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DECLARATION OF COVENANTS AND RESTRICTIONS
THE CLIFF OVER LAKE AUSTIN, II
(A Residential Subdivision)

2-40-24117

THE STATE OF TEXAS :

COUNTY OF TRAVIS

THIS DECLARATION, made on the date hereinafter set forth by THE MOODY CORPORATION, a Texas corporation, hereinafter referred to as "Declarant,"

WITNESSETE:

WHEREAS, Declarant is the owner of the real property described in Article III of this Declaration and desires to create thereon a residential community with designated "Lots," "Common Properties" and "Common Pacilities" (as those terms are defined herein) for the benefit of the present and future owners of said Lots; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said Common Properties and Common Pacilities, and, to this end, desires to subject the real property described in Article III to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the Common Properties and Common Facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant shall cause a nonprofit corporation to be incorporated under the laws of the State of Texas, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, Declarant declares that the real property described in Article III is and shall be held, transferred, sold, conveyed, occupied and enjoyed subject to the covenants, restrictions, easements, charges and liens (sometimes referred to herein collectively as "covenants and restrictions") hereinafter set forth.

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DEED RECORDS
Travis County, Texas

ARTICLE I

Definitions

The following words, when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean and refer to the nonprofit corporation which Declarant shall cause to be incorporated as herein provided, its successors and assigns.
 - (b) The "Subdivision" shall mean and refer to The Cliff Over Lake Austin, II.
- (c) The "Properties" shall mean and refer to the properties described in Article III hereof which are subject to this Declaration.
- (d) "Subdivision Plat" shall mean and refer to the map or plat of The Cliff Over Lake Austin, II, recorded in Book 80, Pages 33-34 of the Plat Records of Travis
- (e) "Lot" and/or "Lots" shall mean and refer to each of the lots shown upon the Subdivision Plat.
- (f) "Common Properties" shall mean and refer to those areas of land within the Properties as shown on the Subdivision Plat, except the Lots and the streets shown thereon, together with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plat, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title.
- (g) "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Properties, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of improvements for the use and benefit of all Owners constructed on portions of one or more Lots or on acreage owned by Declarant (or Declarant and others) which is not a part of the Properties. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: sidewalks; common driveways; landscaping and other similar and appurtenant improvements.
- (h) "Owner" shall mean and refer to the record owner, or if such Lot is subject to a term purchase contract with Declarant, to the contract purchaser, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties, but notwithstanding any applicable theory of the mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (i) "Member" and/or "Members" shall mean and refer to all those Owners who are members of the Association as provided in Article IV, Section 4 hereof.

- (j) "Development Plan" shall mean that plan to be submitted to the Architectural Control Committee pursuant to Article VII.
- (k) "Architectural Control Committee" shall mean that committee constituted under Article VII hereof for the review of Development Plans and other functions.
- (1) "Lake Austin Bluff Line" shall mean that portion of the Properties so designated on the Subdivision Plat.

ARTICLE IT

Easements

Section 1. Existing Easements. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, certain streets and easements shown thereon, and such Subdivision Plat further establishes dedications, limitations, reservations and restrictions applicable to the Properties. Further, Declarant and Declarant's predecessors in title have heretofore granted, created and dedicated by several recorded instruments certain other easements, restrictions, limitations, reservations and related rights affecting the Properties. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat and heretofore made by Declarant and Declarant's predecessors in title affecting the Properties are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Properties. The Declarant hereby expressly grants the exclusive right to use the 40' drainage and pedestrian easement set forth on the Subdivision Plat to the Owners of Lots 41 - 53 and 56 - 60, Block B. The Declarant further grants the exclusive right to use the drainage easement lying adjacent to Lake Austin, as set forth on the Subdivision Plat, as a pedestrian easement to the Owners of Lots 41 - 53 and 55 - 60, Block B, solely for ingress and egress to any boat docks erected on Lake Austin.

Section 2. Changes and Additions. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements. 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, easements for public utility purposes (including, without limitations, gas, water, electricity, telephone and drainage), in favor of any person or entity furnishing or to furnish utility services to the Properties, along and on either or both sides of any side Lot line.

Section 3. Title to Easements 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 any drainage, water, gas, sewer, storm sewer, electric light, electric 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 Properties 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 in Declarant.

Section 4. Installation and Maintenance. There is hereby created an easement upon, across and over and under all of the Properties for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, telephones, cable television, electricity, gas 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 Properties 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 structure. Notwithstanding anything contained in this paragraph, no sewer, electrical lines, water lines or other utilities or appurtenances thereto may be installed or relocated on the Properties until approved by Declarant or the Association's Board of Trustees. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Subdivision Plat, and to trim overhanging trees and shrubs located on portions of the Properties abutting such easements.

Section 5. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles and other service vehicles to enter upon the Properties in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees and management personnel to enter the Properties to render any service.

