

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTH LAKEWAY VILLAGE - SECTION 6

RECITALS

WHEREAS, THIS Declaration of Covenants, Conditions and Restrictions for North Lakeway Village – Section 6 (this “Declaration”) is made this 13th day of June, 2008 by RH of Texas Limited Partnership, a Maryland limited partnership, whose mailing address is 10415-I Morado Circle, Suite 100, Austin, Texas, 78759, (hereinafter, “Declarant”), and which is the owner of certain real property described as North Lakeway Village – Section 6 located in Travis County, Texas, more particularly described in Exhibit “A” attached hereto and incorporated herein (the “Property”); and

WHEREAS, Declarant proposes to develop and subdivide the Property for residential purposes in a subdivision to be known as North Lakeway Village – Section 6; and

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

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

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

ARTICLE I

DEFINITIONS

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

1.01. Architectural Committee. “Architectural Committee” shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the Property, or portions thereof as provided herein.

1.02. Architectural Committee Rules. "Architectural Committee Rules" shall mean the rules and regulations adopted by the Architectural Committee, as the same are amended from time to time.

1.03. Articles. "Articles" shall mean the Articles of Incorporation of North Lakeway Village - Section 6 Homeowners Association, Inc., which shall be filed in the office of the Secretary of State of the State of Texas, as the same are from time to time amended.

1.04. Assessment. "Assessment" or "Assessments" shall mean such sum levied by the Association in the manner and against the Property under the terms and provisions of this Declaration.

1.05. Association. "Association" shall mean and refer to North Lakeway Village— Section 6 Homeowners Association, Inc., a Texas nonprofit corporation created or to be created pursuant to this Declaration, its successors and assigns.

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

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

1.08. Building Code. "Building Code" shall mean Ordinance No. 2002-10-21-3, the Building Ordinance at the City of Lakeway, Texas, effective October 22, 2002, and any amendments thereto effective as of the date of this Declaration.

1.09. Bylaws. "Bylaws" shall mean the Bylaws of the Association to be adopted by the Board, as the same are from time to time amended.

1.10. Common Areas. "Common Areas" shall mean those areas of land shown on any recorded plat of the Property or its equivalent or any portion thereof filed or approved by Declarant and identified thereon as "Open Space," "Greenbelt", "Park," "Amenity Area," "Landscape Area," "Landscape Lot," "Water Quality Pond" or "Drainage Area".

1.11. Common Properties. "Common Properties" shall mean that portion of the Property owned by the Association for the common use and enjoyment of the Members of the Association, including but not limited to all parks, recreational facilities, community facilities, pumps, landscaping, sprinkler systems, pavement, streets (to the extent not dedicated to and accepted for service by appropriate governmental authorities), walkways, parking lots, pipes, wires, conduits and other public utility lines situated thereon (to the extent not owned by appropriate governmental authorities or by local utility companies). The Common Properties to be owned by the Association shall include (i) Common Areas and (ii) those areas of land deeded to the Association by Declarant.

1.12. INTENTIONALLY DELETED

1.13. Declarant. "Declarant" shall mean RH of Texas Limited Partnership, a Maryland limited partnership ("RH"), its duly authorized representatives or their respective successors or assigns; provided that any assignment of the rights of RH as Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Property without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder. The exercise of any rights or privileges of Declarant and the performance of any obligations or duties on the part of the Declarant shall be vested in RH. All decisions and actions of the Declarant shall be made and taken by RH.

1.14. Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.

1.15. Design Guidelines. "Design Guidelines" shall mean those certain Design Guidelines set forth below in this Declaration in Sections 3.01 through 3.04, as the same may be amended from time to time, the Architectural Committee Rules, and any Association Rules.

1.16. Developed Lot. "Developed Lot" shall mean any Lot which has been final platted, with electric service and a paved, curbed and guttered street; excluding, however, any Common Area.

1.17. Greenbelt, Park or Amenity Area. "Greenbelt", "Park" or "Amenity Area" shall mean all areas designated by Declarant to be held as open space or for passive or active recreational purposes for the benefit of all Owners.

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

1.19. North Lakeway Village - Section 6 Restrictions. "North Lakeway Village - Section 6 Restrictions" shall mean, collectively, (i) this Declaration, which includes the Design Guidelines, together with any and all Declarations, as the same may be amended from time to time, (ii) the Architectural Committee Rules, (iii) the Association Rules, and (iv) the Articles and Bylaws from time to time in effect, as the same may be amended from time to time.

1.20. Lot. "Lot" or "Lots" shall mean (i) any parcel or parcels of land within the Property shown as a subdivided lot on the Plat, together with all Improvements located thereon, excluding, however, any Common Areas.

1.21. Member. "Member" or "Members" shall mean any person(s), entity or entities holding membership rights in the Association.

1.22. Mortgage. "Mortgage" or "Mortgages" shall mean any mortgage(s) or deed(s) of trust covering all or any portion of the Property given to secure the payment of a debt.

1.23. Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.24. Owner. "Owner" or "Owners" shall mean and refer to a person(s), entity or entities, including Declarant, holding a fee simple interest in all or any portion of the Property including any Condominium Unit, but shall not include a Mortgagee.

1.25. Person. "Person" or "Persons" shall mean any individual(s), entity or entities having the legal right to hold title to real property.

1.26. Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or erection of any Improvement, including, but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, signage, lighting, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, all other documentation or information relevant to such Improvement, and any and all additional documentation or information called for by the Design Guidelines.

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

1.28. Property. "Property" shall mean that real property which is subject to the terms of this Declaration and more particularly described on Exhibit "A" attached hereto, plus any additional land added thereto in accordance with the procedures set forth in this Declaration, less any property that is withdrawn from this Declaration in accordance with the procedures set forth herein.

1.29. Road(s). "Road(s)" shall mean the roads located within North Lakeway Village - Section 6, and providing access to and from the Lots and ingress to and egress from the Subdivision, as more fully shown and provided for on the Plat.

1.30. Subdivision. "Subdivision" shall mean North Lakeway Village - Section 6 and shall refer to the property within the area described in Exhibit "A" which has been or will be subdivided and shown on a map or plat of record in the Plat Records of Travis County, Texas.

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

ARTICLE II

DEVELOPMENT OF AND ADDITION TO THE PROPERTY

2.01. Development by Declarant. Declarant may divide or subdivide the Property into several areas, develop some of the Property, and, at Declarant's option, sell any portion of the Property free of these restrictions.

2.02. Addition of Land. Declarant, its successors and assigns, shall have the right, at any time and from time to time, to add land to the Property, so long as such land is adjacent to and contiguous with the Property, without the consent or approval of Owners of any Lots (other than Declarant). Such additions/annexations may be accomplished by recording a Supplemental Declaration annexing the property in the Official Public Records of Travis County, Texas. Upon such additions/annexations, this Declaration and the covenants, conditions, restrictions, and obligations set forth herein shall apply to the added land and the rights, privileges, duties, and liabilities of the Persons subject to this Declaration shall be the same with respect to the added land as with respect to the Property originally covered by this Declaration. As additional lands are annexed hereto, Declarant shall, with respect to said properties, record Supplemental Declarations which may incorporate this Declaration therein by reference, and which may supplement or modify this Declaration with such additional covenants, restrictions and conditions which may be appropriate for those lands.

2.03. Withdrawal of Land. Declarant may, at any time and from time to time, reduce or withdraw areas from the Property, and upon such withdrawal, this Declaration and the covenants, conditions, restrictions, and obligations set forth herein shall no longer apply to those lands withdrawn. In order to withdraw lands from the Property hereunder, Declarant shall be required only to record a notice of withdrawal of land in the Real Property Records of Travis County, Texas containing the following provisions:

- (A) A reference to this Declaration, which reference shall state the book and page numbers of the Travis County Real Property Records wherein this Declaration is recorded;
- (B) A statement that the provisions of this Declaration shall no longer apply to the withdrawn land; and
- (C) A legal description of the withdrawn land.

2.04. Merger or Consolidation. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the Property, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property, together with the covenants and restrictions established upon any other properties, as one

scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided.

ARTICLE III

RESTRICTIONS

Design Guidelines

3.01. Setbacks. No residential structure, dwelling unit or any other Improvement, except for fences, shall be located on any Lot nearer to the front, rear, side or street side or corner lot property line, pursuant to the setbacks as per the recorded Plat, and the minimum setback requirements set forth in the Building Code for the applicable zoning base districts. For the purpose of determining setback requirements under the Building Code, the Property is zoned "R-3" under City of Lakeway Zoning Regulations.

