

RESTRICTIVE COVENANTS

57-9229

THE STATE OF TEXAS :

COUNTY OF TRAVIS :

Recitals:

(i) BAKER-JONES-CROW NO. THREE COMPANY (hereinafter called the "Developer"), is the owner of real property located in Travis County, Texas (hereinafter called the "Property"), more particularly described as Lots 1-48, Great Hills A, Planned Unit Development No. 1-A, a subdivision in the City of Austin, Travis County, Texas, according to plat recorded in Book 58, Page 98, Plat Records of Travis County, Texas, (which map is hereinafter called the "Plat").

(ii) Developer has subdivided the Property into lots as shown on the Plat.

(iii) Developer plans to develop the Property, to construct on a portion of the Lots (as such term is hereinafter defined) single-family residences for sale, and to preserve or improve other parts of the Property for recreational purposes for the use and benefit of purchasers of the Lots, (the entire development being hereinafter sometimes called the "Community");

(iv) Developer plans to provide for the formation of a Texas corporation, whose members are the Owners of the Lots, for the purpose of assuring the upkeep, maintenance, improvement and administration of the Community, including its open areas, parks, swimming facilities, and other recreational facilities, and all improvements now existing or hereafter erected thereon, and for the purpose of enforcing the restrictions and covenants set out herein and collecting and disbursing the assessments and charges hereinafter set forth.

NOW, THEREFORE, IT IS AGREED that the covenants and restrictions hereinafter set forth are to run with the Property for the purpose of enhancing and protecting the value and desirability

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of the property and shall benefit and be binding upon the Owners of any of the Lots or other lands comprising the Property, and their heirs, personal representatives, successors and assigns.

Said restrictions and covenants are as follows:

ARTICLE I

Definitions

The following words, when used in this statement of restrictions and covenants (unless the context shall so prohibit) shall have the following meanings:

A. "Association" shall mean MOUNTAIN SHADOW VILLAGE NEIGHBORHOOD ASSOCIATION, a non-profit corporation to be organized under the laws of the State of Texas, its successors and assigns.

B. "Common Areas" shall mean all of the Property other than the Lots and Public Streets (as such term is hereinafter defined) except as otherwise expressly provided herein.

C. "Property" shall mean the real property described above.

D. "Lots" shall mean Lots 1-43, and Lots 46-48, as shown on the Plat.

E. "Building Limit Line" shall mean the line, if any, so designated on the Plat.

F. "Public Street" shall mean any street, lane, drive, boulevard, court circle, road, place, manor or terrace which has been dedicated to public use, as shown on the Plat, but shall not include private streets, driveways, alleys, and cul-de-sacs forming part of the Common Areas.

G. "Members" shall mean any person and/or entity who owns a fee interest in a Lot.

H. "Membership" is defined in Article III.

I. "Person" shall mean an individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

J. "Owner" shall mean the record owner, whether one or more Persons, of fee simple title to any Lot, but excluding those having only a security interest in such Lot until such time as such Person (whether by foreclosure of otherwise) becomes the record Owner thereof.

ARTICLE II

Powers in Developer

The Developer reserves the right to make such changes in the boundaries of Lots and in the Common Areas as it deems advisable, provided that any such changes shall not adversely affect the boundaries or the beneficial use and enjoyment of any Lot then owned by Persons other than Developer.

ARTICLE III

Membership in the Association

Each Owner (including the Developer) shall have one membership in the Association for each Lot he owns, regardless of the number of persons who hold an interest in said Lot (in other words, if two or more persons are the record owners of one Lot, then such persons shall in any case own only one Membership in the Association). The Membership shall be appurtenant to and may not be separated from record ownership of any Lot, and the transfer of any Membership not made as part of a sale of a Lot shall be null and void. Ownership of a Lot shall be the sole qualification for being a Member of the Association.

ARTICLE IV

Ownership, Use and Management of Common Areas and Other Areas

Section 1. The Members of the Association shall have the right to use the Common Areas, subject to the restrictions of

the following sections of this Article.