Section 6. Underground Electric Service. An underground electric distribution system will be installed within the Properties. The Owner of each Lot shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on the customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot.

Section 7. Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither the Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

ARTICLE III

Property Subject to this Declaration

Section 1. Description. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration consists of the following:

All of THE CLIFF OVER LAKE AUSTIN, II, being 36.69 acres of land out of the Thomas J. Chambers Grant, a subdivision in Travis County, Texas, according to the Plat thereof recorded in Book 80, Pages 33-34 of the Plat Records of Travis County, Texas (or any subsequently recorded plat thereof).

Section 2. Mineral Exception. There is hereby excepted from the Properties and Declarant will hereafter except from all its sales and conveyances of the Properties, or any part thereof, including the Lots and Common Properties, all oil, gas, and other atherals in, on and under the Properties, but Declarant hereby waives, and will waive in each such conveyance, its right to use the surface of such land for exploration for or development of oil, gas and other minerals.

ARTICLE IV

The Association

Section 1. Organization. The Declarant shall cause the Association to be organized and formed as a nonprofit corporation under the laws of the State of Texas.

Section 2. Purpose. The purpose of the Association, in general, shall be to provide for and promote the health, safety and welfare of the Members, to collect the annual maintenance charges, and to administer the Maintenance Fund to provide for the maintenance, repair, preservation, upkeep and protection of the Common Properties and Facilities in the Subdivision and such other purposes as are stated in the Articles of Incorporation consistent with the provisions of this Declaration.

Section 3. Trustees. The Association shall act through a five-member Board of Trustees, which shall memage the affairs of the Association. The initial Trustees of the Association shall be selected by Declarant. Two of the initial Trustees shall serve for a term of one (1) year, two of the initial Trustees shall serve for a term of two (2) years, and one of the initial Trustees shall serve for a term of three (3) years and all initial Trustees shall serve thereafter until successors are duly elected and qualified. After the expiration of the term of the initial Trustees, the Members shall elect a Board of Trustees as provided for in the Bylaws. The Trustees shall have the power to select one or more advisory trustees from the residents of the Subdivision to serve for such periods of time as the Board of Trustees shall deem appropriate, for the purpose of providing advice and counsel to the Board of

Trustees, provided that such advisory trustees shall have no right to act on behalf of the Association.

Section 4. Members. Each Owner (whether one or more persons or entities) of a Lot shall, upon and by virtue of becoming such Owner, automatically become a Member of the Association and shall remain a Member thereof until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, and no certificate of membership will be issued.

Class A. Class A Members shall be all the Members of the Association, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in the Subdivision in which they hold the interest required for membership by this Declaration. When more than one person holds such interest or interests in any such Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to eight (8) votes for each Lot in the Subdivision in which it holds the interest required for membership by this Declaration; provided that the Class B membership shall cease and become converted to Class A membership on the happening of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership; or

(b) on January 1, 1990.

From and after the happening of whichever of these events occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) wote for each Lot in the Subdivision in which it holds the interest required for membership by this Declaration.

Section 6. Title to Common Properties. The Declarant may retain the legal title to the Common Properties and Common Facilities in the Subdivision until such time as it has completed improvements thereon and until such time as, in the sole discretion of Declarant, the Association is able to operate and maintain the same. Until title to such Common Properties and Facilities has been conveyed to the Association by Declarant, Declarant shall be entitled to exercise all rights and privileges relating to such Common Properties and Facilities granted to the Association in this Declaration.

ARTICLE V

Property Rights in the Common Properties and Common Facilities

- Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 2 of this Article V, every Member shall have a common right and easement of enjoyment in and to the Common Properties and Common Facilities in the Subdivision, and such right and easement shall be appurtenant to and shall pass with the title to each Lot in the Subdivision.
- Section 2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:
- (a) the right of the Association to grant or dedicate easements in, on, under or above such Common Properties or any part thereof to any public or governmental agency or authority or to any utility company for any service to the Subdivision or any part thereof; and
- (b) the right of the Association to transfer title to any storm sewer line, sanitary sewer line, water line or other utility facility or equipment situated in any part of such Common Properties and owned by the Association to any public or political authority or agency or to any utility company rendering or to render service to the Subdivision or any part thereof; and
- (c) the right of the Association to convey or dedicate such portions of such Common Properties as its Board of Trustees may deem appropriate to governmental authorities, political subdivisions or other persons or entities for use as the location of schools, churches and hospitals, or for other similar purposes related to the health, safety, and welfare of the Members; and
- (d) the right of the Association to enter into management and/or operating contracts or agreements relative to the maintenance and operation of such Common Properties and Facilities in such instances and on such terms as its Board of Trustees may deem appropriate; the right of the Association to operate recreational facilities and related concessions located on such Common Properties; the right of the Association to enter into lease agreements or concession agreements granting leasehold, concession or other operating rights relative to Common Facilities in such instances and on such terms as the Board of Trustees may deem appropriate; and
- (e) the right of the Association to suspend the voting rights of a Member of his right to use any Common Facility during the period he is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against his Lot; and to suspend such rights for a period not to exceed thirty (30) days for any infractions of its published rules and regulations; and the aforesaid rights of the Association shall not be exclusive, but shall be cumulative of and in addition to all other rights and remedies which the Association may have in this Declaration or in its Bylaws or at law or in equity on account of any such default or infraction; and