Minimum Building Setbacks

Street (Front)	25 ft.
Side(s)	5 ft.
Rear	5 ft.

3.02. Floor Area. The living area of the main residential structure as well as any permitted accessory structures located on any Lot, exclusive of open porches and parking facilities, shall not be less than 2,400 square feet.

3.03. Building Heights. No residential structure or any other Improvement shall exceed the maximum height set forth in Section 7.02 of the Building Code for the applicable zoning base district or otherwise approved for the Subdivision by the City in accordance with the Building Code.

3.04. Building Materials. All exterior finishes are to be rock, brick or stucco. Vertical sheets of siding are prohibited. Such approved material used on the exterior of a structure must continue down to within two feet (2') of the ground at finished grade. No change of materials to cover an exposed foundation shall be permitted. All exterior metals and plastic on buildings will be painted to match the color of the adjacent exterior finish material.

(A) Masonry Requirements:

One hundred percent (100%) of all exterior surfaces must be covered with rock, brick, or stucco. All exterior surfaces shall be included for the purpose of the calculation set forth below, including gables, second story surfaces and chimney areas. Calculations shall not include the exposed foundation areas which are limited to two feet (2') of exposed vertical areas. All openings

such as windows, doors, vents, etc., will be included into the predominate type of surface on the total wall (around the opening). Garage doors that are surrounded on both vertical sides by masonry will be included as masonry on single story homes. The area above garage doors on two story homes will be calculated as to the type of cover used. Gable areas above single story garage doors will also be calculated as to type of cover used.

General Restrictions

3.05. Subdividing. No Lot shall be further divided or subdivided, nor may any easements or other interests therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Architectural Committee; provided, however, that when Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot and convey any easements, except drainage and public utility easements, or other interests less than the whole, all without the approval of the Architectural Committee.

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

3.07. Insurance Rates. Nothing shall be done or kept on the Property which would increase the rate of insurance or cause the cancellation of insurance on any Lot or any of the Improvements located thereon.

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

3.09. Noise. No exterior speakers, horns, whistles, bells, or other sound devices (other than security devices used exclusively for security purposes) shall be located, used, or placed on any of the Property such that it becomes or will become clearly audible at the property line of adjoining property owners. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

3.10. Animals - Household Pets. No animals, including, but not limited to, pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained, or cared for on the Property. No Owner may keep on such Owner's Lot more than four (4) cats and dogs, in the aggregate. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on any portion of the Property other than on the Lot of its Owner unless confined to a leash. No animal may

be stabled, maintained, kept, cared for, or boarded for hire or remuneration on the Property, and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large, and all animals shall be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Architectural Committee, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof, and shall be screened so as not to be visible from any other portion of the Property.

3.11. Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property, and no odors shall be permitted to arise there from so as to render the Property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other property or to its occupants. Refuse, garbage, and trash shall be kept at all times in covered containers, and such containers shall be kept within enclosed structures or appropriately screened from view.

3.12. Maintenance. Each Owner shall keep all shrubs, trees, grass, and plantings of every kind on such Owner's Lot (including any Greenbelt platted as a part of such Owner's Lot and any Greenbelt located between such Owner's Lot and a publicly dedicated roadway) cultivated, pruned, and free of trash and other unsightly material. All Improvements upon any Lot shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner of such Lot. Declarant, the Association, and the Architectural Committee shall have the right at any reasonable time to enter upon any Lot to replace, maintain, and cultivate shrubs, trees, grass, or other plantings as deemed necessary; to paint, repair, or otherwise maintain any Improvements in need thereof; and to charge the cost thereof to the Owner of the Lot as provided in Section 5.04(E) hereof.

3.13. Antennae. To the extent permitted by law, no exterior radio or television antenna or aerial or satellite dish receiver, or other devices designed to receive telecommunication signals, including but not limited to radio, television or microwave signals which are intended for cable television, network television reception or entertainment purposes shall be erected or maintained, except by Declarant, without the prior written approval of the Architectural Committee. Any antenna which is approved by the Architectural Committee and which will cover more than fifteen (15) square feet of the surface area of a Lot, shall be screened from view from public or private thoroughfares and adjacent properties.

3.14. Signs. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any residence, fence or other Improvement upon such Lot so as to be visible from public view without the prior written approval of the Architectural Committee, except the following:

- (i) For Sale or Lease Signs. An Owner may erect one (1) sign not more than five (5) square feet advertising the Property for sale or lease.
- (ii) Declarant's and Builder's Signs. Signs or billboards may be erected by the Declarant or any Builder.

- (iii) Political Signs. Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal, provided that such signs shall not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

3.15. Tanks. The Architectural Committee shall have the right to approve the location of any tank used or proposed in connection with a single-family residential structure, including tanks for storage of fuel, water, oil, or LPG, and including swimming pool filter tanks. No elevated tanks of any kind, including but not limited to above-ground swimming pools, shall be erected, placed or permitted on any Lot without prior Architectural Committee approval and proper screening. All tanks shall be screened so as not to be visible from any other portion of the Property.

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

3.17. Unightly Articles: Vehicles. No article deemed to be unsightly by the Architectural Committee shall be permitted to remain on any Lot so as to be visible from adjoining property or from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, campers, wagons, buses, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times except when in actual use, in enclosed structures or screened from view and no repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in enclosed garages or other structures. Each single-family residential structure constructed within the Property shall have sufficient garage space, as approved by the Architectural Committee, to house all vehicles to be kept on the Lot. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view from public or private thoroughfares and adjacent properties; and no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, or scrape or refuse or trash shall be kept, stored, or allowed to accumulate on any portion of the Property except within enclosed structures or appropriately screened from view from public or private thoroughfares and adjacent properties.

3.18. Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes or manufactured homes shall be parked or placed on any Lot or used as a residence, either temporary or permanent, at any time, and no motor homes, travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or from public or private thoroughfares for more than forty-eight (48) hours.

3.19. Doors and Windows. No aluminum foil, reflective film or similar treatment shall be placed on any windows or glass doors. No "burglar bars," steel or wrought iron bars, or similar fixtures, whether designed for decorative, security or other purposes, shall be installed on the exterior

of any windows or doors of any dwelling. No signs, numerals or other writing shall be written on or placed in the doors, windows or exterior walls of any dwelling, either temporarily or permanently, except that the Board may, in its discretion, permit house numbers to be written temporarily on a single window of a dwelling while occupants are moving in, provided such numbers are removed within seventy-two (72) hours after the occupants have taken occupancy. All window coverings on windows facing the street shall be white or off-white in color, unless otherwise approved in writing by the Board. Sheets or similar temporary window treatments may be used for a short time after taking occupancy of a dwelling, provided they are removed and replaced with permanent window treatments within a reasonable time after taking occupancy of the dwelling, as determined in the sole discretion of the Board.

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

3.21. Energy Conservation or Generation Equipment. No photovoltaic electricity generation panels, solar energy collector panels, or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the Architectural Committee. No windmills, wind generators or other apparatus for generating power from wind shall be erected or installed on any Lot.

3.22. Garages. No residential structure shall be constructed without an attached garage. Each attached garage shall be constructed to accommodate a minimum of two cars at any time.

3.23. Compliance with the Restrictions. Each Owner shall comply strictly with the provisions of the North Lakeway Village - Section 6 Restrictions as the same may be amended from time to time. Failure to comply with any of the North Lakeway Village - Section 6 Restrictions shall constitute a violation of this Declaration, and may result in fines to the homeowner, or shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Association or by an aggrieved Owner.

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

ARTICLE IV

USE AND CONSTRUCTION RESTRICTIONS

4.01. General. The Property shall be improved and used solely for single-family residential use, inclusive of a garage, fencing and such other Improvements as are necessary or customarily incident to residential use, or for Common Areas. Common Areas may, subject to the approval of Declarant, be improved or used for active and passive recreational purposes for the primary benefit of Owners and occupants of portions of the Property; provided, however, that, as to any specific areas, Declarant may, in its sole and absolute discretion, permit other improvements and uses. Except for Common Areas, no Lot and no Improvement erected or maintained on any Lot shall be used for manufacturing, industrial, business, commercial, institutional or other nonresidential purpose. This prohibition shall not apply to "garage sales" conducted by Owners, or the use of any Improvement on a Lot by Declarant or any builder as a model home or sales office, or the use of any Lot as a site for a construction office trailer or sales office trailer by Declarant or any builder.