Section 2. Each Member shall have the nonexclusive right and easement of enjoyment and use of the Common Areas; and such easement shall be appurtenant to and shall pass with the title to every Lot. Such right and easement shall be subject to the following provisions:

A. The right of the Association to make such reasonable rules and regulations regarding the use of the Common Areas and facilities located thereon by the Members and other persons entitled to such use, including but not limited to restrictions of the number of guests who may use the Common Areas and the parts of the Common Areas such guests may use.

B. The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and constructing new facilities thereon and in connection therewith to mortgage the Common Areas or portions thereof.

C. The right of the Association to suspend a Member's voting rights and right to use the Common Area and facilities thereon (i) for any period during which any assessment against his Lot remains unpaid more than thirty (30) days after it is due, or (ii) for a period not to exceed thirty (30) days because of an infraction of the Association's published rules and regulations by a Member of his family or guests.

D. The right of the Association with the permission of Developer to dedicate or transfer all or part of the Common Areas to any public agency or authority or individual on such terms

and subject to such conditions as the Board of
Directors of the Association may determine in
accordance with the Bylaws of the Association.

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Section 3. Any Member may delegate, subject to and in connection with such reasonable rules and regulations as the Association may promulgate from time to time, his right to use and enjoyment of the Common Areas and facilities thereon to the members of his immediate family (that is, spouse, children, grandchildren and parents), his tenants or contract purchasers who reside on the Property and the number of guests permitted by such rules.

Section 4. The Developer shall proceed expeditiously at its sole cost and expense to construct on the Common Areas the initial recreational and other facilities to be erected thereon. The Developer may convey the Common Areas to the Association at any time; however, not later than such time as 75% of the Lots have been initially sold and conveyed by the Developer, or the construction of the initial improvements on the Common Areas has been completed, whichever occurs later, the Developer shall convey the Common Areas to the Association, which shall thereafter be responsible for the maintenance and operation of the Common Areas. Until the Common Areas are conveyed to the Association, the Developer shall have the exclusive use and control thereof, except that the Owners shall have the reasonable right of access over and along the portions of the Common Areas serving as driveways, sidewalks or parking areas. During such period, all Annual Assessments collected by the Association shall be paid to the Developer as a reimbursement of Developer's cost of maintaining the Common Areas.

Section 5. At such time as the Association becomes the owner of the Common Areas, the Association shall control, maintain, manage and improve the Common Areas as provided in these Restrictive Covenants and in its Articles of Incorporation and

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Bylaws. Such right of control and management shall be exclusive except as provided herein. The Association shall also maintain the front of all Lots (which term shall mean the areas in each Lot bounded by the property line of such Lot adjacent to a public street, the side property lines of each Lot and the front of each single family residence (which is defined as the garage entrance and entrance fence to be erected by Developer)) and the exterior woodwork on each single-family residence on each Lot (excluding roofs and including wood fences). Such obligation shall include the maintenance of any common sprinkler system. No Owner may erect any improvements (as such term is hereinafter defined) on the front of any Lot.

ARTICLE V

Voting Rights and Classes of Members in the Association

There shall be two classes of members in the Association:

Class A: Class A Members shall be all owners except the Developer and shall have one vote for each Lot owned. Each Owner shall have the right to vote, in person or by proxy, his Membership or Memberships in the Association. When more than one Person owns an interest in any Lot, all such Persons shall be Members, but there shall be only one vote for each Lot. The vote shall be exercised as the Owners shall decide among themselves.

Class B: Class B Member shall be the Developer and shall have three votes for each lot owned until such time as 75% of the Lots shall be sold, at which time the Class B Membership shall be converted to Class A Membership.

ARTICLE VI

Covenant for Maintenance of Assessments

Section 1. The Owner of each Lot (other than the Developer), by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (1) "Annual