(f) the rights and easements existing, herein created or hereafter created in favor of others, as provided for in Article II of this Declaration; and

(g) the restrictions as to use of the Common Properties provided for in Article VIII hereof.

Section 3. Delegation of Use. Any Member may delegate his rights of use and emjoyment of the Common Properties and Facilities in the Subdivision, together with all easement rights granted to Members in this Declaration, to the members of his family, his tenants or contract purchasers who reside on his Lot. The term "Member" is further defined to include and refer to the executors, personal representatives and administrators of any Member and all other persons, firms, or corporations acquiring or succeeding to the title of the Member by sale, grant, will, foreclosure, execution or by any legal process, or by operation of law, or in any other legal manner.

ARTICLE VI

Annual Assessments

Section 1. The Maintenance Fund. All funds collected by the Association from the regular maintenance charges provided for in this Article, shall constitute and be known as the "Maintenance Fund." The Maintenance Fund shall be held, used, and expended by the Association for the common benefit of all Members for the following purposes, to wit: to promote the health, safety, recreation and welfare of the Members, including, without limitation, the installation, construction, rection and relocation of improvements related to the enhancement and beautification of the Common Properties and Facilities in the Subdivision, and any other areas provided by this Declaration to be developed or maintained by the Association, such as shrubbery, trees, walkways and street lights, and the construction, repair, maintenance and replacement of properties, services, improvements and facilities devoted to such purposes and related to the use and enjoyment of the Subdivision by the Members.

The Association may, in its sole discretion, give one or more of the purposes set forth in this Section 1 preference over other purposes, and it is agreed that all expenses incurred and expenditures and decisions made by the Association in good faith shall be binding and conclusive on all Members.

In the event Declarant shall operate any Common Facility in the Subdivision, or such Common Facility shall be operated by others on behalf of Declarant under any agreement authorized hereby, and the actual proceeds realized by Declarant from such operating and maintaining any such Common Facility, Declarant in connection with operating and maintaining any such Common Facility, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all costs actually incurred by Declarant in maintaining and operating such Common Facility in excess of the actual proceeds realized by Declarant from such operation, as such costs are incurred, to the extent that the balance of the Maintenance Fund from time to time exceeds the amount then designated by the Board of Trustees of the Association in good faith to be the minimum amount necessary to accomplish the maintenance

functions of the Association. Further, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all ad valorem taxes and other assessments in the nature of the property taxes fairly allocable to the Common Properties and Facilities and accrued subsequent to the recordation hereof, and prior to the date on which title to such Common Properties and Facilities is conveyed to the Association by Declarant, which have been actually paid by Declarant.

Section 2. Covenant for Assessments. Each and every Lot in the Properties is hereby severally subjected to and imposed with a regular annual maintenance charge or assessment in the amount of Sixty and No/100 Dollars (\$60.00) per annum per Lot (herein sometimes referred to as the "full maintenance charge") which shall run with the land, subject to increase and decrease and payable as provided in Section 3 below.

Each Owner of a Lot, by his claim or assertion of ownership or by accepting a deed to any such Lot, whether or not it shall be so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the charges and assessments against his Lot and/or assessed against him by virtue of his ownership thereof, as the same shall become due and payable, without demand. The charges and assessments herein provided for shall be a charge and a continuing lien upon each Lot, together with all improvements thereon, as hereinafter more particularly stated. Each assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such assessment accrued, but no Member shall be personally liable for the payment of any assessment made or becoming due and payable after his ownership ceases. No Member shall be exempt or excused from paying any such charge or assessment by waiver of the use or enjoyment of the Common Properties or Facilities, or any part thereof, or by abandonment of his Lot or his interest therein.

Section 3. The Annual Maintenance Charge. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Trustees to be the date of commencement. The first annual assessment shall be made for the balance of the calendar year in which it is made and shall be payable on the day fixed for commencement, or in equal monthly installments over the balance of the year, at the election of the Association. The assessments for each calendar year after the first year shall be due and payable to the Association in advance on January 1st each year. Provided, however, that upon the purchase of his lot (as evidenced by the date of his Contract of Sale or Deed or his occupancy, whichever is earlier), each Member shall be obligated to pay to the Association as pro rata part (as determined pursuant to the terms hereof) of the regular annual maintenance charge assessed on such Lot, which shall bear the same ratio to the applicable percentage of the full annual maintenance charge as the number of full calendar months remaining in the year of purchase bear to twelve (12), and which shall be payable in full upon such purchase or in equal monthly installments over the balance of the year of purchase, as the Association may elect. Until such time as a residence is completed upon his Lot, a Member shall pay only one-half (1/2) of the regular annual maintenance charge imposed hereunder.