4.02. Open Space, Greenbelt, Park or Amenity Areas. No land within any Open Space, Greenbelt, Park or Amenity Areas shall be improved, used or occupied, except in such manner as shall have been approved by Declarant, in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy and Improvement. Declarant may, by written instrument, delegate its right to grant such approval to the Board. Access to any Greenbelt, Park or Amenity Area may be limited to Persons currently paying Assessments, fees and other charges, or otherwise conditioned or restricted, or made available to non-Owners, all on such terms and conditions as Declarant may determine, in its sole discretion. When no Class B memberships exist, the Board shall have the right to determine such terms and conditions as the Board deems proper in its sole discretion, even if such right has not been delegated to it by Declarant.

4.03 Right of Way Improvements. Vegetative improvements including trees, bushes, shrubs, flowers or otherwise, as well as any pipes, sprinklers or other improvements installed for the irrigation of such vegetative improvements constructed by Declarant within any portion of public right of way or Roads and maintained by the Association shall not be altered, changed, damaged or destroyed by any Lot Owner or other person. Any person who alters, damages or destroys any such improvements shall be responsible for the cost of replacing or repairing such improvements.

4.04. Recreational Improvements. Any proposed construction of recreational improvements within any Common Area shall be subject to approval by the Architectural Committee.

4.05. Wetlands, Rivers and Other Water Bodies. No use of the wetlands, rivers, ponds, lake, streams, or other bodies of water within the Property, if any, including without limitation, fishing, swimming, boating, playing, or use of personal flotation devices, shall be permitted without the prior approval of the Board; provided, if any such use is permitted, it shall be subject to the Declarant's and the Association's superior use rights as provided below and to all rules and regulations that may be promulgated by the Board of Directors. No internal combustion engines shall be operated on any river, pond, lake, or stream within the Property except by the Association and/or the Declarant, for purposes of maintenance and irrigation. The Association shall not be responsible

for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, ponds, streams or other bodies of water within or adjacent to the Property. No docks, piers, or other structures shall be constructed on any river, pond, lake, or stream within the Property. No ducks, geese, or other waterfowl shall be released, raised, or maintained on any river, pond, lake, or stream within the Property.

Notwithstanding the foregoing the Association and the Declarant may use and regulate the use of any rivers, ponds, streams, wetlands or other bodies of water within the Property for the irrigation of the Common Areas or the Common Properties, or for any other purpose deemed appropriate by the Board or the Declarant, subject to the terms of any easement agreement affecting such use, and further subject to the rights and authority of any water control and improvement district or other governmental entity having jurisdiction of such areas. The Declarant's right under this section shall be superior to any rights of the Association. This section shall not be construed to limit or restrict the rights and authority of any water control and improvement district or other governmental entity having jurisdiction of the Property.

4.06. Approval for Construction. No Improvements shall be constructed upon any Lot without the prior written approval of the Architectural Committee.

4.07. Rentals. Nothing in this Declaration shall prevent the rental of any entire Lot and the Improvements thereon by the Owner thereof for residential purposes; provided that all rentals must be for terms of at least six (6) months.

4.08. Obstruction of Views. No Improvement may be constructed on any Lot which would unreasonably obstruct the view from other portions of the Property, and the positioning of all Improvements upon Lots within the Property is hereby expressly made subject to Architectural Committee review. The Architectural Committee may, but shall not be required to, prevent or allow the construction of a proposed Improvement based upon the effect it will have upon the view from any particular Lot. Rather, the Architectural Committee may consider the effect the improvement will have on the Property as a whole, it being expressly understood that neither the Architectural Committee nor the members thereof shall be liable to any Owner in monetary damages or otherwise due to the construction of any Improvement within the Property or the creating thereby of an obstruction to the view from such Owner's Lot or Lots.

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

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

4.11. Roofing Materials. All dwellings constructed on the property shall be constructed with roofing systems of Class "A" UL (Underwriters Laboratories, Inc.) fire rating and otherwise in

accordance with Section 7.11 of the Building Code. The standard roofing material for dwellings shall be thirty (30) year shingles. All other roofing materials must be approved in advance by the Architectural Committee.

4.12. Driveway. The Architectural Committee shall have the right to impose limitations on driveway design, including materials, aprons, location, and point of contact with dedicated roads, streets, or private driveways in the Subdivision. Driveways shall be constructed so that they have a sufficient rise in elevation to allow for the surface water drainage along the curb line of the street to continue without interruption or change in direction of flow.

4.13. Garbage Containers. The Architectural Committee shall have the right to require each owner to specify a specific location for trash service and to require each Owner to construct a permanent facility at an approved location for the placement of garbage containers for collection purposes. In accordance with Section 7.15 of the Building Code, all garbage containers shall remain properly screened from sight at all times save and except for each Owner's trash collection day.

4.14. Underground Utility Lines. Save and except those constructed in accordance with the approved plat for North Lakeway Village - Section 6, no utility lines, including but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television, or other type of line or wire shall be erected, placed, or maintained anywhere in or upon any portion of the Property unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under, or on buildings or other Improvements as approved in writing by the Architectural Committee; provided, however, that no provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or other Improvements which have been previously approved in writing by the Architectural Committee. The installation method, including, but not limited to, location, type of installation equipment, trenching method, and other aspects of installation, for both temporary and permanent utilities, shall be subject to review and approval by the Architectural Committee.

4.15. Drainage. No objects, including but not limited to buildings, fences or landscaping, shall be allowed in a drainage easement except as approved by the City of Lakeway, any water control and improvement district in which the Property is located, and any other governmental entity having jurisdiction. There shall be no interference with the established drainage patterns over any of the Property, except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural Committee.

4.16. Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event that construction upon any Lot does not conform to usual practices in the area as determined by the Architectural Committee in its sole good faith judgment, the Architectural

Committee shall have the authority to seek an injunction to stop such construction. In addition, if during the course of construction upon any Lot there is excessive accumulation of debris of any kind which would render the Lot or any portion thereof unsanitary, unsightly, offensive, or detrimental to it or any other portion of the Property, then the Architectural Committee may contract for or cause such debris to be removed, and the Owner of the Lot shall be liable for all expenses incurred in connection therewith.

4.17. Fences. Unless otherwise approved by the Architectural Committee, all fences shall be five (5') feet in height, and shall be constructed of tubular steel, save and except fences erected by Declarant adjacent to (i) the perimeter of the Subdivision, or (ii) access easements or Roads within the Subdivision, which will be constructed with #1 grade cedar pickets and with treated pine or cedar railings or posts. Installation of such fences located on a Lot as permitted by this Section 4.17 may be completed without the approval of the Architectural Committee. The design, construction materials, height and location of all other fences shall otherwise require the approval of the Architectural Committee, subject to any applicable requirements set forth in Section 19.01 or 19.02 of the Building Code. In no event shall any fence or wall be erected, placed or altered on a lot nearer to the front street than the front wall of the single-family dwelling which is located on the Lot. Construction of gates or other access openings in subdivision perimeter fencing shall not be allowed on any Lot. Notwithstanding the foregoing, Owners shall not be required to construct any fence on their Lot. However, in the event that Declarant has constructed fencing on any Lot, the Owner of such Lot shall not disturb or remove such fencing without the prior written approval of the Architectural Committee.

4.18. Fence Maintenance. Fence maintenance shall be the responsibility of the Owner and all damage shall be repaired within thirty (30) days of written notification by the Association. It shall be a violation of this Declaration to maintain any fence in such a manner as to allow (i) any portion of a fence to lean so that the fence's axis is more than five (5) degrees out of a perpendicular alignment with its base, (ii) missing, loose or damaged stone or wood rails in the fence, or (iii) symbols, writings or other graffiti on the fence.

4.19. Improvements. No Improvements shall hereafter be constructed upon any of the Property without the prior written approval of the Plans and Specifications for the Improvement(s) by the Architectural Committee. Anything herein to the contrary notwithstanding, in the case of single-family residences constructed on any Lot, the Architectural Committee, in its sole discretion, may limit its review to a review of specific floor plans and elevations, and upon the Architectural Committee's approval of such specific floor plans and elevations, residences may be constructed consistent with the approved floor plans and elevations without the requirement of further review or approval by the Architectural Committee. No Improvement shall be placed or installed as to be visible from the street or from the first floor of another residence without prior approval of the location and the Plans and Specifications by the Architectural Committee.