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Assessments," (2) "Special Assessments" and (3) "Fire Insurance Assessments," as hereinafter described, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual, Special and Fire Insurance Assessments, together with any interest thereon and costs of collection thereof as hereinafter provided, allocable to each Lot, shall be a charge on such Lot and shall be a continuing lien against the Lot against which each such assessment is made until paid in full, but such lien shall be inferior to any prior recorded, valid, first-lien deed of trust and/or vendor's lien. Each such assessment, together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment or charge fell due. Such personal obligation shall not pass to his successors in title unless expressly assumed by them; but, nevertheless, the lien above mentioned arising by reason of such assessment shall continue to be a charge and lien upon the Lot as above provided. Each Owner agrees upon request of the Association to execute and deliver to the Association in recordable form a deed of trust covering the Lot owned by him, subject only to a prior recorded, valid first-lien deed of trust and/or vendor's lien, to secure such assessment lien. The obligation to pay assessment being part of the purchase price of each Lot, such lien shall be superior to any homestead or other exemption provided by law. In any event, such lien for non-payment of assessments or charges may be enforced by the Association, such sale to be conducted in accordance with the provisions of law applicable to the exercising of powers of sale or foreclosure in deeds of trust or in any manner permitted by law. In any such foreclosure or sale, the Owner shall be required to pay the costs and expenses of such sale and other proceedings, including reasonable attorneys' fees.

Section 2. All assessments levied and collected by the

Association (except for any Fire Insurance Assessment) shall be used exclusively for the purposes of improving and maintaining the Common Areas and facilities thereon satisfying the other obligations provided herein and of promoting the use and enjoyment thereof by the Owners of the Lots, or securing for its members, the use of facilities not on the Common Areas by purchase or participation with or as part of another entity. Without limiting the generality of the foregoing, the Association shall perform or cause to be performed the following duties:

- A. Effecting repairs, replacements and additions to the Common Areas and facilities thereon;
- B. Paying ad valorem and other property taxes and assessments levied thereon unless such taxes are levied directly against the Lots;
- C. Contracting for such employees and other management necessary or appropriate to the operation and maintenance of the Common Areas and other areas maintained by the Association and supervision thereof; specifically, the Association may contract with any person or entity for the performance of all or any portion of the duties of the Association provided herein;
- D. Obtaining utility services for the Common Areas;
- E. Obtaining general public liability insurance with coverage of not less than \$300,000/\$500,000 and sufficient property damage and fire and extended coverage insurance such that the proceeds would be sufficient to replace any permanent facilities constructed on the Common Areas; and

Section 3.

- A. The Annual Assessment for the calendar year 1972 or part thereof shall not exceed \$240.00 per Lot.
- B. Commencing January 1, 1973, the Annual Assessment may be increased each year, effective January 1 of such year without a vote of the Membership in the same proportion as the

increase, if any, of the Consumer Price Index for Urban Wage Earners and Clerical Works - U. S. City Average: All Items (published by the Department of Labor, Washington, D. C.) for the preceding month of October over that of the October previous. (The Annual Assessment as so increased is hereafter called the "Maximum Annual Assessment".)

C. Within fifteen (15) days prior to the beginning of each calendar year and after consideration of current maintenance and replacement costs and a reasonable reserve for contingencies of the Association, the Board of Directors shall estimate and fix the Annual Assessment at an amount not in excess of the Maximum Annual Assessment as determined in paragraph B above. The Association shall then notify each Owner of the amount of the Annual Assessment and each Owner shall be obligated to pay the Annual Assessment in equal monthly installments on or before the first day of each calendar month beginning January 1 of such calendar year. In the event the amount of the Annual Assessment proves to be inadequate at any time during the course of a calendar year, the Board of Directors of the Association may increase the amount of the Annual Assessment up to the Maximum Annual Assessment for such year. In such event, the Association shall notify each Owner of the amount of the new Annual Assessment and each Owner shall be obligated to pay a proportionate part of the new Annual Assessment on the first day of each calendar month for the remainder of the calendar year.

D. If at any time the Board of Directors of the Association feels that the Maximum Annual Assessment is inadequate to fulfill the functions of the Association, it shall duly call a meeting of the Association for the purpose of increasing the Maximum Annual Assessment and deliver written notice to all Members not less than ten (10) days nor more than fifty (50) days before the date of the meeting, setting forth the purpose of the meeting. At such meeting, the Maximum Annual Assessment may be increased by vote of a majority of the Membership in attendance.

Such increase shall continue until a majority of the Memberships, at a meeting duly called for that purpose, written notice of which shall be delivered to all Members not less than ten (10) days nor more than fifty (50) days before the date of the meeting, shall decide otherwise, or until the Maximum Annual Assessment figure set by the Consumer Price Index formula described above shall be higher, in which case the latter shall be the Maximum Annual Assessment figure.