The Board of Trustees of the Association may decrease or increase the amount of the regular annual maintenance charge or assessment provided for herein at any time and from time to time by the adoption of a resolution for such purpose, but no resolution increasing the annual maintenance charge assessment shall become effective prior to the expiration of ninety (90) days from the date of its adoption, and the Owner of each Lot shall, within thirty (30) days from such effective date, pay to the Association the proportionate part of such increase for the balance of the year in which such resolution is adopted; provided, however, that no resolution of the Board of Trustees which fixes the amount of the regular annual maintenance charge or assessment in excess of Two Hundred and No/100 Dollars (\$200.00) per year, or in excess of the annual maintenance charge or assessment last ratified by the Members of the Association in accordance with the provisions of this paragraph, whichever is greater, shall become effective unless and until such resolution is ratified either (a) by the written assent of the Members of the Association who in the aggregate then own at least sixty-six percent (66%) of the Lots in the Subdivision if no meeting of the membership is held for ratification, or (b) by the assent of sixty-six percent (66%) of the votes of the Members of the Association who are present and voting in person or by proxy at a special meeting of the membership of the Association called for this purpose and at which a quorum is present. The written assent or the vote of the Members must be given prior to the effective date of the resolution of the Board of Trustees. No increase in the annual maintenance charge or assessment shall take effect retroactively.

If any resolution of the Board of Trustees which requires ratification by the assent of the Members of the Association as above provided shall fail to receive such assent, then the amount of the regular annual maintenance charge or assessment last in effect shall continue in effect until duly changed in accordance with the above provisions. The Board of Trustees may decrease the amount of the annual maintenance charge or assessment without ratification by or assent of the Members of the Association.

Section 4. Quorum for any Action Authorized under Section 3. The Quorum required for any action authorized by Section 3 hereof shall be as follows:

At the first meeting called, as provided in Section 3 hereof, the presence at the meeting of Members, or of proxies, entitled to cast seventy percent (70%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called and the required quorum at any such subsequent meeting shall be one-half (1/2) the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

Section 5. Duties of the Board of Trustees. The Board of Trustees of the Association shall fix the date of commencement and the amount of the assessment against each Lot or Owner for each assessment period at least thirty (30) days in advance for such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The Association shall, upon demand

at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 6. Liens to Secure Assessments. The regular annual maintenance charges or assessments, as hereinabove provided for, shall constitute and be secured by a separate and valid and subsisting lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements thereon, for the benefit of the Association and all Members. Subject to the condition that the Association be made a party to any court proceeding to enforce any lien hereinafter deemed to be superior, the lien hereby created shall be subordinate and inferior to:

- (a) all liens for taxes or special assessments levied by the city, county and state governments, or any political subdivision or special district thereof; and
- (b) all liens securing amounts due or to become due under any term Contract of Sale dated, or any mortgage, vendor's lien or deed of trust filed for record prior to the date payment of any such charges or assessments become due and payable; and
- (c) all liens, including, but not limited, to, vendor's liens, deeds of trust and other security instruments which secure any loan made by any lender to an Owner for any part of the purchase price of any Lot when the same is purchased from a builder or for any part of the cost of constructing, repairing, adding to or remodeling the residence and appurtenances situated on any Lot to be utilized for residential purposes.

Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall cut off and extinguish the liens securing maintenance charges or assessments which become due and payable prior to such foreclosure date, but no such foreclosures shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure.

Section 7. Effect of Nonpayment of Assessment. If any annual charge or assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from the due date until paid at the highest interest rate allowed under the laws of the State of Texas, and, if placed in the hands of an attorney for collection of if suit is brought thereon or if collected through probate or other judicial proceedings, there shall be paid to the Association an additional reasonable amount, but not less than ten percent (10%) of the amount owing, as attorney's fees. The Association, as a common expense of all Members, may institute and maintain an action at law or in equity against any defaulting Member to enforce collection end/or for foreclosure of the liens against the Lot. All such actions may be instituted and brought in the name of the Association and may be maintained and prosecuted by the Association in a like manner as an action to foreclose the lien of a mortgage or deed of trust on real property.

Section 8. Collection and Enforcement. Each Member, by his assertion of title or claim of ownership or by his acceptance of a deed to a Lot, whether or not it shall be so recited in such deed, shall be conclusively deemed to have expressly vested in the Association, and in its officers and agents, the right, power and authority to take all action which the Association shall deem proper for the collection of assessments and/or for the enforcement and foreclosure of the liens securing the same.

