



**SECOND AMENDED DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR VISTA RIDGE, P.U.D.**

THE STATE OF TEXAS)
)
COUNTY OF TRAVIS) KNOW ALL MEN BY THESE PRESENTS:

THIS SECOND AMENDED DECLARATION, made on the date and year below written, by THE PR 99 002 LIMITED PARTNERSHIP, a Texas limited partnership (hereinafter referred as the "Declarant").

RECITALS

WHEREAS, the Declarant desires to amend the Vista Ridge P.U.D. First Amended Declaration of Covenants, Conditions and Restrictions ("First Amended Declaration"), as executed on May 31, 2002, by Sylvia Robinson-Rizk, Co-Ceo, of PR 99 002, Inc., general partner of the PR 99 002 Limited Partnership, and filed of recorded in Document #2002101395, Official Public Records of Travis County, Texas, in accordance with the provisions of the Master Declaration and the First Amended Declaration of Covenants Conditions and Restrictions for Vista Ridge Planned Unit Development by substituting this Second Amended Declaration of Covenants Conditions and Restrictions ("Second Amended Declaration") in place of First Amended Declaration of Covenants, Conditions and Restrictions in accordance with the provisions of Article IX, Section 9.3 of the First Amended Declaration, such that the First Amended Declaration shall be of no further force or effect and shall be superseded in its entirety by this Second Amended Declaration.

WHEREAS, the City of Austin passed Ordinance No. 000217-39 on February 17, 2000, amending the Official Zoning Map to zone the Development (hereinafter defined) as Vista Ridge Planned Unit Development (the "PUD"), in order to provide for the orderly development of a first class residential development; and

WHEREAS, PR 99002, Ltd., a Texas limited partnership, hereinafter called the Declarant is the owner of that certain 51.01 acre-tract described as Vista Ridge P.U.D. , according to the map or plat thereof recorded in Document #200000327, Official Public Records of Travis County, Texas (the "Property"); and

WHEREAS, Declarant, desires to hold and from time to time convey the Property, or any portion thereof, subject to certain protective covenants, conditions, restrictions, liens and charges hereinafter set forth; and

WHEREAS, the Declarant desires to create and carry out a uniform plan for the improvement, development and sale of all the Property within the PUD for the benefit of present and future owners of the Property.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that it is hereby declared (i) that all of the Property, as hereafter defined in Article I, 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 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 Owner thereof; 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 covenants, conditions and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

ARTICLE I DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

1.1 Architectural Review Committee. "Architectural Review 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 Articles. "Articles" shall mean the Articles of Incorporation of the Property Owners Association of Vista Ridge P.U.D. of Austin, Inc. , filed in the office of the Secretary of State of the State of Texas, and as from time to time amended.

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

1.4 Association. "Association" or "Master Association" shall mean and refer to the Property Owners Association of Vista Ridge P.U.D. of Austin, Inc., a Texas non-profit corporation, its successors and assigns.

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

1.6 Bylaws. "Bylaws" shall mean the Bylaws of the Association as adopted and as from time to time amended.

1.7 Common Properties. "Common Properties" shall mean that portion of the Property owned by the Association for the common use and enjoyment of the Members of the Association including, but not limited to, any parks, recreational facilities, community facilities, pumps, landscaping, sprinkler systems, pavement, streets (to the extent not owned by appropriate

governmental authorities), walkways, parking lots, pipes, wires, conduits and other public utility lines situated thereon (to the extent not owned by appropriate governmental authorities or by local utility companies). The Common Properties to be owned by the Association shall include: (i) those areas of land shown on any recorded plat or its equivalent of the Property or any portion thereof filed or approved by Declarant and identified thereon as "Greenbelt" or "Amenity Area", (ii) the unpaved and landscaped areas of the right of way within the PUD and other streets within the Subdivision and (iii) those areas of land and improvements thereon deeded to the Association by Declarant.

1.08 Declarant. "Declarant" shall mean PR 99-002, Ltd., its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of representatives or their respective successors or assigns; provided that any assignment of the rights of PR 99-002, Ltd. as 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 hereunder.

1.09 Design Guidelines. "Design Guidelines" shall mean the criteria and guidelines established by the Architectural Review Committee for the construction of landscaping improvements and commercial development improvements within the Property.

1.10 Development. "Development" shall mean, the Property as more particularly described as that certain 51.068 acres of land situated in the Robert Foster Survey, A-43, William Bell Survey, A-44, and the T. Toby Survey, A-287 of Travis County, Texas and being conveyed by deed to Pr 99-002 Limited Partnership in Document #1999019112, Official Public Records of Travis County, Texas, said 51.058 acre tract being more particularly described by metes and bounds in Exhibit "A" attached and incorporated into this Declaration.

1.11 Vista Ridge Restrictions. "Vista Ridge Restrictions" shall mean, collectively (i) this Master Declaration, together with any and all Supplemental Declaration, as the same may be amended from time to time, (ii) the Vista Ridge Rules, (iii) the Design Guidelines, and (iv) the Articles and Bylaws from time to time in effect, as the same may be amended from time to time.

1.12 Vista Ridge Rules. "Vista Ridge Rules" shall mean the rules and regulations adopted by the Board as the same may be amended from time to time.

1.13 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind located on the Property, including but not limited to, buildings, outbuildings, storage sheds, patios, tennis courts, basketball goals, swimming pools, garages, storage buildings, fences, trash enclosures, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, 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.