E. The failure of the Association to fix the Annual Assessments as provided herein for any year shall not be deemed a waiver or a release of any Owner from the obligation to pay the Annual Assessment, but the Annual Assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 4. In addition to the Annual Assessments, the Association may levy in any year Special Assessments, for the following purposes:

A. Defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto; provided that any such assessment shall have the assent of at least two-thirds (2/3) of the Memberships pursuant to votes cast at a meeting, duly called for this purpose, written notice of which shall be delivered to all Members not less than ten (10) nor more than fifty (50) days in advance of the meeting, setting forth the purpose of the meeting; provided further that the maximum amount of any Special Assessment for this purpose which may be assessed against any Member in any year shall not exceed an amount equal to twice the Annual Assessment against said Member for the same year.

B. Exercising the option created by Article XIV of this statement.

C. Defraying the amount of any deficit created by an excess of expenditures of the Association over receipts for the previous year; provided the maximum amount of any Special Assessment for this purpose may not exceed fifteen per cent (15%) of the Annual Assessment for the current year.

D. Paying for expenses of maintenance or repairs pursuant to Section 4 of Article VIII.

E. Paying for insurance pursuant to Section 2 of Article IX.

Written notice of each Special Assessment shall be delivered to every Owner. The date for payment of such Special Assessment shall be established by the Association and shall be specified in such notice.

Section 5. A Fire Insurance Assessment shall be levied against each Lot. Written notice of each Fire Insurance Assessment shall be delivered to every Owner. The date for payment of such Fire Insurance Assessment shall be established by the Association and shall be specified in such notice.

Section 6. At any meetings of the Association the presence at the meeting of Persons holding Memberships aggregating at least one-third (1/3) of all the Memberships, whether represented in person or by proxy, of the Association, shall constitute a quorum.

Section 7. The Annual Assessment provided for herein shall commence as to each Lot on the first day of the calendar month following the date on which such Lot is conveyed to an Owner by the Developer. The Association shall upon request of an Owner at any time furnish a certificate in writing signed by an officer of the Association setting forth whether or not the assessment on the Lot owned by such Owner has been paid. A reasonable charge may be made by the Association for the issuance of these certificates. Such certificate shall be conclusive evidence of payment

of any assessment therein stated to have been paid.

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Section 8. Any assessment which is not paid within ten (10) days after due shall be delinquent and shall bear interest from the due date thereof at the rate of ten per cent (10%) per annum. The Association shall be entitled to bring an action at law against the Owner personally obligated to pay same, and/or to foreclose the lien against the Lot; and interest, costs and reasonable attorneys' fees for such action shall be added to the amount of such assessment and be part of the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 9. All assessments by the Association shall be pro rata and the assessment made against any Lot shall in no case be higher or lower than the assessment against any other Lot, except for any Special Assessment allowed pursuant to Section 4 of Article VI of this statement which are properly attributable, in the judgment of the Association, to less than all of the Lots.

Section 10. No diminution or abatement of assessments shall be allowed or claimed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Areas or from any action taken to comply with any law, ordinance or order of a governmental authority.

Section 11. Notwithstanding anything herein to the contrary, the Developer shall not be required to pay any Annual Assessments or Special Assessments, except with respect to any Lot owned by the Developer which is occupied as a residence.

ARTICLE VII

Restrictions on Lots

Section 1. The Owner of any Lot shall not use or allow the use of such Lot or any building or structure thereon for any purpose which will be noxious, offensive or detrimental to the

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use of the other Lots or which will create or emit any objectionable, offensive or noxious odors, dust, gases, fumes or other such material or which will in any manner violate any zoning or other regulations or laws of the City of Austin, of the State of Texas, or of the United States.

Section 2. No Lot shall be used for other than single-family residential purposes. No Lot may be used as an apartment house, double house, flat, lodging house, hotel, or for any business purposes; provided that a portion of a residence may be used as living quarters for servants engaged on the premises.

Section 3. No drilling or puncturing of the surface for oil, gas or other minerals or hydrocarbons or water or any other fluid or substance shall be permitted.