ARTICLE VII

Architectural Control Committee

Section 1. Approval of Development Plan. No building, structure, fence, wall or other improvement (including landscaping) 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 a Development Plan shall have been submitted in accordance herewith to and approved by the Architectural Control Committee (the "Committee").

Section 2. Committee Membership. The Committee shall be initially composed of Jack L. Baber , bo by a majority vote may designate a representative or representatives to act for them. The term "Architectural Control Committee" as used herein shall refer to the individuals named above, their assignees as permitted herein, or the Committee's designated representatives. In the event of death or resignation of any member or members of the Committee, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full right, authority and power to carry out the functions of the Committee as provided herein, or to designate a representative with like right, authority and power.

Section 3. Transfer of Authority to Association. The duties, rights, powers and authority of the Committee constituted hereby may be assigned at any time, at the sole election of a majority of the members of the Committee, to the Board of Trustees of the Association, and from and after the date of such assignment, and the acceptance thereof by such Trustees, the Board of Trustees of the Association shall have full right, authority and power, and shall be obligated to perform the functions of the Committee as provided herein, including the right to designate a representative or representatives to act for it.

Section 4. Development Plan. The Development Plan to be submitted in accordance herewith shall be submitted in duplicate to the Committee and shall consist of the following:

(a) a plat or map drawn to scale of one inch (1") equal twenty feet (20') depicting the following:

- the Lot and all adjacent Lots (including drainage easements), public and private streets abutting the Lot, creeks, existing vegetation (with existing trees and shrubs of diameter in excess of eight inches spotted), proposed solar equipment and equipment on adjacent Lots, and other existing natural features and improvements;
- (ii) the location on the Lot and the dimensions and shape of any and all proposed structures and other improvements, including buildings, garages, mail boxes, garbage facilities, signs, clothes drying facilities, private waste disposal systems, dog runs and other pet care facilities, exterior lights, bridges, culverts, pools, cabanas, walkways, patios, fences and walls;
- (iii) a complete landscape plan depicting trees and shrubs to be added or removed, as well as identifying proposed retaining walls, fills, and impermeable ground cover;
- (b) a complete set of plans and specifications for all improvements to be constructed, including any private waste disposal system;
 - (c) an enumeration of the exterior color scheme; and
- $\mbox{\ensuremath{\mbox{\ensuremath}\ensuremath{\mbox{\ensuremath}\ens$
- Section 5. Procedure for Submission and Approval of Development Plan The Development Plan to be submitted hereunder shall be submitted in duplicate to the Committee at the registered address of the Association. The approval or disapproval by the Committee of any Development Plan submitted shall be communicated in writing to the Owner submitting such Plan at the address indicated in the Plan, provided that in the event the Committee fails to notify any Owner of approval or disapproval within thirty (30) days of the submission of any Development Plan, such Plan shall be deemed approved. The Committee, or its representative, shall review each Development Plan submitted, and in considering such Plan shall be free to take into account any number of factors, including, but not limited to:
- (a) compliance with minimum building and construction standards; and,
- (b) the appearance and aesthetics of the contemplated improvements, including, but not limited to, color scheme, shape, location on the Lot, and similarity to other structures in the Subdivision; and,
- (c) the impact of the contemplated improvements upon the environment and neighboring Lots, including, but not limited to, considerations of view, drainage, and solar exposure.

The decision of the Committee with respect to any Development Plan shall be final, and the Committee shall have broad discretion in approving or disapproving any Development Plan submitted. Meetings of the Committee need not be regularly scheduled, and need not be open to the public or to the Owner submitting any Development Plan. The Committee shall maintain written records reflecting its consideration and action with respect to any Development Plan submitted. The vote or written consent of a majority of the members of the Committee shall constitute the act of the Committee. The Committee may, from time to time, promulgate procedural rules pursuant to which it conducts its business. Any conflict between such rules and this Declaration shall be resolved in favor of this Declaration.

Section 6. Liability of Members of the Committee. Neither the Committee nor any member thereof shall ever be liable to any Owner or other person, firm or entity for any damage, loss or injury suffered or claimed on account of:

- (a) the approval or disapproval of any Development Plan;
- (b) the construction or performance of any work on the Property, whether or not pursuant to an approved Development Plan; or
 - (c) the development of the Properties.

Any person, firm or entity bringing any action against the Committee, or any member thereof, as a result of the Committee's actions taken in connection with the foregoing shall be liable for all attorney's fees and court costs incurred by the Committee in defending such action if the Committee should prevail in such action.

The approval by the Committee of any Development Plan shall not operate as an adoption, representation or determination by the Committee, or any member thereof, as to the safety of the materials to be used.

Section 7. Governmental Approvals. The approval of an Owner's Development Plan by the Committee shall in no way supersede or substitute for any approvals or permits required by any governmental agency or authority having jurisdiction.