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

1.15 Master Declaration. "Master Declaration" or "Declaration" shall mean this instrument, and as it may be amended from time to time.

1.16 Member. "Member" or "Members" shall mean any person, persons, entity or entities holding membership rights in the Association.

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

1.18 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages. "Declarant's Mortgagee" shall mean Bank Audi, USA.

1.19 Owner. "Owner" or "Owners" shall mean and refer to a person or persons, entity or entities, excluding Declarant, holding a fee simple interest in all or any portion of the Property, but shall not include a Mortgagee.

1.20 Person. "Person" or "Persons" shall mean any individual, individuals, entity or entities having the legal right to hold title to real property.

1.21 Plans and Specifications. "Plans and Specifications" shall mean any and all 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, signage, lighting, elevation drawings, floor plans, specifications on all building products and construction techniques, samples or exterior colors, plans for utility services, all other documentation or information relevant to such Improvement.

1.22 Plat. "Plat" shall mean a final subdivision plat of any portion of the Property.

1.23 Property. "Property" shall mean that real property which is subject to the terms of this Declaration, including any additional real property which may be hereafter incorporated or annexed under the terms of this Declaration.

1.24 Subdivision. "Subdivision" shall mean and refer to property within the Development, which has been subdivided and shown on a map or plat or recorded in the Plat Records of Travis County, Texas, or hereafter brought within the scheme of this Declaration in accordance with the provisions of Article II hereof.

1.25 Supplemental Declaration. "Supplemental Declaration" shall mean and refer to any declaration of covenants, conditions and restriction which may be recorded hereafter in order (i) to incorporate additional property within the Development

into the Property, (ii) to subject any area of the Property to further covenants, conditions or restrictions, (iii) to withdraw land from the Property, or (iv) to annex additional land into the Development.

ARTICLE II
ADDITIONS TO THE PROPERTY

2.1 Phased Subdivision.

- (A) Incorporation. The Declarant, its successors and assigns, shall have the right at any time prior to June 1, 2019, to incorporate within the scheme of this Declaration additional phases of the Development, so long as such properties are within the area described on Exhibits "A" attached hereto, following the acquisition of such property, or with the consent of the record owner, without the consent or approval of any party, including the Owners of any Lots (other than Declarant).
- (B) Annexation. Additional properties may be annexed into the Development at any time with the consent of two-thirds (2/3rds) of each class of Members of the Association. As additional properties are annexed hereto, Declarant shall, with respect to said properties, record Supplemental Declarations which may incorporate this Declaration herein by reference, and which may supplement or modify this Declaration with such additional covenants, conditions and restrictions which may be appropriate for those properties.
- (C) Filing Supplemental Declarations. To evidence the incorporation or annexation of additional property, Declarant shall record a Supplemental Declaration which shall incorporate this Declaration by reference including its recording volume and page reference. Following such incorporation or annexation and the recordation of such additional plat or maps, then and thereafter the Owners of all lots in the Subdivision shall have the rights, privileges and obligations set forth in this Declaration and each applicable Supplemental Declaration.

2.2 Merger or Consolidation. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation,

however, shall effect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided.

ARTICLE III
GENERAL RESTRICTIONS

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

3.1 Antennae. No exterior radio or television antenna or aerial or satellite dish receiver, 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 television receptions, or entertainment purposes shall be erected or maintained, except by Declarant, without the prior written approval of the Architectural Review Committee.

3.2 Subdividing. No Lot 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 Review Committee; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey an easement or other interest less than the whole, all without the approval of the Architectural Review Committee. Public utility and drainage easements are exempt from this provision.

3.3 General Signage Standards. No signs whatsoever (moveable or affixed), including but not limited to, commercial, political and similar signs, which are visible from neighboring lots, shall be erected or maintained on any Lot except:

- (A) Such signs as may be required by law.
- (B) A "for sale" sign of a reasonable type, size and appearance, which is similar to such signs customarily used in Travis County, Texas.

The location and size of such signs shall be subject to such rules and specifications as the Association may adopt and incorporate into the rules from time to time.. The provisions of this Section shall not prevent the Declarant or Declarant's representative from erecting or maintaining signs of any size or content on Lots or other property owned by Declarant when Declarant, in its sole discretion, deems it necessary or convenient to the development or operation of the PUD. In the event that a sign is erected in violation of these provisions, or Association rules with respect to the same, as determined by the Declarant or the Architectural Control Committee, the Declarant or the Association may remove the sign at the expense of the sign owner, and in so

doing shall not be subject to any liability for trespass or any other liability in connection with such removal.

3.4 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 such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. Refuse, garbage and trash shall be kept at all time in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view, except for the 24 hour period beginning at 8:00 p.m. on the day before a scheduled trash pick-up and ending at 8:00 p.m. on the day of a scheduled trash pick-up. In the event the owner shall fail or refuse to keep, or cause to be kept such owner's property or any improvements thereon free from rubbish or debris of any kind, and such failure or refusal shall continue for fifteen (15) days after deliver of written notice thereof, then the Association may enter upon such property and remove or correct the same at the expense of the property owner and such entry shall not be deemed a trespass.

3.5 Noise. 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.

3.6 Construction of Improvements. No Improvements shall hereafter be constructed upon any of the Property without the prior written approval of the Plans and Specifications for the Improvement(s) by the Architectural Review Committee. Anything herein to the contrary notwithstanding, in the case of single family residences constructed on any Lot, the Architectural Review Committee, in its sole discretion, may limit its review to a review of specific floor plans, and elevations, and upon the Architectural Review Committee's approval of such specific floor plans and elevations, residences may be constructed consistent with the approved floor plans and elevations without the requirement of further review or approval by the Architectural Review Committee.