Section 4. The keeping of any poultry, cattle, horses or other livestock of any kind or character is prohibited on any Lot.

Section 5. The storage of trash, ashes, or other refuse except in normal receptacles is prohibited, nor may weeds, underbrush or other unsightly growths be permitted to grow or remain on a Lot. No trash, ashes or other refuse may be thrown in any vacant land.

Section 6. No signs or billboards shall be permitted on any Lot except one sign, not to exceed two feet (2') square, may be used to advertise the sale or rental of the property.

Section 7. No trucks and no commercial-type vehicles shall be stored or parked on any Lot except while parked in a closed garage, nor parked on any street in the Property except while engaged in transporting to or from a Lot in the Property, nor may any boats of any kind nor any type of vehicle, powered or unpowered, while it is being repaired, be stored or parked on any Lot except while parked in a closed garage.

Section 8. All clotheslines or drying yards, garbage cans, equipment, coolers, woodpiles or storage piles shall be

so located as not to be visible from the Common Areas, any other Lot or any road or street.

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Section 9. No elevated tanks of any kind shall be erected, placed or permitted on any Lot.

Section 10. No exposed or exterior television antenna shall be erected, placed or maintained, except that the Developer or the Association may erect a common television antenna.

Section 11. No radio transmitting device shall be allowed on any Lot and no exposed or exterior radio antenna shall be erected, placed or maintained.

Section 12. No Lot shall be subdivided.

Section 13. There shall be no obstruction to or construction on the Common Areas, without the prior written approval of the Association.

Section 14. Nothing shall be done on any Lot or on the Common Areas which will result in the increase of fire or casualty insurance premiums thereon or the cancellation of such insurance. No waste shall be permitted on any Lot or the Common Areas.

ARTICLE VIII

General Obligations of Owner

Section 1. Each Owner shall at his expense keep any buildings and other improvements on his Lot in good repair and condition and in a clean and sanitary condition and shall do all re-decorating, painting and varnishing which may from time to time be necessary to maintain the good appearance and condition thereof. Each Owner shall maintain and care for all trees, plants or foliage on his Lot except for such items located on areas maintained by the Association and otherwise keep his Lot in conformity to its condition when new.

Section 2. If any Owner believes any other Owner is in violation of these Restrictive Covenants, he may so notify such Owner in writing, explaining his reasons for such complaint. If

the Owner fails to remedy the alleged violation in ten (10) days after delivery of such notice, a complaint may be transmitted in writing to the Chairman of the Board of Directors of the Association, who shall thereupon choose, within not more than ten (10) days a neutral party to arbitrate the dispute in such a manner as the latter deems best, but he shall in all cases announce his decision within thirty (30) days after the transmittal of the complaint to the Chairman of the Board of Directors of the Association. If the Chairman of the Board of Directors or the arbitrator fails to act, the complaint will be considered denied. The arbitrator shall be paid his reasonable expenses, the cost of which shall be borne by the losing party.

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Section 3. If the Association believes any Owner is in violation of these Restrictive Covenants, it shall so notify such Owner in writing, explaining its reason for such complaint. If the Owner fails to remedy the alleged violation within ten (10) days following delivery of such notice, then the Association shall have the right to (i) institute appropriate legal action or (ii) submit the dispute to arbitration, such arbitration to be held in accordance with the rules of the American Arbitration Association by the action of a majority of arbitrators chosen as follows: (a) one arbitrator shall be chosen by the Owner; (b) one arbitrator shall be chosen by the Association; (c) one arbitrator shall be chosen by the two (2) arbitrators previously chosen. If either party fails to choose an arbitrator within fifteen (15) days after the transmission of the complaint to the Owner, the other party may choose the second arbitrator. The decision of the arbitrators shall be made within thirty (30) days after the transmission of the complaint to the Owner. If the arbitrators fail to act within ninety (90) days, the complaint will be considered dismissed. The prevailing party in any such litigation or arbitration shall be entitled to recover

from the other party all costs and expenses, including attorney's fees, in connection therewith.