Section 8. Fees. The Committee may charge a reasonable fee to all persons submitting Development Plans, in order to defray expenses incurred in the processing of such Plans, and may condition approval of any Development Plan upon the payment of such fee. The Committee may also hire architects and other experts as are reasonably required and the costs so incurred shall be paid by the Association.

Section 9. Variance of Requirements Contained in Article VIII. The Committee shall have the authority to grant variances from time to time with respect to the requirements and restrictions contained in Article VIII hereof (but not Article IX) upon written application of the Owner of any Lot. The granting of any variance hereunder shall in no way constitute a waiver of such requirements with respect to other Owners of Lots and shall in no way operate to stop the Committee from enforcing such requirements.

ARTICLE VIII

Building Requirements and Restrictions

Section 1. Compliance with Approved Development Plan. No building, structure or other improvement shall be constructed, erected or placed upon any Lot unless in accordance with the Development Plan approved by the Committee pursuant to Article VII hereof.

Section 2. New Materials. Only new materials shall be utilized in constructing any structures situated upon a Lot, unless approved by the Committee pursuant to Article VII hereof.

Section 3. Time for Construction. All exterior construction of the primary residential structure, garage, porches and any other appurtenances or appendages of every kind and character on any lot and all interior construction shall be completed not later than one (1) year following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set.

Section 4. No Window Units. No window air conditioners shall be permitted to be used, placed or maintained on or in any building in any part of the Properties. Wall type air conditioners may be installed on the Properties provided they are not visible from any street in the Subdivision.

Section 5. Minimum Floor Area. The air conditioned portion of the principal structure erected on any Lot shall have a floor area of not less than two thousand (2,000) square feet, such area to be exclusive of all porches, carports, garages and other rooms which are not air conditioned with the main living quarters; provided, however, that such required minimum floor area shall be only one thousand eight hundred (1,800) square feet for Lots One (1) through Twenty-Two (22), Block "A" and Lots One (1) through Ten (10), Block "B" of the Subdivision.

Section 6. Roofing Materials. No metal or asbestos roofs shall be permitted unless approved by the Committee pursuant to Article VII hereof. Composition roofs must be of a weight equal to or more than 330 pounds per square.

Section 8. Fences. Fences must be of ornamental iron, wood or masonry construction. No chain link fences shall be permitted. No fences shall be erected on any slope with an average change in height equal to or greater than fifteen percent (15%), measured from the point where the Lot begins to slope. Any swimming pool or other attractive nuisance shall be adequately fenced.

Section 9. Towers and Antennae. No antenna or other device for the transmission or reception of television signals, radio signals or any other form of electromagnetic radiation which is visible from the exterior of the residence shall be eracted, used or maintained on any Lot.

Section 10. Wires and Lines. No lines, wires or devices for the communication or transmission of electric current, cable television or telephone shall be erected, placed or maintained upon any Lot unless the same shall be contained in conduit or cable installed and maintained underground or concealed in, under or on buildings; provided, however, that this section shall not forbid the erection or use of temporary power or telephone lines incidental to the construction of buildings upon a Lot.

Section 11. Building Foundations. All building foundations in slopes of fifteen percent (15%) or over on fill placed upon such slopes shall utilize design and construction practices certified by a registered professional engineer qualified to practice in this field and such design shall be placed on file with the City of Austin Engineering Department.

Section 12. Driveway Grades. For a minimum travel distance of twenty-five feet (25') from the roadway edge, driveway grades may exceed fourteen percent (14%) only with specific approval of surface and geometric design proposals by the Director of the Austin Engineering Department or his designee.

Section 13. Fills and Cuts. No fill on any Lot shall exceed a maximum of three feet (3') of depth. Except for structural excavation, no cut on any Lot shall be greater than six feet (6').

Section 14. Masonry. The exterior of each structure built upon any Lot shall have not less than fifty percent (50%) masonry exclusive of window and door openings. The Committee shall have the power to waive this minimum requirement upon submission of a specific design which aesthetically and architecturally blends with and enhances the Subdivision. The final decision shall be that of the Committee.

Section 15. Boat Docks. No Owner shall be permitted to erect, construct, own, maintain or use any boat dock, boat ramp, walkway or pier in Lake Austin or on any portion of the Lake Austin Bluff line except as permitted by Declarant in a written instrument filed of record in the Travis County, Texas Deed Records.

Section 16. Building Height. Any structures located on any Lot except Lots 1 through 6, 8, 9 and 22 of Block A and Lots 1 through 9 of Block B shall not exceed two (2) stories in height above the ground level measured at the front set back line for each Lot.

Section 17. Other Building Requirements and Restrictions. The Committee may, in conjunction with its review of Development Plans, apply other building requirements and restrictions, which the Committee, in its sole discretion, deems relevant to its purposes. The Committee may, but is not required to do so, promulgate and make available to Owners an outline of applicable building standards which shall constitute guidelines only and shall not be binding upon the Committee.