3.7 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. The opinion of the Architectural Review Committee as to condition and repair shall be final.

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

3.9 Design Guidelines.

(A) Roofs:

- (1) All roofs shall be constructed of clay or concrete tile, non-reflective standing-seam metal, slate, or other material approved in writing by the Architectural Review Committee. The color and

composition of all roof materials shall be expressly approved in writing by the Architectural Review Committee.

(2) No roof shall have pitch less than 3/12.

(B) Foundation:

- (1) Exposed foundation concrete visible from any street, front and side elevation, must be designed to be built with dropped ledges allowing for selected masonry material to extend to within 12-inches of finished _____ at _____ elevation and 30-inches of final grade on sides. The remaining portions of exposed foundation must be painted to match the exterior.
- (2) Pier and beam or post and beam foundation systems must be approved in writing by the Architectural Review Committee.

(C) Living Area: The minimum living area (exclusive of open porches, terraces, patios, decks, driveways, and garages) for residences constructed within the Property is 2,500 square feet.

(D) Garage:

- (1) Each Lot must contain a private garage for not fewer than two (2) automobiles.
- (2) Style and color of garage doors must be approved in writing by the Architectural Review Committee.
- (3) Garage door, driveway lighting, and motion sensor security lighting must be approved in writing by the Architectural Review Committee.

(E) Unless otherwise expressly approved in writing by the Architectural Review Committee, exterior walls of any residence shall consist of one hundred percent (100%) stone and/or stucco constructed in strict compliance with the requirements of the Architectural Review Committee.

(F) Mailbox structure and design must be approved in writing by the Architectural Review Committee.

(G) Only wood, vinyl, or vinyl-clad windows, unless specifically approved by the Architectural Review Committee, shall be permitted and all windows on each residence shall have a consistent design throughout the residence and shall strictly comply with requirements established by the Architectural Review Committee.

(H) Driveway and sidewalk design and materials must be expressly approved by the Architectural Review 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 and maintained underground or concealed in, under or on buildings or other Improvements approved in writing by the Architectural Review 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 Review Committee; and further provided that this provision shall not apply to utilities installed along the perimeters of the Property. The installation method, including, but not limited to, location, type of installation, equipment, trenching method and other aspects of installation, for both temporary and permanent utilities shall be subject to review and approval by the Architectural Review Committee.

3.11 Drainage. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural Review Committee.

3.12 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, no open fires shall be lighted or permitted except within safe and well-designed interior, or exterior fireplaces, or in contained barbecue units while attended and in use for cooking purposes. Nothing shall be done or kept on the Property that would increase the rate of casualty or liability insurance or cause the cancellation of any such insurance on the Common Areas, the Association property, or the improvements located thereon without the prior written approval of the Board of Directors.

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 Review 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 proper approval of Declarant, approval to 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 Unightly Articles; Vehicles. No article deemed to be unsightly by the Architectural Review 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, busses, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times, except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Service area, storage area,

loading area, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view from public or private thoroughfares and adjacent properties and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or 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 from public or private thoroughfares and adjacent properties.

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 more than forty-eight (48) hours.

3.17 Fences. All gates, fences, and retaining walls must be constructed of wrought iron, stone, or any combination thereof and must not exceed six feet (6') in height. The height, location, design, and color of gates, fences and retaining walls must be approved by the Architectural Review Committee.

3.18 Animals - Household Pets. No animals, including pigs, pot bellied pits, hogs, swine, pigeons, 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 any portion of 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 Review 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 Maintenance of Lawns and Planting. Each owner shall be required to install landscaping upon such Owner's lot in accordance with landscaping plans approved in advance of installation by the Architectural Review Committee. Notwithstanding any provision in this Declaration to the contrary, such landscaping plans must be approved by the Architectural Review Committee prior to occupancy of the single family residential structure located on the Lot to which such landscaping plans relate. All landscaping shown on the landscaping plans and specifications approved by the Architectural Review Committee shall be installed, and all such landscaping shall be completed, on or before six (6) months after the landscaping plans have been approved by the Architectural Review Committee.

3.20 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 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 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 Review Committee, provided that such waiver shall be only for the reasonable period of such construction.

3.21 Compliance with Provisions of the Vista Ridge Restrictions. Each Owner shall comply strictly with the provisions of the Vista Ridge Restrictions as the same may be amended from time to time. Failure to comply with any of the Vista Ridge Restrictions shall constitute a violation of this Declaration, and shall give rise to the levy of fines by the Board of Directors of the Association and/or 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 an aggrieved Owner.

3.22 Construction in Place. All dwellings constructed on the Property shall be built in place on the applicable Lot and the use of prefabricated materials shall be allowed only with the prior written approval of the Architectural Review Committee.

3.23 Unfinished Structures. Construction of residential improvements shall begin no later than six (6) months after ownership of the Lot has been legally conveyed by Declarant. No structure shall remain unfinished for more than one (1) year after the same has been commenced.

3.24 Setback Requirements. Setback requirement shall be the more restrictive of (a) those set forth on any Plat, (b) those established by the Architectural Review Committee or Declarant pursuant to Section 4.2 below, or (c) those contained in any applicable City Zoning Ordinance.

3.25 Rentals. Nothing in the Declaration shall prevent the rental of any entire Lot and the Improvements thereon, by the Owner thereof for residential purposes.