4.20. Landscaping. In addition to those minimal requirements set forth in Section 17.02 of the Building Code (including the submission of a landscape plan in accordance with § 17.02(B), each Lot shall be landscaped, at a minimum, with (a) full sodded front and side yards (in front of fences), (b) the following number of hardwood shade trees; two (2) per Lot on all Lots other than corner Lots

and three (3) per corner Lot, and (c) at least ten shrubs sized five gallons or more and five shrubs (5) sized one gallon or more. The hardwood shade trees required by this Section shall be no smaller in size than 2 ½ to 3 inches caliper. All Owners are required to landscape front yards, side yards and adjacent to building foundations. After installation, Landscaping shall be properly maintained at all times.

ARTICLE V

NORTH LAKEWAY VILLAGE - SECTION 6 HOMEOWNERS ASSOCIATION, INC.

5.01. Organization. The Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association as a nonprofit corporation under the laws of the State of Texas. The Association shall be created for the purposes, charged with the duties, and vested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Nothing in this Declaration shall prevent the creation, by provisions therefore in Supplemental Declaration(s) executed and recorded by Declarant or any person or persons authorized by Declarant, of Subassociations to own, develop, assess, regulate, operate, maintain or manage the Property subject to such Supplemental Declarations.

5.02. Membership. Every Person who is a record Owner of a fee or undivided fee interest in any Lot which is subject, by covenants of record, to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. Any Mortgagee or Lienholder who acquires title to any Lot which is a part of the Property through judicial or nonjudicial foreclosure shall be a Member of the Association. Every Member shall have the right at all reasonable times during business hours to inspect the books and records of the Association.

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

- (A) Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) Person holds such interest in any Lot, all such Persons shall be Members. The vote for such Lot shall be exercised as they, among themselves, determine as provided by the Bylaws, but in no event shall more than one (1) vote be cast with respect to any Lot.
- (B) Class B. The Class B Member(s) shall be the Declarant, and its successors and assigns, and shall be entitled to three (3) votes for each Lot owned by it, provided that the Class B membership shall cease and be converted to Class A membership (subject to reversion back to Class B membership upon the

annexation of additional land) on the happening of any of the following events, whichever occurs earlier:

- (1) The complete development of the land described in Exhibits "A" and "B" attached hereto;
- (2) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership (subject to reversion back to Class B membership upon annexation of additional land); or
- (3) Thirty (30) years from the filing date hereof in the Official Public Records of Travis County, Texas.

5.04. Powers and Authority of the Association. The Association shall have the powers of a Texas nonprofit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Texas or by this Declaration. Without in any way limiting the generality of the two (2) preceding sentences, the Association and the Board, acting on behalf of the Association, shall have the power and authority at all times as follows:

- (A) Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact such Association Rules and Bylaws, as it deems proper, covering any and all aspects of its functions. The content of the Association Rules and Bylaws may be established by the Board, provided the same are not in conflict with this Declaration.
- (B) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion of the Board, are reasonably necessary or appropriate to carry out the Association functions.
- (C) Records. To keep books and records of the Association's affairs, and to make all such books and records available for inspection by any Owner upon request and at reasonable times and intervals.
- (D) Assessments. To levy Assessments as provided in Article VII below, in order to raise the total amount for which the levy in question is being made.
- (E) Right of Entry and Enforcement. To enter at any time in an emergency or in the case of a non-emergency, after written notice, by certified mail return receipt requested, without being liable to any Owner, upon any Lot and into any Improvement thereon, for the purpose of enforcing the North Lakeway Village - Section 6 Restrictions or for the purpose of maintaining or repairing any area, Improvement, or other facility to conform to the North Lakeway

Village - Section 6 Restrictions. The expense incurred by the Association in connection with the entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and the Improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VII hereof for regular and special assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the North Lakeway Village - Section 6 Restrictions. The Association is also authorized to settle claims, enforce liens, and take all such action as it may deem necessary or expedient to enforce the North Lakeway Village - Section 6 Restrictions; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors, or assigns.

- (F) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.
- (G) Conveyances. To grant and convey to any Person the real property and/or other interest therein, including fee title, leasehold estates, easements, rights-of-way or mortgages out of, in, on, over or under any Association property for the purpose of constructing, erecting, operating or maintaining the following:
 - (1) Parks, parkways or other recreational facilities or structures;
 - (2) Roads, streets, walks, driveways, trails and paths;
 - (3) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
 - (4) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or
 - (5) Any similar public, quasi-public or private improvements or facilities;

provided, however, that the Association shall not convey fee simple title in and to, or mortgage all or any portion of, any Common Areas without complying fully with the requirements of Section 8.08 below.

Nothing above contained, however, shall be construed to permit use or occupancy of any Improvement or other facility in a way which would violate

applicable use and occupancy restrictions imposed thereon by other provisions of this Declaration.

- (H) Manager. To retain and pay for the services of a person or firm (the "Manager") to manage and operate the Association, including its Property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the Association and the Board may delegate any other duties, powers and functions to the Manager. The Members of the Association hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.
- (I) Association Property Services. To pay for water, sewer, garbage removal, landscaping, gardening and all other utilities, services and maintenance for all Association Property; to maintain and repair easements, roads, roadways, rights-of-way, parks, parkways, median strips, sidewalks, paths, non-standard street signs, non-standard street lights, trails, detention ponds, retention ponds, lakes and other areas of the Property, as appropriate; and to own and operate any and all types of facilities for both active and passive recreation.
- (J) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, or the Articles or Bylaws of the Association.
- (K) Construction on Association Property. To construct new Improvements or additions to Association properties, subject to the approval of the Architectural Committee as provided in this Declaration.
- (L) Contracts. To enter into contracts with Declarant and other persons on such terms and provisions as the Board shall determine, to operate and maintain any Greenbelt, Park or Amenity Area or to provide any service or perform any function on behalf of Declarant or any Person.
- (M) Property Ownership. To acquire, own and dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

5.05. Road Maintenance. The Association shall maintain all Roads within the Property which have been completed but not accepted by the appropriate governmental entity for maintenance. In addition, the Association shall be authorized to landscape, maintain, and repair easements, access easements, rights-of-way, median strips, sidewalks, paths, trails, detention ponds, lakes, and other areas within the Property, as appropriate. The Association shall maintain all Greenbelt, Park or Amenity Areas within the Property dedicated to the Association for maintenance, by or with the consent of Declarant.

5.06. Lighting. The Association shall pay for electrical service, and for all other costs and expenses necessary to operate and maintain the lights within any Greenbelt, Park and Amenity Areas within the Property. The Association shall further pay any and all costs for the repair and replacement of any damaged light fixtures and facilities within street rights-of-way (such obligation shall not apply to the routine operation and maintenance of such fixtures and facilities).

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

- (A) To accept, own, operate and maintain all Common Areas which may be conveyed or leased to it by Declarant, together with all Improvements of whatever kind and for whatever purpose which may be located in said areas; to accept, own, operate and maintain all other Common Properties, real and personal, conveyed or leased to the Association by Declarant; and to maintain in good repair and condition all lands, improvements, and other Association property owned by or leased to the Association. Such maintenance shall include but not be limited to mowing and removal of rubbish or debris of any kind.
- (B) To construct, maintain, repair and replace landscape improvements and irrigation systems within public rights-of-way to the extent required pursuant to agreement(s) with Travis County or the City of Lakeway or other appropriate governmental authorities.
- (C) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the Members of the Association. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.
- (D) Upon the approval of two-thirds ($\frac{2}{3}$) of the Owners (excluding Declarant) and full compliance with the provisions of Section 8.08 below, to execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Association.
- (E) To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment of the Common Areas. Such insurance shall be in an amount that the Board shall deem appropriate.

5.08. Fencing. In the event Declarant shall erect or cause to be erected a fence along or around any portion of the Property, along or around any interior parkways, along or around any Lot where such side or rear property line adjoins a Greenbelt easement or otherwise, then the Association

shall be responsible for all maintenance of such fence, including the obligation to construct such fence in accordance with those requirements set forth in Section 19.01 of the Building Code, and to rebuild the same upon a majority vote of the Members. As provided in Section 8.05 below, the Association shall have any and all easements necessary to allow the Association, its employees, agents or assigns access over and across any Lot within the Property for the purpose of erecting, maintaining, replacing and repairing such fences.

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

ARTICLE VI

ARCHITECTURAL COMMITTEE

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

6.02. Membership of Architectural Committee. The Architectural Committee shall consist of not more than four (4) voting members ("Voting Members"), and such additional nonvoting members serving in an advisory capacity ("Advisory Members") as the Voting Members deem appropriate. The initial Voting Members of the Architectural Committee shall be appointed by Declarant, as provided in Section 6.06.

