3) of the votes of each class of members who are eligible to vote at a meeting duly called to vote on such matter, with at least sixty percent (60%) of Members who are eligible to vote represented in person or by proxy. Thereafter, the Board may not levy a special Assessment which represents more than a five percent (5%) increase over any previously levied special Assessment without the assent of two-thirds (2/3) of the votes for each class of Members who are eligible to vote at a meeting duly called to vote on such matter

with at least sixty percent (60%) of Members who are eligible to vote represented in person or by proxy. Each Owner shall be given written notice of the amount of any special Assessment at least thirty (30) days prior to the date such special Assessment is due and payable. All such special Assessments shall be due and payable to the Association at such time and in such other manner as the Board may designate, in its sole and absolute discretion. After 1993, the Association may levy in any fiscal year a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, provided that any such special Assessment shall have the assent of two-thirds (2/3) of the votes for each class of Members who are eligible to vote at a meeting duly called to vote on such matter with at least sixty percent (60%) of Members who are eligible to vote represented in person or by proxy.

7.6 Owner's Personal Obligation for Payment of Assessments. The regular and special Assessments provided for herein shall be the personal and individual debt of the Owner as of the date of levy of the Lot subject to each such Assessment, and no Owner shall be exempt from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot subject thereto shall be obligated to pay interest at the highest rate allowed by applicable laws then in effect on the amount of the Assessment 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 Board shall have the right to charge a one-time late fee for delinquent payment of Assessments in such amount as the Board may from time to time deem appropriate.

7.7 Exempt Property. All portions of the Property dedicated to, and accepted by, a local public authority and all portions of the Property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas shall be exempt from the Assessments created herein. Notwithstanding the foregoing, no land or Improvements devoted to dwelling use shall be exempt from said Assessments.

7.8 Assessment Lien and Foreclosure. All regular and special Assessments provided for herein which are not paid when due, together with interest and collection costs and expenses as herein provided, shall be secured by a continuing lien and charge in favor of the Association on the Lot subject to such Assessment and any Improvements thereon, which shall bind such Lot and Improvements and the Owner thereof and such Owner's heirs, devisees, personal representatives, successors or assigns. The obligation to pay Assessments hereunder is part of the purchase price of each Lot when sold to an Owner, and an express vendor's lien is hereby retained to secure the payment thereof and is hereby transferred and assigned to the Association. Additionally, a lien with a power of sale is hereby granted and conveyed to the Association to secure the payment of such Assessments. Such liens shall be superior to all other liens and charges against such Lot, except only for tax liens and the lien of any first Mortgage of record and securing sums borrowed for the acquisition or improvement of such Lot. The Board in its sole discretion may subordinate its Assessment liens to any other lien, and any such subordination shall be signed by an officer of the Association. To evidence any Assessment liens hereunder, the Association may prepare a written Notice of Assessment Lien setting forth the amount of the unpaid Assessments, the name of the Owner of the Lot subject to such Assessments and a description of such Lot, which shall be signed by an officer of the Association and may be recorded in the Office of the County Clerk of Travis County, Texas. Any Assessment lien hereunder shall attach with the priority set

forth herein from the date payment is due. Upon the written request of any Mortgagee, the Association shall report to such Mortgagee any Assessments then unpaid with respect to any Lot on which such Mortgagee holds a Mortgage.

Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Board the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Assessments and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, both judicially and by non-judicial foreclosure pursuant to Texas Property Code § 51.002 (as same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Lot, expressly GRANTS, BARGAINS, SELLS AND CONVEYS to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Assessment, and other sums due hereunder remaining unpaid hereunder by such Owner from time to time. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and attested to by the Secretary of the Association and filed in the Office of the County Clerk of Travis County, Texas. In the event of the election by the Board to foreclose the liens herein provided for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed) to enforce this trust and to sell such Lot, and all rights appurtenant thereto, at the door of the County Courthouse of Travis County, Texas, on the first Tuesday in any month between the hours of 10:00 a.m. and 4:00 p.m. to the highest bidder for cash at public vendue after the trustee and the Board, respectively, shall have given notice of the proposed sale in the manner hereinafter set forth and to make due conveyance to purchaser or purchasers, with general warranty of title to such purchaser or purchasers binding upon the Owner or Owners of such Lot and his heirs, executors, administrators and successors. The trustee shall give notice of such proposed sale by posting a written notice of time, place and terms of the sale for at least twenty-one (21) consecutive days preceding the date of sale at the Courthouse door of Travis County, Texas, and, in addition, the Board shall serve written notice at least twenty-one (21) days preceding the date of sale or the proposed sale by certified mail on each of such Owner or Owners according to the records of the Association. Service of such notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to such Owner or Owners at the most recent address as shown by the records of the Association, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of such service.