ARTICLE IX

Building and Use Restrictions

Section 1. Residence Buildings and Garages. No building or other structure shall be built, placed, constructed, reconstructed or altered on any Lot other than a single family residence with appurtenances, and no structure shall be occupied or used until the exterior construction thereof is completed.

Section 2. Single Family Residential Use. Each Lot (including land and improvements) shall be used and occupied for single family residential purposes only. No Owner or other occupant shall use or occupy his Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single family residence for the Owner or his tenant and their families. As used herein the term "single family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of Lots for duplex apartments, garage apartments or other repartment use. No Lot shall be used or occupied for any business, commercial, trade or professional purpose either apart from or in connection with the use thereof as a private residence, whether for profit or not. This Section 2 shall not prohibit the housing in the main residential structure of full time servants employed by the Owner of the Lot.

Section 3. Temporary and Other Structures. No structure of a temporary character, trailer, mobile, modular or prefabricated home, tent, shack, barn or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot, either temporarily or permanently, and no residence house, garage or other structure appurtenant thereto shall be moved upon any Lot from another location; except, however, that Declarant reserves the exclusive right to erect, place and maintain, and to permit builders to erect, place and maintain, such facilities in and upon the Properties as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and selling of residences and constructing other improvements on the Properties. Such facilities may include, but shall not necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities and sales office. Declarant and builders shall also have the temporary right to use a residence situated on a Lot as a temporary office or model home during the period of and in connection with construction and sales operations on the Properties, but in no event shall a builder have such right for a period in excess of one (1) year from the date of substantial completion of his last residence on the Properties.

Section 4. Nuisance. No noxious or offensive activity shall be carried on or permitted upon any Lot or upon the Common Properties, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood or to other Owners. The Board of Trustees of the Association shall have the sole and exclusive discretion to determine what constitutes a nuisance or annoyance. No trucks larger than one ton, motor vehicles not currently licensed, boats, trailers, campers, motor or mobile homes or other vehicles shall be permitted to be parked on any Lot (except in a closed garage) or on any street (except passenger cars and trucks smaller than one ton may be parked on the street in front of the Lot for a period not to exceed twelve (12) hours in any twenty-four (24) hour period.) No repair work, dismantling, or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveney or other portion of the Common Properties. The use or discharge of firearms, firecrackers or other fireworks on the Properties is prohibited. No motor bikes, motorcycles, motor scooters, "go-carts", or other vehicles shall be permitted to be operated on the Properties, if, in the sole judgment of the Board of Trustees of the Association, such operation, by reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance.

Section 5. Signs. Except for signs, billboards or other advertising devices displayed by Declarant for so long as Declarant or any successors or assigns of Declarant to whom the rights of Declarant under this Section 5 are expressly transferred, shall own any portion of the Properties, no sign of any kind shall be displayed to the public view on any Lot or the Common Properties, except:

- (a) Builders may display one (1) sign of not more than five (5) square feet on a Lot to advertise the Lot and any residential structure situated thereon for sale during the sales and/or construction period; and
- (b) any owner may display one (1) sign of not more than five (5) square feet on a Lot improved with a residential structure to advertise the Lot and residence for sale or rent; and
 - (c) signs required for legal proceedings;
- (d) no more than two (2) residential identification signs with a combined total of less than 144 inches; and
- (e) a permanent entrance sign for the Subdivision to be designed, located and erected by Declarant, in Declarant's sole judgment.

The Association or its agent shall have the right to remove any sign not complying with the provisions of this Section, and in so doing, shall not be liable and is expressly relieved of any liability for trespass or other tort in connection therewith, or arising from such removal.

Section 6. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or on any portion of the Common Properties, except that dogs, cats or other common household pets (not to exceed two (2) adult animals) may be kept, but they shall not be bred or kept for commercial purposes.

Section 7. Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot or from any portion of the Common Properties is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

Section 8. Garbage and Refuse Storage and Disposal. All Lots and the Common Properties shall at all times be kept in a healthful, sanitary and attractive condition. No Lot or any part of the Common Properties shall be used or maintained as a dumping grounds for garbage, trash, junk or other waste matter. All trash, garbage or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials, with tightly-fitting lids, which shall be maintained in a clean and sanitary condition and screened from public view. No Lot shall be used for open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected on any lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which these materials shall atter be removed from the Lot, or stored in a suitable enclosure on the Lot. There is hereby reserved in favor of the Association the determination of the method of garbage disposal (that is, whether it shall be through public authority or through private garbage disposal service). No garbage, trash, debris or other waste matter of any kind shall be burned on any Lot.

Section 9. Access. No driveways or roadways may be constructed on any Lot to provide access to any adjoining Lot or other portion of the Properties unless the express written consent of the Architectural Control Committee first shall have been obtained.