Section 4. If the arbitrator(s) as provided in Section 2 or Section 3 above upholds the complaint, the Owner shall be so notified in writing and shall promptly remedy the violation of these Restrictive Covenants, and if he fails to remedy such violation within thirty (30) days after the date of such notice or in the time specified in any such proceeding, as appropriate, the Association may (but shall not be obligated to) make the appropriate repairs and add the cost of such repairs, as a Special Assessment, to the normal assessment of such Owner. The Association, and its designees, shall have the right of entry upon the Lot owned by such Owner for such purpose.

ARTICLE IX

Insurance Obligations of Owners

Section 1. The Board of Directors shall obtain a master policy of fire and extended coverage insurance for all buildings on the Lots. The Board of Directors may obtain a new master policy, such change to be effective sixty (60) days thereafter.

Section 2. The master policy of insurance shall be in an amount equal to at least ninety per cent (90%) of the insurable value of all buildings on the Lots with a co-insurance clause and each Owner shall be designated an additional insured. The cost of such insurance shall be met by a Fire Insurance Assessment as provided in Section 5 of Article VI.

ARTICLE X

Construction of Improvements

Since the maintenance of architectural unity is essential for the preservation and enhancement of the value of the Lots, no improvements may be erected on any Lot by anyone other than the Developer without the approval of the Architectural Committee (as such term is hereinafter defined) appointed by the Association.

The term "improvements" shall include but shall not be limited to the erection of any structure, including but not limited to, additions to or alterations of any buildings, detached buildings, storage buildings, tool sheds, kennels, or other buildings for the care of animals, and greenhouses; the erection of any fence; the moving of any structure from another locality to a Lot; the grading, scraping, excavation or other rearranging of the surface of any Lot; the construction of any driveway, alleyway, walkway, entryway, patio or other similar item; and the alteration or replacing of any exterior surface, including the repainting of any painted surfaces and the painting of formerly unpainted surfaces by any but materials of the type originally used and which are the same or similar in color and design.

ARTICLE XI

Easements and Rights

Section 1. The Developer, so long as he shall retain record title to any Lot or the Common Areas, reserves the right and easement to the use of the Common Areas, or any portion thereof, as may be needed for construction on the Lots or Common Areas, including the right to locate, construct and maintain or cause to be erected, located, constructed or maintained, but only in those areas indicated on the plat or other recorded document as easements, sewer and other pipeline conduits and appurtenances thereto, telephone or electrical poles and wires, and any other method of conducting or performing any utility or utility-type function above or below the ground, with the right of access at any time to the same for the purpose of repair and maintenance.

Section 2. If the Owner (including the Developer) of any Lot must, in order to make reasonable repairs or improvements to a building on his Lot, enter or cross the Common Areas or a Lot of another Owner, such Owner shall have an easement to do so; provided that said Owner shall use the most direct, feasible route

in entering and crossing over such an area and shall restore the surface so entered or crossed to its original condition at the expense of said Owner and further provided such easement shall not exist on the land of any other Lot Owner if the purpose for the entrance or crossing is one requiring, by virtue of Article X of this statement, approval of the Architectural Committee of the Association.

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Section 3. If the Owner (including the Developer) of any Lot, must, in order to make reasonable repairs or improvements to a building on such Lot, alter the building of any other person, said Owner shall have the right to do so; provided that said Owner shall (i) create as little alteration as possible consistent with good building and engineering practices, (ii) promptly restore the building altered to its original condition at the expense of said Owner, and (iii) provide such bonding as the Owner of the building to be altered shall reasonably require; and further provided such alteration shall not be allowed if the purpose for the alteration must occur in one requiring, by virtue of Article X of this statement, approval of the Architectural Committee of the Association.

Section 4. If any structure erected by Developer and sold to any Owner shall encroach on the Lot of an adjoining Owner, the latter specifically grants to such Owner an easement permitting the persistence of such encroachment. In addition, an overhang easement is granted to any Owner whose eaves, gutters or similar items overhand a reasonable distance or abut the Lot of another Owner.

Section 5. In the case of some of the homes constructed or to be constructed on the Lots, the Developer has built or may build houses adjoining each other by a party wall located on or near the boundary line of two Lots. The wall or other structure separating such houses shall be and remain a party wall and shall

be subject to the following:

A. Each Owner of a house having a party wall covenants to do nothing to disturb the integrity and support provided by the wall or other structure. Any Owner (or person for whom an Owner is responsible) causing any such damage or injury shall be liable for the restoration thereof and for any other costs or expenses incurred in connection therewith.