3.26 Owner's Responsibility for Maintenance. Each Owner shall maintain and keep in a good state of repair the interior and exterior of all buildings, structures, and other Improvements of any kind or nature that are located upon such Owner's Lot. An Owner, when exercising the right and responsibility of repair, maintenance, replacement, or remodeling, as herein defined, shall never alter in any manner whatsoever the color and exterior appearance of the Improvements located on such Owner's Lot, except by written consent of the Architectural Review Committee. Each Owner shall, however, have the exclusive right to paint, plaster, panel, tile, wax, paper, or otherwise refinish and decorate the inner surface of the walls, ceilings, floors, windows, and doors within such Owner's structure. In the event an Owner fails to maintain the Improvements located on such Owner's Lot as provided herein in a manner that the Architectural Review Committee deems necessary to preserve the appearance and value of the Property, the Architectural Review Committee may notify such Owner of the work required and request that it be done within thirty (30) days from the giving of such notice. In the event such Owner fails to

complete such work or maintenance within said period, the Architectural Review Committee shall so notify the Board, and the Board may (but shall not be obligated to) cause such work to be done and the Owner shall be personally liable to the Association for the cost of such work. If the Owner fails to pay such cost upon demand, such cost (plus interest from the date of demand until paid at the maximum lawful rate, or if there is no such maximum lawful rate, at the rate of one and one-half percent (1-1/2%) per month) shall be added to the Assessment chargeable to the Owner's Lot(s). Any such amounts added to the Assessments chargeable against a Lot shall be secured by the liens reserved in this Declaration for Assessments and may be collected by any means provided in the Declaration for the collection of Assessments, including, but not limited to, foreclosure of such liens against the Owner's Lot(s). Each such Owner shall indemnify and hold harmless the Association, its officers, directors, employees and agents from any cost, loss, damage, expense, liability, claim or cause of action incurred or that may arise by reason of the Association's acts or activities under this Section 3.26(including any cost, fees, expense, liability, claim or cause of action arising out of the Association's negligence in connection therewith), except for such cost, loss, damage, expense, liability, claim or cause of action arising by reason of the Association's gross negligence or willful misconduct. "Gross negligence" as used herein does not include simple negligence, contributory negligence or similar negligence short of actual gross negligence.

3.27 Liability of Owners for Damage to Common Area. No Owner shall in any way alter, modify, add to, or otherwise perform any work whatsoever upon the Common Area. The Owner of each Lot shall be liable to the Association for all damages to: (i) the Common Area, the vegetation and trees located thereon, or any Improvements constructed thereon; or (ii) to any Improvements constructed upon any Lot, the maintenance of which has been assumed by the Association: which damage is caused by the neglect, misuse or negligence of such Owner or any tenant or other occupant of such Owner's Lot or such Owner's guest or invitee. The full cost of all repairs of such damage shall be an Assessment against the Owner's Lot secured by a lien against the Owner's Lot and collectible in the same manner as provided in this Declaration.

3.28 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 Article III or elsewhere 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 Lot 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 the Lot, agrees to hold Declarant harmless therefrom.

ARTICLE IV USE RESTRICTIONS

4.1 General. The Property shall be improved and used solely for single family residential use, for Greenbelt or Amenity Areas and for all other uses permitted by the Planned

Unit Development Agreement. Greenbelt or Amenity Areas may, subject to the approval of Declarant, be improved and used for active and passive recreational purposes for the primary benefit of Owners and occupants of portions of the Property; provided, however that, as to any specific area, Declarant may, in its sole and absolute discretion, permit other improvements and uses.

4.2 Minimum Yards. The location of all Improvements located on a Lot shall be subject to approval by the Architectural Review Committee. Minimum yard and setback requirements may be established in excess of those shown on the plat or contained in City ordinances by the Architectural Review Committee or by Declarant through a Supplemental Declaration in order to maximize open areas, pedestrian and vehicular movement and to benefit the overall appearance of the Property.

4.3 Greenbelt or Amenity Areas. No land within any Greenbelt or Amenity Areas shall be improved, used or occupied, except in such a 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 Improvement. Declarant may, by written instrument, delegate its right to grant such approval to the Board. Access to any Greenbelt or Amenity Area may be limited to persons currently paying Assessment, fees and other charges, 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.

4.4 Recreational Improvements. Any proposed construction of recreational improvements within a Greenbelt or an Amenity Area shall be subject to approval by the Architectural Review Committee.

ARTICLE V
PROPERTY OWNERS ASSOCIATION OF VISTA RIDGE P.U.D. OF AUSTIN, INC.

5.1 Organization. The Property Owners Association of Vista Ridge P.U.D. of Austin, Inc. a Texas non-profit corporation, shall serve as the Master Association. The Master Association shall be charged with the duties, governed by the provision, and vested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Master Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Master Declaration. Nothing in this Master Declaration shall prevent the creation, by provision therefor in 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 subject to such Supplemental Declarations.

5.2 Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject, by covenants or record, to Assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated

from any ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. Any Mortgagee or Lienholder who acquired title to any Lot which is a part of the Property through judicial or non-judicial foreclosure, shall be a Member of the Association. It is understood that the Development may be developed in phases or sections, and upon the completion of development of each individual section or phase by Declarant, such completed section or phase or any part thereof shall, at the option and election of Declarant, be incorporated within the scheme of the Declaration and become bound hereby and a part hereof, which incorporation shall be evidenced by the filing of the Supplemental Declaration.