Section 10. Utilities. Each residence situated on a Lot shall be connected to water lines as soon as practicable after same are available at the Lot line.

Section 11. 011 and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 12. Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted or permit the accumulation of garbage, trash or rubbish of any kind thereon and shall not burn anything (except by use of an incinerator and then only during such hours as permitted by law). The drying of clothes in full public view is prohibited and the Owners or occupants of any Lots where the rear yard or portion of the Lot is visible to full public view shall construct and maintain a drying yard or other suitable enclosure to screen the following from public view; the drying of clothes, yard equipment, wood piles or storage piles which are incident to the normal residential requirements of a tryical family. In the event of default on the part of the Owner or occupancy of any Lot in observing the above requirements, or any of them, such default continuing after ten (10) days' written notice thereof, Declarant or its successors and assigns may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with this Declaration in order to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of such Lot to pay such statement immediately upon tender thereof.

Section 13. Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant of any structures or other improvements necessary or convenient to the development, sale, operation or other disposition of the Properties.

Section 14. Resubdivision. No Lot within the Subdivision shall be further subdivided or separated into smaller parcels by any Owner, and not less than all of such Lot shall be conveyed or transferred by any Owner.

Section 15. Lake Austin Bluff Lines. No development, improvement or construction (temporary or permanent) including, but not limited to, landscaping, the construction of ladders, fences, stairs, elevators or walkways, shall be

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permitted on any portion of the Lake Austin Bluff Line except as permitted by the prior written approval of the Committee. That portion of any Lot lying within the Lake Austin Bluff Line shall generally remain in its natural state except as approved by the Committee.

Section 16. Boat Docks. No Owner shall be permitted to erect, construct, own, maintain or use any boat dock, boat ramp, walkway or pier in Lake Austin or on any portion of the Lake Austin Bluff line except as permitted by Declarant in a written instrument filed of record in the Travis County, Texas Deed Records.

ARTICLE X

General Provisions

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an initial term commencing on the effective date hereof and ending December 31, 1999. During such initial term the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than sixty-six percent (66%) of all Lots in the Subdivision and properly recorded in the appropriate records of Travis County, Texas. Upon the expiration of such initial term, said covenants and restrictions (as changed, if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten-year periods, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than fifty-one percent (51%) of all the Lots in the Subdivision and properly recorded in the appropriate records of Travis County, Texas.

Section 2. Enforcement. The Association, as a common expense to be paid out of the Maintenance Fund, or any Owner as his own expense, shall have the right to enforce, by proceedings at law or in equity, all restrictions, covenants, conditions, reservations, liens, charges, assessments and all other provisions set out in this Declaration. Failure of the Association or of any Owner to take any action upon any breach or default of or in respect to any of the foregoing shall not be deemed a waiver of their right to take enforcement action upon any subsequent breach or default

Section 3. Amendments by Declarant. The Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration by any instrument in writing duly signed, acknowledged and filled for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of develoment as evidenced by this Declaration and shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

Section 4. Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 5. Omissions. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other word, clause, sentence or provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

Section 6. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 7. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

Section 8. Severability. Invalidation of any one or more of the covenants, restrictions, conditions or provisions contained in this Declaration, or any part hereof, shall in no manner affect any of the other covenants, restrictions, conditions or provisions hereof, which shall remain in full force and effect.

ARTICLE XI

Ratification: Lienholder

University Savings Association, the owner and holder of a lien covering all of the Properties, has executed this Declaration to evidence its joinder in, consent to and ratification of the imposition of the foregoing covenants, conditions and restrictions.

IN WITNESS WHEREOF, the understand have executed this Declaration to be effective this the 2 day of Ortology, 1950.

ATTEST: (NO SEAL)

THE MOODY CORPORATION

DECLARANT

ATTEST: (CC: PORATE SEAL)

UNIVERSITY SAVINGS ASSOCIATION

By Shand Sand South South South Seal South A. HendricksLienHolder

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THE STATE OF TEXAS

COUNTY OF Harris

BEFORE ME, the undersigned authority, on this day personally appeared Sock L Baber , Executive New Moef THE MOODY CORPORATION, a Texas corporation, known to me to be the person 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. capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the

NOTARY SEA"

County TEXAS

Notary Public in and for Harris County, Toxon
My Commission Expires May 4

THE STATE OF TEXAS

COUNTY OF Travis

BEFORE ME, the undersigned authority, on this day personally appeared John A. Hendricks Vice Pres. of UNIVERSITY SAVINGS ASSOCIATION, known to me to be the person 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 7th day of October, 1980.

NOTARY SEA!

Travis County, T E X A S Tracee H. Colvin

FILED

Oct 9 3 34 PH '80

David Shupedore TRAVIS COUNTY TEXAS