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B. If such damage or injury is caused by neither of such Owners or persons for whom they are responsible, then the restoration and other costs and expenses shall be borne equally by both such Owners. Further, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

C. The cost of reasonable repair and maintenance of a party wall shall be shared by both Owners.

D. This section shall apply whether the party wall be located exactly on the boundary line between the adjoining Lots or merely in near proximity to the boundary.

Section 6. Each Owner covenants to provide such easements for drainage and waterflow as the contours of the land and the arrangement of buildings by Developer thereon requires.

Section 7. Developer in constructing single-family residences and associated accouterments on the Lots may place certain portions of such residences and accouterments consisting primarily of (but not limited to) air conditioning equipment, fences, walls, walkways, and patios on the Common Areas. Developer hereby reserves the right and easement to place such items on the Common

Areas. Further the subsequent Owner of any Lot on which such item is a part is granted an easement for the purpose of traversing the Common Areas in order to effectuate repairs thereto and make replacements thereof, such easement not existing, however, if the purpose for such traversing is one requiring by virtue of Article X of this statement, approval of the Architectural Committee of the Association.

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ARTICLE XII

Deviations

The Association may grant approval for deviations from the restrictions provided in Article VII, so long as such deviations are generally consistent and harmonious with the remainder of the Community and do not adversely affect the value of another Lot. Such approval shall require the affirmative vote of holders of two-thirds (2/3) of the Memberships voting at a meeting duly called for this purpose, written notice of which shall be delivered to all Members not less than ten (10) days nor more than fifty (50) days before the date of the meeting, setting forth the purposes of the meeting.

ARTICLE XIII

Architectural Committee

The Board of Directors of the Association shall appoint an Architectural Committee composed of at most three (3) Owners to approve improvements proposed to be made by any Owner other than the Developer. The Architectural Committee shall meet within fifteen (15) days after an Owner has made application to it for approval, submitting at that time two (2) sets of plans and specifications. The Architectural Committee shall render its decision within thirty (30) days after this meeting, either approving the plans or disapproving them, in the latter case making specific reference to those features which cause the disapproval. Approval may be conditioned upon completion within

a specified period of time. All decisions shall be made by a majority vote of the Architectural Committee. A failure of the Committee to act will result in the project being considered approved.

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ARTICLE XIV

Sales of Lots

Section 1. If any Owner of a Lot (other than Developer) wishes to sell or lease the same and receives a bona fide offer for purchase or lease of his Lot, such fact shall be transmitted in writing to the Chairman of the Board of Directors of the Association together with a copy of such offer and the terms thereof. The Owner shall also transmit an affidavit executed by such Owner and duly notarized, attesting that such offer has been made and the offeror, to the best of such Owner's knowledge, is acting in good faith. The Association shall have the right to purchase or lease the Lot on the terms and conditions specified in the offer. Such right is assignable, but in all cases is exercisable only within ten (10) days of the receipt of the written notice from the Owner by written notice to the Owner and the deposit of a matching down payment or deposit. In the event the Association fails to exercise its option within such ten (10) day period, such Owner shall have the right to sell or lease his Lot to the Person making such offer and on the terms and conditions therein set forth.

Section 2. In the event any Owner shall attempt to sell or lease his Lot without affording to the Association the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

Section 3. Any lease or sublease shall be subject to the provisions hereof. The liability of the Owner under this Article continues notwithstanding the fact he may have leased his lot.

Section 4. This Article shall not affect the right of an Owner to subject his Lot to a deed of trust, mortgage or other security interest.

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Section 5. The failure or refusal of the Association or the party to whom its rights under this Article have been assigned to exercise its right to so purchase or lease shall not be deemed a waiver of such a right when an Owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

ARTICLE XV

Liability of Board of Directors and Officers

The members of the Board of Directors and officers of the Association shall not be liable to any Owner or any person claiming by or through any Owner for any act or omission of such Director or officer in the performance of his duties except if such act or omission shall involve gross negligence, bad faith or reckless disregard of his duties, and the Association shall have the power to indemnify all such Directors and officers from all claims, demands, actions and proceedings and any expenses in connection therewith, except if such Director or officer be judicially declared to have acted in a grossly negligent manner, with bad faith, or in reckless disregard of his duties.