At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorneys' fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents

and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice.

It is the intent of the provisions of this Section to comply with the provisions of Texas Property Code § 51.002, relating to non-judicial sales by power of sale and, in the event of the amendment of said § 51.002 hereafter, which amendment is applicable hereto, the President of the Association, acting without joinder of any other Owner or Mortgagee or other person may, by amendment to this Declaration filed in the Office of the County Clerk of Travis County, Texas, amend the provisions hereof so as to comply with said amendments to § 51.002.

ARTICLE 8 EASEMENTS

8.1 Reserved Easements. All dedications, limitations, restrictions and reservations shown on any Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights made by Declarant prior to the Property becoming subject to this Declaration, are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant further reserves the right to make changes in and additions to any such easements and rights-of-way as Declarant deems necessary to efficiently and economically develop the Property. Declarant further reserves the right, without the necessity of the joinder of any Owner or other Person and at any time or from time to time, to grant, dedicate, reserve or otherwise create rights-of-way and easements in favor of any person or entity for public utility purposes (including, without limitation, gas, water, electricity, telephone, television, and drainage) along any Lot line, provided that same shall have a maximum width of ten feet (10') on each side of such Lot line.

8.2 Public Utility Easement Dedication. Declarant hereby dedicates to the public use forever the utility easements shown on the Plats ("Utility Easements"), which shall be available to all public utilities for public utility use. The maintenance of any sidewalk, paving or other permitted Improvement on the Utility Easements is the responsibility of the Owner. No buildings, decks, pools, or spas shall be constructed, reconstructed, or placed upon, over, or across the Utility Easements except with the consent of the Architectural Control Committee and of each utility company using such Utility Easement. Any public utility using the Utility Easements shall have the right to remove all or parts of any such Improvements and to trim overhanging trees which in any way endanger or substantially interfere with the construction, maintenance, or efficiency of or access to its use of the Utility Easements; shall at all times have the full right of ingress and egress to or from and upon said Utility Easements for the purpose of constructing, reconstructing, inspecting, patrolling, maintaining, and adding to or removing all or parts of its utility system situated therein without the necessity at any time of procuring the permission of any Owner; and shall have the right of ingress and egress to the Lots for the purpose of reading meters and any maintenance and service required or ordinarily performed by such public utility with respect to its utility system. In the event any public utility removes or damages any fence, tree, ground cover or other landscaping, paving, driveways, or curbs within the Utility Easements, then such public utility shall repair or replace such item so removed or damaged.

8.3 Drainage Easements. Each Owner covenants to provide easements for drainage and water flow as required by the land contours and the arrangement of Improvements approved by the Architectural Control Committee. Each Owner further covenants not to disturb or displace any trees or other vegetation within any drainage easement shown on the Plats and/or created in this Declaration. There shall be no construction of any temporary or permanent Improvements in any drainage easement, except as approved in writing by the Architectural Control Committee.

8.4 Surface Area. The surface of easement areas for underground utility services may be used for landscaping and other Improvements as and to the extent permitted under this Declaration. However, Declarant shall not be liable to any Owner or to the Association for any damage done by Declarant or Declarant's agents, employees, servants or assigns, to any such items as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

ARTICLE 9 COMMON PROPERTIES

9.1 Easements of Enjoyment. Subject to the provisions of Section 9.3 hereof, every Member shall have the right and easement of enjoyment in and to the Common Area, which right and easement is appurtenant to the Lots. If ingress and egress to any Lot is through the Common Area, the Owner of such Lot shall have an easement of access across and upon the Common Area to his Lot, and any conveyance of the Common Area shall be subject to such access easement.

9.2 Title to Common Properties: Insurance. Before the sale of the first Lot, Declarant shall convey the Common Area to the Association, free and clear of all encumbrances, and the Association shall thereafter be responsible for the operation and maintenance of the Common Area. Any mortgage, pledge, or other conveyance of Common Area shall require assent of two-thirds (2/3) of the votes for each class of Members who are eligible to vote in person or by proxy at a meeting duly called to vote on such matter. The Board or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction of the insurable improvement on the Common Area in the event of damage or destruction from any such hazard. The Board shall also obtain a public liability policy covering the Common Area, the Association, and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and may, at the discretion of the Board, obtain directors' and officers' liability insurance. The public liability policy shall have at least a Five Hundred Thousand Dollar (\$500,000.00) per person limit, as respects bodily injury, a One Million Dollar (\$1,000,000.00) limit per occurrence, and a Two Hundred Fifty Thousand Dollar (\$250,000.00) minimum property damage limit. Premiums for all insurance on the Common Area shall be at the expense of the Association. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