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

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

6.05. Term. Each Voting Member of the Architectural Committee shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. In the event of death or resignation of any Voting Member, the remaining Voting Member or Voting Members shall have full authority to act until a replacement Voting Member or Voting Members have been designated.

6.06. Declarant's Rights of Appointment. Declarant, its successors or assigns shall have the right to appoint and remove all members of the Architectural Committee. Declarant may delegate this right to the Board by written instrument. Thereafter, the Board shall have the right to appoint and remove all members of the Architectural Committee. When all of the land described in Exhibit "A" has been developed and conveyed to residential purchasers in the normal course of development and sale and no Class B memberships exist, the Board shall have this right to appoint and remove all members of the Architectural Committee, even if such right has not been delegated to it by Declarant.

6.07. Adoption of Rules. The Architectural Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including, but not limited to, a building code, a fire code, a housing code, and other similar codes as it may deem necessary and desirable.

6.08. Design Guidelines. The Architectural Committee hereby adopts the foregoing Sections 3.01 through 3.04 of this Declaration as the "Design Guidelines", and shall supply said Design Guidelines to each Owner. All improvements shall be constructed in accordance with the Design Guidelines, and the Architectural Committee shall have the authority to disapprove any proposed Improvements based on the restrictions set forth in the Design Guidelines. In the event that the Design Guidelines contradict, or fail to meet the minimum requirements for a particular item set forth in the Building Code, the Building Code shall control with respect to such specific item only. Declarant reserves the right to amend the Design Guidelines, from time to time, at Declarant's sole discretion, in a manner more restrictive than set forth in the Building Code. Any decision of the Architectural Committee pursuant to this Article VI shall be final and binding so long as it is made in good faith and does not contradict the Building Code. The Architectural Committee may charge Owners a reasonable fee for each set of Design Guidelines supplied to an Owner. More restrictive Design Guidelines may be adopted by the Association on any Sub-Association with respect to Section 2.

6.09. Review of Proposed Construction. Whenever in this Declaration, or in any Supplemental Declaration, the approval of the Architectural Committee is required, it shall consider all of the Plans and Specifications for the Improvement or proposal in question, the Design Guidelines and all other facts which, in its sole discretion, it considers relevant, and may require an Owner to provide such other information as it deems relevant. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the Plans and Specifications therefore shall be submitted to the Architectural Committee, and construction thereof may not commence unless and until the Architectural Committee has approved such Plans and Specifications in writing. The Architectural Committee

shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Architectural Committee. The Architectural Committee may review Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Architectural Committee of any information or documents deemed necessary by the Architectural Committee, it may postpone review of any Plans and Specifications submitted for approval. No Improvement shall be allowed upon any Lot which would unreasonably obstruct the view from any other portion of the Property, and no Improvement shall be allowed on any Lot which is of such size or architectural design or involves the use of such landscaping, color schemes, exterior finishes, and materials and similar features as to be incompatible with development within the Property and the surrounding area. The Architectural Committee shall have the authority to disapprove any proposed Improvement based upon the restrictions set forth in the preceding sentence and the decision of the Architectural Committee shall be final and binding so long as it is made in good faith. The Architectural Committee shall not be responsible for reviewing any proposed Improvement, nor shall its approval of any Plans or Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness, or conformance with building or other codes.

6.10. Actions of the Architectural Committee. The Architectural Committee may, by resolution, unanimously adopted in writing, designate one (1) or two (2) of its Voting Members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Committee. In the absence of such designation, the vote of the majority of all of the Voting Members of the Architectural Committee taken without a meeting shall constitute an act of the Architectural Committee.

6.11. Plan Review. Upon receipt by the Architectural Committee of all of the information required by this Article VI, it shall have thirty (30) days in which to review said plans. The proposed Improvements will be approved if, in the sole opinion of the Architectural Committee, (i) the Improvements will be of an architectural style and material that are compatible with the other structures in the Property; (ii) the improvements will not violate any restrictive covenant or encroach upon any easement or cross-platted building setback lines; (iii) the Improvements will not result in the reduction in property value, use or enjoyment of any of the Property; (iv) the individual or company intended to perform the work is acceptable to the Architectural Committee; and (v) the Improvements will be substantially completed, including all cleanup, within three (3) months of the date of commencement (six (6) months for the construction of a complete house). In the event that the Architectural Committee fails to issue its written response within thirty (30) days of its receipt of the last of the materials or documents required to complete the Owner's submission, the Architectural Committee's approval shall be deemed to have been granted without further action; provided however, the Architectural Committee's failure to issue a written response within such thirty (30) day period shall never be deemed to constitute a variance from compliance with any of the provisions of this Declaration, any Supplemental Declaration, or the Design Guidelines.

6.12. Variance. The Architectural Committee may grant variances from compliance with any of the provisions of this Declaration, any Supplemental Declaration or the Design Guidelines

when, in the opinion of the Architectural Committee, in its sole and absolute discretion, such variance will not impair or detract from the high quality development of the Property, and such variance is justified due to unusual or aesthetic considerations or unusual circumstances. All variances must be evidenced by a written instrument, in recordable form, and must be signed by at least two (2) of the Voting Members. The granting of such variance shall not operate to waive or amend any of the terms and provisions of these covenants and restrictions applicable to the Lots for any purpose except as to the particular property and in the particular instance covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

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

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

6.15. Address. Plans and Specifications shall be submitted to the Association at such address as may be designated by the Association, its successors and assigns, from time to time.

6.16. Fees. The Architectural Committee shall have the right to require a reasonable submission fee for each set of Plans and Specifications submitted for its review.

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

ARTICLE VII

FUNDS AND ASSESSMENTS

7.01. Assessments.

- (A) The Association may from time to time levy Assessments against each Lot whether or not improved. The level of Assessments shall be equal and uniform between all Lots, except that no Assessments hereunder shall be levied against Declarant.
- (B) Where the obligation to pay an Assessment first arises after the commencement of the year or other period for which the Assessment was levied, the Assessment shall be prorated as of the date when said obligation first arose in proportion to the amount of the Assessment year or other period remaining after said date.
- (C) Each unpaid Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be the personal obligation of the Owner of the Lot against which the Assessment fell due, and shall become a vendor's lien against each such Lot and all Improvements thereon. The Association may enforce payment of such Assessments in accordance with the provisions of this Article VII.

7.02. Maintenance Fund. The Board shall establish a maintenance fund into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under this Declaration. The funds of the Association must be used solely for purposes authorized by this Declaration, as it may from time to time be amended.

7.03. Regular Annual Assessments. Prior to the beginning of each fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under the North Lakeway Village - Section 6 Restrictions, including, but not limited to, the cost of all maintenance, the cost of all roadway and right-of-way maintenance, the cost of maintaining non-standard street lighting and non-standard street signs, the cost of enforcing the North Lakeway Village - Section 6 Restrictions, and a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Assessments sufficient to pay such estimated net expenses shall then be levied as herein provided, and the level of Assessments set by the Board shall be final and binding so long as it is made in good faith. If the sums collected prove inadequate for any reason, including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association at the beginning of the fiscal year or during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion.

7.04 Origination Fee. Declarant, for each Lot owned by it within the Properties, hereby covenants, and each prospective Owner shall be deemed to covenant and agree to pay to the Association an origination fee in the sum of \$200.00 for each newly constructed residential Improvement or "Living Unit". The origination fee shall become due and payable and collected on the date of the transfer of the Lot with the newly constructed Living Unit to the new occupant. The new occupant shall be responsible for the payment of the origination fee. The origination fee shall be used by the Association for capital expenditures approved by the Board.

7.05 Transfer Fee. Declarant, for each Lot owned by it within the Properties, hereby covenants, and each prospective Owner shall be deemed to covenant and agree to pay to the Association an administrative fee in the sum of \$200.00 each time a Lot improved with a Living Unit is conveyed. The transfer fee shall become due and payable and collected on the date of the transfer of the Lot and Living Unit to the new occupant. The new occupant shall be responsible for the payment of the transfer fee. If an Origination Fee is paid on the transfer of a Lot and Living Unit then the transfer fee will be waived. The transfer fee shall be used by the Association for capital expenditures approved by the Board. The transfer fee is different from the transfer fee a management company may charge for its services.

7.06. Special Assessments. In addition to the regular annual Assessments provided for above, the Board may levy special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the North Lakeway Village - Section 6 Restrictions. The amount of any special Assessments shall be at the reasonable discretion of the Board.