5.3 Voting Rights. The Association shall have two (2) classes of voting memberships:

- (A) Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine as provided by the Bylaws, but in no event shall more than one (1) vote be cast with respect to any Lot.
- (B) Class B. the Class B Members shall be the Declarant, and its successors and assigns, and shall be entitled to three (3) votes for each Lot owned by it, provided that the Class B membership shall cease and be converted to Class A membership (subject to reversion back to Class B membership upon the annexation of additional land) on the happening of either of the following events, whichever occurs earlier:
 - (1) the complete development of the land and sale of all developed lots described on Exhibit "A" attached hereto;
 - (2) twenty (20) years from the filing date hereof in the Official Public Records of Travis County, Texas.

5.4 Powers and Authority of the Association. The Master Association shall have the powers of the Texas nonprofit corporation, subject only to such limitations upon the exercise of such power 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 of the two preceding sentences, the Master Association and the Board, acting on behalf of the Master Association, shall have the power and authority at all time as follows:

- (A) Vista Ridge Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Vista Ridge Rules and Bylaws, not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions.

- (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 Master Association functions.
- (C) Records. To keep books and records of the Master Association's affairs.
- (D) Assessments. To levy assessments as provided in Article VII below. An assessment is defined as that sum which must be levied in the manner and against the property set forth in Article VII hereof in order to raise the total amount for which the levy in question is being made.
- (E) Right of Entry and Enforcement. Master 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 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 the Vista Ridge Restrictions. The Master Association is also authorized to settle claims, enforce liens and take all such action as it may deem necessary or expedient to enforce the Vista Ridge Restrictions; provided, however, that the Board shall never be authorized to expend any Master Association funds for the purpose of bringing suit against Declarant, its successors or assigns.
- (F) Fines for Violation of Vista Ridge Restrictions. To levy fines, not to exceed \$50.00 per violation per day, against a Member, and/or Member's tenant who violated one or more of the Vista Ridge Restrictions. The Board shall adopt a schedule of fines, procedures for notices of violations, implementation of fines and appeal to the Board of any fine levied against a Member or Member's tenant. Failure of a Member or member's tenant to pay fines may result in the suspension of the right to use the Association amenity areas and/or the loss of the right to vote as a Member or serve as an officer of the Association. Delinquent fines shall be deemed personal obligations of a Member and/or Member's tenant, as applicable, and shall not attach as an obligation which runs with a Lot. Proceeds derived from fines shall be used by the Association as directed by the Board of Directors.
- (G) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Master Association.
- (H) Collection for Subassociation. To collect on behalf of and for the accounting of any Subassociation (but not to levy) any assessment made by Subassociation created pursuant to this Master Declaration.

(I) Conveyances. To grant and convey to any person or entity the real property and/or other interest therein, including fee title, leasehold estates, easements, rights-of-way, or mortgages out of, in, on, over, or under any Common Properties for the purpose of constructing, erecting, operating or maintaining the following:

- (1) Parks, parkways or other recreational facilities or structures;
- (2) Roads, streets, walks, driveways, trails and paths;
- (3) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (4) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or
- (5) Any similar public, quasi-public or private improvements or facilities;

provided, however, that the Master Association shall not convey fee simple title in and to, or mortgage all or any portion of any Common Properties without the consent of at least sixty-seven percent (67%) of the Owners (excluding Declarant).

Nothing above contained, however, shall be construed to permit use or occupancy of any Improvement or other facility in a way which would violate applicable use and occupancy restrictions imposed thereon by other provisions of this Declaration.

(J) Manager. To retain and pay for the services of a person or firm (the "Manager") to manage and operate the Master Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Master Association or may be furnished by the Manager. To the extent permitted by law, the Master Association and the Board may delegate any other duties, powers and functions to the Manager. The members of the Master Association hereby release the Master 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.

(K) Association Property Services. To pay for water, sewer, garbage removal, landscaping, gardening and all other utilities, services and maintenance for all Common Properties; to maintain and repair easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes and other areas of the Property, as appropriate and the

maintenance of which has not been accepted by the appropriate governmental entity; and to own and operate any and all types of facilities for both active and passive recreation.

- (L) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Master Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, or the Articles or Bylaws of the Master Association.
- (M) Construction on Association Property. To construct new Improvements or additions to Common Properties, subject to the approval of the Architectural Review Committee as provided in this Declaration.
- (N) Contracts. To enter into contracts with Declarant and other persons on such terms and provisions as the Board shall determine, to operate and maintain any Greenbelt or Amenity Area or to provide any service or perform any function on behalf of Declarant or any Person.
- (O) Property Ownership. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

5.5 Maintenance and Landscape Authority. The Master Association shall maintain all streets and roadways within the Property, which have been completed but not accepted by the appropriate governmental entity for maintenance. In addition, the Master Association shall be authorized to landscape, maintain and repair all easements, access easements, rights-of-way, median strips, sidewalks, paths, trails, detention ponds and other areas of the Property, as appropriate. The Master Association shall maintain all Greenbelt or Amenity Areas dedicated to the Master Association for maintenance, by or with the consent of Declarant. The Master Association shall also maintain any landscaped medians and boulevard areas, not fronting lots, located in the public right of way.

5.6 Lighting. The Master Association shall pay for electrical service and for all other costs and expenses necessary to operate and maintain the lighting, other than standard street lights accepted for maintenance by the City within street right-of-ways and Greenbelt and Amenity Areas and on Common Properties.