9.3 Extent of Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) The right of the Association to prescribe rules and regulations for the use, enjoyment, and maintenance of the Common Area;
- (b) The right of the Association to sell and convey the Common Area, or any part thereof, provided such sale or conveyance is approved by two-thirds (2/3) of the votes for each class of Members who are eligible to vote in person or by proxy at a meeting duly called to vote on such matter, written notice of which shall be given to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting;
- (c) The right of the Association to borrow money for the purpose of improving the Common Area, or any part thereof, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (d) The right of the Association to take such steps as are reasonably necessary to protect the Common Area, or any part thereof, against foreclosure;
- (e) The right of the Association to suspend the easements of enjoyment of any member of the Association during which time any Assessment levied under Article 7 hereof remains unpaid, and for any period not to exceed sixty (60) days for any infraction of its published rules and regulations.

ARTICLE 10 MISCELLANEOUS

10.1 Term. This Declaration shall run until December 31, 2002, unless amended as herein provided. After December 31, 2002, this Declaration shall be automatically extended for successive periods of ten (10) years each, unless amended in accordance with Section 10.2 below or terminated by a written instrument executed by Owners entitled to cast at least three-fourths (3/4) of the votes for each class of Members who are voting in person or by proxy at a meeting duly called to vote on such matter.

10.2 Amendment. This Declaration may be amended as follows.

- (a) This Declaration may be amended by an affirmative vote of ninety percent (90%) of a quorum of Members present in person or by proxy at a meeting duly called to vote on such matter until the earlier of (i) December 31, 2002, or (ii) the date on which when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership (i.e. the date that 75% of the Lots have been sold by Declarant). Prior to December 31, 2002, Declarant may amend this Declaration at any time (i) to correct typographical and grammatical errors, and (ii) in order to comply with VA and/or FHA requirements for approval of their respective loan guaranty programs related to the Property. Any such amendment shall be effective upon recordation in the Travis County Real Property Records of an instrument executed and acknowledged by Declarant setting forth the amendment.
- (b) After the earlier of (i) December 31, 2002, or (ii) the date on which when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership (i.e. the date that 75% of the

Lots have been sold by Declarant), and in addition to any amendment pursuant to subparagraph (a), this Declaration may be amended by the recording in the Travis County Real Property Records of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by at least three-fourths (3/4) of the votes for each Member who is voting in person or by proxy at a meeting duly called to vote on such matter.

10.3 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 being deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such Person to the Association.

10.4 VA/FHA Approval. So long as there exists a Class B Membership, the following actions will require the prior approval of the VA and/or the FHA, as applicable: (i) annexation of additional property other than the property described on Exhibit C attached hereto, (ii) dedication of additional Common Area, and (iii) amendment of this Declaration (except for amendments to correct typographical and grammatical errors).

10.5 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property and of promoting and effectuating the terms and provisions set forth in this Declaration. This Declaration shall be construed and governed under the laws of the State of Texas.

10.6 Exemption of Declarant. Notwithstanding any provision herein 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 the Association, the Board, or the Architectural Control 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 types of Improvements, including but not limited to construction, sales, and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Property.

10.7 Assignment by Declarant. Notwithstanding any provision herein 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 or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder. Any such assignment by Declarant shall be effective upon recordation in the Travis County Real Property Records of an instrument executed and acknowledged by Declarant evidencing such assignment.

10.8 Enforcement and Nonwaiver. Except as otherwise provided herein, any Owner at such Owner's expense, Declarant, and/or the Association shall have the right to enforce any and all provisions of this Declaration and the Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision. The failure to enforce any such provision at any time shall not constitute a waiver of the right

thereafter to enforce any such provision or any other such provision.

10.9 General.

- (a) The provisions of this Declaration and of the Restrictions 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 or portion thereof.
- (b) Unless the context requires a contrary construction, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.
- (c) All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect the text of the paragraphs, sections and articles hereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of January 11, 1993.

DECLARANT:

MELLON PROPERTIES COMPANY

By: [Signature]

Name (print): Blake J. Magee

Title (print): Vice President

THE STATE OF TEXAS §
§
COUNTY OF Travis §

This instrument was acknowledged before me on January 11, 1993, by Blake J. Magee, Vice President of MELLON PROPERTIES COMPANY, a Louisiana corporation, on behalf of said corporation.

[Signature]
NOTARY PUBLIC, State of Texas