7.07. Owner's Personal Obligation for Payment of Assessments. The regular, special and initial Assessments provided for herein shall be the personal and individual debt of the Owner of the Lot covered by such Assessments. No Owner may exempt himself from liability for such Assessments. In the event of default in the payment of any such Assessment, the Owner of the Lot shall be obligated to pay interest at the highest rate allowed by applicable usury laws then in effect on the amount of the Assessment from the due date thereof (or if there is no such highest rate, then at the rate of two percent (2%) per month), together with all costs and expenses of collection, including reasonable attorney's fees. Failure to pay any such Assessments does not constitute a default under an insured mortgage.

7.08. Exemptions. Notwithstanding any provision herein to the contrary, all Common Areas and Association Property shall be exempt from the payment of any Assessments, whether regular, special or initial.

7.09. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this article but unpaid shall, together with interest as provided in Section 7.05 hereof and the cost of collection, including attorney's fees as herein provided, thereupon become a continuing lien and charge on the Lot covered by such Assessment, which shall bind such Lot in the hands of the Owner. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for:

- (A) All liens for taxes or special assessments levied by the applicable city, county or state government, or any political subdivision or special district thereof;
- (B) All liens secured by amounts due or to become due under any first mortgage vendor's lien or deed of trust filed for record securing, in either instance, sums borrowed for improvements of the Lot; and
- (C) All liens, including but not limited to vendor's liens, deeds of trust and other security agreements which secure any loan made by any lender to a Member for any part of the purchase price of any Lot when the same is purchased from a builder, or for any part of the cost of constructing, repairing, adding to or remodeling any Improvements utilized for residential purposes.

The Association shall have the power to subordinate the aforesaid assessment lien to any other lien. Such power shall be entirely discretionary with the Board and such subordination may be signed by an officer of the Association. To evidence the aforesaid assessment lien, the Association may prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the office of the County Clerk of Travis County, Texas. Such lien for payment of Assessments shall attach with the priority set forth above from the date that such payment becomes delinquent, and may be enforced by either the Association instituting suit against the Owner personally obligated to pay the Assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or nonjudicial, the Owner shall be required to pay the costs, expenses and reasonable attorney's fees incurred by the Association. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. Upon the written request of any Mortgagee, the Association shall report to such Mortgagee any unpaid Assessments remaining unpaid for longer than thirty (30) days after the same are due. Mortgagees are not required to collect Assessments.

ARTICLE VIII

PROPERTY RIGHTS AND EASEMENTS

8.01. Title to Common Areas. Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Areas to the Association, free and clear of all monetary encumbrances and liens.

8.02. Reserved Easements. All dedications, limitations, restrictions, and reservations shown on the Plat and all grants and dedications of easements, rights-of-way, restrictions, and related rights, made prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property. Declarant reserves the

right to make changes in and additions to the said easements and rights-of-way for the purpose of most efficiently and economically developing the Property. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other Person, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, electricity, cable television, telephone and drainage) in favor of any Person along any front, rear, or side boundary line of any Lot, which said easements shall have a maximum width of twenty five feet (25').

8.03. Easements for Utilities, Installation and Maintenance. There is hereby created an easement upon, across, over, and under all of the easement areas affecting the Property for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, gas, cable television, telephones, and electricity lines and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Improvement. Notwithstanding any provision contained in this section, no electrical lines, water lines, or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the Architectural Committee. The utility companies and other entities furnishing service shall have the right to remove all trees situated within the utility easements shown on the Plat, and to trim overhanging trees and shrubs located on portions of the Property abutting such easements.

8.04. Easement for Pond Maintenance and Flood Water. Declarant reserves for itself and its successors, assigns, and designees the non-exclusive right and easement, but not the obligation, to enter upon the ponds, streams, and wetlands, if any, located within the Property, the Common Areas, and the Common Properties (a) to install, keep, maintain and replace pumps in order to obtain water for the irrigation of any portion of the Common Areas or the Common Properties, (b) to construct, maintain and repair any wall, dam, or other structure retaining water therein, and (c) to remove trash and other debris and fulfill their maintenance responsibilities as provided in this Declaration. Declarant's rights and easements hereunder shall be transferred to the Association at such time as Declarant shall cease to own property subject to this Declaration, or such earlier time as Declarant may decide, in its sole discretion, and transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Lots abutting or containing any portion of any of the ponds, streams, or wetlands, if any, to the extent reasonably necessary to exercise their rights and responsibilities under this section.

8.05. Easement for Construction and Maintenance of Fences. Declarant reserves for itself, the Association, its successors, assigns, and designees the non-exclusive right and easement, to enter upon, across, over, and under those portions of the Property falling within existing Public Utility Easements ("PUE's") shown on the Plat, and/or the portion of any Lot falling between such Lot's boundary line and the building setback line for such Lot as shown on the Plat in connection with installing, replacing, repairing, and maintaining any and all fences as defined in Section 5.08. Declarant's rights and easements hereunder shall be transferred to the Association at such time as Declarant shall cease to own property subject to this Declaration, or such earlier time as Declarant

may decide, in its sole discretion, and transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Lots abutting or containing any portion of any such fences, to the extent reasonably necessary to exercise their rights and responsibilities under this section.

8.06 Lateral Support Easement. In the event that Declarant shall erect or cause to be erected a retaining wall for lateral support upon any Lot within the Subdivision, or any shared retaining wall upon any two or more adjacent Lots as shown on any approved subdivision construction plans for the Property; (i) Declarant reserves for itself, the Association, its successors, assigns, and designees, and the Owner(s) of the Lot(s) on which such retaining wall is constructed, an easement spanning five (5) feet from either side of such retaining wall for the landscaping, repair and maintenance of same, within which no permanent structure (pools, patios, etc.) may be constructed, save and except that tubular steel fences (or other fences as may be permitted by the Architectural Committee) may be constructed within such easement, and (ii) maintenance of such retaining wall shall be the sole responsibility of the Association, and all damage shall be repaired within thirty (30) days of written notification to the Association by an Owner. Each Owner shall maintain that portion of any fence (within such easement) on its respective Lot in a good and functioning condition and repair at such Owner's sole cost. Declarant hereby reserves for the benefit of each Owner of a Lot on which Declarant has constructed a retaining wall, a non-exclusive easement in, upon, over and across any adjacent Lot on which a portion of such retaining wall exists for the use, operation, replacement, upgrading, inspection, maintenance and repair of any fence constructed on or over such retaining wall. In the event any such Owner, or their agents and employees in exercising the easement rights granted by this paragraph, disturbs or otherwise damages any portion of another Owner's Lot, or improvements thereon, such Owner shall within a reasonable time period restore the Lot and/or repair such improvements, including without limitation landscaping, grasses, curbs, asphalt, retaining wall, and concrete paving, to their prior condition. In the event that any Owner or Owners fail to maintain or repair any fence constructed on or over such retaining wall as required by this Section 8.06 within thirty (30) days following such Owner's receipt of written notice of same from the Association, the Association shall have the right to enter on to such defaulting Owner's Lot, to the extent necessary to perform such repairs or maintenance as may be required on such fence. Upon completion of such repairs, the Association shall be entitled to assess such defaulting Owner or Owners for the costs of such repairs undertaken by the Association, and shall have a lien for same.

8.07. Drainage Easements. Declarant reserves for itself, the Association, its successors, assigns, and designees the non-exclusive right and easement for drainage and water flow across the area located within ten (10) feet of the rear lot line of all Lots in Section 6. Additionally, Declarant hereby reserves for itself, the Association, its successors, assigns and designees, a non-exclusive five (5) foot drainage easement along each side lot line of all Lots in Section 6 for drainage and water flow, as contours of land and the arrangement of Improvements approved by the Architectural Committee thereon, may require. Each Owner further covenants not to disturb or displace any berms, swales, natural flow pattern, or grading of their respective Lot, that would in any way effect the flow of surface water across same. There shall be no construction of Improvements, temporary or permanent, in any drainage easement, except as approved in writing by the Architectural Committee.

8.08. Surface Areas. Each Owner shall maintain the surface area of all easements located within his Lot and all Improvements located therein, except for such Improvements for which a public authority or utility company is responsible. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither the Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

8.09. 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, Greenbelt or Amenity Area or any drainage, water, gas, sewer, storm sewer, electrical light, electrical power, telegraph or telephone way, or any pipes, lines, poles or conduits on or in any utility facility, or appurtenances thereto, constructed by or under Declarant or its agents, through, along or upon any Lot, or any part thereof, to serve said Lot or any other portion of the Property; and the right to maintain, repair, sell, or lease such appurtenances to any municipality or other governmental agency, or to any public service corporation or to any other party, is hereby expressly reserved in Declarant.