5.7 Common Properties. Subject to and in accordance with this Declaration, the Master Association, acting through the Board, shall have the following duties:

- (A) To accept, own, operate and maintain all Greenbelt or Amenity Areas which may be conveyed or leased to it by Declarant, together with all Improvements of whatever kind and for whatever purpose which may be located in said area; and to accept, own, operate and maintain all other Common Properties, real and personal, conveyed or leased to the Master

Association by Declarant and to maintain in good repair and condition all lands, improvements and other Master Association property owned by or leased to the Master Association. Such maintenance shall include, but not be limited to, mowing and removal of rubbish or debris of any kind.

- (B) To construct, maintain, repair and replace landscape improvements and irrigation systems within public rights-of-way pursuant to agreement(s) with the City of Austin or other appropriate governmental authority.
- (C) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Master Association, to the extent that such taxes and assessments are not levied directly upon the members of the Master Association. The Master Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.
- (D) Upon the approval of two-thirds (2/3rds) of the Owners, (excluding Declarant), to execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Master Association. Additionally, the Master Association may accept lands in Greenbelt or Amenity Areas, 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 Master Association. 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 improvement 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 or Assessment paid by the members of the Master Association, as the case may be, but subject to the limitations imposed by this Declaration.
- (E) 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 Greenbelt and/or Amenity Area, as well as casualty coverage on all real and personal property owned by the Master Association, if and in such amounts as the Board shall deem appropriate.

5.8 Indemnification. The Master 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

he is or was a director, officer, committee member, employee, servant or agent of the Master Association against expenses, including attorney's 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 Master Association, and (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 Master Association, and with 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 Master 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 Master Association would have the power to indemnify him against such liability hereunder or otherwise.

5.9 Quorum for Meetings of Members. The Members holding at least ten percent (10%) of the votes entitled to be cast at a meeting of the Members, represented in person or by proxy, as such votes are allocated pursuant to the provisions of this Declaration, shall constitute a quorum at a meeting of the Members.

ARTICLE VI ARCHITECTURAL REVIEW COMMITTEE

6.1 Approval of Plans and Specifications. No Improvement shall be commenced, erected, constructed, placed or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the Plans and Specifications therefor shall have been submitted to and approved by the Architectural Review Committee in accordance herewith.

6.2. Membership of Architectural Review Committee. The Architectural Review Committee shall consist of not less than three (3) nor more than seven (7) voting members ("Voting Members") and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as Declarant or its successors or assigns deems appropriate. The current voting members of the Architectural Review Committee are Sylvia Robinson Rizk, Raymond L. Vargas, and William Burkis.

6.3 Actions of the Architectural Review Committee. The Architectural Review Committee may, by resolution, unanimously adopted in writing, designate one or two 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 Review Committee. In the absence of such designation, the vote of a majority of all of the members of the Architectural Review Committee taken without a meeting, shall constitute an act of the Architectural Review Committee.

6.4 Advisory Members. The Voting Members may from time to time designate Advisory Members.

6.5 Term. Each member of the Architectural Review Committee 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.

6.6 Declarant's Rights of Appointment. Declarant, its successors or assigns shall have the right to appoint and remove all members of the Architectural Review Committee. Declarant may delegate this right to the Board by written instrument. Thereafter, the Board shall have the right to appoint and remove all members of the Architectural Review Committee.

6.7 Adoption of Rules. The Architectural Review 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, including but not limited to, a building code, a fire code, a housing code, and other similar codes as it may deem necessary and desirable.

6.8 Review of Proposed Construction. Whenever in this Declaration, or in any Supplemental Declaration, the approval of the Architectural Review Committee is required, it shall 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, it considers relevant, and may require an Owner to provide such other information as it deems 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 Review Committee, and construction thereof may not commence unless and until the Architectural Review Committee has approved such Plans and Specifications in writing. The Architectural Review Committee may postpone review of the Plans and Specifications until such time as the Architectural Review Committee has received all information requested. The Architectural Review 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 as from time to time shall be 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 Review Committee. The Architectural Review 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.

6.9 Variances. The Architectural Review Committee may grant variances from compliance with any of the provisions of this Declaration or any Supplemental Declaration, when, in the opinion of the Architectural Review Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of 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 at least two (2) of the Voting Members. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Lots for any purpose except as to the particular property 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. Notwithstanding the foregoing, such variances shall not vary any city ordinance unless a variance or special exception has been first granted by the City of Austin.

6.10 No Waiver of Future Approvals. The approval or consent of the Architectural Review Committee to any Plans or Specifications for any work done or proposed in connection with any other matter requiring the approval or consent of the Architectural Review 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 a different person.

6.11 Work in Progress. The Architectural Review Committee, at its option, may inspect all work in progress to ensure compliance with approved Plans and Specifications.

6.12 Address. Plans and Specifications shall be submitted to the Architectural Review Committee 7000 Valburn Drive, Austin, Texas 78731, or such other address as may be designated by Declarant, its successors and assigns, from time to time.

6.13 Fees. The Architectural Review Committee shall have the right to require a reasonable submission fee not to exceed \$300.00 for each set of Plans and Specifications submitted for its review.