ARTICLE XVI

Right to Enforce

The restrictions herein set forth shall run with the land and bind the present Owner except as otherwise provided, its successors and assigns, and all parties claiming by, through or under it, shall be taken to hold, agree and covenant with the Owner of said land, its or their heirs, personal representatives, successors and assigns, and with each of them, to conform to and observe said restrictions as to the use of said Lots and the construction of improvements thereon. No restriction herein set forth shall be personally binding on any Person except in respect

to breaches committed during his ownership of title to his Lot. Any Owner or Owners of any Lot shall have the right to sue for and obtain an injunction to prevent the breach of or to enforce the observance of the restrictions above set forth in addition to the ordinary legal action for damages. Failure of any Owner or Owners or the Association to enforce any of the restrictions herein set forth shall in no event be deemed a waiver of the right to do so or to enforce other restrictions.

57-9651

ARTICLE XVII

Right to Assign

The Developer may, by appropriate instrument, assign or convey to any Person any or all of the rights, reservations, easements, and privileges herein reserved by the Developer, and upon such assignment or conveyance being made, its assigns or grantees may, at their option, exercise, transfer or assign such rights, reservations, easements and privileges or any one or more of them at any time or times in the same way and manner as those directly reserved by them or it in the instrument.

ARTICLE XVIII

Invalidation

The invalidation of any of the restrictions herein set forth shall in no event affect any of the other restrictions of this statement.

ARTICLE XIX

Duration

All of the restrictions set forth herein shall continue and be binding for a period of twenty-five (25) years from the date of this instrument and shall automatically be extended thereafter for successive periods of ten (10) years; provided, however, that the Owners of three-fourths (3/4) of the Lots may, at the end of such twenty-five (25) year term or at the end of any successive ten

(10) year period thereafter, by a written instrument signed by all of such Persons, vacate or modify all or any part of these Restrictive Covenants. Any such violation or modification shall be filed of record in the Travis County Deed Records promptly when executed. No amendment to these Restrictive Covenants shall impair or otherwise affect the rights of the holder of any prior, recorded deed of trust covering any Lot or the Common Areas unless such holder joins in such amendment.

57-9252

ARTICLE XX

Notices

All notices given or required to be given by the Association to its Members shall be deemed to have actually been given if actually received and, whether or not actually received, when deposited in the United States mail, postage prepaid, and addressed to the Member at his address as it appears on the books of the Association, and shall be deemed given when mailed.

EXECUTED as of this 17th day of April

1972.

BAKER-JONES-CROW NO. THREE COMPANY,
a Texas Corporation

By Wilburn E. Jones
Wilburn E. Jones, Vice President

(CORPORATE SEAL)

ATTEST:

Clyde Stenson
Secretary

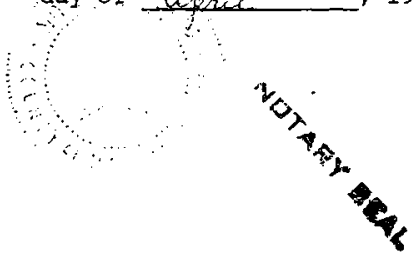
THE STATE OF TEXAS :

COUNTY OF DALLAS :

Before me, the undersigned authority, on this day personally appeared Wilburn E. Jones, Vice President of Baker-Jones-Crow No. Three Company, a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said corporation.

57-18-533

Given under my hand and seal of office, this the 17th day of April, 1972.



Alonzo D. Couch
Notary Public in and for Dallas
County, Texas

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was filed on this date and at the time stamped hereon on this date and was duly RECORDED, in the Volume and Page of the PUBLIC RECORDS of Travis County, Texas, as Stamped hereon by me, on

FILED

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APR 18 1972

David R. Thompson
COUNTY CLERK
TRAVIS COUNTY, TEXAS



David R. Thompson
COUNTY CLERK
TRAVIS COUNTY, TEXAS

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