8.10. Owner's Easements of Enjoyment of Common Areas. Each Owner shall have an easement of use and enjoyment in and to all Common Areas which shall be appurtenant to and shall pass with title to such Owner's Lot, subject to the following provisions:

- (A) The right of the Association to suspend the Owner's voting rights and right to use the Common Areas for any period during which any Assessment against such Owner's Lot remains unpaid, and for any period during which the Owner is in violation of the rules and regulations of the Association. No such suspension shall be effective unless written notice is given to the Owner by certified mail, return receipt requested describing the violation, in accordance with V.T.C.A., Property Code Section 209.006 and an opportunity to be heard in accordance with V.T.C.A., Property Code Section 209.006.
- (B) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless: (1) an instrument of agreement to such dedication or transfer, signed by at least two-thirds (b) of each class of Members entitled to vote, is recorded; and (2) written notice of the proposed action under this provision is sent to every Owner and Mortgagee not less than thirty (30) days and not more than sixty (60) days in advance of such action. If ingress or egress to any Lot is through any part of a Common Area, any conveyance or encumbrance of such Common Area shall be subject to a Lot Owner's ingress and egress easement.

- (C) The right of the Association to borrow money for the purpose of improving the Common Areas and, in furtherance thereof, to mortgage the Common Areas, all in accordance with the Articles and Bylaws. No such mortgage shall be effective unless: (1) an instrument of agreement to such mortgage, signed by at least two-thirds (2/3) of each class of Members entitled to vote, is recorded; and (2) written notice of the proposed action under this provision is sent to every Owner and Mortgagee not less than thirty (30) days and not more than sixty (60) days in advance of such action.
- (D) The right of the Association to make reasonable rules and regulations regarding the use of the Common Areas and any facilities thereon.
- (E) The right of the Association to contract for services with third parties on such terms as the Association may determine.

ARTICLE IX

MISCELLANEOUS

9.01. Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until December 31, 2038, unless amended as herein provided. After December 31, 2038, this Declaration, including all such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least seventy-five percent (75%) of the Lots within the Property then subject to this Declaration.

9.02. Property Code. The provisions of this Declaration are also subject to the Texas Residential Property Owners Protection Act, Chapter 209 of the Texas Property Code, as amended from time to time.

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

9.04. Amendment.

- (A) By Declarant. This Declaration may be amended by the Declarant so long as Declarant owns or controls any of the land described in Exhibit "A". No amendment by Declarant shall be effective until there has been recorded in the Official Public Records of Travis County, Texas an instrument executed

and acknowledged by Declarant and setting forth the amendment. Notwithstanding the foregoing, Declarant may amend this Declaration at any time to correct typographical and grammatical errors.

- (B) By Owners. In addition to the method in Section 9.04(A), this Declaration may be amended by the recording in the Official Public Records of Travis County of an instrument executed and acknowledged by the President and Secretary of the Association, setting forth the amendment and certifying that such amendment has been approved by Owners of at least seventy-five percent (75%) of the Lots.

9.05. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

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

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

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

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

9.10. Enforcement and Nonwaiver.

- (A) Right of Enforcement. Except as otherwise provided herein, any Owner at his own expense, Declarant, and/or the Board shall have the right to enforce all of the provisions of the North Lakeway Village - Section 6 Restrictions. Such right of enforcement shall include both damages for, and injunctive relief against, the breach of any such provision.
- (B) Nonwaiver. The failure to enforce any provision of the North Lakeway Village - Section 6 Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said restrictions.
- (C) Liens. The Association shall have the right, when appropriate in its judgment, to claim or impose a lien upon any Lot or Improvement constructed thereon in order to enforce any right or effect compliance with this Declaration.

9.11. Construction.

- (A) Restrictions Severable. The provisions of the North Lakeway Village - Section 6 Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.
- (B) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.
- (C) Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, sections or articles hereof.

[Signature page appears below]

IN WITNESS WHEREOF, Declarant has executed this Declaration on this the 13th day of June, 2008.

DECLARANT:

RH OF TEXAS LIMITED PARTNERSHIP,
a Maryland limited partnership

By: Ryland Homes of Texas, Inc.,
a Texas corporation,
General Partner

By: [Signature]
Name: Roland A. Ramirez
Title: Land Manager

STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§

This instrument was acknowledged before me on 13th day of June, 2008 by Roland Ramirez, Land Manager of Ryland Homes of Texas, Inc., a Texas corporation, General Partner of RH of Texas Limited Partnership, a Maryland limited partnership, on behalf of said partnership.



[Signature]
Notary Public, in and for the State of Texas

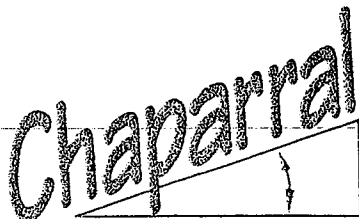
MARGARET ANN YOUNG
Name Printed

Commission Expires: 12/6/2010

EXHIBIT A

Property

That certain 28.468 acre tract in the City of Lakeway, Travis County, Texas, more particularly described in Exhibit "A-1" attached hereto, SAVE AND EXCEPT Lots 103 and 104, Block D, NORTH LAKEWAY VILLAGE SECTION 6, according to the map or plat thereof recorded at Document No. 200700038, Official Public Records of Travis County, Texas.



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-441-6987

2807 Manchaca Road
Building One
Austin, Texas 78704

**28.468 ACRES
PROPOSED NORTH LAKEWAY VILLAGE SECTION 6
TRAVIS COUNTY, TEXAS**

A DESCRIPTION OF 28.468 ACRES (APPROXIMATELY 1,240,061 S.F.) OF LAND IN THE B. K. STEWART SURVEY NO. 84 AND E.L. HARRISON SURVEY NO. 521, BOTH OF TRAVIS COUNTY, TEXAS, BEING ALL OF A 19.855 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED DATED NOVEMBER 23, 2005, TO RH OF TEXAS LIMITED PARTNERSHIP, AND RECORDED IN DOCUMENT NO. 2005220702, ALL OF A 7.927 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED DATED JANUARY 25, 2006, TO RH OF TEXAS LIMITED PARTNERSHIP, AND RECORDED IN DOCUMENT NO. 2006015001, AND ALL OF A 0.69 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED DATED JANUARY 25, 2006, TO RH OF TEXAS LIMITED PARTNERSHIP, AND RECORDED IN DOCUMENT NO. 2006030381, ALL OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 28.468 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found in the south right-of-way line of Clara Van Drive (60 foot right-of-way width) for the southeast corner of the said 19.855 acre tract, also being the northeast corner of a 1.656 acre tract described in Volume 10043, Page 683 of the Real Property Records of Travis County, Texas, from which a 5/8" rebar found in the south right-of-way line of Clara Van Drive bears South 27°00'46" East, a chord distance of 137.93 feet;

THENCE with the south line of the 19.855 acre tract and the north line of the 1.656 acre tract, the following six (6) courses:

1. South 69°49'57" West, a distance of 141.29 feet to a 1/2" rebar found;
2. South 79°38'51" West, a distance of 37.54 feet to a 1/2" rebar found;
3. North 73°33'33" West, a distance of 92.87 feet to a 1/2" rebar found;
4. South 79°28'07" West, a distance of 85.92 feet to a 1/2" rebar found;
5. South 05°24'47" East, a distance of 220.55 feet to a 1/2" rebar found;
6. South 55°20'28" West, a distance of 139.48 feet to a 1/2" rebar with cap set in the east line of Lot 17, Round Mountain Estates 2, a subdivision of record in Document No. 200100103 of the Official Public Records of Travis County, Texas, for an angle point in the south line of the 19.855 tract, also being the northwest

corner of the 1.656 acre tract, from which a 1/2" rebar found for the southeast corner of Lot 17 bears South 34°41'17" East, a distance of 292.22 feet;

THENCE with the south lines of the 19.855 acre tract and the said 7.927 acre tract, and the north lines of Lot 17 and a 1.2 acre tract described in Volume 11816, Page 76 of the Real Property Records of Travis County, Texas, the following four (4) courses:

1. North 34°41'17" West, a distance of 214.37 feet to a 1/2" rebar found;
2. North 34°33'34" West, a distance of 22.25 feet to a 1/2" rebar found;
3. South 71°21'57" West, a distance of 41.33 feet to a 1/2" rebar found;
4. South 63°23'36" West, a distance of 211.67 feet to a 1/2" rebar found for the southwest corner of the 7.927 acre tract, also being the southeast corner of a 0.29 acre tract described in Document No. 2002252684 of the Official Public Records of Travis County, Texas, and an angle point in the north line of the 1.2 acre tract;

THENCE North 23°13'43" West, with the west line of the 7.927 acre tract and the east line of the 0.29 acre tract, a distance of 228.69 feet to a 1/2" rebar found for the north corner of the 0.29 acre tract, and an angle point in the west line of the 7.927 acre tract, also being an angle point in the east line of Lot 3653, Lakeway Subdivision, Section 28-B, a subdivision of record in Volume 76, Page 197 of the Plat Records of Travis County, Texas;

THENCE with the west line of the 7.927 acre tract and the east lines of Lakeway Subdivision, Section 28-B and Lakeway Subdivision, Section 28, Clusters 28 III, a subdivision of record in Volume 79, Page 294 of the Plat Records of Travis County, Texas, the following four (4) courses:

1. North 16°33'01" West, a distance of 145.08 feet to a 1/2" rebar found;
2. North 16°44'15" West, a distance of 325.41 feet to a 1/2" rebar found;
3. North 17°12'43" West, a distance of 200.14 feet to a 1/2" rebar found;
4. North 16°26'35" West, a distance of 37.30 feet to a 1/2" rebar found for the northwest corner of the 7.927 acre tract, also being the southwest corner of a 1.885 acre tract described in Volume 6634, Page 601 of the Deed records of Travis County, Texas;

THENCE with the north line of the 7.927 acre tract, the south and east lines of the 1.885 acre tract, and the west line of the 19.855 acre tract, the following three (3) courses:

1. North 70°27'50" East, a distance of 575.34 feet to a 1/2" rebar with cap set;
2. North 02°03'07" East, a distance of 43.81 feet to a 5/8" rebar found;
3. North 13°26'00" West, a distance of 122.68 feet to a 5/8" rebar found for an angle point in the west line of the 19.855 acre tract, also being the northeast corner of the 1.885 acre tract and the southeast corner of a 9.65 acre tract described in Document No. 2001141867 of the Official Public Records of Travis County, Texas;

THENCE with the west line of the 19.855 acre tract, which departs from the east lines of the adjoining tracts, the following four (4) courses:

1. North 25°58'56" West, a distance of 619.81 feet to a 1/2" rebar found, from which an iron pipe found for the most northern corner of the 9.65 acre tract, being also the most eastern corner of a 2.095 acre tract conveyed to Colleen C. Huber, of record in Volume 11921, Page 120 of the Real Property Records of Travis County, Texas bears South 22°26'11" East, a distance of 80.18 feet;
2. North 22°42'00" West, a distance of 167.80 feet to a 1/2" rebar found;
3. North 28°53'56" West, a distance of 105.71 feet to a 5/8" rebar found, from which a 5/8" rebar found for an angle point in the northeast line of the said 2.095 acre tract bears South 39°27'02" West, a distance of 10.64 feet;
4. North 38°48'14" West, a distance of 126.45 feet to a 1/2" rebar with cap set for the northwest corner of the 19.855 acre tract, being in the south line of Round Mountain Drive, as shown on the plat of Round Mountain Subdivision Section 2, a subdivision of record in Volume 76, Page 371 of the Plat Records of Travis County, Texas being in the north line of an approximate 10' strip of land dedicated as additional right-of-way with said plat;

THENCE North 51°22'24" East, with the north line of the 19.855 acre tract, crossing Round Mountain Drive as it is shown on the referenced plat, a distance of 40.00 feet to a 1/2" rebar found in the north right-of-way line of Round Mountain Drive (right-of-way width varies) for an angle point in the north line of the 19.855 acre tract, also being the southwest corner of a 0.51 acre tract described in Document No. 2002149706 of the Official Public Records of Travis County, Texas, and the southeast corner of Lot 15,

Bar-S Ranch Subdivision, Section 2, a subdivision of record in Volume 48, Page 20 of the Plat Records of Travis County, Texas;

THENCE South 55°04'36" East, with the north line of the 19.855 acre tract and the south line of the 0.51 acre tract, a distance of 104.76 feet to a 1/2" rebar found for the southeast corner of the 0.51 acre tract, also being the southwest corner of a 0.46 acre tract described in Document No. 2003181335 of the Official Public Records of Travis County, Texas, also being an angle point in the north line of the 19.855 acre tract;

THENCE South 63°04'55" East, with the north line of the 19.855 acre tract and the south line of the 0.46 acre tract, a distance of 100.04 feet to a 1/2" rebar found for the southeast corner of the 0.46 acre tract, also being the southwest corner of a 0.79 acre tract described in Document No. 2003181337 of the Official Public Records of Travis County, Texas, also being an angle point in the north line of the 19.855 acre tract;

THENCE with the north line of the 19.855 acre tract and the south line of the 0.79 acre tract, the following two (2) courses:

1. South 51°51'05" East, a distance of 100.63 feet to a 1/2" rebar found;
2. South 43°56'45" East, a distance of 99.54 feet to a 1/2" rebar found for the southeast corner of the 0.79 acre tract, also being the southwest corner of a 0.686 acre tract described in Document No. 2003181339 of the Official Public Records of Travis County, Texas, also being an angle point in the north line of the 19.855 acre tract;

THENCE with the north line of the 19.855 acre tract and the south line of the 0.686 acre tract, the following two (2) courses:

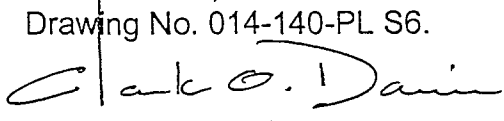
1. South 40°51'43" East, a distance of 126.01 feet to a 3/4" iron pipe found;
2. North 43°39'15" East, a distance of 185.09 feet to a 1/2" rebar found in the south right-of-way line of Clara Van Drive for the northeast corner of the 19.855 acre tract, also being the northeast corner of the 0.686 acre tract;

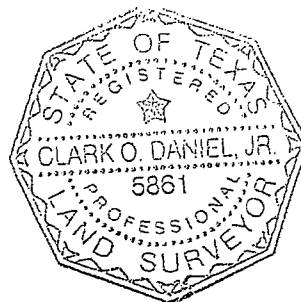
THENCE with the south right-of-way line of Clara Van Drive and the east line of the 19.855 acre tract and the said 0.69 acre tract, the following eleven (11) courses:

1. South 45°29'12" East, a distance of 70.53 feet to a 1/2" rebar found;
2. With a curve to the right, having a radius of 454.46 feet, an arc length of 140.92 feet, and a chord which bears South 36°22'52" East, a distance of 140.36 feet to

- a 1/2" rebar found;
3. South 27°31'51" East, a distance of 181.27 feet to a 1/2" rebar found;
 4. South 29°56'11" East, a distance of 168.48 feet to a 1/2" rebar found;
 5. With a curve to the right, having a radius of 366.55 feet, an arc length of 237.64 feet, and a chord which bears South 11°20'38" East, a distance of 233.50 feet to a 1/2" iron pipe found;
 6. South 07°27'28" West, a distance of 150.08 feet to a 1/2" rebar with cap set;
 7. South 05°49'56" West, a distance of 98.76 feet to a 1/2" rebar with cap set;
 8. With a curve to the right, having a radius of 2308.09 feet, an arc length of 197.37 feet, and a chord which bears South 08°16'10" West, a distance of 197.31 feet to a 1/2" rebar with cap set;
 9. Continuing with a reverse curve to the left, having a radius of 574.48 feet, an arc length of 296.90 feet, and a chord which bears South 04°08'29" East, a distance of 293.61 feet to a 1/2" rebar found;
 10. Continuing with a curve to the left, having a radius of 574.48 feet, an arc length of 210.95 feet, and a chord which bears South 29°42'04" East, a distance of 209.77 feet to a 1/2" rebar found;
 11. Continuing with a reverse curve to the right, having a radius of 744.84 feet, an arc length of 118.99 feet, and a chord which bears South 34°20'04" East, a distance of 118.86 feet to the **POINT OF BEGINNING**, containing an area of 28.468 acres of land, more or less.

Surveyed on the ground October, 2006. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 014-140-PL S6.

 12.12.2006
Clark O. Daniel, Jr. Date
Registered Professional Land Surveyor
State of Texas No. 5861



FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2008 Jun 19 11:33 AM 2008103225

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DANA DEBEAUVOIR COUNTY CLERK

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