6.14 Certificate of Compliance. Upon completion of any Improvement approved by the Architectural Review Committee and upon written request by the Owner of the Lot, the Architectural Review Committee shall issue a Certificate of Compliance in a form suitable for recordation. The Certificate shall identify the Lot and the Improvements, the use or uses to be conducted thereon, and the Plans and Specifications on file with the Architectural Review Committee pursuant to which the Improvements were made and shall specify that the Improvements comply with the approved Plans and Specifications. Preparation and recordation of such a Certificate shall be at the expense of the Owner of the improved Lot. The Certificate shall not be construed to certify the acceptability, sufficiency or approval by the Architectural Review Committee of the actual construction of the Improvements or of the workmanship or material thereof. **The Owner is hereby notified that the Certificate in no way warrants, except as set forth above, the sufficiency, acceptability or approval by the Architectural Review Committee of the construction workmanship, materials or equipment of the Improvements.**

ARTICLE VII FUNDS AND ASSESSMENTS

7.1 Assessments.

- (A) Assessments established by the Board pursuant to the provisions of this Article VII shall be levied on a uniform basis against each Lot within the Property.

- (B) 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 Property against which the Assessment fell due, and shall become a lien against each such Lot and all Improvements thereon. The Master Association may enforce payment of such assessments in accordance with the provisions of this Article.
- (C) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose to the duration of the Assessment year or other period remaining after said date.
- (D) Declarant Exception. Notwithstanding anything else in this Declaration to the contrary, payment of any annual or special assessment imposed by the Declarant on account of non-payment of any assessment.

7.2 Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Master Association and from which disbursements shall be made in performing the functions of the Master Association under this Master Declaration. The funds of the Master 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 pursuant to any Supplemental Declaration.

7.3 Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Master Association during such year in performing its functions under the Vista Ridge II Restrictions, including but not limited to, the cost of all maintenance, the cost of providing street lighting, the cost of enforcing the Vista Ridge II Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of 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 Master Association may at any time, and from time to time, levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Master Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion. In no event shall the regular Assessment per lot for year 1998 exceed the sum of \$360.00. Thereafter, the regular annual Assessment permitted hereunder shall not be increased by more than ten percent (10.0%) per year.

7.4 Special Assessments. In addition to the regular annual Assessments provided for 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

Master Association under the Vista Ridge II Restrictions. The amount of any Special Assessments shall be at the reasonable discretion of the Board and all such Special Assessments shall be due and payable to the Association within thirty (30) days of the date of written notice of such Special Assessment. In no event shall the total Special Assessment per lot during the year 1998 exceed the sum of \$360.00. Thereafter, the maximum Special Assessment permitted hereunder for a fiscal year shall increase by ten percent (10.0%) per year.

7.5 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 of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments, except for Declarant as set out in 7.1(D) above. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay a late fee of \$25.00, plus interest on the amount of the Assessment from the due date at a percentage rate of one percent (1.0%) per month, together with all costs, and expenses of collection, including reasonable attorney's fees.

7.6 Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, shall together with interest as provided in Section 7.5 hereof and the cost of collection, including attorney's fees as herein provided, thereupon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot 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 Lot, except only for:

- (A) All liens for taxes or special assessments levied by the applicable city, county or state government, or any political subdivision or special district thereof;
- (B) All liens securing all amounts due or to become due under (i) any term, Contract for Sale dated, or (ii) any mortgage vendor's lien or deed of trust filed for record prior to the date any Assessment became due and payable; and,
- (C) All liens including, but not limited to, vendor's liens, deeds of trust and other security agreements which secure any loan made by any lender to a Member for any part of the purchase price of any Lot when the same are purchased from a builder, or for any part of the cost of constructing, repairing, adding to or remodeling any Improvements utilized for residential purposes.

Notwithstanding the above, no lien shall be deemed or held superior to the lien hereby created unless the Master Association is made a party to any court proceeding to enforce any of the above-listed liens. The Master 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 Master Association. To evidence the aforesaid assessment lien, the Master Association may prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the

officers of the Master Association and shall be recorded in the office of the County Clerk of Travis County, Texas. Such lien for payment of Assessment shall attach with the priority above set forth from the date that such payment becomes delinquent and may be enforced by either (i) the Master Association foreclosing against the defaulting Owner's Lot in like manner as a mortgage on real property subsequent to the recording of a notice of assessment lien as provided above, or (ii) the Master Association instituting suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or not judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorney's fees incurred by the Master Association. The Master 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 the same. Upon the written request of any Mortgagee, the Master Association shall report to such Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due.

ARTICLE VIII EASEMENTS

8.1 Reserved Easements. All dedications, limitations, restrictions and reservations shown on a 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 Master Declaration, are incorporated herein by reference and made a part of this Master 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 reserves the right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, cable television, electricity, telephone and drainage), in favor of any person or entity, along and on either or both sides of any Lot line, which said easement shall have a maximum width of 5.0 feet on each side of such Lot line.

8.2 Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the easement areas affecting the Property for ingress and egress in connection with installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, cable television, 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 Improvement. Notwithstanding any provision contained in this section, no sewer, electrical lines, water lines or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Review 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.

8.3 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 Review 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 Master Declaration and shown on the Plat. There shall be no construction of Improvements, temporary or permanent in any drainage easement, except as approved in writing by the Architectural Review Committee and the Director of Public Works for the City of Austin.

8.4 Surface Areas. Each Owner shall maintain the surface area of all easements located within his Lot and all improvements located therein except for such improvements for which a public authority or utility company is responsible. 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 or service using any easement area shall be liable to any Owner or to the Master 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.

8.5 Title to Easement and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways or Greenbelt or Amenity Area or any drainage, water, gas, sewer, storm sewer, electrical light, electrical power, telegraph or telephone way, or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Property, and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved by Declarant.

8.6 Greenbelt or Amenity Areas. Each Owner shall have an easement of use and enjoyment in and to all Greenbelt or Amenity Areas which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

- (A) The right of the Master Association to suspend the Owner's voting rights and right to use the Greenbelt or Amenity Areas for any period, during which any Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Master Association;
- (B) The right of the Master Association to dedicate or transfer all or any part of the Greenbelt or Amenity Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be approved by a majority vote of the Members;
- (C) The right of the Master Association to borrow money for the purpose of improving the Greenbelt or Amenity Areas and, in furtherance thereof, to

mortgage the Greenbelt or Amenity Areas, all in accordance with the Articles and Bylaws;

- (D) The right of the Master Association to make reasonable rules and regulations regarding the use of the Greenbelt or Amenity Areas and any facilities thereon; and,
- (E) The right of the Master Association to contract for services with third parties on such terms as the Master Association may determine.

ARTICLE IX
MISCELLANEOUS

9.1 Term. This Master Declaration, including all of the covenants, conditions and restrictions hereof, shall run until August 1, 2019, unless amended as herein provided. After August 1, 2019, this Master Declaration, including all such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least three-fourths (3/4ths) of the Lots within the Property then subject to this Master Declaration.

9.2 Nonliability of Board and Architectural Review Committee Members. Neither the Architectural Review Committee, nor any member thereof, nor the Board nor any member thereof, shall be liable to the Master Association or to any Owner or to any other person for any loss, damage or injury arising out of their being in any way connected with the performance of the Architectural Review Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Architectural Review Committee or its members or the Board or its members, as the case may be. Neither the Architectural Review Committee nor the members thereof shall be liable to any Owner due to the construction of any Improvement within the Property.

9.3 Amendment.

- (A) By Declarant. This Master Declaration or any Supplemental Declaration may be amended by the Declarant acting alone until August 1, 2009, or until Declarant no longer holds a majority of the votes in the Master Association, whichever occurs last. No amendment by Declarant after August 1, 2009, shall be effective until there has been recorded in the Official Public Records of Travis County, Texas, an instrument executed and acknowledged by Declarant and setting forth the amendment, and an instrument executed and acknowledged by the President and Secretary of the Board certifying that the Declarant had the requisite number of votes. Notwithstanding the foregoing, Declarant may amend this Declaration at any time (i) to correct typographical and grammatical errors, and (ii) in order to comply with VA or FHA requirements for approval of the Property.

- (B) By Owners. In addition to the method in Section 9.3(A), after August 1, 2009, this Declaration may be amended by the recording in the Official Public Records of Travis County, Texas, an instrument executed and acknowledged by the President and Secretary of the Master Association, setting forth the amendment and certifying that such amendment has been approved by Owners entitled to cast at least sixty-seven percent (67%) of the number of votes to be cast pursuant to Section 5.3 hereof.

9.4 Notices. Any notice permitted or required to be given by this Master 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 prepaid, addressed to the person at the address given by such person to the Master 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 Master Association.

9.5 Interpretation. The provisions of this Master 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 fundamental concepts of the Property set forth in this Master Declaration. This Master Declaration shall be construed and governed under the laws of the State of Texas.

9.6 Mergers and Consolidations. The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger, consolidation or annexation shall have the consent (in writing or at a meeting duly called for such purpose) of those Members entitled to cast not less than two-thirds (2/3rds) of the votes of the Association.

9.7 Exemption of Declarant. Notwithstanding any provision in this Master 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 the Architectural Review Committee. Without in any way limiting the generality of the preceding sentence, this Master 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 anywhere within the Property, however, the construction of sales and leasing offices and the posting of signs advertising the sale and leasing of Lots by Declarant shall be limited to Lots owned by the Declarant.

9.8. Assignment by Declarant. Notwithstanding any provision in this Master Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Master 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.

9.9 Enforcement and Nonwaiver.

- (A) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board shall have the right to enforce all of the provisions of the Vista Ridge Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against the breach of any such provision.
- (B) Nonwaiver. The failure to enforce any provision of the Vista Ridge Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.
- (C) Liens. The Master Association shall have the right, when appropriate in its judgment, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance with this Master Declaration.

9.10 Construction.

- (A) Restrictions Severable. The provisions of the Vista Ridge 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 hereof.
- (B) Singular Includes Plural. 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.
- (C) Captions. 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.

IN WITNESS WHEREOF, Declarant has executed this Second Amended Declaration of Covenants, Conditions and Restrictions this the 2nd day of June, 2004.

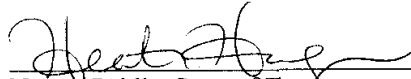
THE PR 99 002 LIMITED PARTNERSHIP
By: PR 99 002 of Texas, Inc., its general partner

By: 

Sylvia Robinson Rizk, Co-Ceo

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This Second Amended Declaration of Covenants, Conditions and Restrictions was acknowledged before me on this the 2nd day of June, 2004, by Sylvia Robinson Rizk, Co-CEO for PR 99 002, Inc. general partner to The PR 99 002 Limited Partnership on behalf of said limited partnership.



Notary Public, State of Texas



After recording please return to:

ANATOLE BARNSTONE
LAW OFFICE OF ANATOLE BARNSTONE
3660 STONE RIDGE ROAD, SUITE B-102
AUSTIN TEXAS 78746-7760

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS



2004 Jun 23 12:20 PM 2004120331

WALKERA \$70.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS